

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

Q90

The substitution of steel for wooden ploughs in agricultural production is an example of (a) labour-augmenting technological progress (b) capital-augmenting technological progress (c) capital-reducing technological progress (d) None of the above

Official key: B.

UPSC Civil Services Prelims 2015 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

Labour-augmenting technical progress raises the effective productivity of labour (education, skills, labour-saving organisation that multiplies labour input). Replacing a wooden plough with a steel plough upgrades the tool, which is capital, not labour. This option is not the key.

(b) Official key

Capital-augmenting technical progress improves the quality or productivity of **capital goods**. A steel plough is a better piece of capital than a wooden one, so more output from the same labour. This option is the official key.

(c)

The substitution does not reduce the capital stock; it improves it. 'Capital-reducing' is not the right label. This option is therefore wrong.

(d)

None of the above would be right only if neither labour- nor capital-augmenting fitted. Capital-augmenting does fit. This option is not the key.

Summary

Official key is (b) capital-augmenting technological progress. The plough is a capital good; steel is a quality upgrade of that capital. Labour-augmenting change would make workers themselves more effective without that tool upgrade as the example. The change is not capital-reducing. Standard growth accounting uses this distinction.

Related possible facts

These can be asked in a future Prelims paper.

Harrod-neutral

Labour-augmenting technical change

Solow-neutral

Capital-augmenting technical change

Hicks-neutral

Raises marginal products of labour and capital in the same proportion

Capital goods

Produced means of production: tools, machines, structures

Green Revolution

Often cited as both biochemical and mechanical capital deepening in agriculture

WRAP Exams · Write. Read. Analyse. Practice. · <https://wrapexams.com/upsc/prelims/gs/2015/the-substitution-of-steel-for-wooden-ploughs-in-agricultural-production-is-an-example-of/> · ask@wrapexams.com · wrapexams.com