

=====ANSWERS=====

Economics & Social Issues

Q.1) (d)

Q.2) (b)

Q.3) (c)

Explanation:

Questions number 1 to question number 3 are from “One Nation One Ration Card” scheme which provides flexibility to all NFSA beneficiaries to lift their foodgrains from any FPS (Fair Price Shop) of their choice.

Now you must be wondering, why this question was asked? The answer to this question is very simple.

First, it is a question of government scheme which is one of the most important topics of ESI. Then, this scheme was relevant in 2022 because in the month of February 2022, Chhattisgarh became the 35th state to implement this scheme and the phase 2 exam was conducted in June 2022.

Have you got the point – WHY THIS QUESTION WAS ASKED?

Q.4) (e)

Q.5) (a)

Q.6) (d)

Q.7) (c)

Explanation:

Question number 4 to question number 7 are based on Human Capital Index. Every year two or three questions are being asked in ESI paper from reports and indices. Generally, the examiner used to ask the questions from recent indices and reports which appeared in the news 1 year before the exam. But that time, it was a bouncer for all the candidates who appeared in the exam because it was 2022 exam and the report was of 2020.

Now you must be thinking, how can we cover indices and reports 2 years before the exam. Is it humanely possible? BUT WAIT....

My dear friends, it was asked because it was the recent version of Human capital index which was launched in 2020. So, don't think that the examiner went back to 2020 and picked up any random index to frame a question.

Human capital index is a very important index and 2020 edition was the latest one before the phase 2 exam. Hence, the question was completely significant and the examiner had all the rights to

ask this question.

Q.8) (e)

Q.9) (a)

Q.10) (d)

Explanation:

It was 2nd April 2022, when a Free Trade Agreement was signed between India and Australia. International trade is a part of static syllabus of ESI. However, this question was not from the static concept.

It was a current affairs questions from the static syllabus. Yes, this is how they ask questions. Making current questions from the static topics.

Now, this topic was important because it was almost after a decade that India signed such an agreement with a developed country. Understood?

BUT HOW TO COVER SUCH TOPICS?

Don't worry, I have been providing PIB news to you guys in the form of sessions and PDFs. Such news is being covered in these sessions and PDFs.

Q.11) (b)

Explanation:

Again, a question on government scheme!

Now as I already told you guys that without government schemes you would not be able to clear this exam.

But the question is, there are 100s of schemes which are being implemented by the government of India, so how to cover such a huge number of schemes?

To answer this question,

Generally, in the exam, schemes are being asked in two ways – First, the schemes which have been in news for the last 1 year before the exams and second the landmark schemes.

The comprehensive PDFs have been provided in the course which helps you to cover these schemes.

The scheme mentioned above is one of the landmark schemes of the government of India and its importance can be determined from the fact that this scheme is being implemented by RBI.

Hence, it was a relevant question.

If you look at the question, it tests your understanding of the scheme. It is an application-based question.

How could you attempt this question?

Under the scheme, redemption is allowed after 5 years and three situations are given. The situation where 5 years have been completed would be eligible for redemption and that would be the answer.

I hope you understood!

Q.12) (d)

Q.13) (b)

Q.14) (b)

Explanation:

Question number 12 to question number 14 are from SMILE (Support for Marginalized Individuals for Livelihood and Enterprise) Scheme.

The scheme was launched in 2021 (within 1 year of the exam!). As I already told you that schemes which are in news, 1 year before the exam are important, this scheme holds importance.

You know, during the revision of government schemes before the exam, I specifically quoted that this scheme is definitely going to be asked in the exam. And see, it was there. So, you guys can have faith on me!

Now, how to cover such schemes in detail?

There are two sources to cover the schemes, one is Press Information Bureau (pib.gov.in) which is the official Press of the government of India. Here, you can get information regarding all schemes/programs/initiatives of all ministries of government of India. The second source is the official document of the schemes which are available on the website of respective ministry which is implementing the scheme.

