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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

What are the causes of persistent high food inflation in India? Comment on the effectiveness of the monetary policy of RBI to control this type of inflation.

UPSC Civil Services Mains 2024 · 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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Flexible inflation targeting

Since 2016 the RBI targets 4 per cent CPI with a plus-or-minus two-point band, under a statutory MPC.

Food in CPI

Food and beverages have a large weight in India's consumer price index, so kitchen prices move headline inflation.

Perishables

Onion, tomato and potato cycles are a repeated source of short, sharp CPI spikes.

Edible oil

India depends on imported vegetable oils, so global prices pass through to domestic food inflation.

Second-round effect

A lasting food spike can lift wages and expectations; that is the channel where monetary policy has more bite.

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