

Prelims Refresher Programme: Day 27 (Test-8)

QUESTION 1:

Consider the following statements:

1. Merchandise (goods) exports as a percentage of GDP has been continuously increasing for India post-1991.
2. Merchandise exports as a percentage of GDP for India are almost the same as compared to the world average.

Which of the statements given above is/are correct?

- (A) 1 only
 (B) 2 only
 (C) Both 1 and 2
 (D) Neither 1 nor 2

Answer: D

Explanation

- India's share in merchandise (goods) exports in world exports have increased from 0.6% in 1991 to 1.7% in 2018.
- Though Merchandise (goods) exports as a percentage of GDP has **not been continuously increasing for India post-1991**. But it has shown downward trends in some years as can be depicted by the below figure 1. **Hence, statement 1 is not correct.**
- The merchandise exports as a percentage of GDP remained consistently lower for India compared to the world average by a significant margin. **Hence, statement 2 is not correct.**

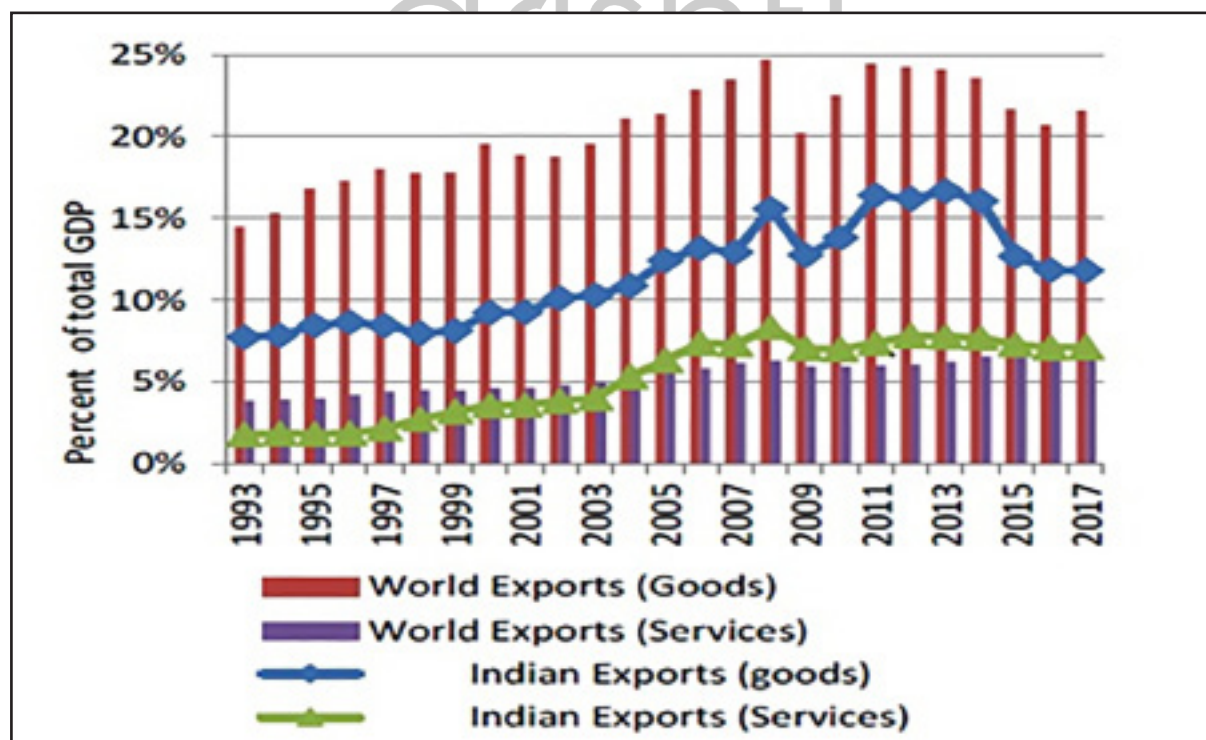


Fig. 1: Share of exports (goods and services) in GDP, India versus World.

QUESTION 2:

With reference to 'National Technical Textiles Mission', consider the following statements:

1. The mission aims to position India as a global leader in technical textiles.
2. It can help in increasing productivity in agriculture, horticulture and aquaculture fields.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: C

Explanation

- Union Budget 2020-2021 proposes the **National Technical Textiles Mission** that would be set up with a four-year implementation period from 2020-21 to 2023-24 at an estimated outlay of ₹1480 crore **to position India as a global leader in Technical Textiles. Hence, statement 1 is correct.**
- Technical textiles are material and products manufactured primarily for their technical properties and functional requirements rather than for aesthetic characteristics.
- The scope of use of technical textiles encompasses a wide range of applications such as agro-textiles, medical textiles, geo-textiles, protection-textiles, industrial-textiles, sports-textiles and many other usages.
 - **Use of technical textiles has benefits of increased productivity in agriculture, horticulture and aquaculture fields**, better protection of military, para-military, police and security forces, stronger and sturdier transportation infrastructure for highways, railways, ports and airports and in improving hygiene and healthcare of general public. **Hence, statement 2 is correct.**

QUESTION 3:

With reference to the social services expenditure of Government, consider the following statements:

1. The expenditure on social services is more than one-fourth of total budgetary expenditure in year 2019-20.
2. Education receives the highest allotment among all social services.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: C

Explanation

- The **expenditure on social services** (education, health and others) by Centre and States as a proportion of Gross Domestic Product (GDP) increased by 1.5 percentage points from 6.2 to 7.7 per cent, during the period 2014-15 to 2019-20 (Budget Estimates-BE).
 - The share of expenditure on social services out of **total budgetary expenditure increased to 26 per cent** in 2019-20 (BE) from 23.4 per cent in 2014-15. **Hence, statement 1 is correct.**
- An increase was witnessed across all social sectors during this period. For education, it increased from 2.8 per cent in 2014-15 to 3.1 per cent in 2019-20 and for health from 1.2 to 1.6 per cent.
 - As per the below-mentioned table **education receives 40.7 per cent of total social services. Hence statement 2 is correct.**

**Table 1: Trends in Social Service Sector Expenditure by General Government
(Combined Centre and States)**

Item	2014-15	2015-16	2016-17	2017-18	2018-19 RE	2019-20 BE
(₹ in Lakh crore)						
Total Budgetary Expenditure	32.85	37.61	42.66	45.16	55.17	60.72
Expenditure on Social Services	7.68	9.16	10.41	11.40	14.47	15.79
of which:						
i) Education	3.54	3.92	4.35	4.83	5.81	6.43
ii) Health	1.49	1.75	2.13	2.43	2.92	3.24
iii) Others	2.65	3.48	3.93	4.13	5.74	6.12
As percentage to GDP						
Expenditure on Social Services	6.2	6.6	6.8	6.7	7.6	7.7
of which						
i) Education	2.8	2.8	2.8	2.8	3.1	3.1
ii) Health	1.2	1.3	1.4	1.4	1.5	1.6
iii) Others	2.1	2.5	2.6	2.4	3.0	3.0
As percentage to total expenditure						
Expenditure on Social Services	23.4	24.3	24.4	25.2	26.2	26.0
of which						
i) Education	10.8	10.4	10.2	10.7	10.5	10.6
ii) Health	4.5	4.7	5.0	5.4	5.3	5.3
iii) Others	8.1	9.3	9.2	9.1	10.4	10.1
As percentage to social services						
i) Education	46.1	42.8	41.8	42.4	40.1	40.7
ii) Health	19.4	19.1	20.5	21.4	20.2	20.5
iii) Others	34.6	38.0	37.7	36.2	39.7	38.8

QUESTION 4:

Consider the following statements:

1. The contribution of the service sector is less than 50 per cent of the total size of the economy.
2. Service sector attracts more than 50 per cent of total Foreign Direct Investment (FDI) inflows into India.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: B

Explanation

- The services sector's significance in the Indian economy has continued to increase, with the sector now accounting for around 55 per cent of total size of the economy and GVA growth. **Hence, statement 1 is not correct.**

- Service sector attracts **two-thirds of total FDI inflows** into India and about 38 per cent of total exports. **Hence, statement 2 is correct.**
- The share of services sector now exceeds 50 per cent of Gross State Value Added in 15 out of the 33 states and UTs, with this share more than 80 per cent in Delhi and Chandigarh.

QUESTION 5:

Consider the following statements regarding New National Policy on Official Statistics:(Budget 2020)

1. It lays down a road-map towards modernised data collection, integrated information portal and timely dissemination of information.
2. It is based on the recommendations of the National Statistical Commission and the United Nations Fundamental Principles of Official Statistics.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: C

Explanation

- Union Budget 2020-2021 highlighted that the proposed new National Policy on Official Statistics would use the **latest technology including Artificial Intelligence**.
 - The new National Policy on Official Statistics is to use the latest technology to enable real time monitoring of an increasingly complex economy.
- It also lays down a road-map towards modernised data collection, integrated information portal and timely dissemination of information. **Hence, statement 1 is correct.**
- The new national policy on official statistics is based on the recommendations of the National Statistical Commission and the United Nations Fundamental Principles of Official Statistics. **Hence, statement 2 is correct.**

QUESTION 6:

Consider the following statements:

1. The foreign exchange earnings from the tourism sector has decelerated in 2018-19.
2. In terms of international tourist arrivals, India is ranked among the top ten nations in the world.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: A

Explanation

- The tourism sector is a major engine of growth, contributing to GDP, foreign exchange earnings and employment. In India, the **tourism sector witnessed a strong performance from 2015 to 2017**, with high growth in foreign tourist arrivals. However, foreign tourist arrivals growth (YoY) has **decelerated since then to 5.2 per cent in 2018 and 2.7 per cent in January-October 2019**.
 - Correspondingly, growth in **foreign exchange earnings from the tourism sector has slowed in 2018 and 2019** after registering strong growth until 2017. Foreign exchange earnings totalled US\$ 24 billion in January-October 2019, with a growth (YoY) of 2 per cent.

- This trend, however, is not unique to India, as the growth (YoY) in international tourist arrivals globally also slowed from 7.1 per cent in 2017 to 5.4 per cent in 2018. **Hence, statement 1 is correct.**
- India ranked **22nd** in the world in terms of international tourist arrivals in 2018, improving from the 26th position in 2017. India now accounts for 1.24 percent of world's international tourist arrivals and 5 percent of Asia & Pacific's international tourist arrivals. **Hence, statement 2 is not correct.**
- India ranks 13th in the world and 7th in Asia & Pacific in terms of tourism foreign exchange earnings, accounting for close to 2 percent of the world's tourism foreign exchange earnings.

QUESTION 7:

Consider the following statements:

1. India is ranked second in terms of spending in the space sector.
2. ISRO is engaging private players for the production of Polar Satellite Launch Vehicle (PSLV).

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: B

Explanation

- India spent about **US\$ 1.5 billion on space programmes in 2018**. However, India's government space expenditure still lags behind that of the major players in the space sector, such as the USA, which spent about 13 times more than India in the space sector in 2018.
- China, which has become a key player in the space sector in recent years, also spent about seven times more than India in 2018. **Hence, statement 1 is not correct.**

Table 10: Government Budget for Space Sector in 2018

Country	Expenditure (US\$ billion)
USA (NASA)	19.5
China (CNSA)	11.0
Russia (Roskosmos)	3.3
India (ISRO)	1.5

Source: ISRO (which sourced from statista).

- ISRO has been pursuing the policy of engaging Indian industries in delivering space related goods and services, especially in light of the growing number of satellite and launch vehicle missions and application programmes. In this direction, the following areas have been identified for attracting private investments in the space sector:
 - **Production of Polar Satellite Launch Vehicle (PSLV); Hence, statement 2 is correct.**
 - Satellite integration and assembly;
 - Production of composite materials;
 - Production of solid, liquid, cryogenic and semi-cryogenic propellants; and
 - Production of electronic packages, Testing & Evaluation for avionics and satellite subsystems.

QUESTION 8:

Which of the following best describes the term 'Cobweb Phenomenon'?

- (A) It is idea that price fluctuations lead to fluctuations in supply which cause a cycle of rising and falling prices.



- (B) A situation where poor farmers are debt trapped in the clutches of moneylenders.
- (C) A phenomenon relating to reduction in the production during the time of credit crunch.
- (D) It is another term used for the cyclic slowdown and the boom in the economy.

Answer: A

Explanation

- Cobweb phenomenon (or theory) is the idea that **price fluctuations can lead to fluctuations in supply which cause a cycle of rising and falling prices. Hence, option A is correct.**
- According to the Survey, the Indian farmers are caught in the cobweb phenomenon when they base their sowing decisions on prices witnessed in the previous marketing period.
- So, if a farmer observes a higher price for a specific crop in period, let's say 'T-1', he would opt to produce more of it in period 'T'. However, if the production of the crop exceeds market demand, prices fall in period 'T', signalling farmers to produce less of the commodity in period 'T+1'.
- This may lead to a problem of plenty and subsequent price fall and losses to the farmer.

QUESTION 9:

With reference to 'National Time Release Study', consider the following statements:

1. Its objective is to enable faster movement of cargo across borders to benefit traders.
2. It is being conducted by the Ministry of Commerce and Industry as part of its strategic commitment to improve global trade.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: A

Explanation

- India's **first** national **Time Release Study (TRS)** is being conducted by the **Ministry of Finance** as part of its strategic commitment to improve global trade. **Hence, statement 2 is not correct.**
- It is conducted across multiple locations covering seaports, Inland Container Depots (ICDs), air cargo complexes and integrated check posts.
- It's objective is to **identify and address bottlenecks in the trade flow process** and take the corresponding policy and operational measures required to improve the effectiveness and efficiency of border procedures, without compromising efficient trade control. It will **enable faster movement of cargo across borders to benefit traders. Hence, statement 1 is correct.**
- The TRS is an internationally recognized tool advocated by **the World Customs Organization** to measure the efficiency and effectiveness of international trade flows.
- TRS initiative will help in **improving the Ease of Doing Business (EODB)**, particularly on the trading across borders indicator which measures the efficiency of the cross border trade ecosystem.

