



Drishti IAS Presents...

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ECONOMY

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Detailed
Explanation

Answers

Answers

Answers

Answers

Answers

Explanation

Explanation

Answers

Answers

Explanation

Explanation

Answers

Answers

Explanation

Answers

Answers

Answers

Answers

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Explanation

Answers

Explanation

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Answers

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1. Ans: C

Exp:

- **GST Taxation:** The GST became applicable from 1st July 2017 after the enactment of the 101st Constitution Amendment Act, 2016.
 - ◆ With GST, a large number of central and state indirect taxes merged into a single tax.
- **Compensation Cess:**
- The states are guaranteed compensation for any revenue shortfall below 14% growth (base year 2015-16) for the first five years ending 2022.
 - ◆ **GST compensation** is paid out of **Compensation Cess every two months by the Centre to states. Hence, statement 1 is correct.**
 - ◆ The compensation cess was specified by the GST (Compensation to States) Act, 2017.
- **All the taxpayers, except those** who export specific notified goods and those **who have opted for GST composition scheme, are liable to collect and remit the GST compensation cess** to the central government. **Hence, statement 2 is correct.**
- **Compensation Cess Fund:** The GST Act states that the cess collected and the amount as may be recommended by the GST Council would be credited to the fund.

2. Ans: C

Exp:

- **Gross Domestic Product (GDP)** maps the economy from the **expenditure (or demand) side** — that is by adding up all the expenditures.
 - ◆ $GDP = \text{private consumption} + \text{gross investment} + \text{government investment} + \text{government spending} + (\text{exports} - \text{imports})$. Hence, statement 1 is correct.
- The **Gross Value Added (GVA)** provides a picture of the economy from the supply side.
 - ◆ GVA maps the “value-added” by different sectors of the economy such as agriculture, industry and services.
 - ◆ **Gross Value Added = GDP + subsidies on products - taxes on products. Hence, statement 2 is correct.**

3. Ans: A

Exp:

- **K-Shaped Recovery:**
 - ◆ A K-shaped recovery occurs when, following a recession, **different parts of the economy recover at different rates, times, or magnitudes**. This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.
 - ◆ A K-shaped recovery **leads to changes in the structure of the economy** or the broader society as economic outcomes and relations are fundamentally changed before and after the recession.
 - ◆ This type of recovery is called **K-shaped** because the path of different parts of the economy when charted together may diverge, resembling the two arms of the Roman letter “K.”
- **Hence, option D is correct.**

4. Ans: B

Exp:

- **About:**
 - ◆ The bad bank is an **ARC or an Asset Management Company (AMC)** that takes over the bad loans of commercial banks, manages them and finally recovers the money over a period of time.
 - ◆ The bad bank is **not involved in lending and taking deposits**, but helps commercial banks clean up their balance sheets and resolve bad loans. **Hence statement 1 is not correct.**
 - ◆ The takeover of bad loans is normally below the book value of the loan and the **bad bank tries to recover as much as possible subsequently. Hence statement 2 is correct.**
- **Effect of Bad Bank:**
 - ◆ **Commercial Banks’ Perspective:** Commercial banks are saddled with high NPA (Non-Performing Assets/loans) levels, setting up of the Bad bank will help.
 - That’s because **such a bank will get rid of all its toxic assets**, which were reducing its profits, in one quick move.
 - When the recovery money is paid back, it will further **improve the bank’s position**. Meanwhile, it can start lending again.

◆ **Government and Taxpayer Perspective:** Whether it is recapitalising PSBs laden with bad loans or giving guarantees for security receipts, the money is coming from the taxpayers' pocket.

- While recapitalisation and such guarantees are often designated as "reforms", they are band aids at best.
- The only **sustainable solution is to improve the lending operation in PSBs.**
- The plan of bailing out commercial banks will collapse if the bad bank is unable to sell such impaired assets in the market. **The burden indeed will fall upon the taxpayer.**

5. Ans: A

Exp:

- Recently, the US Federal Reserve (central bank of US) has signalled a possible hike in interest rates. This has led to a nervous reaction in Indian markets.
 - ◆ Rate hikes by the Federal Reserve affects not only the US economy, but also shapes the macroeconomic outlook and exerts a certain degree of influence on the monetary policies in other emerging economies.
- **Impact of increased Interest Rates on India:**
 - ◆ On Equity Market: **Bond yields will rise due to the growing dollar shortage in the global market.**
 - Previously, in India, the debt and equity markets witnessed outflows of over Rs 40,000 crore rupees, due to the strengthening dollar and uncertainties perpetrated by the trade war between the US, China, European Union, and other major nations.
 - ◆ On Export and Forex: India being one of the largest crude oil importers of the world.
 - A weaker rupee vis-à-vis a dollar results in **more expensive imports of crude oil** that may put cost-driven inflationary push across the whole economy and especially in those sectors that are highly sensitive to crude oil price movements.
 - India's exports on the other hand, notably **IT and IT-enabled services – will benefit** to some extent from a stronger dollar with respect to the rupee.
 - However, the same benefit may not fully accrue to exporters due to strong competition in the export market
- **Hence, option A is correct.**

6. Ans: A

Exp:

- **Special Drawing Rights**
- The SDR is an **international reserve asset, created by the International Monetary Fund (IMF)** in 1969 to supplement its member countries' official reserves. **Hence, statement 1 is correct.**
- The SDR is neither a currency nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. SDRs can be exchanged for these currencies.
- The **value of the SDR** is calculated from a weighted basket of major currencies, including the **US dollar, the euro, Japanese yen, Chinese yuan, and British pound.** **Hence, statement 2 is not correct.**
- The interest rate on SDRs or (SDRi) is the interest paid to members on their SDR holdings.
- Recently, the IMF has made an allocation of SDR 12.57 billion (equivalent to around USD 17.86 billion) to India. Now, the total SDR holdings of India stand at SDR 13.66 billion.

7. Ans: A

Exp:

- **Fiscal deficit** by definition is the **difference between total expenditure and the sum of revenue receipts and non-debt receipts.** It indicates how much the Government is spending in net terms. **Hence, statement 1 is correct.**
 - ◆ Since positive fiscal deficits indicate the amount of expenditure over and above revenue and non-debt receipts, it needs to be financed by a debt-creating capital receipt.
- **Primary deficit** is the difference between fiscal deficit and interest payments.
- Revenue deficit is **derived by deducting capital expenditure from fiscal deficits.** **Hence, statement 2 is not correct.**

8. Ans: D

Exp:

- There are no World Trade Organisation (WTO) definitions of "developed" and "developing" countries. Members announce for themselves whether they are "developed" or "developing" countries.
 - ◆ The World Bank assigns the world's economies to **four income groups**—low, lower-middle, upper-middle, and high-income countries.



- ◆ The classifications are updated each year on 1st July and are based on Gross National Income (GNI) per capita in current USD of the previous year. Hence, statement 1 is not correct.
- Developing country status in the WTO brings certain rights.
 - ◆ There are some WTO Agreements which provide developing countries with longer transition periods before they are required to fully implement the agreement and developing countries can receive technical assistance.
- That a WTO member announces itself as a developing country does not automatically **mean that it will benefit from the unilateral preference schemes** of some of the developed country members such as the Generalized System of Preferences (GSP).
- In practice, it is the **preference giving country which decides the list of developing countries** that will benefit from the preferences
- Hence, **statement 2 is not correct.**

9. Ans: B

Exp:

- The Reverse Repo Normalisation means the **reverse repo rates will go up** i.e. raising the reverse repo rate in one or two stages. **Hence, statement 1 is not correct.**
 - ◆ In the face of rising inflation, several central banks across the world have either increased interest rates or signalled that they would do so soon.
 - ◆ In India, too, it is expected that the RBI will raise the repo rate. But before that, it is expected that the RBI will raise the reverse repo rate and reduce the gap between the two rates.
- The process of normalisation is mainly **aimed at curbing inflation. Hence, statement 2 is correct**
- However, it will not only reduce excess liquidity but also result in higher interest rates across the board in the Indian economy.
 - ◆ Thus reducing the demand for money among consumers (since it would make more sense to just keep the money in the bank) and making it **costlier for businesses to borrow fresh loans. Hence, statement 3 is correct.**

10. Ans: A

Exp:

- **Missile Technology Control Regime (MTCR):**
- It is an **informal and voluntary partnership among 35 countries** to prevent the proliferation of missile and unmanned aerial vehicle technology capable of carrying greater than **500 kg payload for more than 300 km.**

- The members are thus **prohibited from supplying such missiles and UAV systems that are controlled by the MTCR to non-members.**
- The decisions are taken by **consensus of all the members.**
- This is a non-treaty association of member countries with certain guidelines about the information sharing, national control laws and export policies for missile systems and a rule-based regulation mechanism to limit the transfer of such critical technologies of these missile systems.
- It was established in **April 1987 by G-7 countries** – USA, UK, France, Germany, Canada, Italy, and Japan.
- India became the 35 full member MTCR In July 2016.
- Hence, option A is correct.

11. Ans: B

Exp:

Budget and Constitutional Provisions

- According to **Article 112 of the Indian Constitution, the Union Budget of a year is referred to as the Annual Financial Statement (AFS).**
- It is a statement of the estimated receipts and expenditure of the Government in a Financial Year (which begins on 1st April of the current year and ends on 31st March of the following year).
- Overall, the **Budget contains:**
 - ◆ Estimates of revenue and capital receipts,
 - ◆ Ways and means to raise the revenue,
 - ◆ Estimates of expenditure,
 - ◆ Details of the actual receipts and expenditure of the closing financial year and the reasons for any deficit or surplus in that year, and
 - ◆ The economic and financial policy of the coming year, i.e., taxation proposals, prospects of revenue, spending programme and introduction of new schemes/projects.
- Hence **option B is correct.**

12. Ans: A

Exp:

- The concept of **Blue economy was introduced by Gunter Pauli in his 2010 book-** "The Blue Economy: 10 years, 100 innovations, 100 million jobs". **Hence, statement 1 is correct.**
- It is the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health.



- It advocates the **greening of ocean development strategies for higher productivity** and conservation of ocean's health. **Hence, statement 2 is correct.**
- Blue Economy emphasizes on integration of development of the ocean economy with social inclusion, environmental sustainability, combined with innovative business models.
- **Deep Ocean Mission** was launched with an intention to develop technologies to harness the living and non-living resources from the deep-oceans. It will promote the concept of Blue economy. **Hence, statement 3 is not correct.**

13. Ans: A

Exp:

Cess:

- Cess is a **form of tax levied over and above the base tax liability of a taxpayer.** **Hence statement 1 is correct.**
- Cess is resorted to only when there is a need to meet the particular expenditure for public welfare.
- Cess is **not a permanent source of revenue for the government**, and it is discontinued when the purpose of levying it is fulfilled. **Hence statement 2 is not correct.**
- It can be **levied on both indirect and direct taxes.**

14. Ans: C

Exp:

- In August, 2021, the government has announced the **National Edible Oil Mission-Oil Palm (NMEO-OP) scheme** for self-reliance in edible oil and involves investment of over Rs. 11,000 crore (over a five year period).
 - ◆ **NMEO-OP** is a new **Centrally Sponsored Scheme.** It is proposed to have an additional 6.5 lakh hectares for palm oil by 2025-26. **Hence, statement 1 is correct.**
- According to the **Ministry of Consumer Affairs, Food, and Public Distribution** the **total domestic demand of edible oils in the country** is approximately **250 lakh metric tonnes per year.**
 - ◆ From which around **60% of the edible oils** consumed in the country is met through imports. **Palm oil (crude + refined) import** constitutes around 60% of the total edible oil imported, out of which **54% is imported from Indonesia and Malaysia.** **Hence, statement 2 is correct.**

15. Ans: C

Exp:

- **All-India Quarterly Establishment-based Employment Survey (AQEES)** has been taken up by the **Labour Bureau** to provide frequent (quarterly) updates about the employment and related variables of establishments, in both organised and unorganised segments of nine selected sectors. **Hence, statement 1 is correct.**
 - ◆ The 9 sectors are Manufacturing, Construction, Trade, Transport, Education, Health, Accommodation and Restaurants, IT/BPO, Financial Service Activities.
- **Components:**
 - ◆ Quarterly Employment Survey (QES): It provides the employment estimates for the establishments employing 10 or more workers.
 - The revamped QES was conducted during the first quarter (April-June 2021).
 - The earlier version of QES was suspended in 2018, citing a gap in numbers with the payroll data.
 - ◆ Area Frame Establishment Survey (AFES): It covers the unorganised segment (with less than 10 workers) through a sample survey. **Hence, statement 2 is correct.**

16. Ans: A

Exp:

- The Government has approved the setting up of **7 PM Mega Integrated Textile Region and Apparel (PM MITRA) Parks** in Greenfield/Brownfield sites within a period of **seven years up to 2027-28.**
- These parks will be developed by a **Special Purpose Vehicle** which will be owned by the Central and State Government and in a **Public-Private Partnership (PPP) Mode.**
- Each Park will have an **incubation centre, a common processing house and a common effluent treatment plant** and other textile related facilities such as **design centres and testing centres.**
- **Hence, option A is correct.**

17. Ans: C

Exp:

- **Perform, Achieve and Trade (PAT) scheme** is a **market-based mechanism** to further accelerate as well as incentivize energy efficiency in the large energy-intensive industries. **Hence, statement 1 is correct.**



- The **Energy Savings Certificates (ESCs)** were introduced in India in 2011 under the PAT by the **Bureau of Energy Efficiency (BEE)** under the **National Mission of Energy Efficiency**. Hence, **statement 2 is correct**.
 - ◆ NMEEE is one of the eight national missions under the **National Action Plan on Climate Change (NAPCC)** launched by the Government of India in the year 2008.
- The **underachievers are entitled to purchase ESCerts** through two power exchanges - **Indian Energy Exchange (IEX)** and Power Exchange India Limited (PXIL).
 - ◆ Industries that take part in this scheme are referred to as **designated shoppers (DC)**.
- PAT covered about **13 energy-intensive sectors**: Thermal power plants (TPP), cement, aluminium, iron and steel, pulp and paper, fertiliser, chlor-alkali, petroleum refineries, petrochemicals, distribution companies, railways, textile and commercial buildings (hotels and airports).

