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Q61

In India, which of the following can be considered as public investment in agriculture? 1. Fixing Minimum Support Price for agricultural produce of all crops 2. Computerization of Primary Agricultural Credit Societies 3. Social Capital development 4. Free electricity supply to farmers 5. Waiver of agricultural loans by the banking system 6. Setting up of cold storage facilities by the governments Select the correct answer using the code given below: (a) 1, 2 and 5 only (b) 1, 3, 4 and 5 only (c) 2, 3 and 6 only (d) 1, 2, 3, 4, 5 and 6 Official key: C.

UPSC Civil Services Prelims 2020 · General Studies · 2 marks · Economy

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

Explanation

(a)

1, 2 and 5 only. **MSP** and loan waivers are subsidies/transfers, not public capital formation as keyed.

(b)

1, 3, 4 and 5 only. Free power and waivers are not public investment.

(c) Official key

2, 3 and 6 only. Computerising PACS, social-capital development, and government cold storages. **MSP**, free electricity and loan waivers are not public investment in this item.

(d)

All six. Over-counts price and transfer policies.

Summary

Official key is (c) 2, 3 and 6 only. Public investment in agriculture here is capital and institution-building: PACS computerisation, social capital, public cold storage. **MSP**, free power and debt waiver are support policies, not investment.

Related possible facts

These can be asked in a future Prelims paper.

GFCE in agriculture

Irrigation, storage, research, rural roads.

MSP

A price floor - current outgo, not a capital asset.

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