QUESTION 10:

With reference to 'National Infrastructure Pipeline (NIP)', consider the following statements:

1. It intends to facilitate supply side interventions in infrastructure development to boost India's economic growth.
2. The projects will be entirely funded by the Central and State Government.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: A

Explanation

National Infrastructure Pipeline (NIP)

- The NIP captures the infrastructure vision of the country and is the first ever exercise (Public-Private) undertaken in the country.
- To draw up the NIP for each of the years from FY 2019-20 to FY 2024-25, an inter-ministerial Task Force was set up in 2019 under the chairmanship of Secretary (DEA), Ministry of Finance.
- NIP is expected to enable **well-prepared infrastructure projects** which will create jobs, improve ease of living, and provide equitable access to infrastructure for all, thereby making growth more inclusive.
- It also intends to facilitate **supply side interventions in infrastructure development to boost short-term as well as the potential GDP growth**. Improved infrastructure capacities will also drive the competitiveness of the Indian economy. **Hence, statement 1 is correct.**
- As per the NIP, Central Government (39%) and State Government (39%) are expected to have an equal share in the funding of the projects followed by the Private Sector (22%). It is expected that the private sector share may increase to 30% by 2025.
- Out of the total expected capital expenditure of ₹102 lakh crore, projects worth ₹42.7 lakh crore (42%) are under implementation, projects worth ₹32.7 lakh crore (32%) are in conceptualization stage and rest are under development. **Hence, statement 2 is not correct.**

QUESTION 11:

Which of the following are examples of Percussion Instruments?

1. Mridangam
2. Cymbals
3. Ravanahatha
4. Khadtal

Select the correct answer using the code given below:

- (A) 1, 2 and 4 only
- (B) 1 and 2 only
- (C) 3 and 4 only
- (D) 1, 2, 3 and 4

Answer: A

Explanation

- The musical instruments are classified on the basis of the scientific principle used to create the sound they make. Examples include percussion instruments, wind instruments, string Instruments and drums.
- **Percussion Instruments** are those that are struck to produce sound. These are generally used to produce the Taal or beat and do not produce the entire musical notes.
- **Cymbals** consist of a circular flat or concave metal plate that is struck with a drumstick or is even used in pairs struck to produce sound. It is a **percussion instrument**.

- **Khadtaal** is also a percussion instrument. This instrument is depicted in the hands of Meerabai and other Bhaktikaleen poets of the medieval period.
- The **Mridangam** is a percussion instrument from India of ancient origin mainly used in Carnatic form of music.
- **Ravanahatha** is an ancient bowed string instrument and not a percussion instrument. **Hence, option (a) is correct.**

QUESTION 12:

Consider the following pairs of Indian folk music and states where they are practiced:

Folk Music	States
1. Bhatiali	Bihar
2. Bauls	Nagaland
3. Maand	Maharashtra

Which of the above is/are correctly matched?

- (A) 1, 2 and 3
- (B) 1 and 3 only
- (C) 3 only
- (D) None of the above

Answer: D

Explanation

- **Maand** is the folk music style of Rajasthan. It was usually sung by Nomadic singers or appointed court singers. Maand is neither accepted as a full-fledged Raga nor is it reckoned among the freely rendered folk songs. In fact, It is quite similar to the Thumri or the Ghazal. **Hence, pair 3 is not matched correctly.**
- **Baul Sangeet** of West Bengal is a particular type of folk song. Bauls are musicians and storytellers from Bengal. **Hence, pair 2 is not correctly matched.**
- Bhatiali is a term used for the boatmen of Bengal. Bhatiali is also a form of folk music sung in both Bangladesh and West Bengal. **Hence, pair 1 is not correctly matched.**
- **Hence, option (d) is correct.**

QUESTION 13:

With respect to the Bodo Accord, consider the following statements:

1. It was signed between the Government of India, the Assam government and the Bodo groups.
2. It has removed the Bodoland Territorial Area District from the Sixth Schedule of the Constitution.
3. Bodo is the second largest tribe of Assam after Miri.

Which of the statements given above is/are not correct?

- (A) 1 and 2 only
- (B) 1 and 3 only
- (C) 2 and 3 only
- (D) 1, 2 and 3

Answer: C

Explanation

- Bodo Accord was recently signed by the **central government, the Assam government and the Bodo groups**, including all factions of the militant National Democratic Front of Bodoland (NDFB), to

redraw and rename the Bodoland Territorial Area District (BTAD) as the Bodoland Territorial Region (BTR), in Assam. **Hence, statement 1 is correct.**

- There has been no constitutional change and the Bodoland Territorial Area District (BTAD) and other areas mentioned under the Sixth Schedule of the Constitution are exempted from the Citizenship (Amendment) Act (CAA), 2019. **Hence, statement 2 is not correct.**
- Bodos are the single largest community among the notified Scheduled Tribes in Assam. **Hence, statement 3 is not correct.**

QUESTION 14:

With respect to Coronavirus, consider the following statements:

1. It is an RNA Virus which blends with the host's DNA and mutates rapidly.
2. Severe Acute Respiratory Syndrome and the Middle East Respiratory Syndrome are the two variants of coronaviruses.
3. It affects humans as well as animals.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) 3 only
- (D) 1, 2 and 3

Answer: D

Explanation

- Coronavirus is an RNA virus with ribonucleic acid (RNA) as its genetic material instead of deoxyribonucleic acid (DNA). The virus blends with its host's DNA and can mutate rapidly. **Hence, statement 1 is correct.**
- There are four known disease-causing coronaviruses, among which the best known are the Severe Acute Respiratory Syndrome (SARS) coronavirus and the Middle East Respiratory Syndrome (MERS) coronavirus, both of which can cause severe respiratory diseases. **Hence, statement 2 is correct.**
- These viruses can affect humans as well as mammals including pigs, cattle, cats, dogs, martens, camels, hedgehogs and some birds. **Hence, statement 3 is correct.**

QUESTION 15:

Consider the following statements about Income Tax Appellate Tribunal (ITAT):

1. It is a quasi-judicial body.
2. The orders passed by the ITAT are final, an appeal lies to the High Court only if a substantial question of law arises for determination.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: C

Explanation

- **Income Tax Appellate Tribunal (ITAT)** is a quasi-judicial institution set up in 1941 under section 5A of the Income Tax Act, 1922. **Hence, statement 1 is correct.**

- It deals with appeals under the Direct Taxes Acts namely, the Income-tax Act, 1961. The orders passed by the ITAT are final, an appeal lies to the High Court only if a substantial question of law arises for determination. **Hence, statement 2 is correct.**
- Recently, the Income Tax Appellate Tribunal (ITAT) celebrated its 79th foundation day.

QUESTION 16:

Corruption Perceptions Index is released by:

- (A) World Economic Forum
- (B) United Nations Development Program
- (C) Transparency international
- (D) Stockholm International Peace Research Institute

Answer: C

Explanation

- Corruption Perceptions Index (CPI) is released by the Transparency international. **Hence, option C is the correct answer.**

QUESTION 17:

Despite being a high saving economy, capital formation may not result in significant increase in output due to

- (A) Weak administrative machinery
- (B) Illiteracy
- (C) High population density
- (D) High capital-output ratio

Answer: D

Explanation

- **Capital Output Ratio (COR)** is one of the frequently used tools that explains the relationship between the level of investment made in an economy and the consequent increase in GDP. **COR is the measure of capital required for producing one unit of output.** High COR means high capital requirement for lower output.
- Thus, from the working definition of Capital Output Ratio, it can be said that despite being a high saving economy, capital formation may not result in a significant increase in output if capital-output ratio is high. **Hence, option D is correct.**

QUESTION 18:

Increase in absolute and per capita real GNP do not connote a higher level of economic development, if:

- (A) industrial output fails to keep pace with agricultural output.
- (B) agricultural output fails to keep pace with industrial output.
- (C) poverty and unemployment increase.
- (D) imports grow faster than exports

Answer: C

Explanation

- **Gross Domestic Product (GDP):** It is the market value of all final goods and services produced in an economy within a given period of time (typically a year).

- **Gross National Product (GNP):** GNP is Gross Domestic Product (GDP) plus net factor income from abroad. GNP measures the monetary value of all the finished goods and services produced by the country's factors of production irrespective of their location.
- While GDP limits its interpretation of the economy to the geographical borders of the country, GNP extends it to include the net overseas economic activities performed by its nationals.
- **Nominal GDP:** It measures the value of all finished goods and services produced by a country at their current market prices. Thus, inflation is not adjusted while computing nominal GDP.
- **Absolute GNP or Real GNP:** It is also known as inflation-adjusted Gross National Product measured at constant base-year prices.
- **Per Capita GNP:** It is the total value of all the goods and services produced by a country in a year, including income from foreign investments, divided by the number of people living there.
- **Rise in absolute GNP and per capita GNP** in an economy does not connote a higher level of economic development, if there is high poverty and unemployment, and the same is on an increasing trend. Hence, option C is correct.

QUESTION 19:

Consider the following statements:

Human capital formation as a concept is better explained in terms of a process which enables

1. individuals of a country to accumulate more capital.
2. increasing the knowledge, skill levels and capacities of the people of the country.
3. accumulation of tangible wealth.
4. accumulation of intangible wealth

Which of the statements given above is/are correct?

- (A) 1 and 2
- (B) 2 only
- (C) 2 and 4
- (D) 1, 3 and 4

Answer: C

Explanation

- The people of the nation as resources refer to the country's working population in terms of their existing productive skills and abilities. This aspect of the population of a nation, with emphasis on people's ability to contribute to the creation of the Gross National Product, is known as Human Capital.
- Human capital formation is defined as development of the human resource by investing in health, education, and skill development of the human resource. Human capital formation in other terms encompasses in itself the process of increasing knowledge, skill level and capacities of the people of the country. Hence, statement 2 is correct.
- Sources of Human Capital formation:
 - Investment in education
 - Investment in health-both preventive and curative
 - Investment in skill development and vocational training
 - Investment in on – the job training
 - Migration and information
- Education, skill development, vocational training, and on – the job training form the part of intangible wealth of the human resource and human capital. Hence, statement 4 is correct. Hence, option C is the correct answer.

QUESTION 20:

With reference to cultural history of India, consider the following statements:

1. Most of the Tyagaraja Kritis are devotional songs in praise of Lord Krishna.
2. Tyagaraja created several new ragas.
3. Annamacharya and Tyagaraja are contemporaries.
4. Annamacharya kirtanas are devotional songs in praise of Lord Venkateshwara.

Which of the statements given above are correct?

- (A) 1 and 3 only
(B) 2 and 4 only
(C) 1, 2 and 3
(D) 2, 3 and 4

Answer: B

Explanation

- Tyagaraja
 - Saint Tyagaraja was born on 14th May 1767 in the village of Thiruvayaru in the Thanjavur district of Tamil Nadu. He lived a long and austere life, like a saint, and passed away on January 6, 1847. He is one of the principal composers of the Carnatic trinity.
 - Tyagaraja took music training from Sonti Venkataramayya. He created several new Ragas. **Hence, statement 2 is correct.**
 - **He was an ardent devotee of Lord Rama.** In Lord Rama's praise and honour, he wrote numerous musical operas, and about twenty four thousand songs. **Hence, statement 1 is not correct.**
 - Three outstanding composers of the 18th century Carnatic music, known collectively as the Trinity include Thyagaraja (1759-1847), Swami Shastri (1763-1827) and Dikshitar (1775-1835).
- Annamacharya
 - Annamacharya (1408-1503) was a 15th century Hindu saint born to Lakkamamba and Narayana Suri. **Hence, statement 3 is not correct.**
 - He is the earliest known Indian musician to compose songs called Sankirtanas in praise of the Lord Venkateswara, a form of Vishnu. **Hence, statement 4 is correct.**

QUESTION 21:

With reference to the 'Repo Rate', consider the following statements:

1. It is the rate at which the Reserve Bank of India borrows money from commercial banks within the country.
2. At the time of inflation in the country, the repo rate is reduced.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- Repo rate is the rate at which **the central bank of a country (Reserve Bank of India in case of India) lends money to commercial banks** in the event of any shortfall of funds. **Hence, statement 1 is not correct.**

- **In the event of inflation, central banks increase the repo rate** as this acts as a disincentive for banks to borrow from the central bank. This ultimately reduces the money supply in the economy and thus helps in arresting inflation. **Hence, statement 2 is not correct.**
- Ideally, a low repo rate should translate into low-cost loans for the general masses. When the RBI slashes its repo rate, it expects the banks to lower their interest rates charged on loans.

QUESTION 22:

Which of the following is not used by the RBI as the quantitative instrument of credit control?

- A. Cash Reserve Ratio
- B. Open Market Operations
- C. Credit Rationing
- D. Statutory Liquidity Ratio

Answer: C

Explanation

- **Two types of techniques, i.e., quantitative and qualitative credit controls** are used by the RBI to achieve its objective of managing the flow of credit in the economy.
- The **quantitative method** includes **banks rate policy, open market operations and variable reserve ratio such as Cash Reserve Ratio.**
- **Qualitative Measures**, also called selective credit control instruments, work through regulation of margin requirements, **credit rationing**, regulation of consumer credit and direct action. **Hence, option C is correct.**

QUESTION 23:

Which of the following reports is not published by the Reserve Bank of India?

- (A) Financial Stability Report
- (B) Fiscal Monitor Report
- (C) Monetary Policy Report
- (D) Report on Foreign Exchange Reserves

Answer: B

Explanation

- **Financial Stability Report (FSR):** The FSRs are periodic exercises for reviewing the nature, magnitude and implications of risks that may have a bearing on the macroeconomic environment, financial institutions, markets and infrastructure. It is a biannual publication.
- **Monetary Policy Report:** Once in every six months, the Reserve Bank is required to publish a document called the Monetary Policy Report to explain: (1) the sources of inflation and (2) the forecast of inflation for 6-18 months ahead.
- **Report on Foreign Exchange Reserves:** The Reserve Bank of India publishes half-yearly reports on the management of foreign exchange reserves as part of its efforts towards enhanced transparency and levels of disclosure.
- **Fiscal Monitor Report:** It is prepared twice a year by the **International Monetary Fund (IMF)**. **Hence, option B is correct.**

QUESTION 24:

Consider the following items:

1. Currency notes in circulation with public
2. Vault cash with commercial banks

3. Deposits held by Government of India with RBI
4. Bank deposits with RBI under Cash Reserve Ratio

Which of the above constitute High Powered Money?

