

Ist Internal, 2019
BCOM II (P,H)
Economic Environment in Rajasthan
Set A

Time 1.30 Hrs.

[I] Multiple Choice Questions

(10*1=10)

Q1. What things are taken into consideration while revising the poverty line periodically?

- (a) By conducting a survey every five years
- (b) National Sample Survey Organization carries out the survey
- (c) Both a and b are taken into consideration
- (d) None of the above

Q2. The reason for the decline in the child sex ratio in India is.

- (a) Low fertility rate.
- (b) Female foeticide
- (c) Incentives for boy child from government
- (d) none of the above

Q3. What do you mean by a mixed economy?

- (a) Modern and traditional industries
- (b) Public and private sectors
- (c) Foreign and domestic investments
- (d) Commercial and subsistence farming

Q4. What do you mean by demand of a commodity?

- (a) A desire for the commodity
- (b) Need for the commodity
- (c) Quantity demanded of that commodity
- (d) Quantity of the commodity demanded at a certain price during any particular period of time

Q5. Starting from the time of Independence India followed a planned economy because

- (a) India followed a five-year plan and required an outlook
- (b) Indian constitution directive principles indicated the planned vision of India
- (c) 1 and 2
- (d) none of the above

Q6 The reason for the decline in the employment in India is.

- (a) Low GDP. (b) Low employment generation
(c) Low industrial growth (d) All of the above

Q7. what percentage of India's population lives in the state

- (a).5% (b). 6%
(c).5.6% (d). 7%

Q8. Population of Rajasthan according to census 2011 is

- (a) [6 crore] (b)[.6.86 crore]
(c)[5.86 crore] (d).[25 crore]

Q9. Rajasthan state has been administratively divided into

- (a) Seven division (b) Six division
(c) Four division (d) Eight division

Q10. which is the largest state of India

- (a) Rajasthan (b).MP
(c) UP (d).Haryana

[II] Long type Questions:

(10*3=30)

. Q.1 Discuss the rural development Programs in Rajasthan.

1. Swarnajayanti Gram Swarozgar Yojana (SGSY) 11.8 From the 1st of April 1999, the Government of India, Ministry of Rural Development, merged the erstwhile program of Integrated Rural Development Program (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Million Wells Scheme (MWS), Ganga Kalyan Yojana (GKY) and Supply of Improved Toolkits for Rural Artisans (SITRA) into one comprehensive credit cum subsidy program aimed at benefiting families below poverty line. This program was named Swarnajayanti Gram Swarozgar Yojana. The beneficiaries are called "Swarozgaris".
2. Mahatama Gandhi National Rural Employment Guarantee Scheme (MNREGS) 11.20 The MNREGS in Rajasthan was launched on 2nd Feb., 2006 under National Rural Employment Guarantee Act, 2005, in 6 districts of Rajasthan namely Banswara, Dungarpur, Jhalawar, Karoli, Sirohi & Udaipur (as First Phase districts). The Objective of the Act is to enhance livelihood security of the households in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every registered household whose adult members volunteer to do unskilled manual work.
3. Indira Awas Yojana (IAY) 11.30 Indira Awas Yojana is being implemented with an aim to provide shelter for the rural poor living below poverty line. This scheme was launched in 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme (RLEGP). The objective of IAY is primarily to provide financial assistance for construction/ up-gradation of dwelling units of families of scheduled castes/ scheduled tribes, minorities, physically handicapped and other 11.9 below the poverty line in rural areas by providing them a lump sum financial assistance.
4. The State has almost 2/3rd of its area covered by arid, semi-arid climatic conditions and has therefore a fragile eco-system, facing recurrent droughts. The main object is to involve community

in planning implementation and post project management so that benefits accrued from the project sustain for a longer time.

5. 5. Drought Prone Area Programme (DPAP) 11.45 DPAP is being implemented in 32 blocks of 11 districts of the State. The program is being funded in the ratio of 75:25 by GoI and GoR. At present 540 watershed projects are in progress. Out of ongoing 540 watershed projects, it is envisaged to complete 113 projects by 31.03.2011. Thus, 427 projects will remain continue in the beginning of 2011-12.
6. Integrated Wasteland Development Program (IWDP) 11.47 Due to prevailing geographical conditions and other factors out of total available land resource of the State approximately 1.014 lack sq. km. of the area is wasteland (approximately 29.64% of total geographical area) as per Wasteland Atlas of India prepared by National Remote Sensing Agency (NRSA), Department of Space, GoI.
7. 7. Integrated Watershed Management Programme (IWMP) 11.51 Common guidelines have been issued by GOI for implementation of watershed programme in the country effective from 1/4/2008. All watershed schemes of MoRD, Department of Land Resources (DDP, DPAP, IWDP) are now being sanctioned under the new scheme Integrated Watershed Management Programme (IWMP).
8. 8. DRDA Administration 11.58 Keeping in view the need for an effective agency at the district level to co-ordinate the anti-poverty efforts, a centrally sponsored scheme DRDA Administration was introduced by Govt. of India w.e.f. 1.4.1999 on 75:25 sharing basis for meeting administrative/ establishment expenses of DRDAs and state administrative expenses.

