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

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Q2

Define potential GDP and explain its determinants. What are the factors that have been inhibiting India from realizing its potential GDP?

UPSC Civil Services Mains 2020 · GS III · 10 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.

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Output gap

Difference between actual and potential GDP; a guide for how much stimulus can run without inflation.

GFCF

Gross fixed capital formation: the investment flow that builds the capital stock behind potential output.

TFP

Total factor productivity: efficiency with which labour and capital combine, lifted by technology and institutions.

PLFS participation

Female labour-force participation in India has been structurally low, which caps potential labour input.

Twin balance sheets

Stressed banks and corporates in the 2010s that slowed credit and private investment.

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