See, how much effort is required! But do not worry, MAIN HUN NA!

Q.15) (c)

Explanation:

In this question, the DAY was asked. Now you must be wondering, why a question from DAYS? It should have been asked in phase

1. But look at the question carefully, although it is a DAY based question yet a government scheme is involved i.e UDAN scheme, which makes this question valid for phase

2. Now, while reading any news, you must go through it comprehensively. For ex – If I take the example of news from where the above question appeared, then you have to cover the scheme, the award, and since the award has been given on a special day, you have to remember that day as well. Mere remembering the name of the scheme and award do not fulfil the purpose.

If you want to clear the exam, you must burn that midnight oil because your fellow candidates are doing it.

Q.16) (d)

Q. 17) (d)

Q.18) (d)

Explanation:

Questions 16 to 18 were asked from Raisina Dialogue. WOOOHHHH!!

Now, how Raisina Dialogue is relevant for ESI exam? Let me explain!

Raisina Dialogue is India's premiere foreign policy and geoeconomics conference. Yes, you read it right, GEOECONOMIC conference. I think, this much reason is enough for this question. But let me give you more reasons.

In 2022, the dialogue took place in person after a gap of 2 years due to Corona pandemic. Hence, it was of huge importance.

Also, PM Modi and Ursula Von Der Leyen reviewed the progress in the India-EU Strategic Partnership, including the forthcoming re-commencement of negotiations on a Free Trade Agreement and Investment Agreement. This made this dialogue much significant for the exam.

Now the question, how to cover such topics?

Again, the same answer – PIB 247 Sessions!

Q.19) (c)

Q.20) (c)

Explanation:

WOOOOOOHHHHHHH!!! One more government scheme question. Again, you guys would be having same question, why this question?

And I would again give the same answer, government schemes are very important!

PM KISAN MAAN DHAN YOJANA is one of the landmarks and very famous schemes of the government of India and that's why the question was asked.

Now, if you look at the question, you would realize that gone are the days when used to ask direct question like – “What is the launch year”, “What is the total outlay” etc. What they are asking nowadays is application-based question.

In the above question 19, the given options are not direct. The examiner wants to check your understanding of the scheme. Let me give you one more tip here.

When you don't know the answer to any question try to solve it logically by elimination technique.

For ex – In the question, statements 1 and 3 cannot be correct. BUT WHY?

This is because, PM Kisan Maan Dhan Yojana is a pension benefit scheme for farmers and if any such farmer is already taking same benefit under any other scheme, then why would government give that farmer dual benefits? Isn't it? So, statements 1 and 3 could be easily eliminated and the answer would be "Only 2"

Q.21) (a)

Explanation:

Here in this question, the examiner tried something new. He put objective on one side and name of the scheme on the other. Now he asked the candidate to match the objective with the respective scheme. So smart, haan? No, I would say.

This is because, even if you guys haven't read about these schemes, you could have easily attempted this. How? Let me explain through an example –

Read the first objective. What are the key words? –

"productivity of indigenous breeds", "animal products"

Now look at the name of the schemes on the right side, do you really think it can be Stand-Up India. Why would government give such a name to a scheme which is promoting productivity of indigenous breeds? Wouldn't it be funny?

Now, look at the other scheme, i.e one stop centre. By this name, I could easily conclude that Various kinds of facilities are being provided at a centre which is known as one stop centre. How is it even linked with the objective number 1?

Hence, there are certain questions in the exam, which can be done using LOGICS!

Q.22) (e)

Explanation:

Okay, now let's talk about this question. It is a question based on Bhoomi Rashi Portal.

Now you must be wondering, how can a question from a random portal be asked?

But wait, before you arrive at a conclusion.

This question was asked because Bhoomi Rashi Portal was in news in March 2022, two months before the exams. (The exact date of PIB release was 24th March 2022). And this much reason is enough for this question.

