Q63

Which of the following factors/policies were affecting the price of rice in India in the recent past? 1. Minimum Support Price 2. Government's trading 3. Government's stockpiling 4. Consumer subsidies Select the correct answer using the code given below (a) 1, 2 and 4 only (b) 1, 3 and 4 only (c) 2 and 3 only (d) 1, 2, 3 and 4 Official key: D.

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

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

Explanation

(a)

1, 2 and 4 only. Stockpiling also moves prices.

(b)

1, 3 and 4 only. FCI/government trading also matters.

(c)

2 and 3 only. Under-counts MSP and consumer subsidy.

(d) Official key

All four. MSP, government trading, stockpiling and consumer subsidies all affected rice prices.

Summary

Official key is (d) 1, 2, 3 and 4. Rice prices in India are a policy price: MSP, FCI buying and selling, buffer stocks, and food-subsidy issue prices all pull the same market.

Related possible facts

These can be asked in a future Prelims paper.

FCI

Procurement, storage, PDS.

National Food Security Act (NFSA)

Issue price as a consumer subsidy.