



# Phase 2 Paper 1 Solutions - 2024

## Essay Writing

### 1. Emergence of social health loans and the role of banking in it.

#### Structure:

#### Introduction:

- What is the meaning of social health loans?
  - Social health loans are a form of financing aimed at improving health outcomes in communities, particularly in underserved or low-income areas.
- Why is it relevant to study the emergence of social health loans?

#### Body:

What role do banks play in the emergence of social health loans?

- Product Development
- Cross-selling Opportunities
- Risk Assessment and Mitigation
- Financial Inclusion

#### Conclusion:

- What is the future scope of social health loans for India and the world?

#### Keywords:

1. Social health loans
2. Healthcare financing
3. Public health infrastructure
4. Quality of care
5. Financial services
6. Social well-being
7. Developing countries
8. Healthcare providers

- 9. Priority sector lending
- 10. Risk mitigation
- 11. Financial inclusion

Facts/Examples	Where to use?
Priority sector lending, a government mandate, provides a positive push to social health lending	This fact can be used in the body.

Social health loans refer to financing provided to improve health outcomes in communities, particularly in underserved or low-income regions. These loans support healthcare projects aimed at enhancing public health infrastructure, accessibility, and quality of care. Studying the emergence of social health loans is critical as it highlights a growing trend in financial services aligning with social well-being, especially in developing countries where healthcare infrastructure is often inadequate.

Banks play a crucial role in the growth of social health loans. First, they contribute to product development by creating tailored financial products to address the needs of healthcare providers. Cross-selling opportunities allow banks to offer complementary services like insurance to healthcare borrowers. Furthermore, priority sector lending, a government mandate, provides a positive push to social health lending. This incentivizes banks to provide funding for social health projects, especially in underserved areas. Risk mitigation is also a priority, with banks sharing risks associated with lending to healthcare projects. Additionally, financial inclusion is promoted, as banks provide access to credit for small healthcare enterprises in rural regions. Banks also ensure risk assessment, making sure these projects are financially viable.

Looking ahead, social health loans present a significant opportunity for India and the world, bridging gaps in healthcare access and infrastructure. With continued banking support and emphasis on priority sector lending, these loans could become a pivotal tool in promoting global health equity.

## 2. How ESG norms affect global business?

### Structure:

#### Introduction:

- What is the meaning of ESG norms?
- Why is it relevant to study ESG norms' impact on global businesses?

#### Body:

How do ESG norms affect global business?

- Investment Decisions
- Corporate Strategy

- Consumer Behavior
- Innovation and Product Development

**Conclusion:**

- For the simultaneous growth of environmental sustainability and economy, ESG norms are crucial.
- In the future, the investment in the ESG is going to increase, given the destructive climate change.

**Keywords:**

1. Environmental, Social, and Governance (ESG)
2. Social responsibility
3. Ethical governance
4. Investment decisions
5. Corporate strategy
6. Consumer behavior
7. Environmental responsibility
8. Climate change
9. Sustainable economic growth
10. Bloomberg Intelligence

Fact/Example	Where to use?
Global ESG assets surpassed \$30 trillion in 2022 and are on track to surpass \$40 trillion by 2030, according to the ESG report from Bloomberg Intelligence (BI).	This fact can be used in the Conclusion to highlight how ESG norms are going to rise.

Environmental, Social, and Governance (ESG) norms refer to the standards companies follow to address sustainability, social responsibility, and ethical governance. These norms have become increasingly important as businesses face growing pressure from investors, consumers, and regulators to operate responsibly. Studying how ESG norms impact global businesses is essential, as compliance with these standards affects financial performance, brand reputation, and long-term sustainability.

ESG norms influence investment decisions by shaping where capital flows. Investors are now more inclined to support companies that prioritize sustainability and ethical practices, driving businesses to align with these norms. ESG also plays a key role in corporate strategy, as companies integrate sustainability into their operational models to mitigate risks and meet stakeholder expectations.

Consumer behavior is another factor shaped by ESG standards. More consumers prefer to buy from companies that uphold environmental and social responsibility, influencing

market demand. Additionally, ESG compliance encourages innovation and product development, as businesses create eco-friendly and socially responsible products to meet changing market preferences.

In conclusion, ESG norms are vital for balancing economic growth with environmental and social responsibility. They not only foster sustainable business models but also mitigate risks posed by climate change. As per the Bloomberg Intelligence's ESG report, investment in ESG-focused businesses is expected to rise to \$40 trillion by 2030, given the escalating challenges posed by climate change, making ESG compliance a cornerstone of long-term business success.

