NABARD

PY – 2015

(Maximum Marks—100)

[Duration : 3 Hours]

GENERAL ENGLISH

Instructions.— (1) All questions are compulsory.

(2) Figures to the right indicate full marks to each question.

(3) Each question should be answered on a new page.

(4) All parts of a question should be answered together, without other answers intervening.

(5) Marks will be deducted if an answer is longer or shorter than the limit, or is irrelevant, or if illegible.

(6) Answers must be written only in English.

Marks

1. Write an essay of about 500 words on any *one* of the following :— 40

(*a*) Tweeting and Texting overtake Meeting!!

(*b*) Media today plays a powerful Role.

(*c*) Are Indian parents responsible for Rape cases?

(*d*) The Wars of the Future will be about Water!

(*e*) Will Football overtake cricket?

(*f*) How can you work towards a Swatch Bharat in your Locality?

2. (*a*) Make a précis of the following passage reducing it to about 180 words, and give it a suitable title. Use the précis sheet provided for it :— 20

IN 1973 global finance saw a back-room revolution when a group of banks formed a co-operative to offer those moving money across borders a slick alternative to the clunky old telex. Today the electronic financial-messaging system of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) transmits more than 5 billion bank-to-bank messages each year. In 2013 it oiled the transfer of trillions of dollars globally by the 10,500 banks, asset managers and firms that are its members. SWIFT does not initiate transfers, hold customers' money, or clear or settle payments. Rather, it provides a template that helps international transfers flow smoothly and be tracked.

Without SWIFT, global trade and investment would be slower, costlier and less reliable. But the network's very usefulness means it is increasingly being cast in a new role, as a tool of international

Marks

sanctions. In 2012 it was obliged, under European law, to cut off access for Iranian banks that had been subjected to sanctions by the European Union. Now there are calls for Russian banks to be banned from SWIFT in response to Russia's invasion of Ukraine.

SWIFT's own rules allow it to cut off banks involved in illegal activity, and it has occasionally done so. But if it ends up being used frequently for sanctions, it could come to be seen as an Instrument of foreign policy, thereby weakening its cherished neutrality. Already there are calls for it to be used in other conflicts: pro-Palestinian groups have recently sought for Israel's banks to be shut out, for instance. And as China's economic clout grows, might it want Taiwanese banks excluded?

Since the terrorist attacks of September 11th 2001, America has used subpoenas to gain access to data on SWIFT transactions as part of the Treasury's Terrorist Finance Tracking Programme. (SWIFT has to hand over only data linked to specific suspected threats, and the arrangement is independently monitored.) Since 2010 America has shared this information with its European allies. It has proved useful. Though terrorists know that SWIFT is monitored by spooks, they still use it, just as they continue to use mobile phones: they know both bring risks, but sometimes they have no obvious alternatives.

"Governments have to be very careful how they use SWIFT as a tool of financial pressure," says Juan Zarate, who helped pioneer the use of banking sanctions while at America's Treasury a decade ago. To avoid collateral damage and thus maximise legitimacy, better to target only those banks linked to specific illicit activities, he argues.

America's current crop of senior Treasury officials are similarly cautious, despite being vocal proponents of sanctions in general. SWIFT is a "global utility", says one, and using it for sanctions should be "an extraordinary step, to be used in only the most extraordinary situations". Blocking access to SWIFT, he frets, could mean that traffic shifts to networks that are less secure and easier to disrupt— and thus make life easier for criminals and cyberterrorists, including those in rogue governments. Against those who threaten global security, a SWIFT ban is a powerful and proven weapon. But it is also a risky one.

Extract from The Economist-November 22, 2014

Marks

(*b*) Answer the following questions based on the passage above, in your own words. (Each question carries 4 marks) :— 20

A. What does SWIFT do ?
B. How can its neutrality be weakened?
C. Why do terrorists use SWIFT ?
D. What are the pros and cons of SWIFT as a "Global Utility"?
E. Use the following phrases in sentences of you own to bring out their meaning
   (*i*) Is monitored by
   (*ii*) Proven weapon
   (*iii*) Flow smoothly
   (*iv*) To cut off access

3. Answer the question chosen in about 250 words :— 20

(*a*) A Farmers Co-operative has approached you for a loan. List the conditions governing it, while granting the loan.

OR

(*b*) Send a stern warning to a rural bank that has not returned even a part of its borrowing in the past three years.

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