Q7

Craze for gold in Indian has led to surge in import of gold in recent years and put pressure on balance of payments and external value of rupee. In view of this, examine the merits of Gold Monetization scheme.

UPSC Civil Services Mains 2015 · GS III · 12 marks · Indian Economy

Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Facts & figures for this PYQ only.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

https://wrapexams.com/upsc/mains-answers/gs-3/2015/craze-for-gold-in-indian-has-led-to-surge-in-import-of-gold-in-recent-years-and-put-pressure-on-balance-of-payments-and-external-value-of-rupee-in-view-of-this-examine-the-merits-of-gold-monetization-scheme/

Gold Monetisation Scheme

Launched November 2015: short, medium and long-term gold deposits with banks, interest on gold, and on-lending to the jewellery industry.

Gold Deposit Scheme 1999

Earlier, little-used deposit route that GMS was designed to replace with clearer terms.

Sovereign Gold Bond

2015 RBI-issued rupee bonds denominated in gold, meant to substitute physical import for investment demand.

Indian Gold Coin

Official Indian-minted coin launched with the 2015 gold package to offer a domestic, quality-stamped alternative.

CAD and 2013

Gold imports were a major extra pressure on the current account and the rupee during the 2013 external-stress episode.