



GS Advanced Program 2023

Generic Booklet

Test Name/Code/No. : 6.9.20.41

Name

Email ID.

Roll No.

Mobile No.

Date

Allotted Time : 60 Minutes

Instructions to Candidates -

- There are 7 Questions in this Question paper.
- All Questions are Compulsory.
- For all updates, please visit the noticeboard -
<https://noticeboard.forumias.com/gsap-2023/>

Important -

- Answers must be attempted in the QCA Booklet only.
- To upload the Answer Copies please visit to "My Course" section on -
<https://academy.forumias.com/>
- Only those copies will be evaluated which will be submitted before the next class.

Q. No.	Grade/Score
1	
2	
3	
4	
5	
6	
7	
Overall Grade/Score	

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Q.1)

Finance Commission is a quasi-judicial body
Constitutionally provided for by
Article 280 of the Constitution,
responsible for recommending
sharing of revenues between centre
and states.

How is Finance Commission constituted?

- ① Appointment done by the President.
- ② Chairman + 4 other members from:
 - a judge of HC or equivalent qualification
 - administratively experienced
 - economics expert
 - finance and Government accounts expert.

Functions of Finance Commission

- ① Distribution of net proceeds from taxes:
 → between centre and states
 → within states.
- ② principles governing grants-in-aid to States.
- ③ Supplementing resources of local bodies — suggests measures for same.
- ④ other matters as mentioned in Terms of Reference
 ex) 15th FC recommendation on Disaster Relief funds, Defence modernisation funds, etc.

Thus, the Finance Commission plays the role of balancing wheel in fiscal federalism.

Overall Grading (✓)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9

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Q.2)

India is a "holding together" federation but is unlike other federal polities.

Features tilting towards strong centre

- ① Article 1-4 bestow power of existence of a state to the Centre.
- ② Emergency provisions (Art 356, 365) ~~368~~
↳ President's Rule (Art 352)
↳ National Emergency where Centre becomes all powerful in legislative, executive & financial domains.
- ③ More items on Union, Concurrent list than State list.
- ④ Not all amendments require ratification by states (Art 368).

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However, the Constitution has also given State enough powers.

Powers devolved to States

- ① State list contains significant items like police, land, agriculture.
- ② Any matter likely to affect interest of states — Constitutional amendment requires ratification by at least half of the states.
- ③ All India Services are under "functional control" of states.
- ④ Consensus driven planning
ex) NITI Aayog governing council
Inter State Council.

Hence, India has overtime evolved into a suigeneris — competitive, cooperative federalism model.

Overall Grading (✓)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9

This Generic QCA booklet can be used to attempt all GS Advanced Program Tests.

Q.3)

Indian polity is based on the doctrine of Checks and balances rather than a strict separation of powers. To this end, legislature also exercises control over the executive.

Legislature's control of public finance

- ① Demand for grants passed by Parliament.
- ② "No tax shall be levied except by authority of law"
- ③ Parliament determines conditions for qualification for Finance Commission
- ④ CAG is directly responsible to the Parliament.

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⑤ Scrutiny of demand of grants by Department Related Standing Committees.

⑥ Parliamentary ^{Financial} Committees —

- Estimates Committee.
- Public Accounts Committee
- Committee on Public Undertakings

⑦ Other instruments like Question hour, Parliamentary debates also indirectly control public finances.

Hence, India has a robust public finance control mechanism in place.

Overall Grading (✓)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9

Q.4)

Article 3 of Indian Constitution grants the power to Parliament with respect to —

- i) formation of new state
- ii) alter area of a state
- iii) alter name / boundary of a state.

Case for Article 3 being a deviation from federal structure

- ① views of state not binding on the Parliament.
- ② Existence of a state in hands of the Parliament.
- ③ States are not indestructible units (unlike in US).

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However, the provisions for Article 3 are in line with how the Polity of India was envisaged —

- ① Article 1 says that India is a Union of States, that is, India is an indestructible union of destructible states.
- ② Idea of being an Indian first — single citizenship (no state citizenship)
- ③ Historically, equal powers to states may have ~~empowered~~ empowered secessionist ~~power~~ elements in states.

Hence, Article 3 is not a deviation from the Indian federal structure as the states also have reasonable powers legislature, state list, SFC, SEC, etc.

Overall Grading (✓)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9

Q.5)

India is an indestructible union of destructable states (Article 1).

Article 2 gives the Parliament the power to establish new states.

History of demand for new states

Timeline

- Independence → States divided into Groups — A, B, C.
- 1950s → Demand for states on linguistic basis
- 1953 → ex- Andhra Pradesh created
- 1956 → State Reorganisation Act passed
 - ↳ permitting division on linguistic basis.
 - ↳ creating 14 states and 6 UTs

- + 1960 Maharashtra and Gujarat
formed out of Bombay bifur-
- cation
- + 1963 Nagaland out of Assam
- + 1966 Haryana } out of Punjab
 & HP }
- + 1972 Tripura, Meghalaya, Manipur
 formed.
- + 1975 Sikkim becomes an
 'associate state'
- + ~~1988~~
 2000 Uttarakhand }
 Jharkhand }
 Chhattisgarh }
- + 2014 Telangana out of AP.

Trends in demand for new states

- ① Initially, demand was for
states on linguistic and
cultural basis

② Identity / ethnicity based demands
in North East
(1963 Nagaland; 1972 Meghalaya).

