ESI - Descriptive

Q.1)
Solution:
Structure

Keywords

- High-quality welfare Standards
- World Development Report 2025
- Quality infrastructure
- Interoperability
- Non-tariff measures
- Global value chains
- Process standards
- Environmental standards
- Institutional capacity
- Sequencing of reforms
- Welfare outcomes
- Service delivery
- Trust in public systems

Introduction

- Discuss briefly concept of high-quality welfare beyond mere access
- World Development Report 2025 emphasis on standards as foundations of welfare systems
- Link between reliability, trust, and service delivery outcomes

Body

Standards as the "Hidden Infrastructure" of Welfare

- Meaning of standards as shared rules and protocols
- Role in ensuring:
  - Predictability
  - Safety
  - Interoperability
- Standards as "hidden foundations of prosperity"
- Importance for large-scale systems: health, education, digital public infrastructure

Rising Importance of Standards for Developing Countries

- Standards shaping global trade through non-tariff measures
- Role in:
  - Export competitiveness
  - Global value chain integration
  - Technology diffusion
- Risk of low-quality equilibria if standards are weak or absent

Types of Standards Highlighted in the Report

- Measurement standards – accuracy and comparability
- Compatibility standards – interoperability across systems
- Quality standards** – minimum safety and performance benchmarks

Role of Government in Standard-Setting

- Standards as largely voluntary but publicly significant
- Government functions:
  - Convenor of stakeholders
  - Regulator where public interest is involved (health, safety, environment)
- Standards as tools of economic and welfare policy

Standards as Instruments of Welfare Improvement

- Health sector:
  -Process standards improving quality of care
  -Example: reduction in maternal mortality through standardised practices
- Education sector:
  - Learning outcome standards improving literacy and schooling quality
- Emphasis on **outcomes over expenditure

Standards in Managing Environmental and Technological Risks

- Environmental standards (air quality, emissions) and welfare outcomes
- Link between environmental quality, productivity, and life expectancy
- Need for tiered and sequenced standards rather than uniform application

Capacity, Sequencing, and Quality Infrastructure

- Alignment of ambition with enforcement capacity
- Developmental pathway: Adapt, align and author standards
- Importance of quality infrastructure:
  - Testing
  - Certification
  - Metrology
  - Accreditation
- Capacity gaps between developed and developing countries

Key Message of the World Development Report 2025

- Standards convert public spending into real welfare outcomes
- Essential for equity, safety, resilience, and trust
- Developing countries must treat standards as Strategic development tools

Conclusion

- High-quality welfare is inseparable from strong standards
- Focus on adaptation, sequencing, and institutional capacity
- Countries investing in standards achieve faster, more inclusive

development

Answer:

High-quality welfare is not merely about expanding access to services but about ensuring that such services are reliable, safe, and effective. The World Development Report 2025 of the World Bank underscores that standards are the invisible backbone of modern welfare systems. Whether it is a digital payment that works seamlessly, a vaccine that remains effective across geographies, or a school delivering consistent learning outcomes, standards create trust, reduce uncertainty, and allow individuals and institutions to focus on productivity rather than survival. In this sense, high-quality welfare is inseparable from well-designed and well-enforced standards.

Standards as the hidden infrastructure of welfare:

- Standards are shared rules that ensure systems work smoothly and predictably. When they function well, they enable efficient markets, safe public services, and innovation.
- When they fail, the consequences are immediate—disrupted payments, poor connectivity, unsafe medicines, and service breakdowns.
- The Report characterises standards as "hidden foundations of prosperity," essential for both economic growth and welfare delivery.
- In an increasingly globalised and technologically complex world, welfare systems—from health and education to digital public infrastructure—cannot function at scale without standards.

Growing importance for developing countries

- For low- and middle-income countries, standards matter more than ever. Nearly 90% of global trade is influenced by non-tariff measures, most of which are linked to standards.
- Compliance is now a prerequisite for export competitiveness, technology diffusion, and integration into global value chains.
- At the same time, welfare outcomes increasingly depend on technical standards—digital payment interoperability, electric vehicle charging systems, and safe pharmaceutical supply chains.
- Ignoring standards risks trapping countries in low-quality equilibria, undermining both growth and welfare.

Types of standards and government role

- The Report identifies three types of standards:
  - Measurement standards, which ensure accuracy and comparability.
  - Compatibility standards, which enable interoperability across systems.
  - Quality standards, which define acceptable performance and safety.
- While most standards originate as voluntary initiatives by private actors, governments play a decisive role by convening stakeholders and embedding critical standards into regulation when public interest—health, safety, or environment—is at stake.
- Thus, standards become powerful tools of economic and welfare policy.

Standards as instruments of welfare policy

- Standards directly enhance welfare outcomes, particularly in health and education.
- **In healthcare**, the Report notes that nearly 60% of deaths in low- and middle-income countries arise from conditions that could be prevented or treated with high-quality care.
  - Simple process standards—such as childbirth checklists—have reduced maternal mortality by nearly 47% in India.
- **In education**, clear teaching and learning standards helped Ceará in Brazil achieve near-universal early-grade literacy within two decades.
- These examples show that welfare quality improves not merely through spending, but through standardization of processes and outcomes.

Managing global and environmental risks

- Environmental and technological standards are equally critical for sustainable welfare. Today, 99% of the global population breathes air dirtier than levels considered safe by the World Health Organization.
- Compliance with such standards could significantly enhance life expectancy and productivity.
- However, the Report cautions against one-size-fits-all approaches. Tiered and sequenced standards, aligned with enforcement capacity, are necessary to ensure a just transition, especially for developing countries.

Capacity, sequencing, and quality infrastructure

- A central message of the Report is that ambition must match capacity. Countries should follow a developmental trajectory—initially adapting international standards to local realities, then aligning with them, and eventually authoring standards in priority areas.
- Rwanda's "Zamukana Ubuziranenge" programme exemplifies this gradual approach. Equally important is investment in quality-enhancing infrastructure such as testing, certification, metrology, and accreditation.
- Stark gaps persist: Ethiopia has fewer than 100 accredited ISO auditors, compared to over 12,000 in Germany, highlighting constraints in enforcing high-quality welfare standards.

Conclusion

The World Development Report 2025 makes it clear that high-quality welfare cannot be achieved without strong standards. Standards ensure reliability, safety, and equity in service delivery, transform public spending into real outcomes, and protect societies from technological and environmental risks. For

developing countries, the challenge lies not in blindly adopting global standards but in sequencing, adapting, and investing in institutional capacity. Countries that treat standards as a strategic development tool are advancing faster, while those that neglect them risk persistent low-quality welfare and exclusion.

Q.2)

Solution:

Structure

Keywords

- Gender Snapshot 2025
- UNDESA
- UN Women
- Beijing Declaration
- Beijing+30
- SDGs 2030
- Digital gender divide
- Feminisation of poverty
- Care economy
- Gender-based violence
- Women leadership
- Decision-making power
- Women Peace and Security (WPS)
- Climate justice
- Feminist climate action
- Social protection
- Inclusive development

Introduction

- Give context of last five years of SDGs (2030 deadline)
- 30 years of Beijing Declaration and Platform for Action (Beijing+30)
- Role of Gender Snapshot 2025 (UNDESA & UN Women)
- Identification of six priority pillars as a roadmap for accelerated gender equality

Body

Pillar I: Digital Inclusion and Technological Equity

- Digital gender divide in internet access and technology use
- Gendered risks from automation and generative AI
- Need for:
  - Affordable digital access
  - Digital literacy
  - Gender-responsive AI governance
  - Women's participation in STEM and tech decision-making

Pillar II: Freedom from Poverty and Economic Insecurity

- Feminisation of poverty due to:
  - Informality
  - Labour force exclusion
  - Unpaid care work
- Gaps in social protection coverage
- Importance of:
  - Universal social protection
  - Healthcare and education access
  - National care policies and care economy recognition

