

WRAP Exams · wrapexams.com

Prelims PYQ, Mains model answers, and copy evaluation. Write to the desk for this paper, a doubt, or the AI waitlist.

ask@wrapexams.com · +91 85951 84903 · wrapexams.com

Q12

How would the recent phenomena of protectionism and currency manipulations in world trade affect macroeconomic stability of India? (250 Words, 15 Marks).

UPSC Civil Services Mains 2018 · GS III · 15 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-3/2018/how-would-the-recent-phenomena-of-protectionism-and-currency-manipulations-in-world-trade-affect-macroeconomic-stability-of-india-250-words-15-marks/>

Oil import dependence

A large share of crude is imported, so a weaker rupee or a global oil spike quickly shows up in the current account and in prices.

FPI flows

Foreign portfolio investment in stocks and bonds can reverse in a risk-off or stronger-dollar week, unlike slower FDI.

RBI reserves and intervention

The Reserve Bank uses reserves and rupee flexibility to order disorderly moves, not to pick a permanent cheap or dear rupee.

WTO and dumping tools

India uses anti-dumping and safeguard duties, but global tariff wars still sit outside quick legal cure.

CAD financing mix

A current-account deficit financed by FDI is more stable than one financed by short-term portfolio debt.

WRAP Exams · Write. Read. Analyse. Practice. · <https://wrapexams.com/upsc/mains-answers/gs-3/2018/how-would-the-recent-phenomena-of-protectionism-and-currency-manipulations-in-world-trade-affect-macroeconomic-stability-of-india-250-words-15-marks/> · ask@wrapexams.com · wrapexams.com