18. Ans: A

Exp:

- An **Asset Reconstruction Company (ARC)** is a specialized financial institution that **buys the Non Performing Assets (NPAs) from banks and financial institutions** so that they can clean up their balance sheets. Hence, **statement 1 is correct**.
 - ◆ This helps banks to concentrate on normal banking activities. Banks, rather than going after the defaulters by wasting their time and effort, can sell the bad assets to the ARCs at a mutually agreed value.
 - ◆ The SARFAESI Act, 2002 provides the legal basis for the setting up of ARCs in India.
- At present, there is **neither a unified mechanism to tackle NPAs in the farm sector nor a single law** that deals with enforcement of mortgages created on agricultural land. Hence, **statement 2 is not correct**.
 - ◆ Agriculture being a state subject, the recovery laws, wherever agricultural land is offered as collateral – varies from state to state.

19. Ans: C

Exp:

- The Reserve Bank of India (RBI) has released the Monetary Policy Report (MPR) for the month of December 2021.
- The MPR is published by the Monetary Policy Committee (MPC) of RBI.

- The **MPC is a statutory and institutionalized framework under the RBI Act, 1934**, for maintaining price stability, while keeping in mind the objective of growth. Hence, **statement 1 is correct**.
- The MPC **determines the policy interest rate (repo rate) required to achieve the inflation target (4%)** with a leeway of 2% points on either side.
- The **Governor of RBI is ex-officio Chairman** of the MPC. Hence, **statement 2 is correct**.

20. Ans: C

Exp:

National Commodities and Derivatives Exchange

- NCDEX is an **online commodities exchange dealing primarily in agricultural commodities** in India. Hence, **statement 1 is correct**.
- It is a **public limited company**, established on 23rd April 2003 under the **Companies Act, 1956**.
- The exchange was **founded by some of India's leading financial institutions** such as ICICI Bank Limited, the National Stock Exchange of India and the **National Bank for Agricultural and Rural Development**, among others. Hence, **statement 2 is correct**.
- These include 25 contracts for agricultural products. NCDEX is run by an independent board of directors with no direct interest in agriculture.

21. Ans: A

Exp:

- The ESG (Environment, Social and Governance) Funds is a **kind of Mutual Fund**. Its investing is **used synonymously with sustainable investing or socially responsible investing**. Hence, **statement 1 is correct**.
- Typically, a mutual fund looks for a good stock of a company that has potential earnings, management quality, cash flows, the business it operates in, competition etc.
- However, while selecting a stock for investment, **the ESG fund shortlists companies that score high on environment, social responsibility and corporate governance**, and then looks into financial factors.
- Therefore, the key difference between the ESG funds and other funds is 'conscience' i.e the ESG fund focuses on companies with **environment-friendly practices, ethical business practices and an employee-friendly record**.
- The fund is regulated by **Securities and Exchange Board of India (SEBI)**. Hence, **statement 2 is not correct**.



22. Ans: A

Exp:

- Ports in India are classified as Major and Minor Ports according to the jurisdiction of the Central and State government as defined under the Indian Ports Act, 1908.
 - ◆ The **Major Ports are owned and managed by the Central Government. Hence, statement 1 is correct.**
 - ◆ The Minor ports are owned and managed by the State Governments.
- **Major Ports are under the Union list** of the Indian Constitution and are administered under the Indian Ports Act 1908 and the Major Port Trust Act, 1963.
 - ◆ The **ports other than major ports** as declared by the Parliament, **are a subject under the Concurrent List** of the Indian Constitution. **Hence, statement 2 is not correct.**
- There are 12 major ports and 200 non-major ports (minor ports) in the country.
 - ◆ Major ports includes Deendayal (erstwhile Kandla), Mumbai, JNPT, Marmugao, New Mangalore, Cochin, Chennai, Kamarajar (earlier Ennore), V O Chidambaranar, Visakhapatnam, Paradip and Kolkata (including Haldia).

23. Ans: C

Exp:

- A **Geographical Indication (GI)** is a sign used on products that have a **specific geographical origin and possess qualities or a reputation that are due to that origin**. In order to function as a GI, a sign must identify a product as originating in a given place.
 - ◆ In addition, the qualities, characteristics or reputation of the product should be essentially due to the place of origin.
 - Since the **qualities depend on the geographical place of production**, there is a clear link between the product and its original place of production.
 - ◆ It is used for **agricultural, natural and manufactured goods. Hence, statement 1 is not correct.**
- Once the GI protection is granted, **no other producer can misuse the name to market similar products**. It also provides **comfort to customers** about the authenticity of that product.

- ◆ Having a GI tag for a product **prevents unauthorised use of a registered Geographical Indication** by others, **boosts exports of Indian Geographical indications** by providing legal protection and also enables **seeking legal protection in other WTO member countries**.
- Internationally GI are covered as a **component of Intellectual Property Rights (IPRs)** under the **Paris Convention** for the Protection of Industrial Property.
 - ◆ The **Paris Convention, adopted in 1883**, applies to industrial property in the widest sense, including patents, trademarks, industrial designs, utility models, service marks, trade names, **geographical indications** and the repression of unfair competition.
 - ◆ GI is also governed by the **World Trade Organisation's (WTO's) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS)**. **Hence, statement 2 is correct.**
- India, as a member of the World Trade Organisation (WTO), enacted the **Geographical Indications of Goods (Registration & Protection) Act, 1999** which came into force with effect from 2003.
 - ◆ The **Geographical Indications Registry for India is located in Chennai.**
 - ◆ The registration of a geographical indication is **valid for a period of 10 years**. It can be renewed from time to time for a further period of 10 years each. **Hence, statement 3 is not correct.**

24. Ans: D

Exp:

Different Collar Jobs:

- **Blue-Collar Worker:** It is a member of the working class, who performs **manual labour and earns an hourly wage. Hence, pair 1 is correctly matched.**
- **White-Collar Worker:** It is a **salaried professional**, typically referring to general office workers and management.
- **Gold-Collar Worker:** It is used to refer to **highly-skilled knowledge people** who are highly valuable to the company. Example: Lawyers, doctors, research scientists, etc. **Hence, pair 2 is correctly matched.**
- **Grey-Collar Worker:** It refers to the **balance of employed people** not classified as white or blue-collar.
 - ◆ Although grey-collar is something used to describe those who work beyond the age of retirement. **Example:** Firefighters, police officers, health care professionals, Security Guards, etc.

- **Green-Collar Worker:** It is a worker who is **employed in the environmental sectors** of the economy.

- ◆ **Example:** People working in alternative energy sources like solar panels, Greenpeace, World Wide Fund for nature, etc.

- **Pink-Collar Worker:** It is employed in a job that is traditionally considered to be **women's work** and is often low-paid.

- **Scarlet-Collar Worker:** It is a term often used to refer to people who **work in the pornography industry**, especially women entrepreneurs in the field of internet pornography.

- **Red-Collar Worker:** Government workers of all types. **Hence, pair 3 is correctly matched.**

- **Open-Collar Worker:** It is a worker who works from home, especially via the internet.

25. Ans: B

Exp:

Explanation:

- The White Revolution in India was the brainchild of **Dr Verghese Kurein**. **Hence, statement 1 is not correct.**
- Under him, many important institutions were established like the Gujarat Cooperative Milk Marketing Federation Ltd and the **National Dairy Development Board (NDDB)**.
- The bedrock of the revolution has been the village milk producers' cooperatives. Their major role during **Operation Flood** was seen as **engines of growth in milk production**.
- The policy has also favoured the **entry of multinational dairy corporations** into the Indian dairy sector, through joint ventures: mergers and acquisitions. **Hence, statement 2 is correct.**

26. Ans: D

Exp:

- Dumping is said to occur when the **goods are exported by a country to another country at a price lower than the price it normally charges** in its own home market.
 - ◆ This is an **unfair trade practice which can have a distortive effect** on international trade.
 - ◆ Imposition of Anti-dumping duty is a **measure to rectify the situation arising out of the dumping of goods and its trade distortive effect**.
- World Trade Organisation (**WTO's Provisions Related to Anti-Dumping Duty**):
 - ◆ **Validity:** An anti-dumping duty is valid for a **period of five years** from the date of imposition unless revoked earlier.

- ◆ **Sunset Review:** It can be extended for a **further period of five years through a sunset or expiry review investigation**.

- A Sunset review/ expiry review is an **evaluation of the need for the continued existence of a program** or an agency. It allows for an assessment of the effectiveness and performance of the program or agency.
- Such a review can be initiated **suo moto or on the basis of a duly substantiated request** received from or on behalf of the domestic industry.

- **Hence, option D is correct.**

27. Ans: A

Exp:

- A **gig economy** is a free market system in which temporary positions are common and organisations contract with independent workers for short-term engagements.

- ◆ The **Code on Social Security, 2020, recognises gig workers** as a new occupational category. **Hence, statement 1 is correct.**

- It defines a gig worker as a person who performs work or participates in work arrangement and earns from such activities, outside of the traditional employer-employee relationship.

- ◆ Gig workers are generally blue-collar workers.

- **Grey-Collar Worker:** It refers to the **balance of employed people not classified as white or blue-collar**.

- ◆ Although grey-collar is something used to describe those who work beyond the age of retirement. Example: Firefighters, police officers, health care professionals, Security Guards, etc. **Hence, statement 2 is not correct.**

28. Ans: B

Exp:

- GST was introduced through the **101st Constitution Amendment Act, 2016**. **Hence, statement 1 is not correct.**

- ◆ GST is one of the **biggest indirect tax reforms** in the country.

- It is an **indirect tax** levied on the supply of final goods and services.

- ◆ The GST has subsumed indirect taxes like excise duty, Value Added Tax (VAT), service tax, luxury tax etc. **Hence, statement 2 is correct.**

- It is essentially a consumption tax and is levied at the final consumption point.
 - ◆ This has helped mitigate the double taxation, cascading effect of taxes, multiplicity of taxes, classification issues etc., and has led to a common national market.
 - ◆ It was introduced with the slogan of 'One Nation One Tax'.

29. Ans: A

Exp:

- **Currency depreciation** is a fall in the value of a currency in a floating exchange rate system.
 - ◆ Rupee depreciation means that the rupee is now weaker than what it used to be earlier.
- **Impact of Depreciation of Indian Rupee:**
 - ◆ **Positive:** While a weaker currency may **support exports** amid a nascent economic recovery from the pandemic.
 - ◆ **Negative:** It poses **risk of imported inflation**, and may make it difficult for the central bank to **maintain interest rates at a record low for longer**. **Hence, statement 1 and statement 2 are correct.**
- **Currency Appreciation:** It is an increase in the value of one currency in relation to another currency.
 - ◆ Currency appreciation **discourages a country's export activity** as its **products and services become costlier to buy**. **Hence, statement 3 is not correct.**
- **Hence, option A is correct.**

30. Ans: C

Exp:

- Deposit Insurance and Credit Guarantee Corporation (DICGC) came into existence in 1978 after the merger of Deposit Insurance Corporation (DIC) and Credit Guarantee Corporation of India Ltd. (CGCI) after passing of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 by the Parliament.
- It **serves as a deposit insurance and credit guarantee for banks** in India. **Hence, statement 1 is correct.**
- It is a fully owned subsidiary of and is governed by the Reserve Bank of India (RBI). **Hence, statement 2 is correct.**

31. Ans: B

Exp:

- **Smurfing is a money-laundering technique** involving the structuring of large amounts of cash into multiple small transactions. The money is transferred from these multiple accounts to an offshore bank account to take the trail away from the source. This type of transaction is usually done to evade notice by authorities monitoring transactions above a certain threshold.
 - ◆ Smurfing is a form of structuring, in which criminals use small, cumulative transactions to remain below financial reporting requirements.
- **Hence, option B is correct.**

32. Ans: C

Exp:

- The **Prompt Corrective Action (PCA)** framework enables **supervisory intervention of RBI over Banks** at an appropriate time and ensures effective market discipline. **Hence, statement 1 is correct.**
- The **framework applies to all banks operating in India**, including foreign banks operating through branches or subsidiaries based on breach of risk thresholds of identified indicators. **Hence, statement 2 is correct.**
 - ◆ However, payments banks and small finance banks (SFBs) have been removed from the list of lenders where prompt corrective action can be initiated.

