

DEPARTMENT OF ECONOMICS

Syllabus, Synoptic notes and descriptive questions

FOR SYBA

2020-21

Economics – VI Indian economy (Semester – IV)

Module- I: Introduction

Trends in India's National Income and PCI Since 1990; Structural Changes In Indian Economy; Brief Overview of the Employment Generation and Poverty Alleviation Programmes; Regional Inequalities; Measures to Reduce Regional Inequalities in India

Module - II: Agricultural Sector

Role of Agriculture in Economic Development; Causes of Low Productivity; Agricultural Inputs; Agricultural Price Policy: Recent Minimum Support Price Policy; Income Support for Farmers; Sources of Agricultural Finance; Micro Finance; NABARD: Role and Function; Agricultural Marketing: Structure and Problems; National Policy for Farmers, 2007; Organic Farming Policy; Food Security in India

Nature of Agriculture During Post Reform Period. Objectives of National Agricultural Policy (NAP) 2000

- i. To achieve 4% growth rate
 - ii. To introduce structural changes
 - iii. To bring in necessary land reforms
 - iv. To equip with necessary supportive services
 - v. To make agriculture more market oriented
 - vi. To investigate the issues relating to farmers benefit
- i. Introduction of agricultural sector
 - ii. Importance of agriculture in India

Features of National Agricultural Policy, 2000.

- i. Private participation
- ii. Competitive approach
- iii. Efficiency in agriculture
- iv. Tax reforms
- v. Internal trade
- vi. Better varieties of seeds and plant
- vii. Infrastructure facilities

viii. Implications of NAP 2000

Implications of NAP, 2000.

- Increase productivity,
- increase in investment,
- private investment, research and development,
- extension program, appropriate technology,
- area specific development strategy,
- use of wasteland,
- service cooperation,
- land reforms,
- change in attitude and
- price policy.

Features of Agricultural Pricing Policy.

Ans: Non-remunerative prices, role of supply in agricultural prices, uncertainty, distress sale, middlemen, incomplete information and poor infrastructure.

Need for agricultural pricing policy

Ans: To provide remunerative price, to provide incentives to farmers, to promote capital formation, to have better terms of trade to reduce income inequality of income, to prevent in-built fluctuations and to encourage rational utilization of land.

Briefly evaluate of agricultural pricing policy

Ans: Difficulty in deciding fair prices, no integration between different criteria, benefit to large farmers, mounting fiscal deficit, contribution to inflationary pressure, impact on rural poor, bias favour of low-cost states, all commodities are not covered and more competitive attitude.

Explain the sources of Agricultural Finance.

Ans: Types of Agricultural finance and Sources of agricultural finance.

- A) Non-institutional sources: Money lenders, traders, relatives, cooperative credit societies
- B) Institutional sources: Commercial banks, RRBs and cooperative banks

Discuss the limitations of institutional finance.

Ans: Too many formalities, problem of collateral securities, loans are given for productive purposes only, political interference and corruption.

Explain the problems of Agricultural marketing.

Ans: Forced or distressed sale, lack of organization, seasonal price fluctuations, insufficient infrastructural facilities and inadequate credit

Discuss on Market information and Market training.

Ans: Market information is provided through mass media, marketing surveys are conducted, grading and standardization is introduced and use of electronic media.

Marketing training has covered different areas such as, marketing skills, acquiring information, liaison officers, rules and regulation etc.

Write a note on NABARD.

Ans: Role and functions of NABARD: To promote and develop financial institutions, to inspect district and state cooperative banks and RRBs, to introduce innovations and reduce regional imbalance.

Discuss the Recent developments in Agricultural Marketing.

Ans: Introduction of Model Agricultural Produce Market Committee (APMC) Act in 2003. Its functions are—to provide direct sale, to set up special market for specified agricultural commodities, establishment of new markets, to have a single levy of market fee, to replacing licensing with registration of market functioning.

Write a note on ‘Enabling Environment’.

Ans: enabling environment is a set of inter-related conditions such as, legal, organized, fiscal, political and cultural that enable the participants to engage effectively in the process of agricultural marketing. Therefore, it is necessary to create marketing environment by, production improvement, transportation, grading, infrastructure, information, supply chain coordination, legal framework, institutional system and regulatory system.