Not only this, the examiner picked up the statements directly from PIB. If any candidate was aware of PIB releases, he could have easily attempted this question. So, I hope, you have realized the importance of PIB.

Q.23) (d)

Explanation:

I believe, for this question, I do not have to give any explanation as to why this question was asked. It is a scheme-based question and that too from an important scheme which mostly remain highlighted in PIB releases. Hence, the question is significant.

Now if you look at the question, various dimensions of the scheme have been asked. So, you need to cover the schemes comprehensively. All the important dimensions like objectives, targets, outlay, monitoring authority, launch year etc. have to be covered.

Q.24) (b)

Explanation:

Full name of this scheme is 'Yuva Sahakar-Cooperative Enterprise Support and Innovation Scheme'.

On 10th August 2021, there was a PIB release in which 4 schemes of ministry of cooperation viz; Sahakar 22, Yuva Sahakar, Sahakar Mitra and Ayushman Sahakar were mentioned. And the question was based on Yuva Sahakar and that too a basic question.

Point to be noted –

You have to go through the PIB releases, one year before the exam. Examiner tries to test your sphere of knowledge. But it doesn't mean that you cover PIB releases more than 1 year. That is not required.

Only 1 year before the exam is more than enough. Cheers!

Q.25) (a)

Q.26) (c)

Explanation:

The scheme mentioned in the passage is PM Adarsh Gram Yojana.

Coverage- It is being implemented in Tamil Nadu, Rajasthan, Bihar, Himachal Pradesh, Assam, Andhra Pradesh, Chhattisgarh, Jharkhand, Haryana, Karnataka, Madhya Pradesh, Odisha, Punjab, Telangana and Uttar Pradesh.

This question is based on PM Adarsh Gram Yojana which appeared in the PIB release on 5th April 2022 and hence the question was asked. Q.26) was directly picked up from the PIB release and was moderate. Q.25) was a difficult question, because the scheme is being implemented in many states and remembering all the states is a difficult task. But you have to be there in any office of RBI, you have to go through such fences of fire. All the best!

Q.27) (b)

Explanation:

This scheme was launched to protect elderly persons against a future fall in their interest income by the ministry of finance. Any person aged 60 years and above are eligible to invest under the scheme. The tenure of the policy is set at 10 years and the

implementing agency is LIC and hence the correct answer is option (b)

Such multiple statements-based questions are never easy because if you don't know even a single statement, you would not be able to mark it correctly. Hence, the in-depth study of the schemes is a must.

Q.28) (a)

Explanation:

Now this was a complete bouncer. The question was unexpected. Such questions are asked every year in the exam because the examiner does not want that a candidate would score 100% marks. You don't have to worry about such questions because you also don't have to score 100% marks. All you have to do is to score some 20-30 marks more than the cut off and that you can do by ignoring such questions also. All the best!

Q.29) (d)

Explanation:

Statement 1 is incorrect because 32 Swayam Prabha channels are there. Statement 3 is incorrect because the name of the portal is not m-Pathshala, it is "e-Pathshala"

Now, question from this scheme was asked because in the month of June 2022, just before the phase 2 exam, Central Institute of Educational Technology (CIET), a constituent unit of National Council of Educational Research and Training (NCERT) was awarded with UNESCO's King Hamad Bin Isa Al-Khalifa Prize for the Use of ICT in Education for the year 2021 for effectively implementing PM e-Vidya scheme.

The statements given in the question were not too difficult. These were directly picked up from the PIB. Hence, to remind you once again, you cannot afford to leave PIB.

Q.30) (d)

Explanation:

This was the only question in the 2022 ESI paper for which I can say, "It was an easy question". As we all know, the customs duty and GST are applicable on imports and excise duty is levied on the products manufactured within the boundaries of a nation, hence the answer to this question is an option (d).