CENT PERCENT STATE FUNDED SCHEMES

1. MLA – Local Area Development Program (MLA-LADP) 11.63 This scheme was introduced during 1999-2000 in Rajasthan. Previously, provisions for MLA's were kept under Un-tied Fund (UTF) and Battis Zile Battis Kaam (BZBK).
2. 2. Area Development Programmes 11.65 Ravines cover an appreciable area in Rajasthan on both the banks of river Chambal & its main tributaries namely Kalisindh, Parwati, Parwan, Hej, Banas, Morel, Gambhiri etc. Indiscriminate destruction of vegetation, conservation measures have led to the formation of gullies & ravines.
3. 3. Swa-vivek District Development Scheme (SDDS) 11.70 It has been observed that while formulating the scheme some of the local area need based schemes are not considered by the concerned departments. District Collector being overall in-charge of the development of the district, does not have discretionary funds to take up such type of priority and need based schemes.
4. Border Area Development Programme 11.75 with an objective of balanced development of the Border Districts the Government of India initiated a programme known as Modified Border Area Development Programme during the Eighth Five Year Plan (1993-94 to 1996-97). For execution of the programme at National level, an empowered committee of BADP had been constituted under the chairmanship of Member- Secretary of Planning Commission, New Delhi, and at the State level Screening Committees were constituted under the Chairmanship of Chief Secretary, in each State.
5. . Mitigating Poverty in Western Rajasthan (MPOWER) 11.82 The Government of Rajasthan, with the support of the International Fund for Agricultural Development and Sir Ratan Tata Trust, is implementing the Mitigating Poverty in Western Rajasthan (MPOWER) covering six Blocks one each from the districts of Jodhpur, Jaisalmer, Barmer, Pali, Sirohi and Jalore.

Q.2 Define poverty discuss the main causes of poverty in Rajasthan.

Poverty is not having enough material possessions or income for a person's needs. Poverty may include social, economic, and political elements. Absolute poverty is the complete lack of the means necessary to meet basic personal needs, such as food, clothing and shelter.

Causes of Poverty When we study economics, the assessment of poverty is crucial to understand the rate of development in a country. Let us understand first who are poor and how do we define poverty and the causes of poverty. In simplest of terms, we can say that poverty refers to the inability of a person to meet the basic needs of life viz. food, clothing and shelter. Those who cannot afford these are considered poor. Or in more technical terms, below the poverty line.

Economists have further disintegrated poverty into several parts; here we'll discuss some of them one by one.

Relative Poverty As the name suggests, it means poverty in comparison to others. It will vary from region to region. Relatively poor are those who can manage the basics but are still not quite into the category of middle class. **Absolute Poverty** This refers to people who are living below the poverty line. We measure absolute poverty on the basis of two things:

- Criteria for minimum calories consumption
- Criteria for minimum consumption expenditure.

Minimum Calories Consumption

When people are not able to get a minimum of 2400 calories per person per day in rural areas and 2100 calories per person per day in urban areas, these people are categorized as living below poverty line. **Minimum Consumption Expenditure Criteria**

Going by the above explanation, further, we assess poverty of a family based on their capacity to spend a minimum amount per day as their consumption expenditure. This amount is set by the government for both rural and urban poor and keeps changing annually or biannually depending on the inflation rate and other factors. The poverty line thus refers to a line which portrays the average per capita expenditure needed by a person to meet their basic needs. This per capita is calculated on a monthly basis. As per the Tendulkar committee, the poverty line has been set as 816 rupees in rural areas and 1000 rupees in urban areas as monthly income. Anything below this is poor. This amount keeps changing. According to the latest survey, about 32% of Indian population is below the poverty line.

The Tendulkar Committee

The government set up a Committee headed by Suresh Tendulkar, which was the Tendulkar committee. This committee did a study and came to a conclusion that we could determine poverty line based on the above two criteria of calories intake and expenditure potential for consumption needs. The committee determined that the ideal calorie intake for a person to not be in the poverty line is to be able to consume 2100 calories per day in urban areas and 2400 in rural areas.