Pillar III: Zero Violence Against Women and Girls

- Prevalence of intimate partner and gender-based violence
- Gap between legal frameworks and implementation
- Need for:
  - Survivor-centred services
  - Well-funded national action plans
  - Institutional capacity building
  - Civil society partnerships

Pillar IV: Full and Equal Decision-Making Power

- Underrepresentation of women in:
  - Parliaments
  - Bureaucracy
  - Corporate leadership
- Structural barriers in leadership pipelines
- Policy tools:
  - Gender quotas
  - Rotational leadership
  - Equitable representation in governance bodies

Pillar V: Peace and Security

- Disproportionate impact of conflict and displacement on women
- Status of Women, Peace and Security (WPS) National Action Plans
- Funding and accountability gaps
- Importance of women's participation in peace negotiations and post-conflict reconstruction

Pillar VI: Climate Justice

- Climate change as gendered risk multiplier
- Inadequate gender integration in climate policies
- Feminist climate justice approach
  - Women's land and resource rights
  - Green skills and livelihoods
  - Leadership of women, especially rural and Indigenous communities

Conclusion

- Discuss that incremental change insufficient in final SDG phase
- Mention how six pillars as an action-oriented framework
- Give balanced response regarding gender equality as central to sustainable development and human progress

Answer:

With only five years remaining to achieve the Sustainable Development Goals (SDGs) and as the global community marks 30 years of the Beijing Declaration and Platform for Action, there is renewed urgency to accelerate progress on gender equality. The Gender Snapshot 2025 report, jointly released by UN DESA and UN Women, provides a comprehensive assessment of gender outcomes across all 17 SDGs and identifies six priority pillars under the Beijing+30 Action Agenda. These pillars serve as a strategic roadmap to ensure that women and girls are placed at the centre of development in the final stretch towards 2030.

Pillar 1: For All Women and Girls – A Digital Revolution

- The first pillar focuses on bridging the digital gender divide. Globally, internet usage stands at 70% for men compared to 65% for women, with gaps widening sharply in least developed countries.
- The report highlights that women face higher risks from automation and generative AI, particularly in sectors such as banking, finance, and public services.
- Closing the digital gap through affordable access, digital literacy, gender-responsive AI governance, and increased participation of women in STEM and digital decision-making is critical to ensuring that technological progress translates into inclusive growth.

Pillar 2: For All Women and Girls – Freedom from Poverty

- Despite progress, women remain disproportionately affected by poverty due to labour market exclusion, informality, and unpaid care work.
- Nearly 2 billion women and girls lack social protection coverage, while excessive care responsibilities keep around 708 million women out of the labour force.
- The pillar stresses investments in integrated social protection systems, universal access to quality healthcare and education, and strong national care policies.
- Without addressing structural barriers, achieving poverty eradication under SDG 1 will remain elusive.

Pillar 3: For All Women and Girls – Zero Violence

- Violence against women and girls continues to be one of the most pervasive human rights violations globally.
- Around 12.5% of women aged 15–49 experienced intimate partner violence in the previous year, with prevalence exceeding 30% in several fragile states.
- Although 84% of countries now have laws addressing violence against women, implementation gaps persist.
- The report calls for well-funded national action plans, survivor-centred services, institutional capacity building, and stronger partnerships with civil society to move from legal commitments to real safety and dignity.

Pillar 4: For All Women and Girls – Full and Equal Decision-Making Power

- Women remain significantly underrepresented in political, administrative, and economic decision-making.
- As of 2025, women hold only about 27% of parliamentary seats globally and just 30% of managerial positions.
- Leadership pipelines remain weak, particularly in senior public offices and the judiciary.
- The report highlights that proactive measures such as gender quotas, rotational leadership, and equitable representation in committees can rapidly accelerate women's participation and correct entrenched power imbalances.

Pillar 5: For All Women and Girls – Peace and Security

- Armed conflicts and humanitarian crises disproportionately affect women and girls, who constitute over half of internally displaced persons worldwide.
- While 113 countries have adopted Women, Peace and Security (WPS) National Action Plans, only 28% have increased funding for implementation.
- The report underscores that women's participation in peace processes leads to more durable outcomes, yet they remain underrepresented as negotiators and mediators.
- Strengthening accountability, financing WPS commitments, and supporting local women's organizations are essential in conflict and post-conflict settings.

Pillar 6: For All Women and Girls – Climate Justice

- Climate change is emerging as a major threat multiplier for gender inequality. By 2050, climate impacts could push millions more women and girls into extreme poverty and food insecurity.
- Despite this, only 39% of countries have mechanisms to integrate gender equality into climate policymaking.
- The report advocates a feminist climate justice approach—centred on care, equity, and ecological balance—by ensuring women's land rights, green skills, and leadership in climate governance, particularly for rural and Indigenous women.

Conclusion

The Gender Snapshot 2025 makes it clear that incremental progress is insufficient in the final phase of the SDGs and the Beijing agenda. The six pillars provide a coherent, action-oriented framework to tackle persistent structural inequalities across digital access, poverty, violence, leadership, peace, and climate action. Accelerated investments, strong institutions, and gender-responsive policymaking are indispensable to ensure that the promise of gender equality becomes a reality by 2030, rather than an unmet aspiration.

Q.3)

Solution:

Structure

Keywords

- Monetary Policy Committee (MPC)
- Repo Rate
- Neutral Stance
- Withdrawal of Accommodation
- Liquidity Fine-Tuning, Variable Rate Repo (VRR)
- External Benchmark Linked Lending Rate (EBLR)
- Macroprudential Regulation
- Risk Weights
- Unsecured Consumer Credit
- Financial Stability
- Inflation Targeting, Priority Sector Lending (PSL)
- Economic Resilience
- Credit Sustainability

Introduction

- Context: RBI October 2025 Monetary Policy Statement
- Economic backdrop:
  - Sustained consumer demand (April–October 2025)
  - Moderating inflation
  - Strong services and improving manufacturing
  - Healthy bank and corporate balance sheets
- Core theme: Calibrated, growth-supportive yet inflation-conscious policy stance

Key Monetary Policy Measures (October 2025)

Status Quo on Policy Repo Rate

- Repo rate unchanged
- Continuation of pause in tightening cycle
- Rationale:
  - Inflation on a moderating trajectory
  - Previous rate hikes still transmitting

Policy Stance – Neutral / Withdrawal of Accommodation

- Retention of cautious stance
- MPC signals:
  - Vigilance on food inflation
  - Global commodity and geopolitical risks
- Balance between growth and inflation control

Liquidity Management

- Variable Rate Repo (VRR) and Reverse Repo operations
- Fine-tuning liquidity to
  - Avoid excess liquidity
  - Prevent inflationary pressures
  - Ensure smooth credit flow

Strengthening Monetary Transmission

- Emphasis on External Benchmark Linked Lending Rates (EBLR)
- Faster pass-through to lending and deposit rates
- Improved transmission efficiency

Macroprudential Measures on Consumer Credit

- Higher risk weights on unsecured personal loans
- Tightened oversight on credit card exposure
- Objective
  - Prevent excessive leverage
  - Protect asset quality

Support to Productive and Priority Sectors

- Reinforced Priority Sector Lending (PSL
- Continued support to
  - MSMEs
  - Agriculture
  - Green finance
- Targeted credit for employment-intensive sectors

Implications for Economic Growth

Growth Stability

- Rate pause provides certainty in borrowing costs
- Encourages
  - Private investment
  - Consumption
  - Capacity expansion

Credit Flow Continuity

- Adequate liquidity supports lending
- Boosts manufacturing and services momentum

Structural Growth

- Priority sector focus strengthens
  - MSMEs
  - Rural demand
  - Green investments

Implications for Economic Resilience

Inflation Credibility

- Avoiding premature easing anchors inflation expectations
- Protects purchasing power

Financial Stability

- Macroprudential tightening reduces future NPA risks
- Stronger bank balance sheets