Module -III: Industrial Sector

Infrastructure for Industrial Development; Industrial Policies in India; Industrial Policy of 1991; Micro, Small and Medium Enterprises (MSMEs): Classification, Role and Policy Measures; Growth of Large Scale Industries and Economic Development; Recent Policies and Programs for Industrial Development: Start Up India, Make in India, Skill India; Role and Trends of FDI in Industrial Sector Development

Industrial Policy since 1991 :

- i. **Abolition of Industrial Licensing-** licensing was abolished except for 18 industries, viz. coal & lignite, petroleum, alcohol, sugar, cigarette, asbestos, plywood, animal fats, leather, motor cars, paper, aerospace, industrial explosives, chemicals, drugs & pharmaceuticals, newsprint, electronic and defense goods
- ii. **Public sector policy-** Except two industries, namely atomic energy and railways, all other industries were opened to the private sector.
- iii. **MRTP act-** MRTP limit (Rs. 100 crore) goes.
- iv. **Foreign Investment and Technology-** Free entry to foreign investment and technology. FDI is permitted in almost all activities.

Appraisal of NIP (J C Sandesara)-

- a. Project cost is reduced
- b. Availability of more resources
- c. Enhancement of allocative efficiency
- d. Greater autonomy
- e. Promotion of competition and efficiency

Criticism of NIP-

- a. Erratic and fluctuating industrial growth
- b. Distortions in production structure
- c. Threat from foreign competition
- d. Dangers of business colonization
- e. Misplaced faith in foreign investment
- f. Continuation of corrupt practices

Rationale for Privatization and Disinvestment

- a. Improvement in efficiency and performance
- b. Fixing responsibility is easier
- c. Market discipline
- d. No political interference
- e. Delays in decision making
- f. Better services

Policy measures:

- a. NIP 1991
- b. Navratnas (IOC, IPCL, ONGC, BPCL, HPCL, NTPC, SAIL, VSNL, & BHEL) and Miniratnas (97 PSUs)
- c. Methods of Investment- IPOs, Public offering, offer for sale, strategic sale, Institutional Placement Program

Critique of Disinvestment-

- A. Undervaluation of assets
- B. Utilization of money from disinvestment was done to offset fiscal deficit
- C. Unemployment
- D. Private monopoly
- E. Widespread corruption

Role of MSME-

- i. Contribution to GDP

- ii. Employment generation
- iii. Contribution to exports
- iv. Mobilisation of capital and entrepreneurial skills
- v. Equitable distribution of income and wealth
- vi. Regional dispersal of industries
- vii. Support to large scale industries
- viii. Support to agricultural sector

Government Policies and Measures:-

a. Ministry of small-scale and agro and rural industries

b. Small Industries Development Bank of India (SIDBI)

c. MSME Act, 2006- Features:

- i. Priority in government purchases is given to products and services from MSE sector
- ii. It strengthens legal provisions to check delayed payment to micro and medium enterprises
- iii. Setting up of specific funds for promotion and development of the sector
- iv. Consultation body for MSE industries
- v. Recent government measures- Cluster Development Program (CDP), Credit Guarantee Trust Fund, fund for regeneration of traditional industries, A Scheme for Promoting Innovation and Rural Entrepreneurs (ASPIRE) was set up to accelerate entrepreneurship. Udyog Adhar Memorandum etc.

Industrial Pollution : Types-

- i. Water Pollution
- ii. Air Pollution
- iii. Soil Pollution
- iv. Noise Pollution
- v. Toxic waste

Causes of Industrial Pollution :

- a. Unplanned industrial growth
- b. Use of outdated technology
- c. Use of water in industrial processes
- d. Poor implementation of policies and laws
- e. Inefficient waste disposal system
- f. Absence of nationwide pollution tax

Effects of Industrial Pollution :

- a. On Health
- b. Low labour productivity
- c. Low agricultural productivity
- d. Global warming

- e. Effect on wildlife
- f. Depletion of Green cover and biodiversity

Measures to control Industrial Pollution :

- a. Constitutional amendment
- b. The Water (Prevention and Control of Pollution) Act, 1974 :
- c. The Air (Prevention and Control of Pollution) Act, 1982
- d. The Environment Protection Act, 1986
- e. Central Pollution Control Board (CPCB)
- f. Public Liability Insurance Act, 1991
- g. Clean Technology Scheme (1994)
- h. Emission standards
- i. Hazardous Waste Management Regulations