33. Ans: C

Exp:

- An Asset Reconstruction Company (ARC) is a specialized financial institution that buys the Non Performing Assets (NPAs) from banks and financial institutions so that they can clean up their balance sheets.
 - ◆ A NPA is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.
- Typically, ARCs buy banks' bad loans by paying a portion as cash upfront (15% as mandated by the RBI), and issue security receipts (SRs) for the balance (85%).
 - ◆ This helps banks to concentrate on normal banking activities. Banks, rather than going after the defaulters by wasting their time and effort, can sell the bad assets to the ARCs at a mutually agreed value.
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (**SARFAESI**) Act, 2002 provides the legal basis for the setting up of ARCs in India. **Hence, statement 1 is correct.**



- ◆ The Act helps reconstruction of bad assets without the intervention of courts. Since then, a large number of ARCs were formed and were registered with the RBI.
- The **Reserve Bank of India (RBI)** has got the **power to regulate the ARCs. Hence, statement 2 is correct.**

34 Ans: D

Exp:

- Technical textiles are **functional fabrics that have applications across various industries** including automobiles, civil engineering and construction, agriculture, healthcare, industrial safety, personal protection etc. **Hence, statement 1 is correct.**
- The growth of technical textiles in India has gained momentum in the past five years, currently growing at an 8 % per annum rate.
 - ◆ It is aimed to hasten this growth to 15-20 % range during the next five years.
 - ◆ The current world market is USD 250 billion (Rs 18 lakh crore) and India's share in it is USD 19 billion.
 - ◆ India is an aspiring player with USD 40 billion in this market (8 % Share).
 - ◆ The biggest players are the USA, western Europe, China and Japan (20-40% share).
- The Government of India allows **100% Foreign Direct Investment (FDI) under automatic route.** International technical textile manufacturers such as Ahlstrom, Johnson & Johnson etc have already initiated operations in India. **Hence, statement 2 is correct.**
- Objective is to improve exports and indirectly promote investments in textile machinery.
- Under **Amended Technology Upgradation Fund Scheme (ATUFS)**, technology upgradation and CIS are **offered to entities that are engaged in manufacturing textile and technical textile products under the guidance of TAMC** (Technical Advisory Monitoring Committee). **Hence, statement 3 is correct.**

35. Ans: D

Exp:

Components of Balance of Payment (BoP):

- ◆ For preparing BoP accounts, economic transactions between a country and the rest of the world are **grouped under - Current account, Capital account and Errors and Omissions.** It also shows changes in Foreign Exchange Reserves.
- ◆ **Current Account:** It shows export and import of visibles (also called merchandise or goods - represent trade balance) and invisibles (also called non-merchandise).

- Invisibles include services, transfers and income.

◆ **Capital Account:** It shows a capital expenditure and income for a country.

- It gives a summary of the net flow of both private and public investment into an economy.

- **External Commercial Borrowing (ECB), Foreign Direct Investment, Foreign Portfolio Investment,** etc form a part of capital account.

◆ **Errors and Omissions:** Sometimes the balance of payments does not balance. This imbalance is shown in the BoP as errors and omissions. It reflects the country's inability to record all international transactions accurately.

◆ **Changes in Foreign Exchange Reserves:** Movements in the reserves comprises **changes in the foreign currency assets held by the Reserve Bank of India (RBI) and also in Special Drawing Rights (SDR) balances.**

◆ **Hence, option D is correct.**

36. Ans: B

Exp:

- Recently, the Prime Minister has launched the **Integrated Ombudsman Scheme** by amalgamating three ombudsman schemes of RBI - banking ombudsman scheme of 2006, ombudsman scheme for NBFCs of 2018 and ombudsman scheme of digital transactions of 2019.
- The unified ombudsman scheme will **provide redress of customer complaints** involving deficiency in services rendered by **RBI regulated entities viz. banks, NBFCs** (Non banking Financial Companies) and **pre-paid instrument players** if the grievance is not resolved to the satisfaction of the customers or not replied within a period of 30 days by the regulated entity. **Hence, statement 1 is correct.**
 - ◆ It also includes **non-scheduled primary co-operative banks** with a deposit size of Rs 50 crore and above. The integrated scheme makes it a "One Nation One Ombudsman" approach and jurisdiction neutral. **Hence, statement 2 is not correct.**
- The Scheme defines 'deficiency in service' as the ground for filing a complaint, with a specified list of exclusions.

- ◆ Therefore, the complaints would no longer be rejected simply on account of “not covered under the grounds listed in the scheme”.
- ◆ The scheme is jurisdiction neutral and a centralised receipt and processing centre has been set-up in Chandigarh for initial handling of complaints in any language.
- **RBI’s Executive Director-in charge of Consumer Education and Protection Department** would be the **Appellate Authority** under the integrated scheme. **Hence, statement 3 is not correct.**

37. Ans: A

Exp:

- **Cerberus is a Banking Trojan** primarily used to steal financial data, such as credit card numbers.
 - ◆ A Trojan is a type of malicious code or software to damage, disrupt, steal, or inflict harmful action on data or network.
 - Banking Trojan is a malicious program used in an attempt to obtain confidential information about customers and clients using online banking and payment systems.
- **Working of Cerberus:**
 - ◆ It takes advantage of the Covid-19 pandemic and sends SMS to lure a user to download the link containing the malicious software.
 - ◆ It deploys its malicious application usually spread via phishing campaigns to trick users into installing it on their smartphones.
 - The email or text message carrying a link appears to come from a trusted source like a bank.
 - The link takes to a fake website and once details like login name and passwords are entered, the login credentials reach the hacker.

38. Ans: D

Exp:

Benefits Associated with Cryptocurrency:

- **Fast and Cheap Transactions:** Cryptocurrencies are way cheaper to use to execute international transactions because the transactions don’t have to be handled by a series of intermediaries before they reach their destinations. **Hence, statement 1 is correct.**
- **Investment Destination:** There is a limited supply of cryptocurrency – partially like gold. Moreover, the last few years have seen the price of cryptocurrencies rising faster than other financial instruments.

- ◆ Due to this, cryptocurrencies can become a preferred investment destination. **Hence, statement 2 is correct.**
- **Anti-Inflationary Currency:** Due to high demand of cryptocurrency its prices have largely remained on a growing trajectory. In this scenario, people tend to hold more cryptocurrency than spending it.
 - ◆ This will cause a deflationary effect on the currency. **Hence, statement 3 is correct.**

39. Ans: C

Exp:

- Cairn India will partner US-based Halliburton to start shale exploration in the Lower Barmer Hill formation, Western Rajasthan.
- **Shale Gas:** Unlike conventional hydrocarbons that can be extracted from the permeable rocks easily, **shale gas is trapped under low permeable rocks. Hence statement 1 is correct.**
- Currently, there is **no large-scale commercial production of shale oil and gas in India. Hence statement 2 is correct.**
 - ◆ State-owned ONGC had, in 2013, found prospects of shale oil at the Cambay basin in Gujarat and the Krishna Godavari basin in Andhra Pradesh.
 - ◆ However, it concluded that the quantity of oil flow observed in these basins did not indicate “commerciality” and that the general characteristics of Indian shales are quite different from North American ones.

40. Ans: A

Exp:

- **Remittances** are usually understood as financial or in-kind transfers made by migrants to friends and relatives back in communities of origin.
 - ◆ These are basically sum of two main components - Personal Transfers in cash or in kind between resident and non-resident households and Compensation of Employees, which refers to the income of workers who work in another country for a limited period of time.
 - ◆ Remittances **help in stimulating economic development in recipient countries**, but this can also make such countries over-reliant on them. **Hence, statement 1 is correct.**
- According to the **World Bank’s Migration and Development Brief, India has become the world’s largest recipient of Remittances**, receiving USD 87 billion (a gain of 4.6 % from previous year) in 2021.

- ◆ India is followed by China, Mexico, the Philippines, and Egypt. Hence, statement 2 is not correct.
- ◆ The United States being the biggest source, accounting for over 20% of all Remittances.

41. Ans: C

Exp:

- Strategic petroleum reserves are **huge stockpiles of crude oil to deal with any crude oil-related crisis** like the risk of supply disruption from natural disasters, war or other calamities (thus moderating prices).
 - ◆ The concept of dedicated strategic reserves was **first mooted in 1973 in the US**, after the **OPEC (Organization of the Petroleum Exporting Countries)** oil crisis. Hence, statement 1 is correct.
- The IEA helps coordinate member releases, provides data on levels and plays other roles. IEA also suggests measures to restrain demand or otherwise help supply. Hence, statement 2 is correct.
- **3 Biggest 'Strategic Petroleum Reserves'** are with Japan, US, China. Hence, statement 3 is not correct.

42. Ans: C

Exp:

- The consolidation of Banks helps in strengthening its presence globally, nationally and regionally.
- It has the potential to reduce operational costs due to the presence of shared overlapping networks. And this enhanced operational efficiency will reduce the lending costs of the banks.
- Larger banks have a better ability to raise resources from the market rather than relying on State exchequer.
- The banks that are getting merged **are expected to see a slowdown in decision making at the top level** as senior officials of such banks would put all the decisions on the back-burner and it will lead to a drop in credit delivery in the system.
- Hence, option C is not correct.

43. Ans: A

Exp:

Digital Services Taxes (DSTs)

- These are the **adopted taxes on revenues** that certain companies generate from providing certain digital services. E.g. digital multinationals like Google, Amazon and Apple etc. Hence, statement 1 is correct.
- The OECD is currently hosting negotiations with over 130 countries that aim to adapt the international tax system. One goal is to address the tax challenges of the digitalization of the economy.

- India's Tax on Digital Companies: The government had moved an amendment in the Finance Bill 2020-21 imposing a 2% Digital Service Tax (DST) on trade and services by non-resident e-commerce operators with a turnover of over Rs. 2 crores. Hence, statement 2 is not correct.

44. Ans: C

Exp:

- The Ministry of Animal Husbandry & Dairying celebrates the **National Milk Day (NMD)** on 26th November.
- It is celebrated to commemorate the birth Anniversary of Dr. Verghese Kurien. Hence, statement 1 is not correct.
 - ◆ NMD 2021 commemorates the 100th birth anniversary of Dr. Kurien.
- It has helped **India become the largest producer of milk in the world.**
 - ◆ Currently, India is the **world's largest milk producer**, with 22% of global production. Hence, statement 2 is correct.
- Dr. Verghese Kurien is known as the Milk Man of India for his contribution to the white revolution. Hence, statement 3 is correct.

45. Ans: D

Exp:

UNCITRAL (United Nations Commission on International Trade Law):

- It is the **core legal body of the United Nations system** in the field of international trade law.
- UNCITRAL was established in 1966 with a recognition that international trade cooperation among States is an important factor in the promotion of friendly relations and, consequently, in the maintenance of peace and security.
- Through its several model laws, conventions, legislative guides and robust debates in working groups, UNCITRAL has provided a valuable platform for countries to compare, examine, debate and adopt principles of international commercial and trade law appropriate to their circumstances.
- Since its inception, **India is only one of eight countries** that has been a member of UNCITRAL.
- The **UNCITRAL Model Law is the most widely accepted legal framework** to deal with cross-border insolvency issues.
 - ◆ It has been adopted by 49 countries, including the UK, the US, South Africa, South Korea and Singapore.
- Hence, option D is correct.



46. Ans: A

Exp:

- The **Zero Defect Zero Effect Scheme (ZED)** was launched in 2016 by the **Ministry of MSME**, the scheme is an integrated and comprehensive certification system. **Hence, statement 2 is not correct.**
 - ◆ The scheme accounts for productivity, quality, pollution mitigation, energy efficiency, financial status, human resource and technological depth including design and IPR in both products and processes.
 - ◆ Its mission is to develop and implement the 'ZED' culture in India based on the principles of Zero Defect & Zero Effect.
- **Zero Defect:**
 - ◆ The Zero defect concept is focusing on the customer.
 - ◆ Zero non-conformance or non-compliance
 - ◆ Zero waste
- **Zero Effect:**
 - ◆ **Zero air pollution, liquid discharge, solid waste. Hence, statement 1 is correct.**
 - ◆ Zero wastage of natural resources

47. Ans: C

Exp:

- Coffee was **introduced to India during the late 17th century**, the Dutch (who occupied much of India throughout the 17th century) helped spread the cultivation of coffee across the country.
 - ◆ However, **it was with the arrival of the British Raj** in the mid-nineteenth century **that commercial coffee farming fully flourished. Hence, option A is not correct.**
- Coffee in India is grown under a canopy of thick natural shade in ecologically sensitive regions of the Western and Eastern Ghats.
 - ◆ **In India, Coffee is predominantly an export oriented commodity** and 65% to 70% of coffee produced in the country is exported while the rest is consumed within the country. **Hence, option B is not correct.**
- In India, coffee is traditionally grown in the Western Ghats spread over Karnataka, Kerala and Tamil Nadu.
 - ◆ **Karnataka is the largest producer** accounting for about 70% of the total coffee production. **Hence, option C is correct.**
 - ◆ Coffee cultivation is also expanding rapidly in the nontraditional areas of Andhra Pradesh and Odisha as well as in the North East states.