- (A) 1, 2 and 3 only
(B) 2, 3 and 4 only
(C) 1, 2 and 4 only
(D) 1, 2, 3 and 4

Answer: D

Explanation

- The total liability of the monetary authority (RBI in case of India) of the country is called High Powered Money. In other words, it is the sum of bank reserves and currency held by the public.
- Liability here means RBI is legally responsible for the currency it has issued and claims on it. If a member of public produces a currency note to RBI, the latter must pay value equal to the figure printed on the note. Similarly, the deposits with RBI are refundable on demand from deposit holders. The deposits held by the Government of India with RBI and deposits held by commercial banks with RBI are claims on RBI and hence are considered to be the liability of the RBI.
- High Powered Money therefore consists of currency notes and coins in circulation with the public; vault cash of commercial banks; deposits held by the Government of India with RBI and deposits held by commercial banks with RBI (Cash Reserve Ratio). **Hence, option (d) is correct.**

QUESTION 25:

Reserve bank of India has been publishing data on four alternative measures of money supply namely M1, M2, M3 and M4. With reference to this, consider the following statements:

1. M1 is the Currency with the public along with demand deposits with the banking system and her deposits with the RBI.
2. M3 is the combination of M1 and time deposits with the banking system.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: C

Explanation

- The Reserve bank of India has been publishing data on four alternative measures of money supply (i.e monetary aggregates – components of money) namely M1, M2, M3 and M4. These component used to contain money of differing liquidities
- $M1 = \text{Currency with the public} + \text{Demand deposits with the banking system} + \text{'Other' Deposits with the RBI}$. **Hence, statement 1 is correct.**
- $M2 = M1 + \text{Savings deposits of post office savings banks}$
- $M3 = M1 + \text{Time deposits with the banking system}$. **Hence, statement 2 is correct.**
- $M4 = M3 + \text{total deposits with post office savings banks (excluding National Savings Certificates)}$.
- M1 and M2 are measures of narrow money
- M3 and M4 are measures of broad money
- M3 is the most widely measured money supply, it is also called aggregate monetary resource of the society.

QUESTION 26:

Which one of the following is correct regarding Market Stabilisation Scheme (MSS):

- (A) To absorb liquidity surplus arising from large capital inflows.
- (B) It will help the RBI to effectively transmit interest rate signals to the market.
- (C) To facilitate sale and purchase of government securities (g-secs).
- (D) To achieve fast growth of GDP through stabilisation of agricultural commodities.

Answer: A

Explanation

- **Market Stabilisation Scheme (MSS):** This instrument for monetary management was introduced in 2004. **Surplus liquidity of a more enduring nature arising from large capital inflows is absorbed through sale of short-dated government securities and treasury bills.**
- The mobilised cash is held in a separate government account with the Reserve Bank. **The instrument thus has features of both, SLR and CRR.**
- For the issue of MSS, there is a MoU between the government and the RBI about the total limit of stabilisation bond to be issued by the RBI during a year. As per the latest policy, to manage liquidity in the background of demonetisation, the government has increased **the limit of stabilisation bond to 6 lakh crores. Hence, option A is correct.**

QUESTION 27:

Which of the following is/are considered as trigger points for the imposition of Prompt Corrective Action by the Reserve Bank of India?

1. Low Capital to Risk Weighted Assets Ratio (CRAR)
2. High Net Non-Performing Assets (NPA)
3. Low Return on Assets (RoA)

Select the correct answer using the code given below:

- (A) 2 only
- (B) 1 and 2 only
- (C) 2 and 3 only
- (D) 1, 2 and 3

Answer: C

Explanation

- The Reserve Bank has specified certain regulatory trigger points, as a part of Prompt Corrective Action (PCA) Framework, for initiation of certain structured and discretionary actions in respect of banks hitting such trigger points, in terms of the following:
 - **High capital to risk weighted assets ratio (CRAR),**
 - **High net non-performing assets (NPA) and**
 - **Low Return on Assets (RoA). Hence, option C is correct.**
- The PCA framework is applicable only to commercial banks and not extended to co-operative banks, non-banking financial companies (NBFCs) and FMs.

QUESTION 28:

Consider the following statements:

1. The theatre-dance forms 'Yakshagana' and 'Theyyam' narrate legends of local heroes, kings and deities.
2. 'Kalaripayattu' and 'Chhau' are special forms of dance derived from martial arts.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: C

Explanation

- In different regions of India, there are religious festivals, fairs, gatherings, ritual offerings, prayers, almost throughout the year. During these occasions, traditional theatre forms are presented. They reflect the common man's social attitudes and perceptions. In this social portrayal, there is also the individual's role which is given due importance.
- There are several forms of dance-drama or folk theatre, such as the **Nautanki** of Rajasthan, Uttar Pradesh and Bihar, the **Bhavai** of Gujarat, the irreverent **Tamasha** of Maharashtra, and the Bengali **Jatra**. The **Yakshagana** of Karnataka and **Theyyam** of Kerala are also some of the spectacular theatre-dance forms. All of the above said dance forms narrate legends of local heroes, kings and deities. **Hence, statement 1 is correct.**
- Martial art forms throughout the country have been stylized to quasi-dance forms. Some of the notable martial dances of the North-eastern hill tribes are the **Lazim** dances of Maharashtra, the **Kalaripayattu** of Kerala, and the highly stylized masked **Chhau** dances of Orissa, West Bengal and Bihar. **Hence, statement 2 is correct.**

QUESTION 29:

Consider the following statements:

1. The "Natyashastra" of Bharata Muni deals with dramaturgy only.
2. Jaydeva's "Gita Govinda" is based on the love of Radha and Krishna.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: B

Explanation

- "**Natyashastra**" by **Bharata Muni** is an important landmark in the history of Indian music. It is supposed to have been written sometime between the 2nd century B.C. and the 2nd century A.D.
 - The "Natyashastra" is a **comprehensive work mainly dealing with dramaturgy (the theory and practice of dramatic composition)**, but a few chapters of this **deal with music also**, giving information on scales, melodic forms, tala and musical instruments. **Hence, statement 1 is NOT correct.**
- Right from ancient times, musical forms can be divided into two broad categories. These were the anibaddha and the nibaddha sangeeta.
 - The first may be called the open or free form and the second as the closed or bound form.
 - Anibaddha sangeeta is one which is not restricted by meaningful words and tala. It is a free improvisation. The finest form is the alap. Of the nibaddha variety the earliest available is the prabandha giti. Indeed, prabandha is often used as a generic term to indicate any nibaddha song or musical composition. They were set to definite ragas and talas.

- **Jayadeva's "Gita Govinda"**, a Sanskrit work with songs and verses, is one of the prabandha giti varieties of sangeeta. It describes different **dimensions of love between Krishna and Radha**—longing jealousy, hope, disappointment, anger, reconciliation and fruition. **Hence, statement 2 is correct.**
- The songs are ashtapadis, that is, each song has eight couplets.

QUESTION 30:

With reference to the Kalbelia dance, consider the following statements:

1. It is performed by the Kalbelia tribe of Gujarat.
2. It disseminates mythological knowledge through their dance and stories.
3. The Kalbelia tribe lives a nomadic life and belongs to the scheduled tribes.

Which of the statements given above is/are correct?

- (A) 2 only
(B) 2 and 3 only
(C) 1 and 2 only
(D) 1, 2 and 3

Answer: B

Explanation

- Kalbelia dances are an expression of the **Kalbelia community's** traditional way of life. The largest number of the population of Kalbelia is in Pali district, then **Ajmer, Chittorgarh and Udaipur district of Rajasthan**. **Hence, statement 1 is not correct.**
- The Kalbelia tribe were once professional **snake handlers**. Kalbelia today evoke their former occupation in music and dance that is evolving in new and creative ways. They live a **nomadic life** and belong to the scheduled tribes. **Hence, statement 3 is correct.**
- Kalbelia songs disseminate **mythological knowledge** through stories, while special traditional dances are performed during Holi. **Hence, statement 2 is correct.**

QUESTION 31:

Mathura School of arts was influenced by which of the following religions?

1. Buddhism
2. Jainism
3. Hinduism

Select the correct answer using the code given below:

- (A) 1, 2 and 3
(B) 1 and 3 only
(C) 3 only
(D) 2 and 3 only

Answer: A

Explanation

- Mathura School of arts flourished on the banks of river Yamuna. A large number of images dating back to the Kushana Period are from Mathura.
- A distinct way of sculpting practised at Mathura makes the images found here different from those at other centres in the country.
- The image of the Buddha from the Katra mound belongs to the second century CE. It represents the Buddha with two Bodhisattvas attendants. Also, it is the birth place of Lord Krishna and has remained an important pilgrimage for Hindus.
- Not only Hinduism and Buddhism but Jainism also flourished at Mathura. The Jain community was very prosperous and all the 24 Tirthankaras were worshipped at Mathura. **Hence, option A is correct.**

QUESTION 32:

With reference to Ashokan Pillars, consider the following statements:

1. The core of these pillars are made of burnt bricks.
2. The Shaft of these pillars are monolithic.
3. These Pillars were erected independently.

Which of the statements given above is/are correct?

- (A) 1 and 2 only
(B) 1 and 3 only
(C) 2 and 3 only
(D) 1, 2 and 3

Answer: C

Explanation

Ashokan pillars:

- The pillars were usually made of Chunar sandstone, and there is no use of burnt bricks. **Hence, Statement 1 is not correct.**
- The Shaft of these pillars were monolithic and was made up of a single piece of stone. **Hence, Statement 2 is correct.**
- These pillars were erected independently and are not attached to any state buildings. **Hence, Statement 3 is correct.**
- **Examples of Ashokan Pillars** – Lauria Nandangarh Pillar in Champaran, Sarnath pillar in Varanasi etc.

QUESTION 33:

With reference to the 'Securities Appellate Tribunal', consider the following statements:

1. It is a statutory body established under the Securities and Exchange Board of India Act, 1992.
2. It hears and disposes of appeals only against the orders passed by the Securities and Exchange Board of India.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: A

Explanation

- **Securities Appellate Tribunal** is a statutory body established under the provisions of Section 15K of the **Securities and Exchange Board of India Act, 1992**. **Hence, statement 1 is correct.**
- It hears and disposes of appeals against the orders passed by the **Securities and Exchange Board of India (SEBI)**, the **Pension Fund Regulatory and Development Authority (PFRDA)** and the **Insurance Regulatory Development Authority of India (IRDAI)**. **Hence, statement 2 is not correct.**
- Recently, the Securities and Exchange Board of India (**SEBI**) has come out with a **new mechanism to reward whistle-blowers** and other informants for sharing information about insider trading cases.

QUESTION 34:

With reference to the 'Prohibition of Child Marriage Act, 2006', consider the following statements:

1. It defines a child as a person who has not completed eighteen years of age.
2. It punishes a male as well as a female person above eighteen years of age for contracting child marriage.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- The Prohibition of Child Marriage Act, 2006 defines **child** as a person who, **if a male, has not completed twenty-one years of age**, and if a **female, has not completed eighteen years of age**. Hence, **statement 1 is not correct**.
- **Child marriage is an offence punishable with rigorous imprisonment**, which may extend to 2 years, or with fine up to ₹1 Lakh, or both. The offences under the Act are cognisable and non-bailable.
- Persons who can be punished under the Law include
 - Whoever performs, conducts or directs or abets any child marriage.
 - **A male adult above 18 years marrying a child (Section 9)**. Hence, **statement 2 is not correct**.
 - Any person having charge of the child, including – parent or guardian, any member of an organisation or association, promoting, permitting, participating in a child marriage.

QUESTION 35:

Recently in the news "TrueNat" is related to:

- (A) Indigenously built satellite for Military Communication.
(B) Indigenous diagnostic tool for Tuberculosis.
(C) Broadband connectivity for rural India.
(D) An invasive plant species in the Himalayan region.

Answer: B

Explanation

- TrueNat is an **indigenous molecular diagnostic tool for tuberculosis (TB) diagnosis**. It was developed by Goa-based Molbio Diagnostics. Hence, **option B is correct**.
- TrueNat is a polymerase chain reaction (PCR)-based test that can not only detect the presence of the bacteria but can also detect drug resistance with the use of chips.
- Recently, the World Health Organisation (WHO) has endorsed TrueNat which is an indigenous molecular diagnostic tool for tuberculosis (TB) diagnosis.
 - WHO's approval is important for India because it has the most number of TB patients in the world.

QUESTION 36:

Regarding National Strategy for Financial Inclusion (NSFI), consider the following statements

1. It is an approach paper of the RBI to accelerate financial inclusion to promote economic wellbeing, prosperity and sustainable development.
2. It sets forth the vision and key objectives of the financial inclusion for the period 2019-2024.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: C

Explanation

- Recently, the Reserve Bank of India (RBI) unveiled the five year (2019-24) National Strategy for Financial Inclusion to include all, particularly poor and underprivileged class, under formal access to finance – a key goal of the government.
- It is an approach paper/strategy to accelerate financial inclusion to promote economic wellbeing, prosperity and sustainable development.
- The National Strategy for Financial Inclusion 2019-2024 sets forth the vision and key objectives of the financial inclusion policies in India to help expand and sustain the financial inclusion process at the national level through a broad convergence of action involving all the stakeholders in the financial sector.
- The strategy aims to provide access to formal financial services in an affordable manner, broadening & deepening financial inclusion and promoting financial literacy & consumer protection. **Hence, both statement 1 and 2 are correct.**

QUESTION 37:

Which of the following has/have occurred in India after its liberalization of economic policies in 1991?

1. Share of agriculture in GDP increased enormously.
2. Share of India's exports in world trade increased.
3. FDI inflows increased.
4. India's foreign exchange reserves increased enormously.

