

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

Q52

With reference to the international trade of India at present, which of the following statements is/are correct? 1. India's merchandise exports are less than its merchandise imports. 2. India's imports of iron and steel, chemicals, fertilisers and machinery have decreased in recent years. 3. India's exports of services are more than its imports of services. 4. India suffers from an overall trade/current account deficit. Select the correct answer using the code given below: (a) 1 and 2 only (b) 2 and 4 only (c) 3 only (d) 1, 3 and 4 only Official key: D.

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

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

Explanation**(a)**

1 and 2 only. Merchandise is usually in deficit; a fall in iron, chemicals, fertiliser and machinery imports is not a stable 'at present' fact.

(b)

2 and 4 only. Keeps a shaky import-composition limb.

(c)

3 only. Services surplus is often true; the item was still dropped.

(d) Official key

1, 3 and 4 only. Goods deficit, services surplus, overall **trade deficit** - the usual coaching trio. Import-composition statement 2 is the usual miss.

Summary

The Commission later dropped this item, so there is no official key to mark. Still walk the options. India's merchandise account is typically in deficit, services in surplus, and the overall current/trade balance can still be in deficit. A claim that steel, chemical, fertiliser and machinery imports have fallen is the unstable limb. WRAP does not stamp Official key on a withdrawn row.

Related possible facts

These can be asked in a future Prelims paper.

Merchandise vs services

Goods deficit; IT/software surplus.

Trade deficit

Goods + services combined.

WRAP Exams · Write. Read. Analyse. Practice. · <https://wrapexams.com/upsc/prelims/gs/2020/with-reference-to-the-international-trade-of-india-at-present-which-of-the-following-statements-is-are-correct/> · ask@wrapexams.com · wrapexams.com