- **Main varieties** of coffee grown in India include Arabica and Robusta.
 - ◆ **Arabica is mild coffee**, but the beans being more aromatic, **it has higher market value compared to Robusta beans. Hence, option D is not correct.**
 - ◆ Arabica is grown in higher altitudes than Robusta.

48. Ans: A

Exp:

- **Cryptocurrency** is a **specific type of virtual currency**, which is **decentralised** and **protected by cryptographic encryption** techniques. **Hence, statement 1 is correct.**
 - ◆ Bitcoin, Ethereum, Ripple are a few notable examples of cryptocurrencies.
- At the moment, **there is no legislature that covers cryptocurrencies in India.** In India, owning cryptocurrencies is still not illegal. **Hence, statement 2 is not correct.**
 - ◆ In 2020, the Supreme Court had struck down a ban on trading of crypto currency in India, which was imposed by the Reserve Bank of India (RBI).

49. Ans: B

Exp:

Migration and Development Brief:

- This is **prepared by the Migration and Remittances Unit**, Development Economics (DEC)- the premier research and data arm of the **World Bank.**
 - ◆ The brief aims to provide an update on key developments in the area of migration and remittance flows and related policies over the past six months.
 - ◆ It also provides medium-term projections of remittance flows to developing countries.
 - ◆ The brief is produced twice a year.
- **Hence, option B is correct.**

50. Ans: A

Exp:

- A trust can be described as a **fiduciary arrangement** where a third party, referred to as the **trustee**, **holds assets on behalf of individuals or organisations** that are to benefit from it. **Hence, statement 1 is correct.**
- A trust is not a separate legal entity, but its legal nature comes from the 'trustee'. At times, the 'settlor' appoints a 'protector', who has the powers to supervise the trustee, and even remove the trustee and appoint a new one.
- The **Indian Trusts Act, 1882**, gives legal basis to the concept of trusts. Indian laws recognise the trust as an obligation of the trustee to manage and use the assets settled in the trust for the benefit of 'beneficiaries'. **Hence, statement 2 is not correct.**



51. Ans: C

Exp:

- **Sovereign Credit Rating (SCR)** is an independent assessment of the creditworthiness of a country or sovereign entity.
 - ◆ It can give investors **insights into the level of risk associated** with investing in the debt of a particular country, **including any political risk. Hence, statement 1 is correct.**
- In addition to **issuing bonds in external debt markets**, another **common motivation for countries to obtain a sovereign credit rating** is to attract Foreign Direct Investment (FDI). **hence, statement 2 is correct.**
- At the request of the country, a credit rating agency will evaluate its economic and political environment to assign it a rating.
 - ◆ Moody's considers a Baa3 or higher rating to be of investment grade, and a rating of Ba1 and below is speculative.
 - ◆ S&P gives a BBB- or higher rating to countries it considers investment grade, and grades of BB+ or lower are deemed to be speculative or "junk" grade.

52. Ans: D

Exp:

- Disinvestment means **sale or liquidation of assets by the government**, usually Central and state public sector enterprises, projects, or other fixed assets.
- The government undertakes **disinvestment to reduce the fiscal burden on the exchequer**, or to raise money for meeting specific needs, such as to bridge the revenue shortfall from other regular sources.
- **Strategic disinvestment** is the **transfer of the ownership** and control of a public sector entity to some other entity (mostly to a private sector entity).
 - ◆ Unlike the simple disinvestment, strategic sale implies a kind of privatization.
- The **Department of Investment and Public Asset Management (DIPAM)** under the Ministry of Finance is the nodal department for the strategic stake sale in the Public Sector Undertakings (PSUs).
- Main objectives of Disinvestment in India:
 - ◆ Reducing the fiscal burden on the exchequer
 - ◆ Improving public finances
 - ◆ Encouraging private ownership
 - ◆ Funding growth and development programmes
 - ◆ **Maintaining and promoting competition in the market**
- Hence, option D is correct.

53. Ans: A

Exp:

- The **Labour Bureau, Ministry of Labour and Employment** released the results of the **Quarterly Employment Survey (QES)** for the **First Quarter (FQ) of 2021 (April to June)**. **Hence, statement 1 is correct.**
- The Quarterly Employment Survey (QES) is **part of the All-India Quarterly Establishment-based Employment Survey (AQEES)**.
 - ◆ It covers establishments employing **10 or more workers in the organised segment in 9 sectors. Hence, statement 2 is correct.**
 - ◆ The **9 sectors** are Manufacturing, Construction, Trade, Transport, Education, Health, Accommodation and Restaurants, **IT/BPO**, Financial Service Activities. **Hence, statement 3 is not correct.**

54. Ans: A

Exp:

- A tax haven is generally an **offshore country that offers foreign individuals and businesses little or no tax liability** in a politically and economically static environment. **Hence, statement 1 is correct.**
 - ◆ **Characteristics of tax haven** countries generally include no or low-income taxes, minimal reporting of information, lack of transparency obligations, lack of local presence requirements, and marketing of tax haven vehicles.
 - ◆ Generally, tax havens **do not require residency or business presence** for individuals and businesses to benefit from their tax policies. **Hence, statement 2 is not correct.**
 - ◆ Individuals and corporations can **potentially benefit from low or no taxes charged** on income in foreign countries where loopholes, credits, or other special tax considerations may be allowed in accordance with the law.
- Worldwide, there are some programs in place to increase the enforcement of offshore investment reporting.
- The **Standard for Automatic Exchange of Financial Account Information**, developed by the OECD with G20 countries, represents the international consensus on automatic exchange of financial account information for tax purposes, on a reciprocal basis. **Hence, statement 3 is correct.**

55. Ans: C

Exp:

- The ambitious **Gati Shakti scheme or National Master Plan for multi-modal connectivity Plan** was launched by Government of India with the aim of coordinated planning and execution of infrastructure projects to **bring down logistics costs. Hence, statement 1 is correct.**
- The Gati Shakti scheme **will subsume the Rs 110 lakh crore National Infrastructure Pipeline** that was launched in 2019.
- It also aims to have **11 industrial corridors and two new defence corridors** -- one in Tamil Nadu and other in Uttar Pradesh. Moreover, **Extending 4G connectivity to all villages and adding 17,000 kms to the gas pipeline network** is being planned. **Hence, statement 2 is correct.**

56. Ans: D

Exp:

- Recently, China's National Bureau of Statistics has reported that third-quarter Gross Domestic Product (GDP) growth has slowed to 4.9%.
- **Impact on India:**
 - ◆ **Imports:** India's bilateral trade with China has grown nearly 50% in the first nine months of 2021.
 - Further, India depends majorly on imports from China including smartphones and automobile components, telecom equipment, active pharmaceutical ingredients, and other chemicals.
 - Thus, slowing the Indian economy will have an impact on India's consumer market and infrastructure development.
- **Exports:** Further, India's buoyant iron ore exports, much of which is headed to China, could also see an impact if the twin crises in China triggers an extended slowdown in the Chinese real estate market.
- **Investments:** Slowing Chinese economy can trigger an investment outflow from India. If India can expedite the economic reforms, it can become the next global manufacturing hub.
- **Hence option D is correct.**

57. Ans: D

Exp:

- **Brent crude oil** originates from oil fields in the North Sea between the Shetland Islands and Norway. **Hence, statement 1 is correct.**

- West Texas Intermediate (WTI) is sourced from US oil fields, primarily in Texas, Louisiana, and North Dakota.
- Cost of shipping for **Brent crude is typically lower**, since it is produced near the sea and it can be put on ships immediately. **Hence, statement 3 is correct.**
- Shipping of WTI is priced higher since it is produced in landlocked areas like Cushing, Oklahoma where the storage facilities are limited.
- **Brent crude price** is the international **benchmark price used by OPEC** while WTI crude price is a benchmark for US oil prices.
 - ◆ Since India imports primarily from OPEC countries, Brent is the benchmark for oil prices in India. **Hence, statement 2 is correct.**

58. Ans: D

Exp:

- Recently, the Central government announced the **calendar for Sovereign Gold Bonds (SGB)** that will be issued in **four tranches**, from October 2021 to March 2022.
- The SGB scheme was launched in **November 2015** with an objective **to reduce the demand for physical gold** and shift a part of the domestic savings - used for the purchase of gold - into financial savings. **Hence, statement 1 is correct.**
- The Gold Bonds are issued as Government of India Stock **under the Government Securities (GS) Act, 2006.**
 - ◆ These are issued by the **RBI (Reserve Bank of India)** on behalf of the Government of India. **Hence, statement 2 is correct.**
 - ◆ Bonds are **sold through** Commercial banks, Stock Holding Corporation of India Limited (SHCIL), designated post offices and recognised stock exchanges viz, National **Stock Exchange of India Limited** and **Bombay Stock Exchange**, either directly or through agents. **Hence, statement 3 is correct.**

59. Ans: A

Exp:

- ◆ The **"Osaka Track"** is a process that demonstrates the commitment to promote efforts on **international rule-making on digital economy**, especially on **data flow and electronic commerce.**
- ◆ India, South Africa, and Indonesia have boycotted the "Osaka Track" on the "digital economy" at the G20 leaders' summit in Osaka, as it overtly undermined "multilateral" principles of consensus-based decisions in global trade negotiations, and denied "policy space" for digital-industrialisation in developing countries.
- **Hence, option A is correct.**



60. Ans: C

Exp:

- **About International Financial Services Centres Authority:**
- It was established in April 2020 under the International Financial Services Centres Authority Act, 2019. **Hence statement 1 is correct.**
- It is headquartered at GIFT City, Gandhinagar in Gujarat. **Hence, statement 2 is correct.**
- The Authority is mandated to regulate all such financial services, financial products and Financial Institutions in an IFSC.
- It may also recommend to the Central Government other financial products, financial services and financial institutions which may be permitted in the IFSCs.

61. Ans: C

Exp:

- Recently, the **Union Minister of Power & New and Renewable Energy** has launched the new market segment, **Green Day Ahead Market (GDAM)** at the Indian Energy Exchange.
 - ◆ **India is the only large electricity market in the world to implement a Green Day Ahead Market (GDAM) exclusively for renewable energy. Hence, statement 2 is correct.**
- GDAM is a marketplace for trading renewable power on a day-ahead basis.
 - ◆ National Load Despatch Center (NLDC), Power System Operation Corporation Limited (POSOCO) as the nodal agency has set up the requisite technologies and infrastructure for the launch of the GDAM.
- With GDAM, **any renewable energy generating company** can set up and sell renewable energy on the exchange. **Hence, statement 1 is correct.**
- It will operate in an integrated way with the conventional day-ahead market.
 - ◆ However, there will be separate price discoveries for the conventional and renewables.

62. Ans: B

Exp:

- Recently, the **SWAMIH (Special Window for Affordable & Mid-Income Housing)** fund has made its first complete exit from an investment made for completion of a residential project in Mumbai.
 - ◆ It has already completed over 1,500 homes in seven projects and is on track to complete at least 10,000 homes every year.