Vicious Circle of Poverty One of the major causes of long persisting poverty in India is the vicious circle of poverty enveloping us. Vicious circle refers to the phenomenon of a self-enforced situation due to which a circular motion of poverty comes into existence. As part of this, a poor remains poor and poverty continues, so does under development. An example of a vicious circle would be, where the government provides funds for the creation of medical benefits based on statistics of the number of people in poor families. By the time the funds reach them, the population increases considerably leading to a shortage of funds. As a result, the poor are not able to use the benefits and thus kids remain weak and unhealthy. There are many similar reasons which induce the circle to remain. Until and unless some stern steps take place on part of government along with strict implementations, it is unlikely that this vicious circle will break.

Causes of Poverty

There are several causes that lead to poverty. Some of these are listed here:

Inflation

The constant rise in population

Unemployment.

Poor growth rate

Lack of capital

Excessive debts in rural areas

Colonization Hangover

Poor Education

The pressure of constant inflation
Migration from rural to urban towns
Ineffective implementation of the policies and reform

Q.3 Discuss the basic features of Rajasthan Economy.

Rajasthan which is also known as the “Land of Maharajas” is the largest state of India, covering an area of about 342,239 sq. km. It comprises of 33 districts and its largest city is Jaipur, which is also its capital. Being located on the western side of the country, it shares its border with Pakistan to its northwest and to the west it shares its border with Sindh. To its north it has Punjab, Uttar Pradesh and Haryana to its northeast; to its southeast it has Madhya Pradesh and Gujarat to its southwest.

The glory of the state is retained by its majestic palaces, forts and monuments. The vibrant culture and rich heritage of this princely state draw innumerable tourists from across the globe.

Rajasthan is a mineral-rich state and has a diversified economy having agriculture, mining and tourism as its main engines of growth.

Rajasthan is divided into 33 districts within seven divisions:

1. Jaipur, 2. Jodhpur, 3. Ajmer, 4. Udaipur, 5. Bikaner, 6. Kota, 7. Bharatpur

The main features are

1. Industry: The industrial sector accounts for about 32.5 per cent of the total share of the state's economy. The enterprise of the Rajasthan's is evident in the large number of small scale industrial units which have sprung up all over the state. There are large deposits of zinc and copper and these are being exploited for the development of industries dependant on these metals. It has large deposits of gypsum and lignite and mica. It has a large production of cotton and the textile industries has been coming up in several places in Rajasthan. Among the other private sector industries are cement, ball bearings, sugar, caustic soda and other chemicals.

The main industries of Rajasthan include textile, rugs, woollen goods, vegetable oil and dyes. Heavy industries consist of copper and zinc smelting and the manufacture of railway rolling stock. The other industries related to Private Sector include steel, cement, ceramics and glass wares, electronic, leather and footwear, stone and other chemical industries. Rajasthan is also known for its textile industry and the state is the fourth largest producer of spun yarn in India. Rajasthan is also the major producer of cement contributing to 15 per cent of the national cement production. Rajasthan is the third major salt producing state of the country and accounts for one-tenth of the national salt production.

Rajasthan is the second largest mineral producing state in India and houses about 90% of the total mineral reserves of the country. It shares 24% of the aggregate national production of non-metallic minerals. Thus the Mining sector is a very important revenue earner for the state. From this sector Rajasthan earns as mineral royalty an annual income of more than US\$ 100 Million.

2. Agriculture: Agriculture is the leading economy of the state accounting for 22.5 per cent. The total cultivated area of the state encompasses about 20 million hectares and out of this only 20% of the land is irrigated. The principal crops Barley, Wheat, Gram, Pulses, Oil Seeds, Bajra, Pulses, Jowar, Maize Ground Nuts, fruits and vegetables and spices. Next to the agricultural sector, the Industry of Rajasthan plays a major role in the economy.

There are mainly two crop seasons. The major crops sown during the months of June-July and harvested in Sep-Oct are bajra, Jowar, Pulses, maize and ground nut. Main Rabi crops for which sowing operations start during Oct-Nov and harvested in March-April include wheat, barley, pulses, and gram and oil seeds. Among oil seeds, rape and mustard is the most important. Fruits and vegetables are also sown throughout the state where soil especially suits this type of cultivation. Fruit trees grown include orange, lemon, pomegranate, guava and mango. The main source of irrigation is wells and tanks.

3. Tourism: Another most important revenue contributor of the state is Tourism and accounts for about 15% of the economy of Rajasthan. Rajasthan contributes about 11.2 per cent and 3.3 per cent share in India's foreign and domestic tourist arrivals respectively. The Rajasthan government has brought down the luxury tax from 10% to 8% to boost the tourism industry of Rajasthan.