External Shock Absorption

- Stable liquidity reduces volatility
- Enhances resilience against
  - Capital flow reversals
  - Commodity price shocks
  - Geopolitical uncertainty

Implications for Consumer Credit

Moderation of Risky Credit

- Slower growth in unsecured personal loans
- Reduced credit card leverage

Balanced Credit Growth

- Affordable housing, vehicle, MSME loans remain stable
- Shift toward safer and productive lending categories

Long-Term Sustainability

- Prevents credit bubble formation
- Ensures sustainable consumption-led growth

Conclusion

- RBI adopts a calibrated and balanced approach
- Combines
  - Rate stability
  - Liquidity fine-tuning
  - Prudential safeguards
- Outcome
  - Sustained growth
  - Stronger financial resilience
  - Sustainable credit expansion

Answer

Introduction

The October 2025 Monetary Policy Statement of the Reserve Bank of India (RBI) was released against the backdrop of a resilient domestic economy, steady expansion in consumption, improving balance sheets of banks and corporates, and a gradually moderating inflation trajectory. The policy assessment noted that private consumption and investment remained key drivers of growth, supported by robust services activity and a pick-up in manufacturing. In this context, the RBI adopted a calibrated and growth-supportive policy stance, balancing inflation control with the need to sustain economic momentum and financial stability.

Body

Key Monetary Policy Measures Announced in October 2025

- Status quo on the Policy Repo Rate: RBI maintained the policy repo rate unchanged, continuing with a pause in the tightening cycle. This decision reflected confidence that previous rate hikes were transmitting effectively into the economy and that inflation was on a durable path towards the medium-term target.
- Continuation of 'Neutral / Withdrawal of Accommodation' Stance: Monetary Policy Committee (MPC) retained its cautious stance, emphasizing readiness to act as required. This signalled that while growth considerations are important, inflation risks—especially from global commodity prices and weather-related food shocks—continue to be monitored closely.
- Liquidity Management through Fine-Tuning Operations: RBI announced variable rate repo and reverse repo operations to ensure that liquidity conditions remain aligned with policy objectives. The focus was on maintaining adequate but not excessive liquidity to support credit flow without fuelling inflationary pressures.
- Strengthening Transmission through the External Benchmark Regime: RBI reiterated its emphasis on faster and more complete transmission of policy rates through external benchmark-linked lending rates (EBLR), ensuring that changes in policy stance are reflected promptly in bank lending and deposit rates.
- Macroprudential Measures on Consumer Credit: Given rapid growth in unsecured personal loans and credit card outstandings, the RBI tightened risk weights and supervisory oversight on certain segments of consumer credit. The aim was to prevent excessive leverage and build buffers against potential asset quality deterioration.
- Support for Productive Sectors: Targeted refinancing facilities and continued priority sector lending (PSL) focus were reinforced for MSMEs, agriculture, and green finance. This signalled RBI's intent to channel credit towards employment-intensive and sustainable sectors.

Implications for Economic Growth

The pause in policy rates provides stability to borrowing costs, encouraging private investment and consumption. Firms gain greater clarity on financing conditions, aiding capacity expansion and capital formation. At the same time, adequate liquidity support ensures that banks can meet credit demand without constraints. Together, these measures are growth-positive and consistent with the RBI's assessment of sustained consumer demand during April–October 2025. Moreover, emphasis on priority sectors and green finance supports medium-term growth by fostering diversification, productivity enhancement, and structural transformation.

Implications for Economic Resilience

The combination of cautious stance and macroprudential vigilance strengthens macro-financial resilience. By avoiding premature easing, the RBI preserves its inflation-fighting credibility, anchoring expectations and protecting purchasing power. Liquidity fine-tuning prevents sharp swings in money market

rates, reducing financial volatility.

Macroprudential curbs on risky consumer credit segments reduce the probability of future non-performing assets (NPAs), thereby safeguarding bank balance sheets. Stronger banks are better positioned to absorb shocks from global uncertainties such as geopolitical tensions, volatile capital flows, or commodity price spikes.

Implications for Consumer Credit

While overall credit growth remains healthy, tighter norms for unsecured personal loans and credit cards may moderate growth in these segments. This is a desirable outcome from a financial stability perspective, as it discourages excessive borrowing for consumption financed by high-cost credit.

At the same time, unchanged policy rates and better transmission ensure that housing loans, vehicle loans, and MSME credit remain affordable. Thus, consumer credit growth is likely to become more balanced—shifting from high-risk unsecured loans toward relatively safer and productive categories.

Conclusion

The October 2025 monetary policy measures reflect the RBI's calibrated approach to navigating a complex macroeconomic environment. By maintaining the policy rate, managing liquidity proactively, and tightening macroprudential oversight on risky consumer credit, the RBI seeks to sustain growth while strengthening economic and financial resilience. The policy framework supports India's consumption-led recovery, encourages productive investment, and ensures that credit expansion remains sustainable—thereby reinforcing the foundations of long-term, stable economic development.

Q.4)

Solution:

Structure

Keywords

- Sustainable Development Report 2025
- SDG Index
- UN SDSN
- Inclusive growth
- Poverty alleviation
- Environmental sustainability
- Policy coherence
- Climate resilience
- Multidimensional poverty
- Green growth
- SDG financing
- Global spillovers
- Climate finance
- Sustainable development pillars

Introduction

- Give brief context of Sustainable Development Report (SDR) 2025 by UN SDSN
- Highlight India's first entry into top 100 SDG Index (Rank 99, Score 67.0
- Give core argument how Sustainable development rests on the interaction of economic growth, poverty alleviation and environmental sustainability

Body

Economic Growth as an Enabler (Not an End

- Moderate correlation between GDP growth and SDG performance
- Role of growth in expanding
  - Electricity access
  - Digital connectivity
  - Health and infrastructure
- Risks of growth without inclusion
  - Rising inequality
  - Environmental degradation
- Need for quality, inclusive, and green growth

Poverty Alleviation as the Core Pillar

- Centrality of SDG 1 (No Poverty and SDG 2 (Zero Hunger
- India's progress through
  - Growth + public service delivery
  - Energy, sanitation, health, digital inclusion
- Persistent challenges
  - Hunger and malnutrition
  - Multidimensional poverty
- Strong link between
  - Environmental shocks
  - Livelihood vulnerability of the poor

Sustainable Environment as the Long-Term Foundation

- India's challenges in:
  - SDG 12 (Responsible Consumption
  - SDG 13 (Climate Action
  - SDG 15 (Life on Land
- Impact of environmental degradation
  - Reduced agricultural productivity
  - Disaster losses
  - Pollution-related health costs
- Opportunities from green transition
  - Renewable energy
  - Climate-resilient infrastructure
  - Sustainable agriculture and jobs

Interlinkages and Policy Trade-offs

- Need for policy coherence
- Risks of
  - Growth without environmental safeguards
  - Environmental regulation without development finance
- India's balancing act
  - Growth → social & green spending
  - Sustainability → livelihood protection
- Role of global spillovers :
  - Consumption patterns of rich countries
  - Environmental burden on developing nations

Financing as the Connecting Link

- Limited fiscal space as a key constraint
- Need for
  - International financial architecture reforms
  - Concessional finance
  - Climate finance and debt relief
- Importance of
  - Domestic resource mobilisation
  - Global cooperation and technology transfer

Conclusion

- Mention about India's SDG rank improvement reflects real but incomplete progress
- Elaborate Sustainable development pillars are mutually reinforcing
- Give way forward wrt long-term success depends on
  - Inclusive growth
  - Environment-resilient poverty reduction
  - Sustainability-led productivity

Answer

Introduction

The Sustainable Development Report (SDR) 2025, published by the UN Sustainable Development Solutions Network (SDSN), marks a significant milestone for India, which has entered the top 100 of the SDG Index for the first time with a rank of 99 and a score of 67.0. This improvement reflects steady progress across multiple dimensions of sustainable development since 2015. The report underscores that sustainable development is not driven by economic growth alone but by a dynamic interplay between environmental sustainability, poverty alleviation, and inclusive economic growth. India's experience, as reflected in SDR 2025, illustrates both the complementarities and trade-offs among these three pillars.