- It aims to provide **financing to enable completion of stalled housing projects** and ensure delivery of apartments to homebuyers. **Hence, statement 1 is correct.**
- This is a **government backed fund that was set up as a Category-II AIF (Alternate Investment Fund)** debt fund registered with SEBI (Securities and Exchange Board of India), launched in 2019. **Hence, statement 2 is correct.**
- The Investment Manager of the Fund is SBI(State Bank of India)CAP Ventures, a wholly-owned subsidiary of SBI Capital Markets, which in turn is a wholly-owned subsidiary of the SBI.
- The **Sponsor of the Fund is the Secretary, Department of Economic Affairs**, Ministry of Finance, on behalf of the Government of India. **Hence, statement 3 is not correct.**

63. Ans: B

Exp:

- Generally, the Organization of the Petroleum Exporting Countries (OPEC) used to work as a cartel and fix prices in a favourable band.
- OPEC is led by Saudi Arabia, which is the largest exporter of crude oil in the world (single-handedly exporting 10% of the global demand). **Hence, statement 1 is correct.**
 - ◆ OPEC has a total of 13 Member Countries viz. Iran, Iraq, Kuwait, United Arab Emirates (UAE), Saudi Arabia, Algeria, Libya, Nigeria, Gabon, Equatorial Guinea, Republic of Congo, Angola, and **Venezuela. Hence, Statement 2 is not correct.**
- OPEC could bring down prices by increasing oil production and raise prices by cutting production.
- The global oil pricing mainly depends upon the partnership between the global oil exporters instead of a well-functioning competition.
- **Brent crude price** is the international **benchmark price used by OPEC** while WTI crude price is a benchmark for US oil prices. **Hence, statement 3 is correct.**

64. Ans: A

Exp:

- Recently, the **Organisation for Economic Cooperation and Development (OECD)** has announced that a **global deal to ensure big companies pay a Global Minimum Tax (GMT) rate of 15% has been agreed by 136 countries (including India).**
 - ◆ The countries behind the accord together accounted for over **90% of the global economy.**
 - ◆ **Hence, statement 1 is correct.**



- The OECD is an intergovernmental economic organisation, **founded to stimulate economic progress and world trade**. It was **founded in 1961**, with headquarters in Paris, France.
 - ◆ India is not a member, but a key economic partner.
 - ◆ Hence, **statement 2 is not correct**.

65. Ans: A

Exp:

- India ratified the **International Labour Organization's (ILO) Employment Policy Convention, 1964**, in the year 1998, which requires the ratifying countries to implement "an active policy designed to promote full, productive and freely chosen employment." **India does not have a National Employment Policy (NEP) yet. Hence, statement 1 is correct.**
- The **Quarterly Employment Survey (QES)** covers only establishments with at least 10 workers, it provides data essentially on the formal economy.
 - ◆ Considering that informal workers (with no written contracts, and benefits) **account for roughly 90% of the labour force in India**, the QES thus provides only a partial glimpse of the labour market. **Hence, statement 2 is not correct.**

66. Ans: D

Exp:

- **Geographical Indication (GI) Tag Certification** is an indication used to identify goods having special characteristics originating from a definite geographical territory. **Hence, statement 1 is correct.**
- It is used for **agricultural, natural and manufactured goods**.
- The **Geographical Indications of Goods (Registration and Protection) Act, 1999** seeks to provide for the registration and better protection of geographical indications relating to goods in India.
 - ◆ It is also a part of the **World Trade Organisation's Trade-Related Aspects of Intellectual Property Rights (TRIPS)**. **Hence, statement 2 is correct.**
- It is administered by the **Controller General of Patents, Designs and TradeMarks**- who is the Registrar of Geographical Indications. **Hence, statement 3 is correct.**

67. Ans: D

Exp:

- **Gross Domestic Product (GDP)** is the total monetary value of final goods and services, those that are bought by the final user and produced in a country in a given period of time.

- The GDP data show what is happening to the four engines of economic growth in any economy. These four engines are:
 - ◆ Private Final Consumption Expenditure (C)
 - ◆ Investment (I)
 - ◆ Government Final Consumption Expenditure (G)
 - ◆ Net Exports" (NX) (Exports-Imports)
- $GDP = C + I + G + NX$
- Hence, **option D is correct.**

68. Ans: A

Exp:

- **Basel III Norms** is an international regulatory accord that introduced a set of reforms designed to **improve the regulation, supervision and risk management** within the **banking sector**, post 2008 financial crisis.
 - ◆ Under the Basel-III norms, banks were asked to maintain a certain minimum level of capital and not lend all the money they receive from deposits.
- According to Basel-III norms, banks' regulatory capital is divided into Tier 1 and Tier 2, while Tier 1 is subdivided into Common Equity Tier-1 (CET-1) and Additional Tier-1 (AT-1) capital.
 - Hence, **option A is correct.**

69. Ans: D

Exp:

- Additional Tier 1 (AT1) bonds, also called **perpetual bonds**, **carry no maturity date** but have a call option. The issuer of such bonds **may call or redeem the bonds if it is getting money at a cheaper rate**, especially when interest rates are falling.
 - ◆ They are like **any other bonds issued by banks and companies**, but pay a slightly **higher rate of interest compared to other bonds**.
 - Banks issue these bonds to **shore up their core capital** base to meet the Basel-III norms. **Hence, statement 2 is correct.**
 - These bonds are also **listed and traded on the exchanges**. So, if an AT-1 bondholder needs money, he **can sell it in the secondary market**.
 - Investors **cannot return these bonds to the issuing bank** and get the money. i.e there is **no put option available to its holders**.
 - **Banks issuing AT-1 bonds can skip interest payouts** for a particular year or even reduce the bonds' face value. **Hence, statement 3 is correct.**



- **AT-1 bonds are regulated by the Reserve Bank of India (RBI).** If the RBI feels that a bank needs a rescue, it can simply ask the bank to write off its outstanding AT-1 bonds without consulting its investors. **Hence, statement 1 is correct.**

70. Ans: B

Exp:

- Recently, the Finance Minister chaired the 24th meeting of the **Financial Stability and Development Council (FSDC)**.
 - ◆ FSDC is a **non-statutory apex council** under the Ministry of Finance constituted by the Executive Order in 2010. **Hence, statement 1 is not correct.**
- The **Raghuram Rajan committee** (2008) on financial sector reforms first **proposed the creation of FSDC**. **Hence, statement 2 is correct.**
 - ◆ It is chaired by the Finance Minister and its members include the heads of all Financial Sector Regulators (RBI, SEBI, PFRDA & IRDA), Finance Secretary, Secretary of Department of Economic Affairs (DEA), Secretary of Department of Financial Services (DFS), and Chief Economic Adviser.
- In 2018, the government reconstituted FSDC to include the Minister of State responsible for the Department of Economic Affairs (DEA), Secretary of Department of Electronics and Information Technology, Chairperson of the Insolvency and Bankruptcy Board of India (IBBI) and the Revenue Secretary.
 - ◆ FSDC sub-committee is headed by the Governor of RBI.
 - ◆ The Council can invite experts to its meeting if required.

71. Ans: B

Exp:

- A cryptocurrency is a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to counterfeit or double-spend.
 - ◆ Lending and borrowing are **alternative services offered by cryptocurrencies**.
- Investors **can earn interest on their holdings of digital currencies** - often a lot more than they could on cash deposits in a bank - or borrow with crypto as collateral to back a loan. **Hence statement 1 is not correct.**
 - ◆ By law, banks are required to have reserves to ensure that even if some loans go bad, customers can still withdraw funds, whereas crypto banks do not have the same reserve requirements and the institutions they lend to can take risky activities.

- Deposits are not guaranteed by the central bank's backed Deposit Insurance Corp. Cyberattacks, extreme market conditions, or other operational or technical difficulties could lead to a temporary or permanent halt on withdrawals or transfers.

- **Stablecoin** are **cryptocurrencies pegged to stable assets**, commonly the dollar. They are **meant to provide the steady value of government-issued money** in digital form for blockchain transactions, but they are issued by private entities. **Hence statement 2 is correct.**

72. Ans: B

Exp:

About SDG 12:

- **SDG12** aims at ensuring **responsible consumption and production patterns** everywhere in the world.
- **Sustainable consumption and production** refer to "the use of services and related products, which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as not to jeopardize the needs of future generations".
- **Target Under SDG 12**
 - ◆ **Halving global food waste** per capita and ensuring the **efficient and sustainable use of natural resources** by 2030.
 - ◆ **Fighting pollution**, reducing the overall waste generation, and improving the management of chemicals and toxic wastes.
 - ◆ **Supporting companies'** transition to green infrastructures and practices.
 - ◆ Making sure **everyone everywhere is fully informed** of ways to live in harmony with nature and eventually adopts thoughtful habits.
- **Hence, option B is correct.**

73. Ans: C

Exp:

- **Remission of Duties or Taxes on Export Product (RoDTEP)** is a fully automated route for **Input Tax Credit (ITC)** in the **GST (Goods and Service Tax)** to help increase exports in India. **Hence, statement 1 is correct.**
 - ◆ ITC is provided to set off tax paid on the purchase of raw materials, consumables, goods or services that were used in the manufacturing of goods or services. This helps in avoiding double taxation and the cascading effect of taxes.



- It was started in January 2021 as a replacement for the MEIS, which was not compliant with the rules of the World Trade Organisation. The **RoDTEP Scheme** ensures that India stays **World Trade Organisation (WTO) compliant**. Hence, **statement 2 is correct**.
 - ◆ The tax refund rates range from 0.5% to 4.3% for various sectors.
 - ◆ The rebate will have to be claimed as a percentage of the Freight On Board value of exports.

74. Ans: D

Exp:

- Recently, the **National Statistical Office (NSO)** released the **quarterly bulletin of Periodic Labour Force Survey (PLFS)** for October-December 2020.
 - ◆ This dataset differs from the Annual Report of Periodic Labour Force Survey, which covers both rural and urban areas. **Unemployment data for urban areas is released quarterly**. Hence, **statement 3 is correct**.
 - Considering the importance of availability of labour force data at more frequent time intervals, **National Statistical Office (NSO) launched Periodic Labour Force Survey (PLFS)** in April 2017. Hence, **statement 1 is correct**.
- **Labour Force Participation Rate (LFPR)**: LFPR is defined as the **percentage of persons in the labour force (i.e. working or seeking or available for work)** in the population.
 - ◆ **Worker Population Ratio (WPR)**: WPR is defined as the **percentage of employed persons in the population**. Hence, **statement 2 is not correct**.

75. Answer: D

Exp:

- Recently, the Union Cabinet has approved a **number of structural and process reforms in the Telecom sector**. Some of the reforms are as follows:
- **Spectrum Related Reforms**:
 - ◆ **Spectrum auctions** will be normally held in the last quarter of every financial year (fixed calendar).
 - ◆ The future spectrum auctions will be done for a **period of 30 years instead of the current 20 years**. Hence, **statement 2 is correct**.
- **Rationalization of AGR**:
 - ◆ AGR was previously interpreted as being based on all revenue, rather than just that associated with a company's core telecom business.

- ◆ The government has accepted that this interpretation was problematic.
- ◆ Now, Telecom companies have to **pay a pre-fixed percentage of AGR (excluding non-telecom revenues) to the government** as statutory levies but this **will apply prospectively**. Hence, **statement 3 is correct**.

● **FDI Reforms**:

- ◆ **Foreign Direct Investment (FDI)** in the sector has also been allowed up to 100% under the automatic route, from the existing limit of 49%.
- ◆ Hence, **statement 1 is correct**.

76. Ans: B

Exp:

- The bad bank is an Asset Reconstruction Company (ARC) or an Asset Management Company (AMC) that takes over the bad loans of commercial banks, manages them and finally recovers the money over a period of time. Hence, **statement 1 is correct**.
- The bad bank is not involved in lending and taking deposits, but helps commercial banks clean up their balance sheets and resolve bad loans. Hence, **statement 2 is correct**.
- The takeover of bad loans is **normally below the book value of the loan** and the bad bank tries to recover as much as possible subsequently. Hence, **statement 3 is not correct**.

77. Ans: D

Exp:

- The **Sufficiency Economy Philosophy (SEP)** is based on the fundamental principle of **Thai culture**.
 - ◆ Thailand believes that its homegrown development approach of SEP can serve as an alternative approach to achieving the Sustainable Development Goals (SDGs).
 - ◆ Sufficiency Economy is an innovative approach to development designed for practical application over a wide range of problems and situations.
 - It is also part of the fundamental administration policy of the state (Thailand).
 - It was introduced in Thailand after the Asian financial crisis in 1997.
 - ◆ It is a philosophy that guides one's inner thinking to immunize oneself from external shocks and can be applied in any setting and at any levels.
 - ◆ Hence, **option D is correct**.



78. Ans: D

Exp:

- Subsidies under Agreement of Agriculture of WTO are categorized into:
 - ◆ **Green Box:**
 - Subsidies that do not distort trade, or at most cause minimal distortion.
 - They are government-funded and must not involve price support.
 - They also include environmental protection and regional development programmes.
 - “Green box” subsidies are therefore allowed without limits, provided they comply with the policy-specific criteria.
- **Amber Box:**
 - ◆ All domestic support measures considered to distort production and trade (with some exceptions) fall into the amber box as all domestic supports except those in the blue and green boxes.
 - ◆ These include measures to support prices, or subsidies directly related to production quantities.
- **Blue Box:**
 - ◆ This is the “amber box with conditions”. Such conditions are designed to reduce distortion.
 - ◆ Any support that would normally be in the amber box is placed in the blue box if the support also requires farmers to limit production.
 - ◆ At present, there are no limits on spending on blue box subsidies.
- **Development Box:**
 - ◆ The agriculture Agreement allows developing countries additional flexibility in providing domestic support.
 - ◆ The type of support that fits into the developmental category are measures of assistance, whether direct or indirect, designed to encourage agricultural and rural development and that are an integral part of the development programmes of developing countries.
- ◆ Hence, option D is correct.

