

write anything except the question number in this space)

कृपया इस स्थान में प्रश्न संख्या के अतिरिक्त कुछ न लिखें।

Answer Questions in NOT MORE THAN the Word Limit specified for each in the Parenthesis.  
Content of the Question is more important than length.  
( Specimen Answer Booklet - For Practice Purpose Only)

Candidates must not write on this margin

Q. Rising Current Account Deficit is Best Bridged through higher exports, rather than Foreign Direct Investment flows.

↳ Current Account Deficit

It occurs when the total value of goods and services a country imports exceeds the total value of goods it exports.

↳ CAD through higher exports After COVID 19

↳ Export growth in the beginning of 2021 were increased in merchandise exports of Agricultural, manufacturing exports and also service exports are also increased.

↳ High trade imbalance

↳ Even the In 2021-22, even the fiscal deficit staying well above the FEBM target, when a low CAD 1.2% of GDP of imports.

↳ It seriously challenged twin deficit problem

↳ Trade Deficit - increase in imports caused widening of trade deficit due to rise in crude oil prices following Russia-Ukraine war.

# UPSC

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उम्मीदवारों को  
इस हद्दशिमा में  
नहीं लिखना  
चाहिए  
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↳ These higher Merchandise imports shows an import dependent economy.

↳ Achieve higher exports

Challenges.

↳ Rising imports become inevitable due to structural characteristic of India Economy.

↳ under performance of Non petroleum exports is major afflicting India's External Sector.

↳ Service Trade slower than imports

↳ In most time CAD upheld by non-debt creating forms which is Foreign Direct Investment (FDI)

↳ Achieve Higher Exports

↳ India's Policy maker have been well aware of limitations of FDI

↳ Government should work towards an effective solution for the chronic CAD by improving export competitiveness of India's Producers.