4. The services sector accounts for 45 per cent of the GDP of the state. Other sources of economy for the state are Infrastructure, Transportation, Energy, Power, Telecommunications, and Banking & Financial Institutions

5. Transport and Communication. Rajasthan is connected by many national highways. Rajasthan also has an inter-city surface transport system both in terms of railways and bus network. All chief cities are connected by air, rail, and road.

Air There are six main airports at Rajasthan – Jaipur International Airport, Jodhpur Airport, Udaipur Airport and the recently started Ajmer Airport, Bikaner Airport and Jaisalmer. These airports connect Rajasthan with the major cities of India such as Delhi and Mumbai. There is another airport in Kota but is not open for commercial/civilian flights yet.

Rail Rajasthan is connected with the main cities of India by rail. Jaipur, Kota, Ajmer, Jodhpur, Bharatpur, Bikaner, Alwar, Abu Road, and Udaipur are the principal railway stations in Rajasthan. Kota City is the only electrified section served by three Rajdhani Expresses and trains to all major cities of India. There is also an international railway, the Thar Express from Jodhpur (India) to Karachi (Pakistan). However, this is not open to foreign nationals.

Road Rajasthan is well connected to the main cities of the country including Delhi, Ahmadabad and Indore by state and national highways and served by Rajasthan State Road Transport Corporation (RSRTC) and private operators. Now in March 2017, 75 percent of all national highways being built in Rajasthan according to the public works minister of Rajasthan.

6. Density of Population density is the numbers of person living per sq km. area. The overall density of population in Rajasthan state is 129 persons per sq. km. as per the 1991 7 census which is less than that of India 274 per sq. Km

7. Agriculture is the main source of livelihood for the people of Rajasthan. A study of composition of the Net State Domestic Production indicates that the primary sector which includes agriculture, animal husbandry, fishing, forestry, mining and quarrying still continues to dominate the State's economy as nearly 42 to 48 per cent value additions is generated by this sector in the state.

8. Irrigation the State of Rajasthan is only the State in India which hardly has merely 1.04% of water resources. Rajasthan has 3.42 crore hectares geographical areas, out of which 50% area is cultivable. The agriculture production of the State mainly depends upon south-east monsoon rain. The rainfall behaviour generally remains as normal, being irregular, scanty, untimely unevenly distributed with prolonged drought periods and occasional local floods (Jaipur 1981, Jodhpur 1990). The water resources of the State are very much limited and meagre comprising only 1% of the national gross water resources.

9. Animal Husbandry Animal husbandry is the most important occupation and plays a significant role in the economy of Rajasthan. Livestock is one of the important resources in rural Rajasthan in general. About 12% of the total cattle wealth of our country is available in Rajasthan. In this way animal husbandry remains the prime occupation (55 million livestock) in Rajasthan. Livestock industry is responsible for the 19% State income which comes in various forms, like ghee, bones, wool, meat, mutton, milk, etc. Udaipur, Barmer, Jaipur, and Nagaur are the district with the highest 10 concentration on livestock

10. Forest Forestry have a minor importance in the State's economy. According to recent data, Rajasthan has 10.12% area under forests and it is only 33% of the total forest of India which is very small. Rajasthan is the second largest state in the country. However, the scenario of forest continues to be a cause of concern for the State. Now, it is the duty of the State Government as

well as of the people of Rajasthan to develop the forests and preserve the existed forest from destroying.

11. Mining the State has a rear monopoly in the country in respect of minerals, like lead-zinc ore, asbestos, calcite, gypsum and soap-stone. The western part of the State also has natural gas reserves. Rajasthan possesses a veritable range of mineral deposits and hence it is a museum of mineral resources in India.

12. Power Power is a key infrastructure for industrial development. As in the case of the rest of the country, the power supply in Rajasthan has fallen short due to increasing demand for power. However, the industrial sector is given priority for power supply and there have been no power cuts on industry since 1988 except for a brief spell in 1994. Many of the larger industrial units invest in adequate diesel power generating capacity to tide over the power shortage problem.

13. Transport and Communication If agriculture and industry are regarded as the body and bones of the economy, transport and communication constitute its nerves which help the circulation of men and materials

14. Financial Institutions Finance is the life blood of any economy. Rapid economic growth in the country has improved the quality of life for a larger number of people, but still poverty remains a major problem needing urgent attention. Difficult geographical terrain, in which the state is placed, makes the task of development more daunting. Rising expectations of the people cannot be met with the meagre resources of the State alone and that among others, the flow of institutional finances and credit needs to be harnessed effectively.