③ Recent decades have seen demand based on — development (ex-Tharakhand)
— administrative/governance convenience
(ex-Uttarakhand)

Ex - ongoing demands for
Vidarbha, Purnanchal,
(MH) (UP)
Gorkhaland, Saurashtra
(WB) (MH/GJ)

Way Forward

- ★ Primacy to administrative efficiency, economic & social factors, not political.
- ★ Unreasonable / politically motivated demands should be discouraged.
- ★ Political leadership must ensure balanced regional development within States.

Overall Grading (✓)

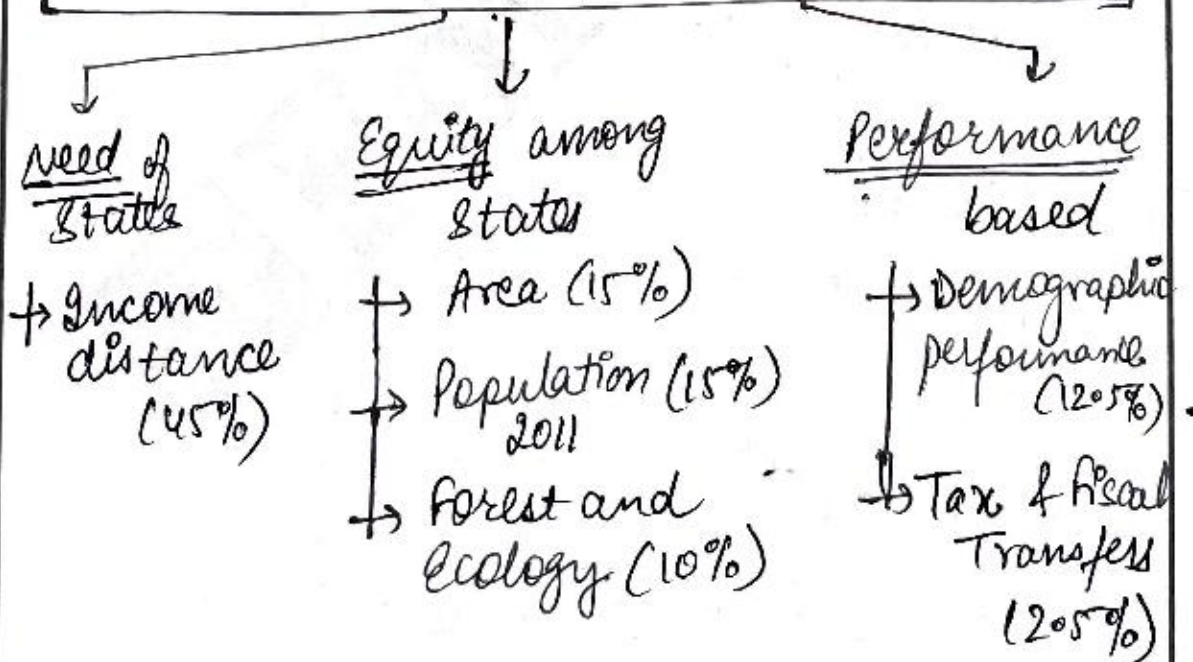
Poor			Average			Good		
1	2	3	4	5	6	7	8	9

Q.6)

The 15th Finance Commission set a recommended devolving 41% of the divisible pool of taxes to the states.

The distribution of this grant within ^{among} the states is called Horizontal Devolution.

Criteria used for Horizontal Devolution



Issues associated with the 15th PC's
horizontal distribution criteria

① Method of measurement of
Income Distance
↳ distance from best GDP/capita
State
↳ best state gets nothing → Haryana
↓
in this case.
against incentives.

② Population based on 2011 considered
↳ unfair to Southern states that
did better on population management

③ The basis for keeping forest & ecology
at 10% is not clear.
↳ objective assessment of forest & ecology
opportunity cost is needed.

④ Increase in cess & surcharge
↓
shrinking divisible pool.

However, the criteria used has been hailed as fair, just and equitable because -

* balance between $\begin{cases} \text{needs} \\ \text{equity} \\ \text{incentives} \end{cases}$.

* 12.5% for demographic performance is significant to incentivise populated states.

Moreover, all the recommendations have been accepted in line with the spirit of cooperative federalism.

Overall Grading (✓)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9

Q.7)

Indian government has taken a cautious stance through covid-19 waves.

Response to first wave of covid-19

↳ has been criticised for being unilateral centralized because —

- ① States not consulted prior to lockdown.
- ② unilateral extensions to lockdown.
- ③ markets / industries not consulted which led to significant business losses.
- ④ Mandatory to book vaccinations via cowin portal initially.

But since the virus was relatively unknown, the government was being overly cautious.

As more data and research emerged, the government took a more balanced, decentralised approach to the second wave as is evident

from —

- ① States given more authority with respect to stringency of lockdown.
- ② Graded approach adopted to minimise economic fallout (unlike complete shutdown in 1st wave)
- ③ more centre - state coordination with respect to vaccine allocation, vaccination priorities (ex- to elderly first) etc.

Hence, the government took a more balanced and informed approach in subsequent waves of covid-19.

Overall Grading (✓)

Poor			Average			Good		
1	2	3	4	5	6	7	8	9