Economic growth as an enabler, not an end in itself

- The SDR 2025 highlights that progress on SDGs shows only a moderate correlation with GDP growth, implying that economic expansion alone is insufficient for holistic development.
- India's steady rise in SDG rankings has been supported by economic growth that enabled expansion in access to electricity, digital connectivity, health, and basic infrastructure—areas where global progress has been relatively strong.
- However, the report cautions that growth must be inclusive and well-directed.
- Without targeted investments in human capital, social protection, and basic services, growth risks becoming unequal and environmentally unsustainable, thereby weakening long-term development outcomes.

Poverty alleviation as the core of sustainable development

- Poverty reduction remains central to the SDG framework, particularly SDG 1 (No Poverty) and SDG 2 (Zero Hunger), which are among the most off-track goals globally.
- The SDR 2025 shows that East and South Asia, including India, has made faster progress than other regions since 2015, largely driven by improvements in socioeconomic indicators.
- For India, poverty alleviation has been supported by economic growth combined with public service delivery, such as expanded access to energy, health, sanitation, and digital services.
- However, the report also highlights persistent challenges: hunger, malnutrition, and multidimensional poverty remain significant.
- This demonstrates that poverty alleviation is deeply linked to environmental sustainability.
- Environmental degradation—through climate shocks, water stress, or biodiversity loss—disproportionately affects the poor by eroding livelihoods, increasing health risks, and raising the cost of basic necessities.

Sustainable environment as the foundation of long-term growth

- Environmental sustainability is both a constraint and an opportunity for development.
- The SDR 2025 notes that even top-performing countries face major challenges in SDG 12 (Responsible Consumption), SDG 13 (Climate Action), and SDG 15 (Life on Land). India's dashboard similarly shows significant and major challenges in climate action and biodiversity-related goals.
- Environmental degradation undermines economic growth by reducing agricultural productivity, increasing disaster-related losses, and imposing health costs through pollution.
- Conversely, investing in sustainability—such as renewable energy, sustainable agriculture, and climate-resilient infrastructure—can generate employment, enhance energy security, and reduce poverty.
- The report emphasizes that sustainable development yields high returns, particularly when investments are directed toward zero-carbon energy, biodiversity protection, and climate resilience.

Interlinkages and trade-offs

- The SDR 2025 strongly emphasizes policy coherence. Rapid industrialization without environmental safeguards can generate short-term growth but long-term ecological and social costs.

- Similarly, stringent environmental policies without fiscal support may constrain growth and poverty reduction in developing countries.
- India's progress illustrates the need for balanced strategies—where economic growth finances social spending and green investments, while environmental sustainability safeguards the livelihoods of the poor.
- The report also highlights international spillovers: unsustainable consumption patterns in high-income countries often shift environmental burdens to developing nations.
- Therefore, India's sustainable development pathway is influenced not only by domestic policies but also by global cooperation, finance, and technology transfer.

Financing as the connecting link

- A key insight from SDR 2025 is that limited fiscal space constrains the ability of developing countries to simultaneously pursue growth, poverty reduction, and environmental goals.
- Reforms in the international financial architecture, increased concessional finance, and debt relief are essential to unlock investments in green infrastructure and human development.
- For India, sustained SDG progress will depend on mobilizing both domestic resources and international finance to support this integrated approach.

Conclusion

India's first-time entry into the top 100 of the SDG Index reflects meaningful progress but also highlights the unfinished agenda of sustainable development. The SDR 2025 makes it clear that sustainable environment, poverty alleviation, and economic growth are mutually reinforcing pillars rather than competing objectives. Long-term development requires growth that is inclusive, poverty reduction that is resilient to environmental shocks, and environmental sustainability that supports livelihoods and productivity. India's future SDG trajectory will depend on deepening this integration through coherent policies, green investments, and global cooperation, ensuring that development today does not compromise prosperity tomorrow.

Q.5)

Solution:

Structure

Keywords

- Urbanisation
- Smart Cities Mission
- Integrated Command and Control Centre (ICCC
- Port-led Development
- Maritime Trade Hub
- IT & Services Expansion
- Sustainable Urbanisation
- Climate Resilience
- Digital Governance
- Ease of Doing Business
- Urban Multiplier Effect
- Growth Poles
- Regional Economic Integration

Introduction

- Context:
  - Rapid urbanisation in India (urban population rising; cities contribute 60%+ of GDP
  - Cities as engines of growth and innovation
- Smart Cities Mission (2015
  - Objective: Technology-driven, sustainable, citizen-centric urban transformation
- Linking statement
  - Visakhapatnam (Vizag) as a case study of smart urban-led growth

Rapid Growth of Visakhapatnam (Case Study

Industrial and Port-led Expansion

- Major seaport and maritime trade hub
- Presence of
  - Steel plant
  - Petroleum complexes
  - Logistics and manufacturing clusters
- Role in eastern maritime corridor and export growth

IT and Services Sector Growth

- Development of IT parks
- Rise of fintech and digital services
- Attraction of skilled workforce and startups
- Diversification from traditional heavy industry

Infrastructure Modernisation under Smart Cities Mission

- Integrated Command and Control Centre (ICCC
- Intelligent Traffic Management System
- LED street lighting
- Smart water supply and waste management
- Waterfront and urban renewal projects

Sustainability and Climate Resilience

- Renewable energy initiatives
- Coastal resilience planning
- Waste-to-energy and solid waste management reforms

Smart Cities as Flagbearers of India's Growth

Enhancing Economic Competitiveness

- Reduced transaction and logistics costs
- Improved ease of doing business

- Efficient urban mobility and utility management

Promoting Innovation and Digital Governance

- ICT integration and e-governance
- Data-driven urban planning
- Transparent and accountable service delivery

Sustainable and Green Urbanisation

- Energy efficiency
- Green mobility (EV infrastructure, public transport
- Climate-resilient infrastructure

Improved Quality of Life

- Better sanitation and healthcare access
- Urban safety through surveillance systems
- Livability attracting human capital and FDI

Urban Multiplier Effect

- Spillover benefits to peri-urban and rural regions
- Employment generation
- Strengthening regional value chains

Conclusion

- Visakhapatnam as a model of: Port-led industrialisation + digital transformation + sustainable planning
- Smart Cities Mission as: Catalyst for inclusive, resilient, innovation-led growth
- Urban centres as flagbearers of India's long-term development strategy

Introduction

Urban India is emerging as the primary engine of economic growth, contributing over 60% of GDP while housing nearly 35% of the population. Rapid migration, industrial expansion, and service-sector growth are transforming cities into growth hubs. The Smart Cities Mission, launched in 2015, aims to harness this urban expansion through technology-driven, sustainable, and citizen-centric development. In this context, the growth trajectory of Visakhapatnam illustrates how a city can leverage smart urban planning to become a regional growth pole.

Recent Growth of Visakhapatnam

Visakhapatnam (Vizag) has evolved from a traditional port city into a diversified economic hub. Its growth is driven by:

- Industrial and Port-led Development Presence of a major seaport, petroleum complexes, steel plants, and logistics hubs has strengthened its position in maritime trade and manufacturing.
- IT and Services Expansion: IT parks and fintech initiatives have enhanced its role in the digital economy, attracting startups and skilled professionals.
- Infrastructure Modernization: Under the Smart Cities Mission, projects such as intelligent traffic management systems, integrated command and control centres (ICCC), LED street lighting, and waterfront development have improved urban governance and quality of life.
- Sustainable Urban Initiatives:Emphasis on renewable energy, waste management, and climate-resilient infrastructure reflects a shift toward sustainable growth.

Vizag's planned development, along with its strategic coastal location, positions it as a gateway to East and Southeast Asia, strengthening regional economic integration.