79. Ans: C

Exp:

- Recently, the Ministry of Power has issued an order for the setting up of District Level Committees to improve the quality of electricity supply in the country.
 - ◆ All States and Union Territories will have to notify and ensure establishment of these **District Electricity committees**, under intimation to the Ministry of Power.

- ◆ It will **oversee all power related schemes of the government and also its impact on the provision of services to the people**. It will meet at District Headquarters at least once in three months. Hence, **statement 3 is correct**.
- India’s power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.
- India is the third-largest producer and second-largest consumer of electricity in the world.
- **100% FDI (Foreign Direct Investment)** is permitted under **automatic route** in the power sector. Hence, **statement 2 is correct**.
- Electricity is a **concurrent subject** (Seventh Schedule of the Constitution). Hence, **statement 1 is not correct**.
 - ◆ The Ministry of Power is primarily responsible for the development of electrical energy in the country.
 - ◆ It administers the Electricity Act, 2003 and the Energy Conservation Act, 2001.

80. Ans: C

Exp:

- The **Unified Payments Interface (UPI)** is an **advanced version of Immediate Payment Service (IMPS)**- round-the-clock funds transfer service to make cashless payments faster, easier and smoother. Hence, **statement 1 is not correct**.
 - ◆ National Payments Corporation of India (NPCI) launched UPI with 21 member banks in 2016.
- The **National Electronic Funds Transfer (NEFT)** is a nation-wide payment system facilitating one-to-one funds transfer.
 - ◆ There is **no limit – either minimum or maximum – on the amount of funds that could be transferred using NEFT**. Hence, **statement 2 is correct**.
- **RuPay** is an **NPCI Operated Payment system**.
 - ◆ It is the first-of-its-kind domestic card payment network of India, with wide acceptance at ATMs, POS devices and e-commerce websites across India.
 - ◆ The **card can also be used for transactions in Singapore, Bhutan, UAE, Bahrain and Saudi Arabia**. Hence, **statement 3 is correct**.

81. Ans: D**Exp:**

- Recently, India has climbed two spots and has been ranked 46th in the **Global Innovation Index (GII) 2021** rankings launched by the **World Intellectual Property Organization (WIPO)**.
- The index ranks world economies according to their innovation capabilities and consists of roughly 80 indicators grouped into innovation inputs and outputs.
 - ◆ **Innovation inputs:** Institutions; **Human capital and research; Infrastructure; Market sophistication;** Business sophistication.
 - ◆ **Innovation outputs:** **Knowledge and technology outputs;** Creative outputs. **Hence, option D is correct.**
 - ◆ Top Five: Switzerland, Sweden, U.S., and U.K. continue to lead the innovation ranking, and have all ranked in the top 5 in the past three years.
 - The Republic of Korea joins the top 5 of the GI for the first time in 2021.
 - ◆ Asian Countries: Four Asian economies feature in the top 15: Singapore (8), China (12), Japan (13) and Hong Kong, China (14).

82. Ans: B**Exp:**

- Recently, the Union Cabinet has approved **capital infusion in the Export Credit Guarantee Corporation (ECGC) and its listing through an initial public offering.**
- The government will inject Rs 4,400 crore in the ECGC over a period of five years beginning 2021-22.
- The ECGC Ltd is **wholly owned by the Ministry of Commerce and Industry. Hence, statement 1 is not correct.**
 - ◆ The Government of India had initially set up the **Export Risks Insurance Corporation in 1957.**
 - ◆ After the introduction of insurance covers to banks during the period 1962-64, the name was changed to **Export Credit & Guarantee Corporation Ltd** in 1964.
 - ◆ It was **changed to ECGC Ltd** in August 2014.
- **Objectives:** ECGC was established to **promote exports by providing credit insurance services** to exporters against non-payment risks by the overseas buyers due to commercial and political reasons.
- **The Capital infusion** will enable it to **expand its coverage to export-oriented industries,** particularly **labour-intensive sectors.**

- ◆ ECGC is a market leader with around 85% market share in the export credit insurance market in India and provided support to exports worth Rs 6.02 lakh, or 28% of merchandise exports, in FY21.
- ◆ **Micro, Small and Medium Enterprises (MSMEs)** form 97% of the client base of ECGC. **Hence, statement 2 is correct.**
- ◆ The process of **listing ECGC on the stock market** is also being initiated so that it can raise more funds.
- The ECGC has introduced the **Export Credit Insurance Scheme (ECIS) called NIRVIK (Niryat Rin Vikas Yojana)** to enhance loan availability and ease the lending process. **Hence, statement 3 is correct.**

83. 'Ans: D**Exp:**

- **Judima**, a home-made rice wine of **Assam's Dimasa tribe** has become the first traditional brew in all of northeast to bag a Geographical Indication (GI) tag.
 - ◆ This is the second product from the hill districts of Karbi Anglong and Dima Hasao to get GI tag.
- Judima is a **rice wine made from sticky rice** (glutinous rice called Bora), which is steamed and mixed with traditional herbs called Thembra (*Acacia pennata*).
 - ◆ The **wine is a speciality of the Dimasa tribe of Assam** and has a distinct sweet taste and takes around one week to prepare and it can be stored for years.
- **Hence, option D is correct.**

84. Ans: C**Exp:**

- The Cabinet also approved continuation of the **National Export Insurance Account (NEIA) scheme** and infusion of Rs 1,650 crore **Grant-in-Aid** over five years.
- **National Export Insurance Account (NEIA) Scheme:**
 - ◆ NEIA Trust was **established in 2006** to promote project exports from India that are of strategic and national importance.
 - ◆ It promotes **Medium and Long Term (MLT) / project exports** by extending (partial/full) support to covers issued by ECGC to MLT/project export. **Hence, statement 1 is correct.**
- **Exim Bank**, in April 2011, in conjunction with ECGC Ltd., introduced a new initiative, viz. **Buyer's Credit** under the NEIA scheme, under which the Bank finances and facilitates project exports from India. **Hence, statement 2 is correct.**

- ◆ Buyer's Credit is the unique credit facility programme that motivates Indian exporters to explore new geographies.
- ◆ Through this programme, the overseas buyer can open a "letter of credit" in favour of the Indian exporter and can import goods and services from India on deferred payment terms.

85. Ans: D

Exp:

- The **central banks of India and Singapore will link their respective fast digital payment systems - Unified Payments Interface (UPI) and PayNow** - for "instant, low-cost, cross-border fund transfers".
 - ◆ The linkage is targeted to be operationalised by July 2022.
 - ◆ The **Unified Payments Interface (UPI)-PayNow linkage** is a significant milestone in the development of infrastructure for cross-border payments between India and Singapore.
- The linkage builds upon the earlier efforts of **NPCI International Private Ltd (NIPL) and Network for Electronic Transfers (NETS, Singapore)** to foster cross-border interoperability of payments using cards and QR codes between India and Singapore and will anchor trade, travel and remittance flows between the two countries.
 - ◆ The initiative is in line with its vision of reviewing corridors and charges for inbound cross-border remittances outlined in the Payment Systems Vision Document 2019-21.
- Hence, option D is correct.

86. Ans: A

Exp:

- Recently, the **Group of Twenty Countries (G20) Agriculture meeting** was held virtually.
 - ◆ It is one of the ministerial meetings organised as part of the G20 Leaders Summit 2021 to be hosted by Italy in October 2021.
- The G20 Agriculture Ministers signed the final communiqué named as the "**Florence Sustainability Charter**".
 - ◆ They want to strengthen cooperation between **G20 members and developing countries on food and agriculture to share knowledge and help developing the internal production capacities** best suited to local needs, thus contributing to the resilience and recovery of agriculture and rural communities.
- Hence, option A is correct.

87. Ans: D

Exp:

- **NITI Aayog's 'Methanol Economy' programme** is aimed at reducing India's oil import bill, greenhouse gas (GHG) emissions, and converting coal reserves and municipal **solid waste** into methanol.
- As part of this program, BHEL has successfully demonstrated a facility to create 0.25 TPD (Ton per Day) Methanol from high ash Indian coal using a 1.2 TPD Fluidized bed gasifier.
- Methanol is a low carbon, hydrogen carrier fuel produced from high ash coal, agricultural residue, CO2 from thermal power plants and natural gas. It is the best pathway for meeting India's commitment to COP 21 (Paris Agreement).
- Hence, option D is correct.

88. Ans: B

Exp:

- **e-RUPI is a cashless and contactless method for digital payment.** It is a **Quick Response (QR) code** or SMS string-based e-voucher, which is delivered to the mobile of the users.
 - ◆ The users will be able to redeem the voucher without needing a card, digital payments app, or internet banking access, at the service provider.
 - ◆ It connects the sponsors of the services with the beneficiaries and service providers in a digital mode without any physical interface.
 - ◆ The mechanism also ensures that the payment to the service provider is made only after the transaction is completed.
 - ◆ The system is pre-paid in nature and hence, assures timely payment to the service provider without the involvement of any intermediary.
- In effect, **e-RUPI is still backed by the existing Indian rupee** as the underlying asset and specificity of its purpose makes it **different to a virtual currency** and puts it closer to a **voucher-based payment system**. Hence, statement 1 is not correct.
- It is expected to **ensure a leak-proof delivery of welfare services** and can also be **used for delivering services under schemes** meant for providing drugs and nutritional support under Mother and Child welfare schemes, drugs & diagnostics under schemes like **Ayushman Bharat Pradhan Mantri Jan Arogya Yojana**, fertiliser subsidies etc. Hence, statement 2 is correct.
- Even the private sector can leverage these digital vouchers as part of their employee welfare and **Corporate Social Responsibility (CSR)** programmes. Hence, statement 3 is correct.



89. Ans: D

Exp:

- **Production Linked Incentive (PLI) scheme for Textile Sector** aims to promote the production of high value **Man-Made Fibre (MMF) fabrics, garments and technical textiles. Hence, statement 1 is not correct.**
 - ◆ Incentives worth Rs 10,683 crore will be provided on production to the sector over a span for 5 years.
- Textiles & garments industry is a labour intensive sector that employs 45 mn people in India and is **second only to the agriculture sector in terms of employment. Hence, statement 2 is not correct.**

90. Ans: B

Exp:

- **Scheduled banks** are banks that are **listed in the 2nd schedule of the Reserve Bank of India Act, 1934. Hence, statement 1 is not correct.**
- The bank's paid-up capital and raised funds must be **at least Rs. 5 lakh to qualify as a scheduled bank. Hence, statement 2 is correct.**
- Scheduled banks are liable for low-interest loans from the Reserve Bank of India and membership in clearinghouses.
- **All commercial banks, including nationalized, international, cooperative, and regional rural banks, fall under scheduled banks. Hence, statement 3 is correct.**

91. Ans: B

Exp:

- **Gross Value Added (GVA)** looks at how much value was added (in money terms) in different productive sectors (such as Agriculture, Electricity, etc.) of the economy.
 - ◆ It tells which specific sectors are doing well and which are struggling to add value.
- Difference Between GDP And GVA:
 - ◆ On the face of it, the total output should be the same in the case of measuring Total Demand or Total Supply.
 - However, every economy has a government, which imposes taxes and also provides subsidies.
 - ◆ As such, GDP is "derived" by taking the GVA data and adding the taxes on different products and then subtracting all the subsidies on products.
 - In other words, **GDP = (GVA) + (Taxes earned by the government) — (Subsidies provided by the government).** Hence, statement 2 is correct.

- ◆ The difference between these two absolute values will provide a sense of the role the government played.
- ◆ If the **government earned more from taxes** than what it spent on subsidies, **GDP will be higher than GVA. Hence, statement 1 is not correct.**
- ◆ If, on the other hand, the government provided subsidies in excess of its tax revenues, the absolute level of GVA would be higher than the absolute level of GDP.

92. Ans: C

Exp:

- The **Minimum Public Shareholding (MPS)** (also called free float) rule requires all listed companies in India to ensure that **at least 25% of their equity shares** are held by non-promoters, i.e. **public. Hence, statement 1 is correct.**
- Public shareholders could be **individual or financial institutions** and they normally buy shares through public offer or secondary markets. **Hence, statement 2 is correct.**
- In order to bring more transparency in the working of listed companies, the concept of minimum public shareholding was introduced.
 - ◆ In 2010, SEBI amended the Securities Contracts Regulation Rules to insist on this 25% public float for private sector companies.
- The average promoter holding in India is among the highest globally.
 - ◆ In the 2019-20 Budget, the government had proposed to increase the minimum public float from 25% to 35%.