Select the correct answer using the codes given below:

- (A) 1 and 4 only
- (B) 2, 3 and 4 only
- (C) 2 and 3 only
- (D) 1, 2, 3 and 4

Answer: B

Explanation

- Economic reforms in India refer to the neo-liberal policies introduced by the government in 1991 and in the later years. The central point of the reforms was the liberalization of the economy, simplifying regulations and giving more role to the private sector. The New Industrial Policy of 1991 is the heart of the new economic reforms.
- Following are the main features of New Economic Reforms:
 - De-reservation of the industrial sector.
 - Industrial de-licensing policy.
 - Opening up of the economy to foreign competition – the economic reforms introduced extensive liberalization of foreign trade and foreign investment. The import substitution and import restriction policies were abandoned and instead import liberalization and export promotion policies were introduced. This increased India's share in export. **Hence, statement 2 is correct.**
 - Liberalization of trade and investment

- However, there was a gradual decline in the agriculture sector's contribution to the Indian economy. Presently agriculture contributes about 17% to the GDP, down from 29% in 1991. **Hence, statement 1 is not correct.**
- Foreign investment was almost negligible before 1991. On the investment front, the economic reforms mark the era of capital mobility in the country. Foreign capital in the form of FDI (Foreign Direct Investment) and FPI (Foreign Portfolio Investment) entered into the country. **Hence, statement 3 is correct.**
- India's poor state of FOREX reserves was also one of the factors that forced the government to bring in economic reforms of 1991. **Presently, FOREX reserve of India is on a record high compared to that in 1991. Hence, statement 4 is correct.**

QUESTION 38:

To obtain full benefits of demographic dividend, what should India do?

- (A) Promoting skill development
- (B) Introducing more social security schemes
- (C) Reducing infant mortality rate
- (D) Privatization of higher education

Answer: A

Explanation

- Demographic dividend refers to the growth in an economy due to a rising share of the working age population.
- According to economists, the working population in India is set to rise considerably in the coming decades.
- In India, there is a significant number of working age adults and to obtain the full benefits of the demographic dividend, the government should focus on skill development and other vocational training as the skilled working population will be easily inducted into the workforce and be the base of economic development. **Hence, option A is the correct answer.**

QUESTION 39:

With reference to the cultural history of India, consider the following statements:

1. White marble was used in making Buland Darwaza and Khankah at Fatehpur Sikri.
2. Red sandstone and marble were used in making Bara Imambara and Rumi Darwaza at Lucknow.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: D

Explanation

- Buland Darwaza, or the "Door of victory", was built in 1601 AD by Akbar to commemorate his conquest of Gujarat. It is 40 metres high and 35 metres wide. The gateway is made of red sandstone and not with white marble. **Hence, statement 1 is not correct.**
- Shaikh Salim Chishti (1478-1572) was one of the most revered Sufi saints of the Mughal period. His Khanqah (Khankah), or hospice is located near Fatehpur Sikri – which is a simple prayer hall. In 1571, Akbar commissioned tomb of Sufi saint Shaikh Salim Chishti within the Friday Mosque complex at

Fatehpur Sikri, which is a white marble structure ornamented and inspired by Gujarati tomb architecture, and includes Hindu, Jain and Islamic elements. Thus, it is the tomb of Shaikh Salim Chishti which saw the use of white marble.

- In 1784, the province of Awadh was struck by a famine of an unprecedented scale. The ruler of Awadh, Nawab Asaf-ud-Daula, came up with a novel way of generating employment. He summoned the best architects of the time and commissioned them to design a grand prayer hall for the city of Lucknow – the Bara Imambara. The whole building was made of Lucknowi bricks and lime plaster. No wood or metal had been used for the construction.
- Rumi Darwaza of Lucknow was constructed in the year 1784 by Nawab Asaf-ud-Daula. It is also known by the name of Turkish Gateway since it is supposed to be identical in design to a similar gateway in ancient Constantinople. Red sand stone and marble have not been used in its construction. **Hence, statement 2 is not correct.**

QUESTION 40:

If the interest rate is decreased in an economy, it will:

- (A) decrease the consumption expenditure in the economy
- (B) increase the tax collection of the Government
- (C) increase the investment expenditure in the economy
- (D) increase the total savings in the economy

Answer: C

Explanation

- **Lowering of interest rate makes the loans cheaper**, i.e., it becomes cheaper to borrow which tends to **encourage expenditure and investment in the economy**. In other words, interest rates are decreased in an economy to allow easy loan availability to corporates and entrepreneurs and increase investment expenditure in an economy.
- Lowering of interest rate generally increases consumption expenditure. Further, lowering the interest rate also **reduces the incentives to save**.
- Lower interest rate **does not automatically lead to an increase in tax collection** of the government. Tax revenue may or may not increase. Increase in tax revenue is mostly achieved by the government through its macroeconomic policy initiatives like taxation policies, expansion of tax base, etc. **Hence, option C is correct.**

QUESTION 41:

Consider the following statements about Capital Adequacy Ratio (CAR):

1. It is used to protect depositors and promote the stability and efficiency of financial systems around the world.
2. Under Basel III norms, the minimum capital adequacy ratio that banks must maintain is 8%.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: C

Explanation

- The Capital Adequacy Ratio (**CAR**) is a measure of a bank's available capital expressed as a **percentage of a bank's risk-weighted credit exposures**.

- The Capital Adequacy Ratio, **also known as capital-to-risk weighted assets ratio (CRAR)**, is used to protect depositors and promote the stability and efficiency of financial systems around the world. **Hence, statement 1 is correct.**
- Under Basel III norms, the minimum capital adequacy ratio that banks must maintain is 8%. **Hence, statement 2 is also correct.**

QUESTION 42:

Consider the following statements:

1. A futures contract is a legal agreement to buy or sell a particular commodity or asset at a predetermined price at a specified time in the future.
2. Futures contracts can not be used as hedging instruments in agricultural commodities.
3. Securities and Exchange Board of India (SEBI) is the regulatory authority for the commodity futures market in India.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 1 and 2 only
- (C) 3 only
- (D) 1 and 3 only

Answer: D

Explanation

- A futures contract is a legal agreement to buy or sell a particular commodity or asset at a predetermined price at a specified time in the future. **Hence, statement 1 is correct.**
- Futures contracts are **used as hedging instruments in agricultural commodities**. Hedging is a common practice that insures the farmer against a poor harvest by purchasing futures contracts in the same commodity. **Hence, statement 2 is not correct.**
- Forward Markets Commission (FMC) was the regulatory authority for the commodity futures market in India. Forward Markets Commission **(FMC) has been merged with Securities and Exchange Board of India (SEBI)** with effect from September 2015. **Hence, statement 3 is correct.**

QUESTION 43:

Which of the following are examples of Money Market Instruments?

1. Treasury bills
2. Certificate of Deposit
3. Commercial Paper

Select the correct answer using the code given below:

- (A) 1 and 3 only
- (B) 1 and 2 only
- (C) 2 and 3 only
- (D) 1, 2 and 3

Answer: D

Explanation

- Financial market consists of two components viz. money market and capital market. **Money market includes short term borrowing** usually having a maximum tenure of one year and may even for a single day. Examples of short term debt instruments are Treasury bills, trade bills reports, commercial paper and certificate of deposit.

- **Capital market is related to trade of medium and long term securities** such as **equity shares and debentures**.
- **Certificate of Deposit (CD)** is a **negotiable money market instrument** issued in dematerialised form against funds deposited at a bank or other eligible financial institution. It is issued to raise short-term resources.
- **Treasury bills or T-bills** are money market instruments, issued as **short term debt instruments by the Government of India** and are presently issued in three tenors, namely, 91 day, 182 day and 364 day.
- **Commercial Paper (CP)** is an **unsecured money market instrument issued in the form of a promissory note**. It enables highly rated corporate borrowers to diversify their sources of short-term borrowings and to provide an additional instrument to investors. **Hence, option D is correct.**

QUESTION 44:

Consider the following statements on Participatory Notes:

1. P-Notes are derivative instruments issued in foreign jurisdictions by Foreign Institutional Investors (FIIs).
2. FII that issue P-Notes must register with the Securities and Exchange Board of India.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2 only
- (D) Neither 1 nor 2

Answer: C

Explanation

- **A Participatory Note (PN or P-Note)** in the Indian context, in essence, is a **derivative instrument issued in foreign jurisdictions, by a SEBI (Securities and Exchange Board of India) registered** Foreign institutional investors (FIIs), **against Indian securities** – the Indian security instrument may be equity, debt, derivatives or may even be an index. **Hence, Statement 1 is correct.**
- PNs are also **known as Overseas Derivative Instruments, Equity Linked Notes, Capped Return Notes, and Participating Return Notes**, etc.
- Participatory notes are popular investment due to the investor remaining anonymous.
- Foreign institutional investors (FIIs) issue participatory notes. Brokers and FIIs must register with the Securities and Exchange Board of India. **Hence statement 2 is correct.**

QUESTION 45:

Consider the following statements:

1. Primary market is a capital market where existing securities are bought and sold.
2. Primary market is also known as the stock market.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: D

Explanation

- **Primary market** is a capital market which deals with **new securities being issued for the first time**. It is different from the secondary market where existing securities are bought and sold. **Hence, statement 1 is not correct.**
- Primary Market is known as the new issues market. **The Secondary Market** is known as **the stock market**. **Hence, statement 2 is not correct.**
- When an unlisted company makes either a fresh issue of securities or an offer for sale of its existing securities or both for the first time to the public, it is known as Initial Public Offering (IPO).

QUESTION 46:

Which of the following is not correct about the Non-Banking Financial Companies (NBFCs)?

- (A) NBFCs cannot issue cheques drawn on itself.
- (B) NBFCs cannot accept demand deposits.
- (C) All the NBFCs in India are regulated by the Reserve Bank of India.
- (D) In India, NBFCs, whose asset size is ₹ 500 crore or more, are considered as systemically important NBFCs.

Answer: C

Explanation

- A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 **engaged in the business of** loans and advances, acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business **but does not include** any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.
- Some important characteristics of NBFCs:
 - NBFC **cannot accept demand deposits**.
 - NBFCs do not form part of the payment and settlement system and **cannot issue cheques drawn on itself**.
- **NBFCs whose asset size is of ₹ 500 cr** or more as per the last audited balance sheet are considered as **systemically important NBFCs**. The rationale for such classification is that the activities of such NBFCs will have a bearing on the financial stability of the overall economy
- Housing Finance Companies, Merchant Banking Companies and Insurance companies are Non-Banking Financial Companies (NBFCs).
 - However, **Housing Finance Companies** are regulated by the **National Housing Bank**, **Merchant Banking Companies** are regulated by the **Securities and Exchange Board of India**, and **Insurance companies** are regulated by the **Insurance Regulatory and Development Authority**. **Hence, option C is correct.**

QUESTION 47:

Consider the following statements:

1. The Currency Deposit Ratio (CDR) is the ratio of money held by the commercial banks with RBI to what they hold with themselves.
2. Reserve Deposit Ratio (RDR) is the proportion of total deposits that commercial banks are required to maintain in the form of government securities.

Which of the above given statements is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: D

Explanation

- **The Currency Deposit Ratio (CDR)** is the ratio of **money held by the public in currency to that they hold in bank deposits**. It reflects the people's preference for liquidity. The ratio increases during festivals when people convert their demand deposits to cash. **Hence, statement 1 is not correct.**
- **Reserve Deposit Ratio (RDR)** is the **proportion of total deposits that commercial banks keep as reserve**. Banks hold a part of money that people keep in their bank deposits as reserve money and loan out the rest to various investment projects. Reserve money consists of two things-vault cash in banks and deposits of commercial banks with RBI. Banks use reserve money to meet the demand of cash by the account holders. **Hence, statement 2 is not correct**

QUESTION 48:

With reference to World Customs Organisation (WCO), consider the following statements:

1. WCO is an organisation under World Trade Organisation (WTO).
2. It administers the technical aspects of the World Trade Organization (WTO) Agreements on Customs Valuation and Rules of Origin.
3. India is the current regional head of Asia Pacific Region of the World Customs Organisation (WCO).

Which of the statements given above is/are correct?

- (A) 1 and 2 only
- (B) 2 and 3 only
- (C) 1 only
- (D) 1, 2 and 3

Answer: B

Explanation

- **The World Customs Organization (WCO)** is an **intergovernmental organization** headquartered in Brussels, Belgium. It is **not under WTO**. **Hence, statement 1 is not correct.**
- It is the only international organization with competence in **Customs matters** and is considered as the voice of the international Customs community.
- WCO represents **183 Customs administrations** across the globe that collectively process approximately 98% of world trade. India is a member country of WCO.
- The WCO maintains the **international Harmonized System (HS) for goods nomenclature**, and administers **the technical aspects** of the World Trade Organization (WTO) Agreements on Customs Valuation and Rules of Origin. **Hence, statement 2 is correct.**
- India became Vice-Chair or regional head of Asia Pacific Region of the World Customs Organisation (WCO) for two years from July 2018 to June 2020. **Hence, statement 3 is correct.**

QUESTION 49:

Consider the following pairs:

- | Puppetries | Types |
|-----------------|---------------|
| 1. Kundhei | String Puppet |
| 2. Yampuri | Glove Puppets |
| 3. Putul Nautch | Rod Puppets |

Which of the pairs given above is/are correctly matched?

- (A) 1, 2 and 3
- (B) 1 and 3 only
- (C) 3 only
- (D) 2 and 3 only

Answer: B

Explanation

- Puppetry involves the manipulation of puppets (inanimate objects) as a medium of communication. There are different types of puppetry like String Puppets, Shadow Puppets, Rod Puppets and Glove Puppets.
- The **string puppets of Orissa** are known as **Kundhei**. They are made of light wood and these puppets have no legs but wear long flowing skirts.
- **Yampuri** puppets are the traditional **Rod puppet** of Bihar. These puppets are made of wood. These puppets are in one piece and have no joints.
- The traditional rod puppet form of West Bengal is known as Putul Nautch. They are carved from wood and follow the various artistic styles of a particular region.
- Glove puppets are also known as sleeve, hand or palm puppets. The head of this kind of puppet is made of either papier mache (composite material consisting of paper pieces or pulp), cloth or wood, with two hands emerging from just below the neck. The rest of the figure consists of a long flowing skirt. **Hence, option B is correct.**

QUESTION 50:

Which of the following statements is/are correct regarding 'Silambam'?