Smart Cities as flagbearers of India's Growth

1. Economic Competitiveness:Smart infrastructure—digital governance, efficient mobility, and reliable utilities—reduces transaction costs and enhances productivity.
2. Innovation and Technology Hubs:Integration of ICT, data analytics, and e-governance promotes transparency and fosters innovation ecosystems.
3. Sustainable Development:Smart cities prioritize energy efficiency, green mobility, and climate resilience, aligning urban growth with environmental sustainability.
4. Improved Quality of Life:Citizen-centric services such as smart healthcare, surveillance for safety, and better sanitation attract investment and skilled human capital.
5. Urban Multiplier Effect:Efficient cities create spillover effects for surrounding rural and semi-urban regions through employment generation and market linkages.

Thus, smart cities act as growth multipliers, transforming urban centres into engines of inclusive and sustainable development.

Conclusion

Visakhapatnam's recent transformation highlights how strategic planning under the Smart Cities Mission can harness urban growth for economic dynamism and improved living standards. As India moves toward becoming a $5 trillion economy, smart cities—through technology integration, sustainability, and governance reforms—can serve as flagbearers of balanced, resilient, and innovation-driven national growth.

Q.6)

Solution:

Structure

Keywords

- Multiculturalism
- Cultural Diversity
- Social Cohesion

- Intercultural Dialogue
- Democratic Inclusion
- Minority Rights
- Identity Politics
- Pluralism
- Integration vs Assimilation
- Human Rights
- Global Migration
- Knowledge Economy
- Social Harmony
- Inclusive Governance

Introduction

- Definition: Multiculturalism as a governance and social framework recognising and promoting cultural diversity.
- Context: Globalisation, migration, digital interconnectedness
- Core idea: Balancing diversity with social cohesion and national unity

Role of Multiculturalism in Promoting Cultural Diversity and Tolerance

Recognition and Protection of Diversity

- Constitutional safeguards
- Anti-discrimination laws
- Protection of language, religion, traditions
- Cultural autonomy within national framework

Promoting Social Cohesion and Peace

- Intercultural dialogue
- Reducing prejudice and stereotyping
- Encouraging coexistence rather than forced assimilation
- Conflict prevention in plural societies

Strengthening Democratic Governance

- Political representation of minorities
- Inclusive public institutions
- Participatory decision-making
- Enhancing state legitimacy

Economic and Creative Benefits

- Diversity fostering innovation and creativity
- Cross-cultural entrepreneurship
- Boost to tourism and global trade networks
- Knowledge economy advantages

Advancing Human Rights and Equality

- Protection of minority rights
- Equality before law
- Alignment with universal human rights principles

Future Prospects of Multiculturalism

Global Mobility and Migration

- Increasing international migration
- Transnational identities
- Need for adaptive governance models

Digital and Knowledge Economy

- Cross-border collaboration
- Diverse talent pools enhancing innovation
- Digital platforms promoting cultural exchange

Youth Demographics and Social Change

- Greater acceptance of plural identities
- Cosmopolitan outlook of younger generations
- Expanding space for inclusive societies

Key Challenges

Identity Politics and Polarisation

- Rise of nationalism and populism
- Cultural backlash movements

Socio-economic Inequality

- Cultural recognition without economic empowerment
- Risk of marginalisation and unrest

Integration vs Segregation

- Risk of parallel communities
- Weak social integration

Security and Radicalisation

- Exploitation of cultural differences
- Need for balance between tolerance and rule of law

Migration and Resource Pressures

- Climate migration
- Strain on urban infrastructure and welfare systems

Conclusion

- Multiculturalism as: Instrument for tolerance, democracy, and inclusive growth
- Need for: Economic inclusion + social integration
- Final insight: Balance between unity and diversity to strengthen social fabric

Introduction

Multiculturalism refers to a framework of governance and social organization that recognizes, respects, and promotes cultural diversity within a society. In an era of globalization, migration, and technological interconnectedness, multiculturalism has emerged as a key instrument for managing plural societies. By acknowledging linguistic, ethnic, religious, and cultural identities, it seeks to promote social harmony, tolerance, and inclusive development.

Body

Role of Multiculturalism in Promoting Cultural Diversity and Toleranc

1. Recognition of Diversity: Multiculturalism institutionalizes respect for diverse identities through constitutional protections, anti-discrimination laws, and inclusive public policies. It allows communities to preserve traditions, languages, and cultural practices while participating in national life.
2. Social Cohesion and Peace: By promoting dialogue and intercultural exchange, multiculturalism reduces prejudice and stereotypes. It encourages coexistence rather than assimilation, thereby lowering social tensions and conflict in plural societies.
3. Democratic Deepening: Inclusive governance mechanisms ensure representation of minority groups in political and administrative institutions. This enhances participatory democracy and strengthens legitimacy of the state.
4. Economic and Creative Gains: Cultural diversity enriches innovation, creativity, and entrepreneurship. Diverse perspectives enhance problem-solving, support tourism, and expand global trade linkages.
5. Human Rights and Equality: Multicultural frameworks align with universal human rights principles by protecting minority rights and promoting equality before law.

Future Prospects of Multiculturalism

- Global Mobility and Digital Integration: Increasing migration and digital connectivity will further diversify societies, making multicultural governance essential.
- Knowledge Economy: Innovation-driven economies benefit from cross-cultural collaboration and diverse talent pools.
- Youth Demographics: Younger generations are more globally connected and receptive to plural identities, strengthening prospects for inclusive societies.

Challenges Ahead

1. Identity Politics and Polarization: Rising populism and nationalism in several countries challenge multicultural policies, sometimes portraying diversity as a threat to national identity.
2. Socio-economic Inequalities: Cultural recognition without economic inclusion may deepen marginalization, leading to social unrest.
3. Integration vs. Segregation: Poorly managed multiculturalism can lead to parallel communities rather than integration, weakening social cohesion.
4. Security Concerns: Radicalization and misinformation can exploit cultural differences, necessitating balanced approaches that combine tolerance with rule of law.
5. Global Migration Pressures: Large-scale migration due to climate change or conflicts may strain public resources and test societal tolerance.

Conclusion

Multiculturalism plays a vital role in preserving cultural diversity and fostering tolerance in plural societies. While it offers significant prospects in terms of innovation, democratic deepening, and social harmony, it must address challenges of inequality, polarization, and integration. The future of multiculturalism lies in balancing unity with diversity—ensuring that cultural plurality strengthens, rather than fragments, the social fabric.

FM - Descriptive

10 Marker

Q.1)

Solution:
Structure

Keywords

- Central bank
- Financial stability
- Monetary policy
- Banking regulation
- Liquidity management
- Government securities market
- Foreign exchange market
- Payment and settlement systems
- Market supervision
- Public confidence
- Price stability
- Systemic risk

Introduction:

- Briefly introduce the Reserve Bank of India (RBI) as India's central bank established under the RBI Act, 1934.
- Mention that the RBI plays a key role in regulating and supervising financial markets to ensure stability, transparency, and orderly development.
- State that its role spans banking, money market, government securities market, forex market, and payment systems.

Body:

1. Regulation and Supervision of the Banking System

- RBI regulates banks under the Banking Regulation Act, 1949.
- Functions include:
  - Issuing banking licences.
  - Setting prudential norms, such as capital adequacy
  - Conducting inspections and supervision.
  - Taking corrective action in case of non-compliance.
- Mention Prompt Corrective Action (PCA) as an example of risk control.

2. Monetary Policy and Interest Rate Regulation:

- RBI regulates market conditions through the Monetary Policy Committee (MPC.
- It uses the repo rate and other policy rates to control inflation and influence credit conditions.
- Explain that monetary policy affects interest rates, borrowing, investment, and overall market stability.