English Descriptive

Q.1)

Write an essay on any one of the following topics in about 600 Words. (40 Marks)

- *“Peace cannot be kept by force, it can only be achieved by understanding” – Elaborate.*
- *Role of female entrepreneurs in India*
- *Advantages and disadvantages of renewable energy. How the OSOWOG initiative will help in eliminating these disadvantages.*
- *India has become a medical destination for the world.*

Q.2)

Write a precis from the given paragraph in about 180 words. (30 Marks)

As controversies swirl about funding, resources, motives and methods for spaceflight, it is well to consider the consequences of exploring space – and of choosing not to do so. Earlier essays have already analyzed in broad terms some of the potential consequences of not exploring, especially the lack of creativity that an inward-looking society may bring, by analogy with Ming China. Others have pointed out that the Age of Discovery was only a mixed blessing, especially when it came to culture contact.

The consequences of space exploration as already undertaken stand before us for examination. They occur on many levels: commercial applications, education and inspiration to youth, applications satellites, scientific benefits, and philosophical implications. All are open to analysis, and as we approach the fiftieth anniversary of the Age of Space, we should examine, with historical objectivity, precisely what the impact of the Age of Space has been.

One feature unlikely to be paralleled with the Age of Discovery, at least in the near future, is contact with other cultures. Shipboard observers often carefully noted exotic plants and animals seen during the course of their voyages, and the ultimate experience was contact with exotic humans.

In the Age of Space, the search for microbial life has been a main driver of space exploration, in particular with regard to Mars, but also now extended to more exotic environments like the Jovian moon Europa. With that search for life on new worlds, planetary protection protocols have been put in place, both for our own planet and others.

Contact with intelligent extraterrestrials beyond the solar system will remain a more remote possibility, and when and if it happens we should learn from the history of culture contacts on Earth.

But the immediate impact of the Space Age is far more diverse than the ultimate discovery of life in space. In her new book “Rocket Dreams: How the Space Age Shaped Our Vision of a World Beyond”, Marina Benjamin argues that space exploration has shaped our worldviews in more ways than one. “The impact of seeing the Earth from space focused our energies on the home planet in unprecedented ways, dramatically affecting our relationship to the natural world and our appreciation of the greater community of mankind, and prompting a revolution in our understanding of the Earth as a living system,” she wrote.

Benjamin thinks it is no coincidence that the first Earth Day on April 20, 1970, occurred in the midst of the Apollo program; or that one of the astronauts developed a new school of spiritualism; or that people “should be drawn to an innovative model for the domestic economy sprung free from the American space program by NASA administrator James Webb.” Exploration shapes worldviews and changes cultures in unexpected ways, and so does lack of exploration.

Space has had more tangible impacts on society. To take only one, imagine where we would be without applications satellites. We now take for granted photographs of weather and Earth resources data from space, as well as navigation and worldwide communications made possible by satellite.

Along with human and robotic missions, the late twentieth century will be remembered collectively as the time when humans not only saw the Earth as a fragile planet against the backdrop of space, but also utilized near-Earth space to study the planet’s resources, to provide essential information about weather, and to provide means for navigation that was both life-saving and had enormous economic implications. Worldwide satellite communications brought the world closer together, a factor difficult to estimate from a cost-benefit analysis. Names like Landsat, GOES (Geostationary Operational Environmental Satellites), Intelsat and Global Positioning System may not be household words, but they affect humanity in significant ways not always appreciated.

Important as they are, applications satellites pale in significance to what space may represent for the future of humanity. While some

argue that robotic spacecrafts are cheaper and less risky than human spaceflights, it is my belief that humans will nevertheless follow robotic reconnaissance as night follows day.

Humans will not be content with a Space Odyssey carried out by robotic surrogates, any more than the other great voyages of human history. Robots extend the human senses, but will not replace the human mind in the foreseeable future, even with advances in artificial intelligence. HAL in Arthur C. Clarke's famous novel and movie was not as smart as he thought, and will not be for a long time. As President Bush said while announcing his new initiative in January 2004, humans will spread through the solar system, fulfilling the vision of what British philosopher Olaf Stapledon 55 years ago called "interplanetary man."