1. It is a hand-to-hand combat based martial art form.
2. It has been included in UNESCO's Representative List of Intangible Cultural Heritage.
3. It has been mentioned in the Sangam Literature.

Select the correct answer using the code given below:

- (A) 1, 2 and 3
- (B) 2 and 3 only
- (C) 3 only
- (D) None of the above

Answer: C

Explanation

- Silambam is an ancient martial art of Tamil Nadu. It is not included in UNESCO's Representative List of Intangible Cultural Heritage. **Hence, statement 2 is not correct.**
- Silambam is a weapon-based martial art form and is traditionally performed by fighting with long sticks. **Hence, statement 1 is not correct.**
- It is one of the oldest martial arts in the world, nearly over 5,000 years old.
- Silambam is an ancient Dravidian warfare and finds mention in Sangam Literature such as Silapathikaram. **Hence, statement 3 is correct.**
- Currently, there are three kinds of Silambam being practised – Por Silambam (warfare), Silambattam (folk dance) and Potti Silambam (sport).
- This art was employed in warfare by most rulers of south India.

QUESTION 51:

Consider the following statements:

1. India is the largest domestic market for civil aviation in the world.
2. The Airports Authority of India (AAI) of India is solely responsible for the operation, maintenance and development of airports in India.

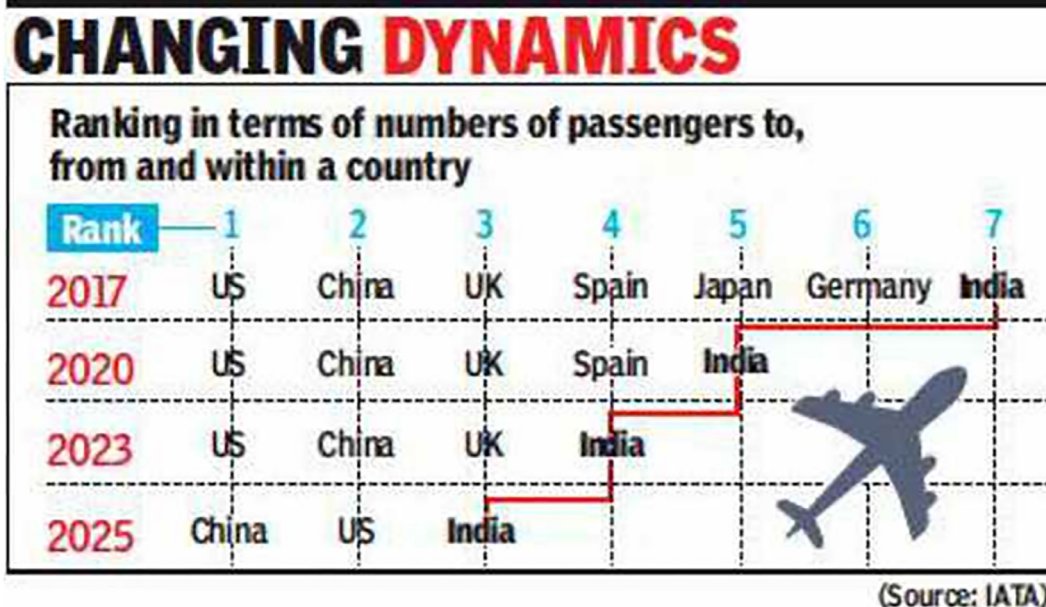
Which of the statements given above is/are correct?

- (A) 1 only
 (B) 2 only
 (C) Both 1 and 2
 (D) Neither 1 nor 2

Answer: D

Explanation

- India has 136 commercially-managed airports by the **Airports Authority of India (AAI)** and 6 under **Public-Private Partnerships (PPP)** for Operation, Maintenance and Development of airports. Hence, **statement 2 is not correct.**
- A total of 43 airports have been operationalized since the scheme for operationalizing unserved airports (Udan) was taken up.
- On airport connectivity, India stood first along with seven others (USA, China, Japan, UK, etc.) in the Global Competitiveness Report 2019 of the World Economic Forum. India is the **third-largest domestic market** for civil aviation in the world. Hence, **statement 1 is not correct.**



QUESTION 52:

'ARTIS' portal, recently seen in the news, is related to:

- (A) The use of Artificial Intelligence in the international trade flow processes.
 (B) Providing information on all schemes implemented by the Ministry of MSME at one place.
 (C) Submission of online petitions for different trade remedies like anti-dumping duty, safeguard duty and countervailing duty.
 (D) Real-time information sharing of Non-Performing Assets (NPAs) by the banks.

Answer: C

Explanation

- **Directorate General of Trade Remedies (DGTR)** has introduced an online portal named **ARTIS (Application for Remedies in Trade for Indian industry and other Stakeholders)** to submit online petitions for different trade remedies like anti-dumping duty, safeguard duty and countervailing duty. **Hence, option C is correct.**
- Directorate General of Trade Remedies (DGTR)
 - The DGTR is an apex national authority for administering all trade remedial measures including anti-dumping, countervailing duties and safeguard measures.
 - It functions as an attached office of the Department of Commerce. The recommendation of DGTR for the imposition of Anti-dumping, countervailing & Safeguard duties would be considered by the Department of Revenue.

QUESTION 53:

Which of the following statements is/are correct with reference to 'Special Open Market Operation'?

1. It is initiated by the Central government at the time of liquidity crunch.
2. It refers to the purchase of long term securities and the simultaneous sale of short term securities.

Select the correct answer using the code given below:

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: B

Explanation

- Special Open Market Operation is initiated by the **Reserve Bank of India (RBI)**. **Hence, statement 1 is not correct.**
- It refers to the purchase of long term securities and the simultaneous sale of short term securities. **Hence, statement 2 is correct.**

Q.54 The term 'Deleverage' used in economics refers to:

- (A) Reducing outstanding debt without incurring any new ones
- (B) Increase in the profit of a company during the recession
- (C) Tax reduction by the government to increase consumption
- (D) Enabling banking sectors to reduce the interest rates

Answer: A

Explanation

- Deleverage is to **reduce outstanding debt without incurring any new ones.**
 - On the other hand, Leverage means fusing borrowed money to acquire assets. **Hence, option A is correct.**
- The amount of debt is reduced by using internal resources. Here, selling off assets like building, real estate, stocks, bonds, divisions, subsidiaries, etc. are methods for deleveraging.
- Another goal of deleveraging is to reduce the relative percentage of a business's balance sheet funded by liabilities.
- But too much of deleveraging can lead to financial recession and a credit crunch.

QUESTION 55:

Consider the following statements:

1. Bharat Bond Exchange Traded Fund (ETF) is India's first debt Exchange Traded Fund.
2. ETF will help in deepening the bond market in India.

Which of the statements given above are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: C

Explanation

Bharat Bond Exchange Traded Fund (ETF):

- The Government of India launched India's first **corporate Debt Exchange Traded Fund (Debt ETF)**, called **Bharat Bond Exchange Traded Fund (ETF)**, would create an additional source of funding for Central Public Sector Enterprises (CPSEs), Central Public Financial Institutions (CPFIs), and other Government organizations and would increase the retail participation in the Indian corporate bond market. **Hence, statement 1 is correct.**
- The Bharat bond ETF with regular issuances will help in **deepening the bond market** in India and **develop a yield curve for CPSEs** over a period of time. **Hence, statement 2 is correct.**

QUESTION 56:

With reference to the 'Household Consumer Expenditure Survey', consider the following statements:

1. It is a biennial survey conducted by the Central Statistics Office.
2. It collects information regarding expenditure on the consumption of goods only.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- Household Consumer Expenditure Survey (CES), traditionally is a **quinquennial (recurring every five years) survey**, conducted by the **National Sample Survey Office – NSSO** (comes under the National Statistical Office), Ministry of Statistics and Programme Implementation. **Hence, statement 1 is not correct.**
- It collects information on the **consumption expenditure patterns** of households across the country. It reveals the average expenditure on **goods (food and non-food) and services**. **Hence, statement 2 is not correct.**

QUESTION 57:

White Island, recently in the news, is located in?

- (A) United States
(B) India
(C) Brazil
(D) New Zealand

Answer: D

Explanation

- White Island is **New Zealand's most active cone volcano**. Hence, **option D is the correct answer**.
- About 70% of the volcano lies under the sea and the Island forms the tip of the volcano.
- The island is also known by the name **Whakaari**.



QUESTION 58:

With reference to the 'Locust Warning Organisation (LWO)', consider the following statements:

1. It is an international organization that issues alerts related to the locust situation to the global community.
2. It is headquartered in New Delhi.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: D

Explanation

- **The UN Food and Agriculture Organisation (FAO)** provides information on the general locust situation **to the global community** and gives timely warnings and forecasts to those countries in danger of invasion.
 - **Locust Warning Organisation (LWO)**, Directorate of Plant Protection Quarantine and Storage, Ministry of Agriculture & Farmers Welfare, is responsible for monitoring, survey and control of Desert Locust in Scheduled Desert Areas **mainly in the States of Rajasthan and Gujarat**. Hence, **statement 1 is not correct**.
- LWO's **central headquarters** is located in **Faridabad (Haryana)** and the **field headquarters** is located in **Jodhpur (Rajasthan)**. Hence, **statement 2 is not correct**.
- The locusts, known as **tiddis locally**, can destroy standing crops of castor, cumin, jatropha, cotton, and potato, and fodder grass etc.

QUESTION 59:

Consider the following statements:

1. Disability-Adjusted Life Years (DALYs) is the sum of the years of potential life lost due to premature deaths and years lived with disability due to a disease or injury.
2. In India, the DALY rate in urban areas is twice that in rural areas.

Which of the statements given above is/are correct?

- (A) 1 only
 (B) 2 only
 (C) Both 1 and 2
 (D) Neither 1 nor 2

Answer: A

Explanation

- Disability-Adjusted Life Years (DALYs) is the sum of the number of years of life lost due to premature death and a weighted measure of the years lived with disability due to a disease or injury. **Hence, statement 1 is correct.**
- DALY rates in **rural areas** of India are at **least twice** those of **urban areas**. **Hence, statement 2 is not correct.**

QUESTION 60:

With reference to the 'National Industrial Corridor Development and Implementation Trust', consider the following statements:

1. It monitors the development of industrial corridor projects in India.
2. Its administrative control lies with the Ministry of Finance.

Which of the statements given above is/are correct?

- (A) 1 only
 (B) 2 only
 (C) Both 1 and 2
 (D) Neither 1 nor 2

Answer: A

Explanation

- **National Industrial Corridor Development and Implementation Trust (NICDIT)** is responsible for the coordinated and unified development of the industrial corridors in India. It **monitors all central efforts** for the development of industrial corridor projects. **Hence, statement 1 is correct.**
- NICDIT is an apex body under the administrative control of the Department for Promotion of Industry and Internal Trade (DPIIT), **Ministry of Commerce and Industry**. **Hence, statement 2 is not correct.**
- Important industrial corridors are:

Industrial Corridors	States covered
Delhi Mumbai Industrial Corridor (DMIC)	Uttar Pradesh, Haryana, Rajasthan, Madhya Pradesh, Gujarat, Maharashtra
Amritsar Kolkata Industrial Corridor (AKIC)	Punjab, Haryana, Uttar Pradesh, Uttarakhand, Bihar, Jharkhand, West Bengal
Chennai Bengaluru Industrial Corridor (CBIC)	Andhra Pradesh, Karnataka, Tamil Nadu, Kerala
East Coast Economic Corridor (ECEC) with Vizag Chennai Industrial Corridor (VCIC) as Phase-1	West Bengal, Odisha, Andhra Pradesh, Tamil Nadu
Bengaluru Mumbai Industrial Corridor (BMIC)	Karnataka, Maharashtra

QUESTION 61:

Consider the following statements in context to 'inflation':

1. Core inflation takes into account changes in the price of food and energy.
2. Headline inflation is a measure of inflation which excludes items that face volatile price movement, notably food and energy.

Which of the statements given above is/are correct:

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- **Core Inflation** is also known as underlying inflation, is a measure of inflation which **excludes** items that face volatile price movement, notably **food and energy**. **It does not take into account changes in the price of food and energy. Hence, statement 1 is not correct.**
- Unlike core inflation, **headline inflation takes into account changes in the price of food and energy**. It **includes all aspects** within an economy that experience inflation, headline inflation is not adjusted to remove highly volatile figures, including those that can shift regardless of economic conditions. **Hence statement 2 is not correct.**
- Thus it can be said that **Core Inflation is nothing but Headline Inflation minus inflation that is contributed by food and energy commodities**. In India, headline inflation is measured in terms of Wholesale Price Index (WPI).

QUESTION 62:

Which of the following is not correct about GDP deflator?

- (A) It measures the changes in prices for only goods produced in an economy.
(B) It is a more comprehensive inflation measurement indicator than the CPI index.
(C) It is the ratio between GDP at Current Prices and GDP at Constant Prices.
(D) It helps economists compare the levels of real economic activity from one year to another.

Answer: A

Explanation

- The GDP deflator **measures the changes in prices for all goods and services** produced in an economy.
- The GDP deflator is a more comprehensive inflation measure than the CPI index because **it isn't based on a fixed basket of goods**.
- The GDP deflator is the **ratio between GDP at Current Prices and GDP at Constant Prices**. If GDP at Current Prices is equal to the GDP at Constant Prices, GDP deflator will be 1, implying no change in the price level. If GDP deflator is found to be 2, it implies a rise in price level by a factor of 2, and if GDP deflator is found to be 4, it implies a rise in price level by a factor of 4.
- Using the GDP deflator helps economists compare the levels of real economic activity from one year to another. Without GDP deflator, comparing GDP from two different years would yield a deceptive result if prices changed during the two years. **Hence, option A is correct.**

QUESTION 63:

With reference to 'Gross Fixed Capital Formation', consider the following statements:

1. It refers to the net increase in physical assets.
2. It is a component of expenditure approach for calculating Gross Domestic Product.