### **3. How organizations can nurture organizational culture?**

#### **Structure:**

#### **Introduction:**

- What is the meaning of organizational culture?
- Why is it relevant to study the organizational culture?

#### **Body:**

Ways in which organizations can nurture organizational culture

- Creating collaborative spaces
- Flexible work arrangements
- Comfortable and inclusive facilities
- Work-life balance initiatives
- Fair compensation structures
- Inclusive workplace policies
- Conflict Resolution

#### **Conclusion:**

- With the advent of AI in a hyper connected world, the stress levels and toxicity might increase in the organizations.
- Therefore, it is important to preserve the organizational culture.

#### **Keywords:**

1. Organizational culture
2. Shared values
3. Collaboration
4. Employee satisfaction

5. Inclusive workplace
6. Diversity
7. Fair compensation
8. Conflict resolution
9. Productivity
10. Employee well-being

Fact/examples	Where to use?
Salesforce is known for its commitment to social responsibility, including initiatives like the 1-1-1 model, which dedicates 1% of equity, 1% of employee time, and 1% of product to philanthropic efforts	This fact can be used in the body to demonstrate how a positive work culture practice is not only beneficial for the organization but it also help in contributing to the society.

Organizational culture refers to the shared values, beliefs, and behaviors that shape how employees interact and work within a company. It significantly influences productivity, job satisfaction, and overall business success. Understanding organizational culture is essential because it plays a critical role in attracting talent, retaining employees, and fostering innovation.

To nurture a positive culture, organizations can create collaborative spaces that encourage teamwork and idea-sharing. Providing flexible work arrangements helps accommodate diverse needs, improving employee satisfaction. Offering comfortable and inclusive facilities ensures that all employees feel welcomed and valued, while work-life balance initiatives, such as remote work options or flexible hours, reduce burnout and enhance productivity.

Another key aspect is maintaining fair compensation structures that reward employees equitably. Inclusive workplace policies that promote diversity and equality help create an environment where all employees can thrive. Finally, organizations must establish effective conflict resolution mechanisms to address disputes promptly, fostering trust and a sense of fairness among employees.

Salesforce's (an American cloud-based software company) 1-1-1 model dedicates 1% of equity, 1% of employee time, and 1% of product to philanthropic efforts. This initiative not only supports the community but also reinforces a culture of giving back among employees and illustrates how positive organizational culture does not only help the organization grow but also helps the society develop.

In conclusion, with the increasing integration of AI and hyper-connectivity in workplaces, stress and toxicity levels could rise, potentially undermining organizational culture, productivity, and overall well-being. Hence, it is essential for organizations to actively nurture and preserve a positive culture to ensure long-term success and employee well-being in a rapidly changing world.

#### **4. "While one machine may replace five humans, can five machines ever substitute the ingenuity of one smart human?"**

##### **Structure:**

##### **Introduction:**

- What does the statement aim to convey?
- Why is this statement relevant?

##### **Body:**

Why can't machines replace smart humans?

- Smart humans will remain irreplaceable for tasks requiring these quintessentially human capabilities
- The power of experience giving rise to genuine creativity and originality
- Humans have adaptable intelligence that goes far beyond pattern recognition
- Humans have emotional intelligence and empathy
- Intuition and wisdom

##### **Conclusion:**

- While it is true that machines cannot substitute human beings completely, they will reduce their requirement at the workplaces, specifically.
- Therefore, skilling, upskilling, and reskilling needs to be the mantra for living a life in the future.

##### **Keywords:**

1. Human intelligence
2. Creativity
3. Originality
4. Adaptable intelligence
5. Emotional intelligence
6. Intuition
7. Wisdom
8. Decision-making
9. Critical thinking
10. Automation

Facts/examples	Where to use?
According to a study by the World Economic Forum, it is estimated that by 2025, 85 million jobs may be displaced by the shift in labor between humans and machines, but 97 million new roles could emerge that are more suited to the new division of labor	This fact can be used in the body to prove the point that machines cannot replace humans completely.

The statement, "While one machine may replace five humans, can five machines ever substitute the ingenuity of one smart human?" highlights the irreplaceable nature of human intelligence, creativity, and wisdom, even in a highly automated world. It is a relevant topic today as advancements in AI and automation increasingly impact the workforce, raising questions about the limits of machines and the unique value humans bring.

Machines cannot replace smart humans in tasks that require creativity and originality—qualities that stem from lived experiences, imagination, and the ability to make innovative connections. Adaptable intelligence, which allows humans to respond to unexpected challenges, goes beyond the pattern recognition capabilities of machines. While machines excel at executing programmed tasks, they lack the empathy and emotional intelligence essential for understanding and responding to complex social interactions.

