

International Institute of Information Technology, Hyderabad
(Deemed to be University)

Rethinking Corruption in India (HS8.401)

Quiz 1

Max. Time: 45 mins

Max. Marks: 30

23 Aug 2024

* Answers should be 300 - 400 words.

Question 1: Using Marx's distinction between wealth and capital, explain how corruption and black money can be seen as part of capital accumulation rather than simply moral failure. Illustrate with an example (historical or contemporary).

Question 2: Drawing on the writings of Sumit Guha and Marina Martin, explain how instruments like hundi and hawala worked in precolonial India. What do they reveal about trust, caste networks, and legitimacy in the absence of modern contracts and banks?

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ANSWER KEY AND MARKING GUIDE

Question 1 (15 marks)

1. Engagement with Marx's text (7 marks)
 - o Must show familiarity with the chapters (esp. *Capital*, Vol. I, Chs. 26–33).
 - o Correctly explain *wealth vs capital* distinction (wealth = use values/accumulated resources; capital = value in circulation, M–C–M').
 - o Recognition that primitive accumulation is not only historical but also ongoing.
2. Application to corruption/black money (5 marks)

- o Students must connect Marx's framework to the idea that corruption/black money is part of accumulation, not a deviation.
- o Should note evasion of state regulation/taxation.
- o At least a brief example, linked back to Marx's logic.

3. Clarity of argument (3 marks)

- o Organised, coherent, shows effort to interpret rather than rote reproduction.

Marker's tip: A student who only gives general ideas about corruption but no reference to Marx's arguments should get $\leq 7/15$. A student who shows they have carefully read Marx but struggles with application should still score $\geq 10/15$.

Question 2 (15 marks)

1. Sumit Guha (6 marks)

- o Expect details on caste/kinship basis of merchant networks.
- o Emphasis on how trust and reputation substituted for contracts.
- o References to Guha's arguments about social legitimacy, sanctions, and embeddedness.

2. Marina Martin (6 marks)

- o Clear explanation of hundi/hawala as financial instruments.
- o Their sophistication in enabling long-distance, cross-regional trade.
- o The absence of modern banks/contracts and how these instruments filled the gap.

3. Synthesis and clarity (3 marks)

- o Linking the two authors together (e.g., Martin on the mechanics, Guha on the social/caste legitimacy).
- o Coherent argument, not just descriptive notes.

Marker's tip: If student describes hundi/hawala but does not mention Guha or Martin, cap at 7/15. Strong engagement with both texts, even if less polished, should get $\geq 11/15$.