93. Ans: D

Exp:

- The **Securities and Exchange Board of India (SEBI) is a statutory body** established on April 12, 1992 in accordance with the provisions of the Securities and Exchange Board of India Act, 1992.
 - ◆ The basic functions of the SEBI is to protect the interests of investors in securities and to promote and regulate the securities market.
- In April, 1988 the SEBI was constituted as the regulator of capital markets in India under a resolution of the Government of India.
 - ◆ Initially SEBI was a non statutory body without any statutory power.
 - ◆ **It became autonomous and given statutory powers by SEBI Act 1992.**

- **SEBI is a quasi-legislative and quasi-judicial body** which can draft regulations, conduct inquiries, pass rulings and impose penalties.
- It functions to fulfill the requirements of three categories –
 - ◆ Issuers – By providing a marketplace in which the issuers can increase their finance.
 - ◆ Investors – By ensuring safety and supply of precise and accurate information.
 - ◆ Intermediaries – By enabling a competitive professional market for intermediaries.
- **Hence, option D is correct.**

94. Ans: C

Exp:

- Capital gain refers to **an increase in a capital asset's value** and is considered to be realized when the asset is sold. This gain or profit comes under the category of 'income'.
- Hence, the capital gain tax will be required to be paid for **that amount in the year in which the transfer of the capital asset takes place**. This is called the capital gains tax, which can be both short-term or long-term. **Hence, statement 1 is correct.**
 - ◆ Long-term Capital Gains Tax: It is a levy on the profits from the sale of assets held for more than a year. The rates are 0%, 15%, or 20%, depending on the tax bracket.
 - ◆ Short-term Capital Gains Tax: It applies to assets held for a year or less and is taxed as ordinary income.
- Capital gains can be **reduced by deducting the capital losses that occur when a taxable asset is sold for less than the original purchase price**. The total of capital gains minus any capital losses is known as the "net capital gains". **Hence, statement 2 is correct.**
- Capital assets are significant pieces of property such as homes, cars, investment properties, stocks, bonds, and even collectibles or art.

95. Ans: C

Exp:

National Company Law Tribunal:

- The Central Government constituted **National Company Law Tribunal (NCLT)** under **section 408 of the Companies Act, 2013** in 2016. **Hence, statement 1 is correct.**
 - ◆ It has been set up as a **quasi-judicial body** to govern the companies registered in India and is a **successor to the Company Law Board**.

- It is bound by the rules laid down in the **Code of Civil Procedure** and is guided by the **principles of natural justice**, subject to the other provisions of this Act and of any rules that are made by the Central Government. **Hence, statement 2 is correct.**
- The **National Company Law Appellate Tribunal (NCLAT)** was constituted under Section 410 of the Companies Act, 2013 to hear appeals against the orders of the National Company Law Tribunal (NCLT).
 - ◆ Any person aggrieved by any order of the **NCLAT** may file an appeal to the **Supreme Court**. **Hence, statement 3 is not correct.**

96. Ans: B

Exp:

- India ranks third globally after China and the United States of America, with 5334 large dams in operation.
 - ◆ These dams are vital for ensuring the water security of the Country.
 - ◆ Indian dams and reservoirs play an important role in the economic and agricultural growth of the country by storing approximately 300 billion cubic meter of water annually.
- The **Government of India, with financial assistance from the World Bank** initiated the **Dam Rehabilitation and Improvement Project (DRIP)** in April 2012.
 - ◆ It was a State Sector Scheme with a Central component.
 - It had rehabilitation provision for 223 dams located in seven States (Jharkhand, Karnataka, Kerala, Madhya Pradesh, Odisha, Tamil Nadu and Uttarakhand) with 10 Implementing Agencies on board.
 - ◆ A **web-based tool called Dam Health and Rehabilitation Monitoring Application (DHARMA)** has been developed to **capture important data for all dams** and use it for appropriate monitoring and development of rehabilitation protocols. **Hence, statement 2 is correct.**
- Based on the success of DRIP, the Ministry of Jal Shakti initiated another externally funded Scheme DRIP Phase II and Phase III. The scheme was approved in October 2020.
 - ◆ The **Phase II of the Scheme** is being co-financed by two multilateral funding Agencies - **World Bank and Asian Infrastructure Investment Bank (AIIB)**, with funding of US\$ 250 million each. **Hence, statement 1 is not correct.**
 - ◆ The funding pattern of Scheme is 80:20 (Special Category States), 70:30 (General Category States) and 50:50 (Central Agencies).

97. Ans: A

Exp:

- **Palm oil is currently the world's most consumed vegetable oil.**
 - ◆ It is used extensively in the production of detergents, plastics, cosmetics, and biofuels.
- **Top consumers of the commodity are India, China, and the European Union (EU). Hence, statement 1 is correct.**
 - ◆ India is the largest consumer of vegetable oil in the world. Of this, **palm oil imports are almost 55%** of its total vegetable oil imports. **Hence, statement 2 is not correct.**
- India produces less than half of the roughly 2.4 crore tonnes of edible oil that it consumes annually.
 - ◆ It imports the rest, buying palm oil from Indonesia and Malaysia, soyoil from Brazil and Argentina, and sunflower oil, mainly from Russia and Ukraine.
 - ◆ In India, 94.1% of its palm oil is used in food products, especially for cooking purposes. This makes palm oil extremely critical to India's edible oils economy.

98. Ans: A

Exp:

- **Public Enterprises (PE) Survey** is a 100% enumeration of the Central Public Sector Enterprises (CPSEs) universe.
 - ◆ It is the **single largest source of information on CPSEs** and acts as a basis for informed policymaking. **Hence, statement 1 is correct.**
- It is released by the **Department of Public Enterprises (DPE), Ministry of Finance. Hence, statement 2 is not correct.**
 - ◆ Recently, the government reallocated the Department of Public Enterprises (DPE) to the finance ministry from the ministry of heavy industries.
- The Department of Public Enterprises (DPE) started bringing out the Public Enterprises Survey from the financial year 1960-61 on the recommendations of the Estimates Committee of the 2nd Lok Sabha, 73rd report (1959-60). Hence, statement 3 is not correct.

99. Ans: B

Exp:

- The Government of India has launched **Defence Testing Infrastructure Scheme (DTIS)** in order to give a boost to domestic defence and aerospace manufacturing.

- ◆ It envisages setting up of 6-8 **Greenfield Defence Testing Infrastructure facilities** that are required for defence and aerospace related production.

- It envisages to **set up test facilities in partnership with private industry. Hence, statement 1 is not correct.**

- The projects under the Scheme will be provided with up to 75% government funding in the form of 'Grant-in-Aid'.

- ◆ The remaining 25% of the project cost will have to be borne by the Special Purpose Vehicle (SPV) whose constituents will be Indian private entities and State Governments.

- Under Make in India, India has accorded high priority to development of the manufacturing base of Defence and Aerospace sectors in the country so as to reduce dependence on imports.

- ◆ Towards this, **the establishment of Defence Industrial Corridors (DICs) in Uttar Pradesh and Tamil Nadu was announced. Hence, statement 2 is correct.**

- ◆ Several other initiatives like Revised Make-II procedures, Innovations for Defence Excellence (iDEX) and Defence Investors Cell have been created with an aim to provide an ecosystem to foster innovation and technology development and encourage Indian industry to invest in Aerospace and Defence sectors.

100. Ans: D

Exp:

- **Monetary policy** is the macroeconomic policy laid down by the central bank. It involves management of money supply and interest rate and is the demand side economic policy used by the government of a country to achieve macroeconomic objectives like inflation, consumption, growth and liquidity.

- The Reserve Bank of India (RBI) controls the money supply in the economy in various ways. The tools used by the Central bank to control money supply can be quantitative or qualitative.

- **Quantitative tools** control the extent of money supply by changing the **Cash Reserve Ratio (CRR), or Bank Rate or Open Market Operations (OMOs).**

- ◆ Qualitative tools include persuasion by the Central bank in order to make commercial banks discourage or encourage lending which is done through moral suasion, margin requirement, etc.

- **Hence, Option D is correct.**



101. Ans: D

Exp:

- The National Monetisation Pipeline (NMP) estimates an aggregate monetisation potential of Rs 6 lakh crores through core assets of the Central Government, over a four-year period, from FY 2022 to FY 2025.
 - ◆ The plan is in line with **Prime Minister's strategic divestment policy**, under which the government will retain a presence in only a few identified areas with the rest tapping the private sector. **Hence, statement 1 is not correct.**
- It aims to unlock value in **brownfield projects** by engaging the private sector, transferring them revenue rights and not ownership in the projects, and using the funds generated for infrastructure creation across the country. **Hence, statement 2 is not correct.**

102. Ans: D

Exp:

- **EASE Reforms Agenda** was launched in January 2018 jointly by the **government and PSBs**.
- It was commissioned through **Indian Banks' Association and authored by Boston Consulting Group**.
- **Various Stages under EASE Reforms Agenda:**
 - ◆ **EASE 1.0:** The EASE 1.0 report showed significant improvement in PSB performance in resolution of **Non Performing Assets (NPAs)** transparently.
 - ◆ **EASE 2.0:** EASE 2.0 was built on the foundation of EASE 1.0 and introduced new reform Action Points across six themes to make reforms journey irreversible, strengthen processes and systems, and drive outcomes. The six themes of EASE 2.0 are:
 - Responsible Banking;
 - Customer Responsiveness;
 - Credit Off-take,
 - PSBs as UdyamiMitra (SIDBI portal for credit management of MSMEs);
 - Financial Inclusion & Digitalisation;
 - Governance and Human Resource (HR).
 - ◆ **Ease 3.0:** It seeks to enhance ease of banking in all customer experiences, using technology.
 - ◆ **EASE 4.0** commits PSBs to tech-enabled, simplified and collaborative banking to further the agenda of customer-centric digital transformation.
- **Hence, option D is correct.**

103. Ans: C

Exp:

- **Sweat equity** is a **non-monetary contribution** that the individuals or founders of a company **make towards the company**. Cash-strapped startups and business owners typically **use sweat equity to fund their companies**. **Hence, statements 1 and 2 are correct.**
- It will be issued for providing the know-how or making available rights in the nature of intellectual property rights or value additions.
- The maximum yearly limit of sweat equity shares that can be issued by a listed company has been prescribed at 15% of the existing paid-up equity share capital within the overall limit, not exceeding 25% of the paid-up capital at any time.

104. Ans: C

Exp:

- **About Infrastructure Investment Trusts (InvIT) :**
 - ◆ They are **designed to pool small sums of money from a number of investors to invest in assets that give cash flow over a period of time**. Part of this cash flow would be **distributed as a dividend** back to investors.
 - ◆ They are instruments that work like **mutual funds**. **Hence, statement 1 is correct.**
 - ◆ InvITs are structured so as to **give investors an opportunity to invest in infrastructure assets with predictable cash flows**, while the **asset owners can raise upfront resources against future revenue cash flows** from those assets, which in turn can be deployed in new assets or used to repay debt.
 - ◆ InvITs are regulated by the **Securities and Exchange Board of India (SEBI)** (Infrastructure Investment Trusts) Regulations, 2014. **Hence, statement 2 is not correct.**
 - ◆ The minimum investment amount in an InvIT **Initial Public Offering (IPO)** is Rs **10 lakh**, therefore, **InvITs are suitable for high net worth individuals**, institutional and non-institutional investors. **Hence, statement 3 is correct.**

105. Ans: A

Exp:

- **Small Finance Banks (SFBs)** are the financial institutions which provide financial services to the unserved and unbanked region of the country.
 - ◆ SFB is **registered as a public limited company** under the **Companies Act, 2013**. **Hence, statement 1 is correct.**
 - ◆ It needs to open at least 25% of its banking outlets in unbanked rural centres.

- SFBs are **required to extend 75% of its adjusted net bank credit** to the Priority Sector Lending (PSL).
 - ◆ **The RBI mandates banks to lend a certain portion of their funds to specified sectors**, like agriculture, Micro, Small and Medium Enterprises (MSMEs), export credit, education, housing, social infrastructure, renewable energy among others. **Hence, statement 2 is correct.**
- SFBs are governed by the provisions of the:
 - ◆ **Reserve Bank of India Act, 1934;**
 - ◆ **Banking Regulation Act, 1949;**
 - ◆ Foreign Exchange Management Act, 1999;
 - ◆ Payment and Settlement Systems Act, 2007;
 - ◆ Credit Information Companies (Regulation) Act, 2005;
 - ◆ Deposit Insurance and Credit Guarantee Corporation Act, 1961;
 - ◆ Other relevant Statutes and the Directives issued by the Reserve Bank of India (RBI) and other regulators from time to time.
 - ◆ **Hence, statement 3 is not correct.**

106. Ans: A

Exp:

- The **International Convention on Civil Liability for Bunker Oil Pollution Damage, 2001** or the **Bunker Convention** was adopted to ensure that adequate, prompt, and effective compensation is available to persons who suffer damage caused by **spills of oil**, when carried as fuel in ships' bunkers.
 - ◆ The convention was adopted on 23rd March, 2001 and it came into force on 21 November, 2008.
 - ◆ It is administered by the International Maritime Organization (IMO).
- In 2015 India ratified the Bunker Convention.