Moreover, human intuition and wisdom—developed through years of learning and experience—play a crucial role in decision-making, especially in uncertain or ambiguous situations. Machines can analyze data, but they cannot match the depth of human insight and the ability to draw nuanced conclusions based on incomplete information.

According to a study by the World Economic Forum, it is estimated that by 2025, 85 million jobs may be displaced by the shift in labor between humans and machines, but 97 million new roles could emerge that are more suited to the new division of labor. This shift emphasizes the need for human skills that machines cannot replicate, such as creativity, critical thinking, and emotional intelligence.

In conclusion, while machines will undoubtedly reduce the need for human labor in many areas, they cannot fully substitute human beings. The future demands a focus on skilling, upskilling, and reskilling, ensuring that humans remain adaptable and continue to complement the strengths of machines in the workplace.

## Precis Writing

Draft Structure:

### 1. Introduction

- Prime Minister's vision for India as a global gaming hub.
- Engagement with top gamers to discuss industry challenges.

## 1. Growth of the Online Gaming Industry

- Rapid expansion of 28% CAGR between FY20 and FY23.
- Projections for growth to ₹33,243 crore by FY28.
- Comparison with the global gaming industry, highlighting India's 1.1% share.

## 1. Opportunities in the Sector

- Potential for Indian mythology-based games.
- Encouraging women's participation and fostering innovation.
- Importance of the online gaming industry in the Digital India vision.

## 1. Positive Developments

- Establishment of taskforces and nodal ministries.
- Introduction of regulations through IT Rules, 2021.
- Clarification on tax deductions for winnings.

## 1. Challenges and Unresolved Issues

- Need for effective implementation of self-regulatory bodies.
- Recent tax rate increase to 28% on bets and its implications for startups.

## 1. Cultural and Economic Potential

- Tapping into India's cultural heritage for gaming content.
- Promoting diversity and changing perceptions about gaming careers.

## 1. Conclusion

- India's potential to emerge as a global gaming hub by fostering innovation and inclusivity.

### Title: India's Vision for Global Gaming Hub

The Prime Minister's vision to establish India as a prominent global gaming hub has gained momentum following discussions with top gamers about industry challenges. The online gaming sector has expanded rapidly, achieving a 28% CAGR from FY20 to FY23, with projections indicating growth to ₹33,243 crore by FY28. Despite constituting only 1.1% of the global online gaming revenue, India holds immense potential for growth through games inspired by Indian mythology and increased female participation in the industry. Recent positive developments include the establishment of task forces and regulatory frameworks under the IT Rules, 2021, which provide clarity for startups. However, challenges remain, particularly regarding the effective implementation of self-regulatory measures and a recent tax hike to 28% on total bets, which could jeopardize sustainability and job creation in the sector. By addressing these issues and leveraging its rich cultural narratives, India can foster an inclusive environment that not only

supports a \$1 trillion digital economy but also positions itself as a leader in the global gaming landscape.

## Reading Comprehension

1. The growth of the influencer industry in India is driven by the expanding creator economy, a community of tech-savvy individuals, and the growing use of multiple platforms by creators. Influencer marketing is becoming essential for brands, with the industry expected to grow at 25% annually. The shift towards prioritizing content quality and authentic connections, as well as increasing marketing budgets, further fuels this growth.
2. Brands and creators are adapting to the growing demand for short-form content like Instagram Reels and YouTube Shorts, which are increasingly used for audience engagement. Instagram remains the dominant platform for influencer marketing, but the report highlights the underutilization of LinkedIn and YouTube Shorts by brands, which presents new opportunities for creators to expand their audience reach through professional and engaging content.
3. Brands face challenges such as measuring return on investment (ROI), finding the right influencer-brand fit, and working within budget constraints. Creators, on the other hand, struggle with building a loyal audience, receiving fair compensation, and maintaining creative freedom while aligning with brand objectives. These challenges underscore the complexities of managing successful influencer partnerships.
4. Analytics play a crucial role in influencer marketing by helping brands select the right influencers based on metrics like location, age, interests, and engagement rates. These tools assist brands in developing comprehensive pre-launch and post-launch strategies, ensuring that their campaigns effectively target the right audience. Real-time data tracking allows brands to optimize campaigns and maximize their return on investment.
5. The influencer marketing industry is projected to grow significantly, with a shift towards micro and nano influencers for more authentic content. Short-form content will continue to dominate platforms like Instagram and YouTube Shorts. LinkedIn represents an untapped opportunity for professional content creators. By 2028, 80% of brands are expected to allocate up to 30% of their marketing budgets to influencer marketing, indicating a strong future for the industry.