3. Liquidity Management in Financial Markets:

- RBI manages liquidity to ensure orderly market functioning.
- Main tools:
  - Repo and reverse repo
  - Open Market Operations (OMO
  - Cash Reserve Ratio (CRR)
  - Statutory Liquidity Ratio (SLR)
- Show how these tools help maintain liquidity, interest rate stability, and financial discipline.

4. Regulation of the Government Securities Market:

- RBI acts as the banker and debt manager of the Government of India.
- It manages:
  - Issuance of government securities (G-Secs) and Treasury Bills.
  - Borrowing programmes of the government.
  - Market infrastructure for trading and settlement.
- Emphasise its role in ensuring orderly borrowing and transparent price discovery.

5. Regulation of the Foreign Exchange Market

- Under FEMA, 1999, RBI regulates the forex market.
- Key roles:
  - Managing exchange rate volatility.
  - Monitoring capital flows.
  - Framing rules for forex transactions.
  - Granting approvals where required.
- Highlight its importance in maintaining external sector stability.

6. Oversight of Payment and Settlement Systems

- RBI regulates payment systems under the Payment and Settlement Systems Act, 2007.
- It supervises systems such as:
  - UPI
  - RTGS
  - NEFT
- Focus on safety, efficiency, cybersecurity, and operational reliability.

7. Maintaining Overall Financial Stability

- RBI identifies and mitigates systemic risks across markets.
- It works with other regulators like:
  - SEBI
  - IRDAI
  - PFRDA
- Mention that this coordination supports overall financial stability and investor confidence.

Conclusion

- RBI plays a comprehensive regulatory role across India's financial markets.
- Its functions go beyond banking regulation to include monetary management, market supervision, public debt management, forex regulation, and payment system oversight
- Conclude that RBI's market regulation is essential for price stability, financial stability, and trust in the financial system

Answer:

The Reserve Bank of India (RBI) is India's central bank, established under the RBI Act, 1934. RBI plays a central role in regulating and supervising India's financial markets to ensure stability, transparency, and orderly development. Its regulatory role covers the banking system, money market, government securities market, foreign exchange market, and payment systems. Through its policies and supervision, RBI maintains financial stability and protects public confidence in the financial system.

Key aspects of RBI's market regulation include:

1. Regulation of Banking System: RBI regulates commercial banks under the Banking Regulation Act, 1949.
   1. It issues banking licenses.
   2. It sets capital adequacy norms
   3. It conducts inspections and supervises banks
   4. It can impose penalties or restrict operations in case of non-compliance.

For example, RBI uses the Prompt Corrective Action (PCA) framework to monitor weak banks and prevent systemic risks.

1. MPC: The Monetary Policy Committee (MPC), it sets the policy repo rate to control inflation
2. Liquidity Management: RBI regulates liquidity and interest rates using tools like Repo and reverse repo operations, Open Market Operations (OMO), Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR).
3. Regulation of Government Securities (G-Sec) Market: RBI acts as the banker for the Government of India, it manages their debt, issuance of G-Sec, and treasury bills. It also regulates participants in the G-Sec market to ensure orderly borrowing and transparent price discovery.
4. Regulation of Foreign Exchange Market: Under the Foreign Exchange Management Act, 1999 (FEMA), RBI regulates forex transactions.
   - It manages exchange rate volatility.
   - It monitors capital flows.
   - It grants approvals for certain foreign exchange transactions.
5. Regulation of Payment and Settlement Systems: RBI regulates payment systems under the Payment and Settlement Systems Act, 2007.
   1. It supervises digital payment systems like UPI, RTGS, and NEFT.
   2. It ensures cybersecurity and operational safety

RBI plays a comprehensive role in market regulation in India. It regulates banks, manages liquidity, supervises forex markets, oversees government borrowing, and ensures safe payment systems. Its actions aim to maintain price stability, financial stability, and public confidence. RBI also coordinates with other regulators like the Securities and Exchange Board of India (SEBI) and the Insurance Regulatory and Development Authority of India (IRDAI) to ensure overall financial stability.

Q.2)

Solution:

Structure

Keywords:

- Monetary policy
- Fiscal policy
- Economic growth
- Inflation control
- Price stability
- Aggregate demand
- Repo rate
- Flexible Inflation Targeting (FIT)
- Public expenditure
- Taxation
- Fiscal deficit
- Policy coordination

Introduction

- Define monetary policy and fiscal policy as the two main macroeconomic tools.
- Mention that monetary policy is handled by the RBI, while fiscal policy is handled by the Government of India.
- Both aim to promote growth and maintain price stability

Body

1. Role of Monetary Policy

- Explain monetary policy as the management of money supply and interest rates
- Mention India's Flexible Inflation Targeting (FIT framework with a target **4% ± 2%.

(A) Monetary Policy in Controlling Inflation:

- RBI raises the repo rate when inflation is high.
- Borrowing becomes costly.
- Consumption and investment decline.
- Money supply contracts.
- Demand pressure reduces, helping control inflation.
- Mention supporting tools:
  - CRR
  - OMO

- Reverse Repo

(B) Monetary Policy in Promoting Growth:

- RBI reduces interest rates when growth slows.
- Credit becomes cheaper.
- Investment and consumption rise.
- Liquidity improves.
- Economic activity and GDP growth are stimulated.

2. Role of Fiscal Policy:

- Explain fiscal policy as government action through taxation, expenditure, and borrowing

(A) Fiscal Policy in Promoting Growth:

- Increase in capital expenditure
- Tax cuts to raise disposable income
- Subsidies and incentives to industries
- Job creation and the multiplier effect raise aggregate demand

(B) Fiscal Policy in Controlling Inflation:

- Reduction in public expenditure
- Increase in taxes to curb excess demand
- Rationalisation of subsidies
- Reduction in fiscal deficit
- Helps reduce inflationary pressures

3. Coordination Between Monetary and Fiscal Policy

- Stress that both policies must work together
- Excessive fiscal deficit may worsen inflation
- Excessive monetary tightening may slow growth
- Balanced coordination supports stable growth with price stability
- Note that conflicting policy directions can reduce effectiveness

Conclusion

- Monetary policy mainly manages money supply and interest rates
- Fiscal policy mainly manages taxation and public expenditure
- Both are complementary tools for balancing growth and inflation
- Effective coordination is essential for macroeconomic stability

Answer

Monetary policy and fiscal policy are the two main macroeconomic tools used to maintain economic stability. In India, monetary policy is formulated by the Reserve Bank of India (RBI), while fiscal policy is implemented by the Government of India through taxation, expenditure, and borrowing decisions. Both policies aim to promote economic growth while ensuring price stability.

Role of Monetary Policy: Monetary policy refers to the management of money supply and interest rates in the economy. India follows a Flexible Inflation Targeting (FIT) framework with a target of **4% ± 2%.

(A) Controlling Inflation: When inflation rises:

- RBI increases the repo rate.
- Borrowing becomes costly.
- Consumption and investment have reduced.
- Money supply contracts.

Lower demand reduces inflationary pressure. RBI also uses tools such as:

- Cash Reserve Ratio (CRR)
- Open Market Operations (OMO)
- Reverse Repo operations

Thus, monetary tightening helps control demand-pull inflation.

(B) Promoting Growth: When economic growth slows:

- RBI reduces interest rates.
- Credit becomes cheaper.
- Investment and consumption increase.
- Liquidity improves in financial markets.

This stimulates economic activity and boosts GDP growth.

2. Role of Fiscal Policy

Fiscal policy involves government decisions on taxation, public expenditure, and borrowing.

(A) Promoting Growth: During economic slowdown:

- The government increases capital expenditure (infrastructure, railways, roads).
- Reduces taxes to increase disposable income.
- Provides subsidies and incentives to industries.

Higher spending creates jobs and increases aggregate demand through the multiplier effect.

(B) Controlling Inflation: During high inflation:

- The government may reduce public expenditure.
- Increase taxes to reduce excess demand.
- Rationalise subsidies.
- Reduce fiscal deficit.

Lower government demand reduces inflationary pressures.

