

GS-III Indian Economy and Issues Relating to Planning, Mobilization of Resources, Growth, Development and Employment.

1. The Recent Economic Growth suggests that, we need a Large Dose of Fiscal Stimulus to reviving up the Engine of Growth. Comment

Why this Question?

- Recently the growth rate declines from 5% to 4.5% of GDP. In this scenario the fiscal stimulus is need of the hour to revive up the Growth Rate.

Key Demands of Question:

- Mention the statistics of the Recent Economic Growth Rate.
- Explain the fiscal stimulus concept and explain how it will help to revive the Economic Growth.
- Discuss the other measures should be taken to tackle the slowdown in the Economy.

Directive word:

Comment:

- When you are asked to comment, you have to pick main points and give your 'opinion' on them based on evidences or arguments stemming from your wide reading.
- Your opinion may be for or against, but you must back your argument with evidences.
- These types of question offer you a chance to consolidate your reading of different subjects to justify your opinion.

Structure of Answer:

Introduction:

- Mention the statistics about the current growth rate or mention the Recent Economic slowdown facing the Economy.

Body:

- Explain the concept of fiscal stimulus.
- Discuss why large dose of fiscal stimulus needed and also explain how fiscal deficit will help to improve the economic growth rate.
- Discuss the various ways of the fiscal stimulus can be considered.
- Mention the recent government initiatives to revive the growth rate like reducing the corporate rate, etc.

Conclusion:

- Conclude with the other Non-Fiscal measures like reducing tax litigation, eliminating inspector raj for MSMEs, reducing non-merit subsidies, etc. along with the fiscal measures to revive the Economic Growth of the Country.