Which of the following statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: C

Explanation

- **Gross fixed capital formation (GFCF)** refers to the net increase in physical assets (investment minus disposals). It does not account for the consumption (depreciation) of fixed capital. **Hence, statement 1 is correct.**
- It is a component of expenditure approach to calculating **Gross Domestic Product (GDP)**. The expenditure method is a system for calculating gross domestic product (GDP) that combines consumption, investment, government spending and net exports. It is the most common way to estimate GDP. **Hence, statement 2 is correct.**

QUESTION 64:

Which of the following is an example of Quinary Sector of the economy?

- (A) Serving as a cabinet minister in the central ministry.
(B) Working in a team of scientists and engineers designing a satellite.
(C) Turning a rough diamond into polished stone.
(D) Preparing land for planting crops.

Answer: A

Explanation

- There are five sectors of the economy viz. **quinary sector (involves decision making)**, quaternary sector (knowledge and Information and Communication Technology (ICT) industry), tertiary sector (service industry), secondary (transform raw materials to finished products) and primary activity (extracting raw materials from nature).
- **Serving as a cabinet minister involves higher decision making. Hence, it is a quinary sector activity.**
- Working in a team of scientists and engineers designing a satellite involves good knowledge and use of ICT technology. Hence, it is a quaternary sector activity.
- Turning a rough diamond into a polished stone involves use of skills to convert raw material into finished products. Hence, it is an example of a secondary activity.
- Preparing your land for planting crops is an example of primary activity. **Hence, option A is correct.**

QUESTION 65:

Consider the following statements:

1. Consumer price index (CPI) is published monthly by the Office of Economic Advisor.
2. The Reserve Bank of India (RBI) is using Consumer Price Index-combined as the sole inflation measure for the purpose of monetary policy.
3. The dearness allowance of government employees and wage contracts between labour and employer is based on the Consumer Price Index (CPI).

Which of the statements given above is/are correct?

- (A) 2 only
- (B) 3 only
- (C) 2 and 3 only
- (D) 1 and 2 only

Answer: C

Explanation

- Consumer Price Index is a measure of the change in retail prices of goods and services consumed by a defined population group in a given area with reference to a base year(2011-12).
- This index is an important economic indicator and is widely considered as a barometer of inflation, a tool for monitoring price stability and as a deflator in national accounts.
- Presently the consumer price indices compiled in India are CPI for Industrial workers CPI(IW), CPI for Agricultural Labourers CPI(AL) and; CPI for Rural Labourers CPI(RL)
- The above indices are published monthly by the **Labour Bureau** under the **Ministry of Labour and Employment** for all states as well as union territories. **Hence, statement 1 is not correct.**
- Since the above three indices cover only a segment of population and not the overall nation therefore three new indices are also measured: CPI-Rural, CPI-Urban, CPI combined.
- The base year for the above three indices is 2011-12 and are published monthly by **central statistics office** for all states as well as union territories
- The Reserve Bank of India (RBI) has started using CPI combined as the sole inflation measure for the purpose of monetary policy. Earlier, RBI had given more weightage to Wholesale Price Index (WPI) than CPI as the key measure of inflation for all policy purposes. **Hence, statement 2 is correct.**
- As per the agreement on Monetary Policy Framework between the Government and the RBI dated February 20, 2015, the sole objective of RBI is price stability and a target is set for inflation as measured by the Consumer Price Index-Combined.
- The dearness allowance of Government employees and wage contracts between labour and employer is based on the Consumer price index (CPI). **Hence, statement 3 is correct.**

QUESTION 66:

With reference to India's Gross Domestic Product at Purchasing Power Parity (GDP-PPP) terms, consider the following statements:

1. GDP-PPP allows for comparison of quality of life in different countries.
2. In terms of GDP-PPP India is the 5th largest economy in the World.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor

Answer: A

Explanation

- The Purchasing Power Parity (PPP) system allows Gross Domestic Product (GDP) comparisons to be made by asking how much money would be needed to purchase the same goods and services in two countries and using that to calculate an implicit foreign exchange rate.
- Under this method, a dollar should be able to buy the same amount of goods anywhere in the world and exchange rates should adjust accordingly.

- It also strips away distortions that come with market exchange rates, which are often volatile, affected by political and financial factors that do not lead to immediate changes in income and tend to understate the standard of living in poor countries.
- PPP methods help adjust income to prices for a meaningful comparison on quality of life in countries with widely different prices and incomes. **Hence, statement 1 is correct.**
- PPP is an exercise that seeks to find the 'true' value of a currency vis-à-vis the dollar, India's current **PPP GDP is more than \$11 trillion**, and its **global rank is third**, behind China and the USA. **Hence, statement 2 is not correct.**
- India's Nominal GDP is the world's 5th largest at around 2.94 Trillion Dollars.

QUESTION 64:

Consider the following statements:

1. Gross National Product (GNP) is the Gross Domestic Products (GDP) of a country added with its 'income from abroad'.
2. Net National Product (NNP) of an economy is the GDP after deducting the loss due to 'depreciation'.

Which of the following statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: A

Explanation

- **Gross National Product (GNP) is the GDP of a country added with its 'income from abroad'**. Here, the trans-boundary economic activities of an economy are also taken into account. The items which are counted in the segment 'Income from Abroad' are:
 - Private Remittances
 - Interest on External Loans
 - External Grants
- **GNP = GDP +(or-) 'Income from Abroad'**. It becomes **GNP = GDP – 'Income from Abroad'**, in the case of India. This means that India's GNP is always lower than its GDP. **Hence, Statement 1 is correct.**
- Net National Product (NNP) of an economy is the **Gross National Product (GNP) after deducting the loss due to 'depreciation'**. The formula to derive it may be written like:
 - **NNP = GNP – Depreciation or NNP = GDP + Income from Abroad – Depreciation.** Hence statement 2 is not correct.

QUESTION 68:

Which of the following statements regarding Amir Khusrow are correct?

1. He introduced a rag called sanam rag.
2. He evolved a style of light music, qawwali, by blending Hindu and Iranian systems.
3. The invention of Sitar was attributed to him.

Select the correct answer using the code given below:

- (A) 1 and 2 only
- (B) 1 and 3 only
- (C) 2 and 3 only
- (D) 1, 2 and 3

Answer: D

Explanation

- During Medieval India, music, art and literature flourished rapidly. Amir Khusrau (1252-1325) was a well known Persian writer of that period.
- He introduced many new ragas such as **ghora and sanam** and also evolved a new style of light music known as qawalis by blending the Hindu and Iranian systems. He was also known for inventing a musical instrument called sitar. **Hence, statements 1, 2 and 3 are correct.**

QUESTION 69:

Under which of the following variety of musical instruments Veena and Santoor fall?

- (A) Tata Vadya
- (B) Sushira Vadya
- (C) Avanaddha Vadya
- (D) Ghana Vadya

Answer: A

Explanation

- In the NatyaShastra, compiled by Bharat Muni dated 200 B.C.-200 A.D., musical instruments have been divided into four main categories on the basis of how sound is produced.
 - The **Tata Vadya or Chordophones**-Stringed instruments
 - The **Sushira Vadya or Aerophones**-Wind instrument.
 - The **Avanaddha Vadya or Membranophones**-Percussion instruments
 - The **Ghana Vadya or Idiophones**-Solid instruments which do not require tuning.
- The **Tata vadya** is a category of instruments in which sound is produced by the vibration of a string or chord.
 - These vibrations are caused by plucking or by bowing on the string which has been pulled taut. Examples-veena, the Santoor, Sarangi, the Ravanhastaveena, the Banam, the Violin etc. **Hence, option (a) is correct.**
- In the Sushira Vadya group, sound is produced by blowing air into a hollow column. The simplest of these instruments is the flute.
- In the Avanaddha Vadya category of instruments, sound is produced by striking the animal skin which has been stretched across an earthen or metal pot or a wooden barrel or frame. For eg., Tabla, mridangam etc.
- The earliest instruments invented by man are said to be the Ghana Vadya. They are principally rhythmic in function and are best suited as accompaniment to folk and tribal music and dance. For eg., Jhanj Player

QUESTION 70:

Consider the following differences between Hindustani and Carnatic music:

1. Hindustani music is kriti-based while Carnatic is raga based.
2. Hindustani stresses on pure notes while the Carnatic is gamaka-based.
3. Hindustani music has sarangi as a major used instrument, while violin is a major instrument used in Carnatic.

Which of the statements given above is/are correct?

- (A) 1, 2 and 3
- (B) 2 and 3 only
- (C) 3 only
- (D) None of the above

Answer: B

Explanation

The Indian music system is divided into Hindustani and Carnatic. The key differences between the Hindustani and Carnatic systems are:

- The three component elements of a musical form are bhava, raga and tala. Kirti refers to one of the most widely used genres of Carnatic music. Hindustani music is raga based while Carnatic is kriti-based. **Hence, statement 1 is not correct.**
- Kriti (work or composition) refers to songs with Sanskrit or vernacular lyrics. Kritis are a delicate blend of text, melody, and rhythm. It refers to one of the most widely used genres of Carnatic music. Raga is not a tune, melody, scale or mode but a combination of different characteristics.
- Gamakas are basically oscillations that a musician adds to a musical note to make it more interesting. Hindustani music stresses on pure notes, while the Carnatic is based on gamaka. **Hence statement 2 is correct.**
- The sarangi is a major accompaniment in Hindustani music, while the violin reigns in Carnatic. **Hence, statement 3 is correct.**

QUESTION 71:

With reference to Bharatnatyam, consider the following statements:

1. It starts with mangalam, an invocation to the god for blessings.
2. It is a classical dance form of Tamil Nadu.
3. The 'Tanjore Quartet' of the nineteenth century is related to it.

Which of the statements given above is/are NOT correct?

- (A) 1 only
- (B) 1 and 3 only
- (C) 2 and 3 only
- (D) 1, 2 and 3

Answer: A

Explanation

- **Bharatnatyam Dance** is considered to be over two thousand years old classical dance form of Tamil Nadu. **Hence, statement 2 is correct.**
 - The "Abhinaya Darpana" by Nandikesvara is one of the main sources of textual material, for the study of the technique and grammar of body movement in Bharatnatyam Dance.
- Bharatnatyam is known to be ekaharya, where one dancer takes on many roles in a single performance.
 - A Bharatanatyam performance ends with a tillana which has its **origin in the tarana of Hindustani music.**
 - The finale of the piece is a series of well designed rhythmic lines reaching a climax. The performance **ends with a mangalam**, invoking the blessings of the Gods. **Hence, statement 1 is NOT correct.**
- The accompanying orchestra consists of a vocalist, a mridangam player, violinist or veena player, a flautist and a cymbal player.
- The person who conducts the dance recitation is the Nattuvanar.
- Bharatnatyam as a folk art was codified into structured performance in the nineteenth century by four brother's Tanjaur, well known as the **Tanjore Quartette. – Ponniah, Chinniah, Sivanandan and Vadivelu.**
 - They hailed from the dance lineage of Brihadeshwara temple of Tanjore. They were patronized by Raja Serfoji. Thus, it is associated with Bharatnatyam. **Hence, statement 3 is correct.**

QUESTION 72:

This dance form is a living tradition and is performed in the Vaishnava monasteries. It is governed by strictly laid down principles in respect of hasta mudras, footworks, aharyas, music etc. Mahapurusha Sankaradeva introduced this dance form in the 15th century A.D. The dance form is:

- (A) Sattriya
- (B) Odissi
- (C) Manipuri
- (D) Mohiniyattam

Answer: A

Explanation

- **Sattriya Nritya** originated in the eastern state of Assam. It was introduced in the 15th century A.D by the great Vaishnava saint and reformer of Assam, Mahapurusha Sankaradeva.
- This dance form is a living tradition and is performed in the Vaishnava monasteries called Sattras for several centuries as a ritual performance. It is a result of the number of traditions born of the Bhakti Movement in Assam.
- This dance form is governed by strictly laid down principles in respect of hasta mudras, footworks, aharyas, music etc.
- Due to its religious character and association with the Sattras, this dance style has been aptly named Sattriya. **Hence, option (a) is correct.**

QUESTION 73:

Vyom Mitra, recently seen in the news, is:

- (A) Trilateral military exercise between India, Sri Lanka and the Maldives.
- (B) App developed by the Ministry of Agriculture & Farmers' Welfare.
- (C) Half humanoid robot developed by ISRO.
- (D) IMD's satellite for weather forecasting.

Answer: C

Explanation

- Vyom Mitra is a half humanoid lady robot developed by the Indian Space Research Organisation (ISRO) who will ride to space in the first test flight of the human space mission, Gaganyaan.
- She is half-humanoid and her body stops at the torso and has no legs. She is capable of switching panel operations, performing Environment Control and Life Support Systems (ECLSS) functions, conversations with the astronauts, recognising them and solving their queries
- She will simulate the human functions required for space before real astronauts take off before August 2022. She will be sent in a space capsule around the end of 2020 or early 2021 to study how astronauts respond to living outside earth in controlled zero-gravity conditions. **Hence, option C is correct.**

QUESTION 74:

'Democracy Index', recently in the news, is released by:

- (A) The Economic Intelligence Unit
- (B) International Committee of the Red Cross
- (C) Amnesty International
- (D) Transparency International

Answer: A

Explanation

- The Democracy Index, prepared by the **Economist Intelligence Unit**, provides a snapshot of the state of democracy worldwide in 165 independent states and two territories. **Hence, option A is correct.**
- India has slipped 10 places in the 2019 Democracy Index to 51st position. In 2018, India was ranked at 41.
- The index is based on five categories: Civil liberties, Electoral process and pluralism; Functioning of government; Political participation; and Political culture.

QUESTION 75:

Consider the following statements about the Central Adoption Resource Authority (CARA):

1. Central Adoption Resource Authority (CARA) is a statutory body under the Ministry of Home Affairs.
2. It is mandated to monitor and regulate in-country adoptions only.