3. Coordination Between the Two: Monetary and fiscal policies must work in coordination:

- Excessive fiscal deficit can fuel inflation.
- Excessive monetary tightening can hurt growth.
- Proper coordination ensures sustainable growth with price stability.

For example, if fiscal policy is expansionary and monetary policy is tight, policy effectiveness may weaken.

Monetary and fiscal policies are complementary tools for managing growth and inflation. Monetary policy controls money supply and interest rates to maintain price stability, while fiscal policy influences aggregate demand through taxation and government expenditure. Effective coordination between the RBI and the Government is essential to achieve stable growth, low inflation, and macroeconomic stability.

Q.2)
15 marker

Solution:

Structure

Keywords

- Communication
- Verbal Communication
- Non-Verbal Communication
- Words
- Emotions
- Attitudes
- Language
- Barriers
- Leadership
- Organisational Culture
- Authority
- Confidence
- Behaviour

Introduction:

- Introduce the term Communication as an element of directing

Body:

1. Communication Advantages
- Supporting role to verbal communication
- Expression of feelings
- Used for better understanding
- Faster mode of communication

1. Relation between Non-Verbal Communication and Leadership
   - Communication in Leadership
   - For confidence and authority
   - For empathy and motivation
   - Influencing Employee Behaviour
2. Relation between Non-Verbal Communication and Organisational Culture
   - Meaning of Organisational Culture
   - Effect of non verbal communication on culture

Conclusion:

- Linking Non-Verbal Communication with Leadership and Organisational Culture and its role in both.

Answer:

Communication in organisations takes place not only through words but also through non-verbal signals such as facial expressions, gestures, posture, tone of voice, eye contact, and physical appearance. Non-verbal communication refers to the transmission of messages without the use of spoken or written words In professional and organisational settings, it plays a crucial role in shaping understanding, trust and relationships.

Advantages of Non-Verbal Communication:

1. Supports and strengthens verbal communication

Non-verbal signals help support what we say in words. For example, when a manager praises an employee with a smile and a positive tone, the appreciation feels more genuine. When verbal and non-verbal signals match, the message becomes **more convincing and believable**.

2. Helps express emotions and attitudes

Many feelings such as happiness, anger, confidence or concern are often shown better through **facial expressions, body language and tone of voice** rather than words alone. These signals help people understand the **real emotions and intentions** of the speaker.

3. Improves clarity and understanding

Non-verbal cues help people understand messages more clearly. For example, gestures, eye contact and posture can show whether a person is interested, agrees, or is confused. These signals help the listener **understand the message correctly** and reduce misunderstandings.

4. Enables quick communication

Some messages can be communicated very quickly through non-verbal actions. A nod of the head, a hand gesture or a facial expression can show approval, disagreement or instructions without using many words. This makes communication **faster and more efficient**, especially in meetings or teamwork.

5. Helps overcome language barriers

In workplaces where people speak different languages, non-verbal communication becomes very helpful. Gestures and expressions can help people communicate basic ideas even when they do not share the same language.

6. Shows confidence and professionalism

Body posture, eye contact and tone of voice can show confidence and professionalism. Leaders or managers who maintain good posture, steady eye contact and calm gestures are often seen as more confident, trustworthy and capable.

Relationship between Non-Verbal Communication, Leadership and Organisational Culture:

Non-verbal communication plays an important role in effective leadership and in shaping organisational culture.

1. Non-verbal communication and leadership

Effective leaders use non-verbal communication to influence and motivate employees. Leadership is not only about giving instructions, but also about building trust, inspiring people and creating strong relationships.

- Confidence and authority: Leaders show confidence through their posture, eye contact and controlled gestures. A confident body language increases their credibility and makes employees more willing to follow their guidance.
- Empathy and approachability: Leaders who listen carefully, maintain eye contact and keep open body language show respect and concern for employees. This helps improve employee motivation, engagement and morale.
- Motivation and inspiration: Good leaders often use positive facial expressions, energetic gestures and an enthusiastic tone to motivate their teams and create excitement about organisational goals.

Therefore, non-verbal communication helps leaders communicate their vision clearly, build trust and positively influence employee behaviour.

2. Non-verbal communication and organisational culture:

Organisational culture refers to the shared values, beliefs and behaviour patterns within an organisation. Non-verbal communication helps shape and reflect this culture.

- Symbolic behaviour: The workplace environment, dress code, seating arrangements and office layout send signals about hierarchy, openness and professionalism in the organisation.
- Behavioural norms: When employees regularly use respectful gestures, active listening and positive body language, it creates a culture of mutual respect, cooperation and teamwork.
- Leadership modelling: Employees often copy the behaviour of their leaders. If leaders show openness, attentiveness and confidence through their non-verbal behaviour, these qualities gradually become part of the organisation's culture.

For example, organisations that encourage open communication usually have leaders who maintain open body language, encourage eye contact and actively listen to employees.

Non-verbal communication is an important part of effective communication in organisations. It improves clarity, expresses emotions, strengthens verbal messages and helps overcome language barriers. At the same time, it plays a key role in effective leadership and in building a positive organisational culture. Leaders who use positive non-verbal signals can build trust, motivate employees and create a collaborative and productive work environment.

Q.3)

Solution:

Structure

Keywords:

- Organisational Change
- Structure
- Culture
- Process
- Organisational Growth
- Participation
- Management
- Resistance
- Communication
- Feedback

Introduction

- Introduce the term Organisational Change.

Body:

1. Reasons for Resistance to Organisational Change
   - Fear of the future
   - Fear of losing the job
   - Comfort in their existing jobs
   - Management trust issues
   - No proper communication
2. Approaches to effective organisational change
   - Communication transparency
   - Employee inclusion in decision making
   - Providing training
   - Counselling the employees
   - Appraisals and rewards

Conclusion:

- Organisational Change is as essential element for growth

- Resistance is normal but can be reduced by proper communication, leadership and effective strategies

Answer:

Organisational change refers to modifications in the structure, processes, technology, or culture of an organisation to improve efficiency and adapt to changing business environments. Although change is necessary for organisational growth and competitiveness, employees often resist it because it disrupts their routines and creates uncertainty. Understanding the reasons for resistance and adopting suitable strategies can help management implement change more effectively.

Reasons why employees resist organisational change:

1. Fear of the unknown

Employees often resist change because they are uncertain about how it will affect their job roles, responsibilities or career prospects. Lack of clarity about the future can create anxiety and insecurity.

2. Fear of job loss or reduced status

Technological changes, automation or restructuring may lead employees to believe that their jobs may become redundant or their authority may decline. This fear can lead to strong resistance.

3. Habit and comfort with existing routines

Employees become comfortable with established work patterns. Change forces them to learn new systems or adopt different ways of working, which may seem difficult or inconvenient.

4. Lack of trust in management

If employees do not trust the intentions of management, they may believe that the change is not in their best interest. Past experiences of poor communication or unfair decisions can increase resistance.

5. Lack of participation in decision-making

When employees are not involved in the planning of change, they may feel ignored or undervalued. This can create negative attitudes toward the change process.

6. Poor communication

Resistance may arise when management fails to clearly explain the purpose, benefits and process of change. Misunderstandings and rumours can increase fear and opposition.

Approaches management can adopt to deal with resistance to change:

1. Effective communication

Management should clearly explain the reasons, objectives and benefits of the proposed change. Transparent communication helps reduce uncertainty and builds confidence among employees.

2. Employee participation and involvement

Involving employees in the planning and implementation of change allows them to share their ideas and concerns. Participation increases their sense of ownership and reduces resistance.

3. Education and training

Providing training programmes helps employees develop the skills required to adapt to new technologies, systems or processes. When employees feel capable of handling change, their resistance decreases.

4. Support and counselling

Managers should provide emotional and psychological support during the transition period. Counselling, guidance and encouragement help employees adjust to new conditions more easily.