Module -IV: Service Sector

Role of Service Sector in Indian Economy; Growth and Performance of Healthcare; Performance of Trade and Tourism, Information Technology and IT - Enabled Services; Research and Development Services With Reference to Education and Skill Development in Employment Generation in India; Performance of Service Sector during XIIth Five Year Plan

Trends in the Services Sector :

- a. Role of services sector – i. driver of economic growth, ii. Rising contribution economic growth, iii. Contribution to employment, iv. Contribution to exports, iv. FDI in services sector, v. transition to knowledge-based economy, vi. Media and entertainment, vii. Health and education, viii. Travel and tourism sector, ix. Retailing x. entrepreneurial skills, xi. Support to primary and secondary sector
- b. Recent Trends in Health Care Industry – rapid growth of health care services, ii. Expansion of health infrastructure, iii. Role of traditional medicine, iv. Public and private providers of health services, v. rising investment in health care facilities, vi. Health care through insurance and vii. Medical tourism
- c. Problems of Health Industry – i. inadequate infrastructure, ii. Health care divide between middle class and medical tourists, iii. Lack of insurance and iv. High incidence of diseases
- d. Tourism Industry – World Travel and Tourism Council (WTTC), contribution to GDP= 10.2% of GDP or 7.6 million US dollars,
- e. Various categories of Tourism – medical, heritage, ecotourism, adventure tourism, agro-tourism etc.

References :-

- 1) Ashwini Mahajan, Gaurav Datt, (2018) 'Indian Economy', S. Chand and Company, New Delhi.
- 2) Brahmananda, P.R. and V.R. Panchmukhi (Eds.), (2001), 'Development Experience in the Indian Economy: Inter-State Perspectives', Bookwell, New Delhi.

3) Datt, Ruddra and K.P.M, Sundaram, (2017), 'Indian Economy', S. Chand & Company Ltd., New Delhi.

Descriptive Questions :-

1. Discuss the concepts of National Income and Per Capita Income
2. Explain the trends in National Income and PCI before 1990.
3. Explain the trends in India's National Income and PCI Since 1990;
4. Discuss the structural changes in Indian Economy
5. Analyse the effects of structural changes on Indian economy.
6. Discuss the nature of unemployment and poverty in India.
7. Explain in brief the overview of the Employment Generation.
8. Write a note on 'Poverty Alleviation Programmes'.
9. Discuss the concept and Trends in Regional Inequalities.
10. Explain the causes of Regional Inequalities in India
11. Examine the Measures to Reduce Regional Inequalities in India
12. Discuss the Role of Agriculture in Economic Development.
13. What are the causes of Low Productivity in agriculture? Explain.
14. Write a note on Agricultural Inputs.
15. Discuss the Agricultural Price Policy of India.
16. Give a brief account of the recent Minimum Support Price Policy of India.
17. Write a note on Income Support for Farmers.
18. Discuss the sources of Agricultural Finance
19. Explain the concept and importance of Micro Finance
20. Write a note on NABARD
21. Discuss the structure and problems of Agricultural Marketing.
22. Write a note on: i) National Policy for Farmers, 2007, ii) Organic Farming Policy, iii) Food Security in India.
23. Discuss the importance of infrastructure for Industrial Development.
24. Explain the various industrial policies in India before 1990.
25. Write a note on 'Industrial Policy of 1991'.
26. Discuss the concept and need for Micro, Small and Medium Enterprises (MSMEs)
27. Explain the Classification of MSMEs
28. Explain the Role and Policy Measures of MSMEs
29. Discuss the growth of Large -Scale Industries and Economic Development
30. Examine the recent policies and Programs for industrial development.
31. Write a note on: Start Up India, ii) Make in India., iii) Skill India
32. Discuss the Role of Foreign Direct Investment
33. Examine the trends of FDI in Industrial Sector Development
34. Discuss the Role of Service Sector in Indian Economy
35. Explain the growth of Healthcare in India
36. Write a note on: Performance of Healthcare
37. Explain the performance of trade services in India.
38. Write note on: i) Tourism Industry, ii) Information Technology
39. Write a note on 'IT - Enabled Services.
40. Explain the Research and Development Services with Reference to Education.
41. Discuss the importance of Skill Development in employment generation in India.
42. Explain the performance of Service Sector during XIIth Five Year Plan.