Which of the statements given above is/are not correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: C

Explanation

- Central Adoption Resource Authority (CARA) has been set up as a statutory body of the Ministry of Women and Child Development. **Hence, statement 1 is not correct.**
- It functions as a nodal body for the adoption of Indian children and is mandated to monitor and regulate in-country and inter-country adoptions. **Hence, statement 2 is not correct.**

QUESTION 76:

K9 VAJRA-T, recently in the news, is?

- (A) A tracked self-propelled howitzer
- (B) Navy's indigenously developed light combat aircraft
- (C) Army's underwater assault rifle
- (D) Rocket launcher for Gaganyaan-2

Answer: A

Explanation

- The K9 VAJRA-T 155mm/ 52 is a tracked self-propelled howitzer (a short gun for firing shells on high trajectories at low velocities), which has its roots in the K9 Thunder, the mainstay of the South Korean Army. **Hence, option A is correct.**
- The K9 gun has been developed under the 'Buy Global' programme of the Defence Procurement Procedure (DPP) where foreign companies are allowed to participate.
 - In this case, Hanwha Techwin of South Korea is the technology partner of L&T

QUESTION 77:

If a commodity is provided free to the public by the Government, then

- (A) the opportunity cost is zero.
- (B) the opportunity cost is ignored.
- (C) the opportunity cost is transferred from the consumers of the product to the tax-paying public.
- (D) the opportunity cost is transferred from the consumers of the product to the Government.

Answer: C

Explanation

- **Opportunity Cost represents the benefits an individual, investor or business misses out while choosing one alternative over another.**
- **Opportunity Cost = Return on best foregone option – Return of the chosen option**
- In case a commodity is provided free to the public by the Government, then the consumer's opportunity cost of choosing a specific product in place of other available options is passed over from the commodity receiver to the tax payer.
- If the government provides any commodity free of cost, the amount paid for the same is borne by the Government, which in turn relies on its earnings from tax receipts. **Hence, option C is correct.**

QUESTION 78:

Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)?

1. It decides the RBI's benchmark interest rates.
2. It is a 12-member body including the Governor of RBI and is reconstituted every year.
3. It functions under the chairmanship of the Union Finance Minister.

Select the correct answer using the code given below:

- (A) 1 only
- (B) 1 and 2 only
- (C) 3 only
- (D) 2 and 3 only

Answer: A

Explanation

- The Reserve Bank of India Act, 1934 (RBI Act) has been amended by the Finance Act, 2016, to provide for a statutory and institutionalised framework for a Monetary Policy Committee (MPC), for maintaining price stability, while keeping in mind the objective of growth.
- The **MPC is entrusted with the task of fixing the benchmark policy rate (repo rate)** required to contain inflation within the specified target level. **Hence, statement 1 is correct.**
- The **meetings of the MPC shall be held at least 4 times a year** and it shall publish its decisions after each such meeting. As per the provisions of the RBI Act, it would be a six member committee, out of which three members are from the RBI and the other three members of the MPC are appointed by the Central Government. **Hence, statement 2 is not correct.**
- The **Governor of RBI is the ex-officio Chairperson of MPC** (not the Union Finance Minister). **Hence, statement 3 is not correct.**

QUESTION 79:

A community of people called Manganiyars is well-known for their:

- (A) martial arts in North-East India
- (B) musical tradition in North-West India
- (C) classical vocal music in South India
- (D) pietra dura tradition in Central India

Answer: B

Explanation

- The Manganiyar or Manghanhar Muslim communities of Thar desert and adjoining areas are known for being hereditary musicians, and were traditionally supported by aristocrats and local landlords.
- Their themes of music are dominated by stories of local battles, Hindu festivals of Holi and Diwali, and songs in praise of their patrons and their family. Hence, option B is correct.

QUESTION 80:

Consider the following pairs:

Traditions	Communities
1. Chaliha Sahib Festival	Sindhis
2. Nanda Raj Jaat Yatra	Gonds
3. Wari-Warkari	Santhals

Which of the pairs given above is/are correctly matched?

- (A) 1 only
- (B) 2 and 3 only
- (C) 1 and 3 only
- (D) None of the above

Answer: A

Explanation

- Chaliha Sahib is the festival of the Sindhis. This festival, in which devotees fast for 40 days, originated in Sindh (now in Pakistan). People pay offerings and prayers to Lord Jhulelal. **Hence, pair 1 is correctly matched.**
- Nanda Devi Raj Jaat Yatra can be traced back to the 15th century and is considered among the toughest pilgrimages. Held every 12 years, it involves a nearly 280km trek through terrains challenging at several different levels – from dense forests to glaciers and steep ridges.
 - The pilgrimage is conducted on a tight 19-day schedule at the end of which pilgrims return to the starting point. It is a festival celebrated by the people of Garhwal and Kumaon regions of Uttarakhand. Held during 'Bhadrapad' (months of August-September), the Yatra is meant to celebrate the Nanda Devi's journey from her maternal home to her husband's abode.
 - While, the Gonds are the tribal community which is mostly found in the states of Madhya Pradesh, Chattisgarh, Odisha and part of Maharashtra and Andhra Pradesh. **Hence, pair 2 is not correctly matched.**
- **Wari is an annual pilgrimage to Pandharpur** – the seat of the Hindu God Vithoba in Maharashtra, in honour of the deity. Palakhis carrying the Paduka (foot prints) of various saints – most notably Dnyaneshwar and Tukaram – from the Warkari sect, are taken from their respective shrines to Pandharpur. The tradition is more than 700-800 years old.
 - **Whereas, Santhals are spread over eastern States of Bihar, Jharkhand, West Bengal and Odisha. Hence, pair 3 is not correctly matched.**

QUESTION 81:

The Cabinet Committee of Economic Affairs (CCEA) has approved the creation of Agri-Market infrastructure fund. With reference to this, consider the following statements:

1. The fund will be used to provide loans to farmers at a subsidised rate for post-harvest storage of their produce.
2. The fund will be managed by NABARD.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: B

Explanation

- The Cabinet Committee on Economic Affairs (CCEA) has approved a corpus of ₹2,000 crore for Agri Market Infrastructure Fund (AMIF). The fund will be managed by NABARD. **Hence, statement 2 is correct.**
- The fund will not be used to provide loans to farmers but for the development and up-gradation of agricultural marketing infrastructure in rural and regulated wholesale markets. It will provide subsidised loans to states and Union Territories for 585 agricultural produce market committee (APMC) mandis and 10,000 gram in agricultural markets (GrAMs). **Hence, statement 1 is not correct.**

QUESTION 82:

Mid Day Meal Scheme was launched during which of the following five year plans?

- (A) 8th Five Year Plan
- (B) 9th Five Year Plan
- (C) 10th Five Year Plan
- (D) 11th Five Year Plan

Answer: A

Explanation

- The Mid Day Meal Scheme was launched in 1995 (during the 8th Five Year Plan) to enhance enrolment, retention, and participation of children in primary schools, simultaneously improving their nutritional status. **Hence, option A is correct.**
- It is a Centrally Sponsored Scheme.

QUESTION 83:

Consider the following statements about NITI Ayog:

1. It was formed via a resolution of the Union Cabinet.
2. It fosters Cooperative Federalism.
3. President of India acts as an Ex-officio chairperson of it.

Which of the statements given above is/are correct?

- (A) 2 only
- (B) 1 and 2 only
- (C) 1, 2 and 3
- (D) None of the above

Answer: B

Explanation

- The National Institution for Transforming India (NITI Aayog), was formed via a resolution of the Union Cabinet on January 1, 2015. **Hence, statement 1 is correct.**
- It is the premier policy 'Think Tank' of the Government of India, providing both directional and policy inputs. While designing strategic and long term policies and programmes for the Government of India, NITI Aayog also provides relevant technical advice to the Centre and States.
- It was constituted in order to better serve the needs and aspirations of the people of India. It acts as the quintessential platform of the Government of India to bring States to act together in national interest, and thereby fosters Cooperative Federalism. **Hence, statement 2 is correct.**
- The Prime Minister acts as the chairperson of NITI ayog, not the President. **Hence, statement 3 is NOT correct.**

QUESTION 84:

With reference to the Most Favoured Nation (MFN) status under WTO, consider the following statements:

1. When a country is given MFN status it receives preferential treatment in terms of tariffs and quotas.
2. WTO allows a country to grant MFN status to only developing countries.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- **Article 1 of General Agreement on Tariffs and Trade (GATT), 1994**, requires every World Trade Organization (WTO) member country to accord MFN status (or preferential trade terms with respect to tariffs and trade barriers) **to all other member countries (Not only developing countries)**. Hence, **statement 2 is NOT correct**.
- Accordingly, India accorded MFN status to all WTO member countries, including Pakistan, from the date of entry into force of the so called Marrakesh Agreement, establishing the WTO.
- Although it sounds as if MFN offers preferential treatment, it only **ensures non-discriminatory trade**. Hence, **statement 1 is NOT correct**.
- It makes sure that any country receiving MFN status avoids any disadvantageous situation in comparison to the granter's other trade partners.
- According to the World Trade Organisation rules, countries cannot normally discriminate between their trading partners.
- If one country is granted a trade concession such as, for example, lower import duties, then all WTO members must be extended the same concessions.
- This principle is known as the Most Favoured Nation treatment. Despite repeated promises, Pakistan has never granted MFN status to India.
- Therefore, MFN is a non-discriminatory trade policy as it ensures equal trading among all WTO member nations rather than exclusive trading privileges.
- Since India and Pakistan are part of the WTO, both are required to grant MFN status to each other and other partner countries.

QUESTION 85:

With reference to the new E-Commerce policy, consider the following statements:

1. It has set up an new E-Commerce regulator.
2. It lays down that vendors that have any stake owned by an e-commerce company cannot sell their products on that e-commerce company's portal.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: B

Explanation

- E-commerce companies can operate under two different models in India.
- **The first** is the marketplace model where the e-commerce firm simply acts as a platform that connects buyers and sellers. FDI is allowed in e-commerce companies in this model.
- **The second model** is inventory-based where the inventory of goods sold on the portal is owned or controlled by the e-commerce company. **FDI is not allowed under this model.**
 - Large e-commerce companies such as Amazon and Flipkart, while not owning inventory themselves, have been providing a platform for their group companies such as CloudTail and WS Retail respectively. This is seen as skewing the playing field, especially if these vendors enjoyed special incentives from the e-commerce firm, over others. These controlled or owned vendors may then be able to offer discounts to customers that competitors may not be able to match.
 - The Department of Industrial Policy & Promotion has issued a clarification to the existing rules pertaining to Foreign Direct Investment in e-commerce companies.
- **The main features of the new E-Commerce policy include the following provision:**
 - Vendors that have any stake owned by an e-commerce company cannot sell their products on that e-commerce company's portal. **Hence, statement 2 is correct.**
 - Vendor who purchases 25% or more of its inventory from an e-commerce group company will be considered to be controlled by that e-commerce company, and thereby barred from selling on its portal.
 - The e-commerce firm will not be allowed to influence the price of a product sold on its portal by giving incentives to particular vendors.
 - **The new policy does not set up a regulator for e-commerce entities. Hence, statement 1 is not correct.**

QUESTION 86:

Which of the following were the conditions put forth by the International Monetary Fund for granting loans to India during the Economic Reform of 1991?

1. Devaluation of the rupee
2. Drastic reduction in the peak import tariff
3. Hike in Excise duties
4. Reduction in all government expenditure

Select the correct answer using the code given below:

- (A) 1, 2 and 4 only
(B) 1, 2 and 3 only
(C) 2 and 4 only
(D) 1, 2, 3 and 4

Answer: D

Explanation

- The IMF conditions put forth for granting loans to India during the Economic Reform of 1991 were as under:
 - **Devaluation of the rupee** by 22 per cent (which was given effect in two phases and the Indian rupee fell down from 21 to 27 per US Dollar).
 - **Drastic reduction in the peak import tariff** from the prevailing level of 130 per cent to 30 per cent (India completed it by 2000–01 itself and now it is voluntarily cut to the level of 15 per cent).
 - **Excise duties (i.e., CENVAT now) to be hiked by 20 per cent** to neutralise the revenue shortfalls due to the custom cut (a major tax reform programme was launched to streamline, simplify and modernise the Indian tax structure which is still going on).

- **All government expenditure to be cut down by 10 per cent**, annually (i.e., cutting the cost of running the government and denotes, interests, pays, pension PF and subsidies. A pressure on the government to consolidate the fiscal deficit and go for fiscal prudence). **Hence, option (d) is correct.**

QUESTION 87:

Consider the following statements with reference to Green Revolution:

1. During the first phase of the Green Revolution, use of HYV (High Yielding Variety) seeds primarily benefited the wheat growing regions only.
2. The spread of green revolution technology enabled India to achieve self-sufficiency in food grains.

Which of the statements given above is/are NOT correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- The stagnation in agriculture during the colonial rule was permanently broken by the Green Revolution which resulted in large increase in production of food grains resulting from the use of high yielding variety (HYV) seeds especially for wheat and rice.
- In the first phase of the green revolution (approximately mid 1960s upto mid 1970s), the use of HYV seeds was restricted to the more affluent states such as Punjab, Andhra Pradesh and Tamil Nadu.
- Further, the use of HYV seeds primarily benefited the wheat growing regions only. **Hence, statement 1 is correct.**
- In the second phase of the green revolution (mid-1970s to mid-1980s), the HYV technology spread to a larger number of states and benefited more variety of crops. The spread of green revolution technology enabled India to achieve self-sufficiency in food grains; India no longer had to be at the mercy of America, or any other nation, for meeting its food requirements. **Hence, statement 2 is correct.**

QUESTION 88:

The Pala school of art flourished in which of the following regions?

- (A) Magadha region
(B) Deccan region
(C) Kutch region
(D) None of the above

Answer: A

Explanation

- The Pala dynasty came to power around 750 A.D. The Pala school of art first flourished in the **Magadha region of Southern Bihar**, the homeland of Buddhist religion. The majority of early Pala-period remains are Buddhist. Due to intense religious activity during the Pala Sena period, many religious structures were built or renovated.
- During the Pala-period, a number of monasteries and religious sites that had been founded in earlier periods grew into prominence. Although the first two hundred or so years of Pala-period art were dominated by Buddhist art, the Hindu remains also exist in some quantities in that phase and clearly dominate in the last two hundred years of the Pala-period. **Hence, option A is the correct option.**

QUESTION 89:

With reference to art of bronze-casting, consider the following statements:

1. The art of bronze-casting was practised on a wide scale by the Harappans.
2. The 'lost wax' process is a specific technique used for practising this art.
3. The Nataraja statue of Chola period is an example of bronze casting.

