

MIZORAM PUBLIC SERVICE COMMISSION

LIMITED DEPARTMENTAL EXAMINATIONS FOR PROMOTION TO JUNIOR GRADE OF MIZORAM FINANCE & ACCOUNTS SERVICE UNDER FINANCE DEPARTMENT, GOVERNMENT OF MIZORAM

JULY, 2017

DRAFTING & PRÉCIS WRITING

Time Allowed : 3 hours

Full Marks : 150

Marks for each question is indicated against it.

Attempt all questions.

1. Write a précis of the following passage in about one third of the original text and suggest a title. **(25)**

Financial inclusion protects low income group's financial wealth and other resources in crucial circumstances by bringing them within the perimeter of formal banking sector. It also softens the exploitation of vulnerable sections by the usurious money lenders by facilitating easy access to formal credit. Further, financial inclusion broadens the resource base of the financial system by developing a culture of savings among large segment of rural population and plays its own role in the process of economic development. Also, a strong financial system encourages expansion in the market and competition for existing firms. It ensures that poor households and small entrepreneurs need not depend on middlemen. On the other hand, an underdeveloped financial system can be uncompetitive, conservative and inimical to poor or small entrepreneurs.

Additionally, macroeconomic evidence indicates that sound financial systems have a strong positive impact on economic growth over a long period of time. Multiple studies have documented a robust negative relationship at the country level between indicators of financial depth and the level of income inequality as measured by the Gini coefficient.

A number of researchers have investigated the link between financial inclusion and economic growth, focusing primarily on whether there is a positive relationship between the two concepts. Consistent with economic theory that would suggest that financial inclusion should promote economic growth. Financial development has typically accompanied economic growth and broader participation in the mainstream financial sector by all segments of the population and generally strengthens this connection. The security of a savings account, access to credit, and lower costs of basic financial transactions tend to increase households' abilities to insulate themselves from a variety of shocks and may enhance consumer confidence. Wider access to financial services also tends to distribute economic opportunities more broadly, particularly among poorer households and businesses. **(296 words)**

2. Write a précis of the following passage in about one third of the original text and suggest a title. **(25)**

The business model for banks moved towards an equity culture with a focus on faster share price growth and earnings expansion during the 1990s. The previous model, based on balance sheets and old fashioned spreads on loans, was not conducive to banks becoming "growth stocks". So, the strategy switched more towards activity based on trading income and fees via securitisation which enabled banks to grow earnings while at the same time economising on capital by gaming the Basel system. Seen this way, the originate-to-distribute model and the securitisation process is not about risk spreading; rather it is a key part of the process to drive revenue, the return on capital and the

share price higher. That is, it is more about increased risk taking, and up-front revenue recognition. Put another way, banking began to mix its traditional credit culture with an equity culture.

In order for executives and sales at all levels to capture the benefits of this business model, compensation, too, had to evolve. Bonuses based on up-front revenue generation rose relative to salary, and substantial option and employee share participation schemes became the norm. This was argued to be in shareholders' interest – the common philosophy being that: “if you pay peanuts you get monkeys”.

(206 words)

3. Write a précis of the following passage in about one third of the original text and suggest a title. (25)

Creating a financial plan helps you see the big picture and establish long- and short-term life goals, a crucial step in mapping out your financial future. When you have a strategy and a financial plan, it's easier to make financial decisions and stay on track to meet your goals. Working with the right Certified Financial Planner is fundamental to your financial well being and success. The experience should provide peace of mind, insight, and clarity when relating your life goals to your personal and family's evolving financial picture. Financial planning helps you understand the impact that each financial decision has on other areas of your financial life. For example, increasing contributions to your employer-sponsored retirement plan affects your cash flow, taxes, investment portfolio, and retirement plan. This integrated approach to managing your wealth provides purpose and confidence to your financial decisions. You can also better adapt to life transitions and gain a sense of empowerment knowing that you are progressing toward your financial goals.

(164 words)

4. Draft an Office Memorandum to be signed by the Secretary, Public Works Department, on the need to maintain regularity and to avoid delay in dealing with government business. (25)
5. The Director of School Education recently visited a primary school in Thenzawl and parents of some of the students met him to complain against the functioning of the school and also offered some suggestions to bring about an improvement.

You have accompanied the Director during this visit. Make a Summary of the complaints made by parents against working of the school and suggestions for its improvement. Your summary must include two points of complaint and two suggestions for improvement. (25)

6. The Chief Secretary of Mizoram has written to the Secretary, Department of Sports, Ministry of Youth Affairs and Sports, Govt. of India, for providing funds to improve sports facilities in schools and colleges in the state. Secretary, Ministry of Youth Affairs and Sports, Govt. of India, put his initial remarks on the margin of the letter that Government of India is in the process of formulating a scheme aimed at improving the infrastructure in schools and colleges in the country. In this regard, views of all the State Governments and Union Territories have been asked for.

As a Section Officer in the Department of Sports, Ministry of Youth Affairs and Sports, you are expected to Draft a D.O letter from the Secretary to the Chief Secretary of Mizoram bringing out the above. (25)

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