5. Incentives and rewards

Offering incentives, promotions or recognition for employees who accept and support change can encourage positive attitudes and motivate others to cooperate.

6. Gradual implementation of change

Implementing change in phases rather than suddenly can make the transition easier. A gradual approach allows employees to adapt step by step.

Resistance to organisational change is a natural reaction because employees often fear uncertainty, loss of security or disruption of established routines. However, effective leadership, clear communication, employee participation and proper training can significantly reduce resistance. By adopting supportive and inclusive strategies, management can ensure smoother implementation of change and achieve organisational goals more successfully.

15 Marker:

Q.1)

Solution:

Structure

Keywords:

- Capital market
- Primary market
- Secondary market
- Long-term funds
- Capital formation
- Investor protection
- Market integrity
- SEBI
- Disclosure norms
- Settlement cycle
- Market infrastructure
- Liquidity

Introduction:

- Define capital markets as markets for raising and trading long-term funds
- Mention their role in mobilising savings and allocating them to productive investment
- Briefly state that in India, the capital market is regulated by SEBI under the SEBI Act, 1992
- Indicate that SEBI's role is to ensure investor protection, transparency, and orderly market development

Body:

1. Structure and Importance of Capital Markets:

(A) Primary Market:

- Role in raising fresh long-term capital
- Instruments/modes:
  - IPOs
  - FPOs
  - Rights issues
  - Private placements
- Contribution to capital formation and economic growth

(B) Secondary Market:

- Trading of existing securities on exchanges like NSE and BSE
- Functions:
  - Liquidity
  - Price discovery
  - Transparency
- Importance for investor confidence and support to primary issuances

(C) Instruments in Capital Markets

- Equity shares
- Preference shares
- Corporate bonds and debentures
- ETFs
- REITs
- InvITs

(D) Overall Importance

- Resource mobilisation
- Risk diversification
- Economic development

2. Steps Taken by SEBI for the Development of Capital Markets:

(1) Strengthening Disclosure and Transparency Norms

- ICDR Regulations for public issues
- LODR Regulations for continuous disclosure
- Corporate governance norms
- Aim: reduce information asymmetry and protect investors

(2) Faster Settlement and Market Efficiency:

- Shift from T+5 to T+2 and T+1 settlement
- Introduction of Direct Market Access (DMA)
- Promotion of online trading platforms
- Impact on liquidity and systemic risk reduction

(3) Development of Corporate Bond Market:

- Reduction in minimum investment threshold
- Electronic bond platforms
- Mandating large corporates to raise part of borrowings through bonds
- Strengthening credit rating norms
- Contribution to market depth and diversification

(4) Introduction of New Investment Products:

- REITs and InvITs
- Commodity derivatives integration
- SME exchange platforms
- Social Stock Exchange
- Broadening of investor participation and investment avenues

(5) Investor Protection Measures:

- SCORES grievance redressal system
- Market Intelligence (MI) Portal
- Investor Protection Fund
- Regulation of intermediaries
- Insider trading and fraud prevention norms

(6) Strengthening Market Infrastructure Institutions:

- Regulation of stock exchanges, clearing corporations, and depositories
- Examples:
  - NSDL
  - CDSL
- Dematerialisation and efficiency improvements

(7) Risk Management and Surveillance:

- Margining reforms
- Stress testing of clearing corporations
- Enhanced surveillance mechanisms
- Reducing manipulation and systemic risk

(8) Promotion of Institutional Participation:

- Liberalisation for FPIs
- Strengthened mutual fund regulations
- Enabling AIFs
- Contribution to stability and liquidity

Conclusion:

- Capital markets are crucial for long-term financing and economic growth
- SEBI has played a transformative role in strengthening India's capital market
- Its reforms have improved transparency, efficiency, investor confidence, and market depth
- A robust capital market is essential for sustainable development and financial stability

Answer:

Capital markets are financial markets where long-term funds are raised and traded. They facilitate the mobilisation of savings and their efficient allocation to productive investments. Capital markets consist of the primary market (for new issues) and the secondary market (for trading existing securities). In India, the capital market is regulated by the Securities and Exchange Board of India (SEBI), established under the SEBI Act, 1992. SEBI plays a central role in ensuring investor protection, market integrity, and orderly development of the securities market.

1. Structure and Importance of Capital Markets:

(A) Primary Market: The primary market enables companies, governments, and institutions to raise long-term funds through:

- Initial Public Offerings (IPOs)
- Follow-on Public Offers (FPOs)
- Rights Issues
- Private Placements

It supports capital formation and economic growth by channelising savings into infrastructure, industry, and services.

(B) Secondary Market: The secondary market facilitates trading of existing securities on stock exchanges such as the National Stock Exchange of India (NSE) and the BSE Limited (BSE).

It provides:

- Liquidity to investors
- Price discovery
- Transparency in trading

A strong secondary market enhances investor confidence and supports primary market issuances.

(C) Instruments in Capital Markets

- Equity shares
- Preference shares
- Corporate bonds and debentures
- Exchange Traded Funds (ETFs)
- Real Estate Investment Trusts (REITs)
- Infrastructure Investment Trusts (InvITs)

Thus, capital markets promote resource mobilisation, risk diversification, and economic development.

2. Steps Taken by SEBI for Development of Capital Markets: SEBI has undertaken several structural and regulatory reforms to deepen and strengthen the capital market.

(1) Strengthening Disclosure and Transparency Norms: Following the norms of SEBI ensures transparency, reduces information asymmetry, and protects investors.

- ICDR Regulations for public issues
- LODR Regulations for continuous disclosure
- Mandatory corporate governance norms

(2) Faster Settlement and Market Efficiency

- Transition from T+5 to T+2 and now T+1 settlement cycle.
- Introduction of Direct Market Access (DMA).
- Promotion of online trading platforms.

Faster settlement reduces systemic risk and enhances liquidity.

(3) Development of Corporate Bond Market: SEBI reduced the minimum investment threshold from 1 lakh to Rs. 10,000 for Corporate bonds to bring more participants.

- Introduction of electronic bond platforms.
- Mandating large corporations to raise a portion of their borrowing through bonds.
- Strengthening credit rating norms.

This has improved the depth and diversification of funding sources.

(4) Introduction of New Investment Products: SEBI has expanded investment avenues through:

- REITs and InvITs
- Commodity derivatives integration
- SME exchange platforms

- Social Stock Exchange

These innovations attract diverse investors and widen market participation.

(5) Investor Protection Measures: SEBI established SCORES (online grievance redressal system) and Market Intelligence (MI) Portal.

- Investor Protection Fund.
- Tight regulation of intermediaries (brokers, mutual funds, portfolio managers).
- Stringent insider trading and fraud prevention regulations.

Investor confidence is crucial for market development.

(6) Strengthening Market Infrastructure Institutions (MIIs): SEBI regulates stock exchanges, clearing corporations, and depositories, such as:

- National Securities Depository Limited (NSDL)
- Central Depository Services Limited (CDSL)

Dematerialisation of securities has eliminated paper-based risks and improved efficiency.

(7) Risk Management and Surveillance

- Margining system reforms
- Stress testing of clearing corporations
- Enhanced surveillance mechanisms

These steps reduce market manipulation and systemic risk.

(8) Promotion of Institutional Participation

- Liberalization for Foreign Portfolio Investors (FPIs)
- Strengthening mutual fund regulations
- Enabling alternative investment funds (AIFs)

Greater institutional participation enhances stability and liquidity.

Capital markets are vital for economic growth as they mobilise long-term funds and allocate resources efficiently. In India, SEBI has played a transformative role in modernising and strengthening the capital market framework. Through improved transparency, faster settlement systems, development of bond markets, introduction of innovative products, and strong investor protection measures, SEBI has enhanced market integrity and depth. Continuous regulatory reforms and technological integration have positioned Indian capital markets among the most dynamic emerging markets globally.

A robust and well-regulated capital market is essential for sustainable economic development and financial stability.