Eventually humans will spread into the cosmos at large. One cannot set a timeline, but by 3001 "interstellar humanity" will likely follow. We do not know what surprises and challenges we will find. But they will be there and humans will revel in them. That is the nature of humans with their inbuilt curiosity and penchant for exploration, one might say the very definition of what it is to be human.

Historians and social scientists have analyzed this kind of argument, and not all agree that the utopian ideal of spreading humanity to outer space is a valid reason for going, or that utopia is what we will build when we get there. In a democratic society such arguments must be fully voiced. Others have demonstrated the complex relation of such space goals to social, racial and political themes. One such study is De Witt Kilgore's recent book *Astrofuturism: Science, Race and Visions of Utopia in Space*. In this book Kilgore examines the work of Wernher von Braun, Willy Ley, Robert Heinlein, Arthur C. Clarke, Gentry Lee, Gerard O'Neill and Ben Bova, among others in what he calls the tradition of American astrofuturism.

Such studies remind us that, like it or not, the idea of space exploration has been woven into the fabric of society over the last 50 years, even as exploration has raised our cosmic consciousness. The historical analysis of that transformation, in ways large and small, should help us make informed choices about our future in space.

Q.3)

Read the following comprehension and answer the questions that follow (5X6 = 30 Marks)

Financial derivatives are financial instruments that are linked to a specific financial instrument or indicator or commodity, and through which specific financial risks can be traded in financial markets in their own right. Transactions in financial derivatives should be treated as separate transactions rather than as integral parts of the value of underlying transactions to which they may be linked. Two prominent market players in derivatives are hedgers and speculators/traders. Hedgers are the underlying asset owners, who wish to transfer the future price fluctuation risk, while speculators are the risk consumers, who take positions in derivative contracts based on the predictions of future movement of prices of the underlying asset. Speculators hold derivative positions with or without owning the underlying assets. Arbitrageurs are the third category market participants, whose approach is to risk-proof themselves. They take advantage of the price difference in a product in two different market locations. This trade takes place where the buyer purchases an asset for a cheaper price in one market/location and arranges to sell the same simultaneously in a different market/location at a higher price.

The value of a financial derivative derives from the price of an underlying item, such as an asset or index. Unlike debt instruments, no principal amount is advanced to be repaid and no investment income accrues. Financial derivatives are used for a number of purposes including risk management, hedging, arbitrage between markets, and speculation.

Forwards are contracts signed between two parties to buy or sell the underlying asset on any future date for a price agreed upon on the date of signing of the contract. Forwards are decentralised and customisable contracts based on the requirements of the parties involved and are traded over-the-counter (OTC) and not on any exchanges.

Futures are standardised forward contracts which are traded through any regulated exchanges. Forwards and futures are the commitments to buy or sell the asset ..

Financial derivatives enable parties to trade specific financial risks (such as interest rate risk, currency, equity and commodity price risk, and credit risk, etc.) to other entities who are more willing, or better suited, to take or manage these risks—typically, but not always, without trading in a primary asset or commodity. The risk embodied in a derivatives contract can be traded either by trading the contract itself, such as with options, or by creating a new contract which embodies risk characteristics that match, in a countervailing manner, those of the existing contract owned. This latter is termed offsetability, and occurs in forward markets. Offsetability means that it will often be possible to eliminate the risk associated with the derivative by creating a new, but "reverse", contract that has characteristics that countervail the risk of the first derivative. Buying the new derivative is the functional equivalent of selling the first derivative, as the result is the elimination of risk. The ability to replace the risk on the market is therefore considered the equivalent of tradability in demonstrating value. The outlay that would be required to replace the existing derivative contract represents its value—actual offsetting is not required to demonstrate value.

- (a) Who participates in the derivative market?
- (b) Discuss the three uses of the derivative.
- (c) What is the difference between forward and the future market?
- (d) What is offsetability?
- (e) From where do financial derivatives derive their price?