Which of the statements given above is/are correct?

- (A) 1, 2 and 3
(B) 2 and 3 only
(C) 3 only
(D) None of the above

Answer: A

Explanation

- The art of bronze-casting was practised on a wide scale by the Harappans. **Hence, statement 1 is correct.**
- This art was popular at all the major centres of the Indus Valley Civilisation.
- Bronze casting is done mainly using the 'lost wax' technique. **Hence, statement 2 is correct.**
- The lost wax process involves several steps.
 - Under this technique, first a wax model of the image is made by hand. This wax model is made of pure beeswax that has first been melted over an open fire and then strained through a fine cloth into a basin of cold water. Here the wax model resolidifies immediately. The solidified structure is then pressed through a pichki which squeezes the wax into a noodle-like shape. These wax wires are then wound around to the shape of the entire image.
- Many bronze sculptures of incredibly high-quality were produced during the Chola period, several of which have survived till this day. **The Nataraja statue of Chola period presenting Shiva as the Lord of Dance is an example of bronze-casting** and provides details of flourishing of this art during that time. **Hence, statement 3 is correct.**

QUESTION 90:

With reference to the Lord Bahubali statue at Gomateshwara, consider the following statements:

1. It is considered as the third incarnation of Lord Buddha.
2. It is the world's tallest monolithic free standing structure.
3. It is made of red sandstone found abundantly in the region.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 and 3 only
(C) 1 and 3 only
(D) 2 only

Answer: D

Explanation

- Lord Bahubali statue is located at **Shravanabelagola, Gomateshwara, Karnataka**. It is the most renowned Jain Sculpture. Lord Bahubali is the **son of Rishabhanatha, the first tirthankar of Jainism**. **Hence, statement 1 is not correct.**
- It is made of **granite** and stands eighteen metres or fifty-seven feet high. **Hence, statement 3 is NOT correct.**

- It is the world's tallest (eighteen metres) monolithic free-standing structure. **Hence, statement 2 is correct.**
- It was commissioned by Camundaraya, the General-in-Chief and Prime Minister of the Ganga Kings of Mysore.

Jain Architecture

- Jains were prolific temple builders and their sacred shrines and pilgrimage spots are to be found across the length and the breadth of India except in the hills.
- The oldest Jain pilgrimage sites are to be found in Bihar.
- Many of these sites are famous for early Buddhist shrines.
- In the Deccan, some of the most architecturally important Jain sites can be found in Ellora and Aihole.
- In central India, Deogarh, Khajuraho, Chanderi and Gwalior have some excellent examples of Jain temples.

QUESTION 91:

Which of the following statements is/are correct regarding the Ambubachi festival?

1. It is an annual festival celebrated at Amruteshvara temple in Karnataka.
2. It belongs to the Shaivism cult of worshipping in Hinduism.
3. It involves sacrificing animals.

Select the correct answer using the code given below:

- (A) 1 only
(B) 1 and 2 only
(C) 3 only
(D) 1, 2 and 3

Answer: C

Explanation

- Ambubachi festival is an annual festival celebrated in Kamakhya temple in Assam. **Hence, statement 1 is not correct.**
- This festival lasts for four days and is celebrated in the month of June (generally from 22nd or 23rd June).
- The three cults of worshipping of Hinduism are Shaktism, Shaivism and Vaishnavism. In the temples of Goddesses which follow **Shakti cult of worshipping**, animal sacrifices are the traditions and non-vegetarian foods and in some cases wines are offered to the goddess. On the other hand, temples following the Shaivite Cult and Vaishnava cults, discourage the animal sacrifices.
- Ambubachi festival is related to Shakti cult of worshipping and involves animal sacrifices. **Hence, statement 2 is not correct, while statement 3 is correct.**

QUESTION 92:

Consider the following pairs:

Martial art form	State
------------------	-------

- | | |
|----------------|---------------|
| 1. Pari-khanda | Uttar Pradesh |
| 2. Thang-Ta | Manipur |
| 3. Thoda | Bihar |
| 4. Gatka | Punjab |

Which of the above pairs are correctly matched?

- (A) 1, 2 and 3 Only
(B) 1, 2 and 4 Only

(C) 2 and 4 Only

(D) 2, 3 and 4 Only

Answer: C

Explanation

- **Pari-khanda**, created by Rajputs, is a form of martial art from **Bihar**. It involves fighting using a sword and shield. Still practiced in many parts of Bihar, its steps and techniques are widely used in Chhau dance. **Hence, pair 1 is not correctly matched.**
- **Thang Ta** is the exclusive martial dance form of **Manipur**. Thang means sword and Ta means spear. The dance performance is a unique display of skill, creativity and agility in which the performers enact a mock fight sequence – leaping to attack and defend. **Hence, pair 2 is correctly matched.**
- Originated in the State of **Himachal Pradesh**, **Thoda is a mixture of martial arts, sport and culture**. It takes place **during Baisakhi** (13th and 14th April) every year. Thoda can be dated back to Mahabharata, the times when bows and arrows were used in the epic battle, in the valleys of Kullu and Manali. **Hence, pair 3 is not correctly matched.**
- **Gatka** is a **weapon based martial art form, performed by the Sikhs of Punjab**. Gatka features the skillful use of weapons, including **stick, Kirpan, Talwar and Kataar**. The attack and defence in this art form is determined by the various positions of hands and feet and the nature of the weapon used. **Hence, pair 4 is correctly matched.**

QUESTION 93:

With reference to Pneumonia, consider the following statements:

1. Pneumonia is an acute infection of the liver.
2. World's first conference on Childhood Pneumonia was held in Geneva, Switzerland.

Which of the statements given above is/are correct?

- (A) 1 only
(B) 2 only
(C) Both 1 and 2
(D) Neither 1 nor 2

Answer: D

Explanation

- Pneumonia is an acute respiratory infection of the **lungs**.
 - **Cause:** It doesn't have one single cause – it can develop from either bacteria, viruses or fungi in the air. **Hence, statement 1 is not correct.**
- World's first conference on Childhood Pneumonia was held in Barcelona (Spain) to make it part of the global health agenda. **Hence, statement 2 is not correct.**
- Global Forum on Childhood Pneumonia is an initiative of 9 leading health and children's organisations including UNICEF, Bill & Melinda Gates Foundation, and Gavi among others.
- In India, annually about 14% of under-5 deaths in India happen due to pneumonia.

QUESTION 94:

With reference to Iconic Sites in India, consider the following statements:

1. The Ministry of Culture is the nodal agency for the implementation of the 'Iconic Tourist Sites Initiative'.
2. Recently the Harappan Civilisation sites, Rakhigarhi and Dholavira have been proposed to be developed as iconic sites.

Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Answer: B

Explanation

- The **Tourism Ministry** is the **nodal** ministry for the implementation of the Iconic Tourist Sites Initiative. **Hence, statement 1 is not correct.**
- Union Budget (2020-21) has proposed to develop **Rakhigarhi (Hisar district, Haryana)** as an iconic site.
 - Four other archaeological sites of Hastinapur (Uttar Pradesh), Shivsagar (Assam), **Dholavira (Gujarat)** and Adichanallur in (Tamil Nadu) will also be developed as iconic sites with onsite museums. **Hence, statement 2 is correct.**
- **Rakhigarhi** is the **largest Harappan site** in the **Indian subcontinent**.

QUESTION 95:

Recently in the news, 'Santusht Portal' is related to:

- (A) Water Purification
- (B) Food supply under Antyodaya Yojana
- (C) Implementation of labour laws
- (D) Education facilities in hilly areas

Answer: C

Explanation

- The Ministry of Labour and Employment has launched 'Santusht portal' to monitor the implementation of labour laws at the grassroots level. **Hence, option C is correct.**
- The objective of 'Santusht' is to **promote transparency, accountability, effective delivery of public services and implementation of policies**, schemes of the Ministry of Labour and Employment at the grassroots level through constant monitoring.
- For public grievances, the Centralized Public Grievance Redressal and Monitoring System (CPGRAMS) portal is already functional.

QUESTION 96:

The state to which well known Patola Sarees belong is:

- (A) Odisha
- (B) Haryana
- (C) Punjab
- (D) Gujarat

Answer: D

Explanation

- Patola is a double ikat woven sari, usually made from silk, made in Patan, Gujarat. It received a Geographical Indication (GI) tag in 2013. **Hence, option D is the correct answer.**
- Recently, Khadi and Village Industries Commission (KVIC) has inaugurated a **first Silk Processing Plant** at Surendranagar in Gujarat.
- The plant would help to reduce the cost of production of silk yarn and increase the sale and availability of raw material for Gujarati Patola Sarees locally.

QUESTION 97:

Consider the following statements:

1. The Reserve Bank of India manages and services Government of India Securities but not any State Government Securities.
2. Treasury bills are issued by the Government of India and there are no treasury bills issued by the State Governments.
3. Treasury bills are offered at a discount from the par value.

Which of the statements given above is/are correct?

- (A) 1 and 2 only
(B) 3 only
(C) 2 and 3 only
(D) 1, 2 and 3

Answer: C

Explanation

- The Reserve Bank of India has well defined obligations and provides several banking services to the governments, both at the Centre and in the States. As a banker to the Government, the Reserve Bank receives and pays money on behalf of the various Government departments.
- The Reserve Bank also manages several government securities and bonds of the Central as well as the State governments while facilitating their liquidity requirements. Besides, like a portfolio manager, it also arranges for investments of surplus cash balances of the Governments. The Reserve Bank also acts as an adviser to the Government, whenever called upon to do so, on monetary and banking related matters. **Hence, statement 1 is not correct.**
- Treasury Bills are debt instruments of the Government to raise short term liquidity requirements. **Treasury bills are zero coupon securities and pay no interest.** Rather, they are issued at a discount (at a reduced amount) and redeemed at the face value at maturity. **Treasury Bills are issued only by the Union Government in India.** The State governments do not issue any treasury bills. **Hence, statements 2 and 3 are correct.**

QUESTION 98:

Which one of the following best describes the term “Merchant Discount Rate” sometimes seen in the news?

- (A) The incentive given by a bank to a merchant for accepting payments through debit cards pertaining to that bank.
- (B) The amount paid back by banks to their customers when they use debit cards for financial transactions for purchasing goods or services.
- (C) The charge to a merchant by a bank for accepting payments from his customers through the bank's debit cards.
- (D) The incentive given by the Government to merchants for promoting digital payments by their customers through Point of Sale (PoS) machines and debit cards.

Answer: C

Explanation

- **Merchant Discount Rate (MDR)** is the fee charged from a merchant by a bank for accepting payments from customers through credit and debit cards in their establishments.
- The MDR compensates the bank issuing the card, the bank which puts up the swiping machine (Point-of-Sale or PoS terminal) and network providers such as Mastercard or Visa for their services.

- MDR charges are usually shared in a pre-agreed proportion between them.
- In India, the RBI specifies the maximum MDR charges that can be levied on every card transaction.
- A low MDR holds the key to popularise the less-cash economy in India. **Hence, option C is correct.**

QUESTION 99:

What is the purpose of setting up Small Finance Banks (SFBs) in India?

1. To supply credit to small business units
2. To supply credit to small and marginal farmers
3. To encourage young entrepreneurs to set up business particularly in rural areas.

Select the correct answer using the code given below:

- (A) 1 and 2 only
(B) 2 and 3 only
(C) 1 and 3 only
(D) 1, 2 and 3

Answer: A

Explanation

- The formation of small banks was announced in the Union Budget in August 1996 following which RBI issued notification for setting up of Local Area Banks (LABs) in 1996.
- The objectives of setting up of small finance banks were for furthering financial inclusion by:
 - Provision of savings vehicles primarily to unserved and underserved sections of the population, and
 - Supply of credit to small business units; small and marginal farmers; micro and small industries; and other unorganized sector entities, through high technology-low cost operations. **Hence, statements 1 and 2 are correct.**

QUESTION 100:

Match List I with List II and select the correct answer using the code given below the lists:

List I (Famous Temple)

- (A) Vidyashankara temple
(B) Rajarani temple
(C) Kandariya Mahadeo
(D) Bhimesvara temple

List II (State)

1. Andhra Pradesh
2. Karnataka
3. Madhya Pradesh temple
4. Odisha

Code:

	A	B	C	D
(A)	2	4	3	1
(B)	2	3	4	1
(C)	1	4	3	2
(D)	1	3	4	2

Answer: A

Explanation

- The **Vidyashankara temple** is located in the holy town of **Sringeri**, in the Chikmagalur district of **Karnataka**. It is on the left bank of the river Tungabhadra. The temple resembles a chariot. Sringeri is the site of one of the original Advaita Mathas established by Adi Shankara. It has a continuing tradition and recorded history dating back to the 8th century.



- **Rajarani temple, Bhubhaneshwar, Orissa** is a work of exquisite grace in which the masses of the Jagamohana and the Vimana are admirably combined to express perfection. There is a beehive shaped tower rising from the ground with a gentle curvature over the sanctum sanctorum. This style broadly comes under Nagara style.
- **Kandariya Mahadeo temple, Khajuraho, Madhya Pradesh** was built by the Chandelas, who ruled from 950 to 1100 AD. They constructed towering temples in central India, like the Kandariya Mahadev temple. Kandariya denotes 'Shiva who dwells in a mountain cave'.
- **Bhimesvara temple, Daksharamam**, referred to as '**Dakshin Kasi**' is located in **Andhra Pradesh**. Inscriptions in the temple reveal that it was built between the 9th and 10th centuries by the Eastern Chalukyan king, Bhima. Architecturally and sculpturally, it reflects a blend of Chalukyan and Chola styles. **Hence, option A is correct.**