107. Ans: C

Exp:

- According to a recent framework by the Reserve Bank of India for Payment Systems Operators, **outsourcing core management functions, including risk management and internal audit**, compliance and decision-making functions such as determining compliance with KYC norms is **not allowed**. **Hence, statement 1 is not correct but statement 2 is correct.**
 - ◆ The objective is to put in place minimum standards to manage risks in outsourcing of payment and settlement-related activities including tasks such as onboarding customers and IT-based services.

- The **Board for Regulation and Supervision of Payment and Settlement Systems (BPSS)**, a sub-committee of the **Central Board of the RBI** is the highest policy making body on payment systems in India. **Hence, statement 3 is correct.**

108. Ans: A

Exp:

- The informal sector is the part of any economy that is neither taxed nor monitored by any form of government.
 - ◆ It is largely characterized by skills gained outside of a formal education, easy entry, a lack of stable employer-employee relationships, and a small scale of operations.
 - ◆ Unlike the formal economy, the **informal sector's components are not included in GDP computations**. **Hence, statement 1 is correct.**
 - ◆ India's estimated 450 million informal workers comprise 90% of its total workforce, with 5-10 million workers added annually.
- Some Initiatives by the Government:
 - ◆ Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)
 - ◆ Labour Reform
 - ◆ **PM SVANidhi: Micro Credit Scheme for Street Vendors**. **Hence, statement 2 is correct.**
 - ◆ Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)
- Recently, the **World Bank has approved a USD 500 million loan programme to support India's informal working class** to overcome the current pandemic distress. **Hence, statement 3 is not correct.**
 - ◆ The loan will create greater flexibility for states to cope with the ongoing pandemic, future climate and disaster shocks.

109. Ans: C

Exp:

- **Non-Performing Asset (NPA)** refers to a **classification for loans or advances that are in default** or are in arrears on scheduled payments of principal or interest.
 - ◆ In most cases, **debt is classified as non-performing, when the loan payments have not been made for a minimum period of 90 days**. **Hence, statement 1 is correct.**
 - ◆ **Gross non-performing assets** are the sum of all the loans that have been defaulted by the individuals who have acquired loans from the financial institution.



- ◆ **Net non-performing assets** are the amount that is realized after provision amount has been deducted from the gross non-performing assets.
- **Capital Adequacy Ratio** is the **ratio of a bank's capital in relation to its risk weighted assets and current liabilities**.
 - ◆ It is also known as Capital-to-Risk Weighted Asset Ratio (CRAR). **Hence, statement 2 is correct.**
 - ◆ It is **decided by central banks to prevent commercial banks** from taking excess leverage and becoming insolvent in the process.
- Provisioning Coverage Ratio refers to the prescribed percentage of funds to be set aside by the banks for covering the prospective losses due to bad loans.

110. Ans: A

Exp:

- **GST Council is a constitutional body (Article 279A)** for making recommendations to the Union and State Government on issues related to GST. **Hence, statement 1 is correct.**
- The GST Council is **chaired by the Union Finance Minister and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States**.
 - ◆ It is **considered as a federal body** where both the centre and the states get due representation
 - ◆ **Hence, statement 2 is not correct.**

111. Ans: C

Exp:

- The Central Board of Indirect Taxes & Customs (CBIC) has inaugurated the online filing of Authorised Economic Operators (AEO) applications. AEO is a programme (2007) under the aegis of the World Customs Organization (WCO) SAFE Framework of Standards to **secure and facilitate global trade**.
- It aims to enhance **international supply chain security and facilitate the movement of goods**. Under this, an entity engaged in international trade is approved by WCO as compliant with supply chain security standards and granted AEO status. **Hence, C is the correct option.**

112. Ans: C

Exp:

- Recently, the first shipment of **Geographical Indication (GI) certified Bhalia variety of wheat** was exported to Kenya and Sri Lanka from Gujarat. The Bhalia variety of wheat received GI certification in July, 2011. This crop is grown mostly across the **Bhal region of Gujarat** which includes Ahmedabad, Anand, Kheda, Bhavanagar, Surendranagar, Bharuch districts.

- Other recent examples of GI recognition are: **Jharkhand's Sohrai Khovar painting**, Telangana's Telia Rumal, Tirur Vetilla (Kerala), **Dindigul Lock** and Kandangi Saree (**Tamil Nadu**), Odisha Rasagola, **Shahi Litchi (Bihar)**, etc. **Hence, option 2 and option 4 are correctly matched.**

113. Ans: B

Exp:

- A Government Security or G-Sec is a tradable instrument issued by the Central Government or the State Governments.
- It acknowledges the Government's debt obligation. Such securities are **short term (usually called treasury bills**, with original maturities of less than one year—presently issued in three tenors, namely, 91 day, 182 day and 364 day) or **long term (usually called Government bonds or dated securities** with original maturity of one year or more). **Hence, statement 1 is not correct.**
- In India, the **Central Government issues both treasury bills and bonds** or dated securities while the **State Governments issue only bonds or dated securities**, which are called the State Development Loans (SDLs). **Hence, statement 2 is correct.**

114. Ans: D

Exp:

- India's fertiliser consumption in FY20 was about 61 million tonnes — of which 55% was urea—and is estimated to have increased by 5 million tonnes in FY21.
- Since non-urea (MoP, DAP, complex) varieties cost higher, many farmers prefer to use more urea than actually needed.
- The government has introduced neem-coated urea to reduce illegal diversion of urea for non-agricultural uses.
 - ◆ The Department of Fertilizers (DoF) has made it **mandatory for all the domestic producers to produce 100% urea as Neem Coated Urea (NCU)**. **Hence, statement 1 is correct.**
- Non-urea fertilisers include Di-Ammonium Phosphate (DAP), Muriate of Potash (MOP).
 - ◆ The MRPs of non-urea fertilisers are decontrolled or fixed by the companies. The Centre, however, pays a flat per-tonne subsidy on these nutrients to ensure they are priced at "reasonable levels".
 - ◆ All **Non-Urea based fertilisers** are regulated under **Nutrient Based Subsidy Scheme**. **Hence, statement 2 is correct.**



115. Ans: A

Exp:

- **Consumer Price Index (CPI)** measures price changes from the perspective of a retail buyer.
 - ◆ It is **released by the National Statistical Office (NSO)**. Hence, **statement 2 is not correct**.
 - ◆ The CPI calculates the difference in the price of commodities and services such as food, medical care, education, electronics etc, which Indian consumers buy for use.
 - ◆ The CPI has several sub-groups including food and beverages, fuel and light, housing and clothing, bedding and footwear.
 - ◆ **Four types of CPI are as follows:**
 - CPI for Industrial Workers (IW).
 - CPI for Agricultural Labourer (AL).
 - CPI for Rural Labourer (RL).
 - CPI (Rural/Urban/Combined).
 - ◆ Of these, the first three are compiled by the **Labour Bureau in the Ministry of Labour and Employment**. Fourth is compiled by the NSO in the Ministry of Statistics and Programme Implementation.
 - ◆ Base Year for CPI in general is 2012. However the base year for CPI for Industrial Worker (CPI-IW) is 2016.
 - ◆ The **Monetary Policy Committee (MPC)** uses **CPI data to control inflation (within range 4+/-2%)**.
 - In April 2014, the Reserve Bank of India (RBI) had adopted the CPI as its key measure of inflation. Hence, **statement 1 is correct**.

116. Ans: D

Exp:

- A Special Economic Zone (SEZ) is a territory within a country that is typically duty-free (Fiscal Concession) and has different business and commercial laws chiefly to encourage investment and create employment.
 - ◆ Asia's first EPZ (Export Processing Zones) was established in 1965 at Kandla, Gujarat. Hence, **statement 3 is correct**.
 - EPZ is a type of SEZ.
 - It is an area set up to enhance commercial and industrial exports by encouraging economic growth through investment from foreign entities.

- The Government of India began to **establish SEZs in 2000 under the Foreign Trade Policy** to redress the infrastructural and bureaucratic challenges that were seen to have limited the success of EPZs. Hence, **statement 1 is correct**.
 - ◆ The Special Economic Zones Act was passed in 2005. The Act came into force along with the SEZ Rules in 2006.
 - ◆ However, SEZs were operational in India from 2000 to 2006 (under the Foreign Trade Policy).
 - ◆ India's SEZs were structured closely with China's successful model.

- **Major Incentives and Facilities Available to SEZ:**
 - ◆ Duty free import/domestic procurement of goods for development, operation and maintenance of SEZ units.
 - ◆ **Exemption from various taxes like Income Tax, minimum alternate tax, etc. Hence, statement 2 is correct.**
 - ◆ External commercial borrowing by SEZ units upto US \$ 500 million in a year without any maturity restriction through recognized banking channels.
 - ◆ Single window clearance for Central and State level approvals.

117. Ans: D

- Exp:
 - The **Baba Kalyani led committee** was constituted by the **Ministry of Commerce and Industry** to study the existing **Special Economic Zones (SEZ) policy of India** and had submitted its recommendations in November 2018.
 - It was set up with a broad objective to evaluate the SEZ policy towards making it WTO (World Trade Organisation) -compatible and to bring in global best practices to maximise capacity utilisation and to maximise potential output of the SEZs.
 - Hence, **option D is correct**.

118. Ans: D

Exp:

- The **Baba Kalyani led committee** was constituted by the **Ministry of Commerce and Industry** to study the existing **Special Economic Zones (SEZ) policy of India** and had submitted its recommendations in November 2018.
 - It was set up with a broad objective to evaluate the SEZ policy towards making it WTO (World Trade Organisation) -compatible and to bring in global best practices to maximise capacity utilisation and to maximise potential output of the SEZs.
 - Hence, **option D is correct**.
118. Ans: D
- Exp:
- **United Nations' Economic and Social Commission for Asia and the Pacific (UNESCAP)** is a regional development arm of the United Nations for the Asia-Pacific region.
 - ◆ It has 53 Member States and 9 Associate Members from Asia-Pacific Region. **India is also a member. Hence, statement 1 is correct.**
 - ◆ Established: 1947
 - ◆ Headquarters: Bangkok, Thailand



- The **Global Survey on Digital and Sustainable Trade Facilitation, 2021** is conducted every two years by the **United Nations' Economic and Social Commission for Asia and the Pacific (UNESCAP)** and includes an assessment of 58 trade facilitation measures covered by the **World Trade Organization's Trade Facilitation Agreement**. Hence, **statement 2 is correct**

- ◆ 58 measures include publications of existing import-export rules on the internet, risk management, advance ruling on tariff classification, pre-arrival processing, independent appeal mechanism, expedited shipments, automated customs system, among others.

- A higher score for a country helps businesses in their investment decisions.
- The UN Regional Commissions jointly conduct the UN Global Survey on Digital and Sustainable Trade Facilitation.
- The Survey currently covers 143 economies around the globe. For Asia Pacific, it is conducted by UNESCAP.
 - ◆ India is the **best performing nation** as compared to the South and South West Asia region (63.12%) and Asia Pacific region (65.85%).
 - ◆ The **overall score of India is also greater than many OECD (Organisation for Economic Cooperation and Development) countries** including France, UK, Canada, Norway, Finland etc. and the overall score is greater than the average score of the EU (European Union). Hence, **statement 3 is correct**.

119. Ans: D

Exp:

- The **National Statistical Office (NSO)** is the central statistical agency of the Government mandated under the Statistical Services Act 1980 under the Ministry of Statistics and Programme Implementation.
 - ◆ It is responsible for the development of arrangements for providing statistical information services to meet the needs of the Government and other users for information on which to base policy, planning, monitoring and management decisions.
 - ◆ The services include collecting, compiling and disseminating official statistical information.
- **The Reports & Indices by NSO are:**
 - ◆ **Index of Industrial Production (IIP)**
 - ◆ **Consumer Price Index (CPI)**
 - ◆ **Sustainable Development Goals National Indicator Framework Progress Report**
 - ◆ **Periodic Labour Force Survey (PLFS)**
- Hence, **option D is correct**.

120. Ans: B

Exp:

- Strategic petroleum reserves are huge stockpiles of crude oil to deal with any crude oil-related crisis like the risk of supply disruption from natural disasters, war or other calamities. Hence, **statement 1 is not correct**.
- According to the agreement on an International Energy Programme (I.E.P.), each **International Energy Agency (IEA) country has an obligation to hold emergency oil stocks equivalent to at least 90 days of net oil imports**.
 - ◆ India became an associate member of the IEA in 2017.
 - ◆ Hence, **statement 2 is correct**.

121. Ans: A

Exp:

- The **Deposit Insurance and Credit Guarantee Corporation (DICGC)** came into existence in 1978 after the merger of Deposit Insurance Corporation (DIC) and Credit Guarantee Corporation of India Ltd. (CGCI) after passing of the Deposit Insurance and Credit Guarantee Corporation Act, 1961 by the Parliament.
 - ◆ It serves as a deposit insurance and credit guarantee for banks in India.
 - ◆ It is a **fully owned subsidiary of Reserve Bank of India (RBI)** and governed by the RBI itself. Hence, **statement 1 is correct**.
- Banks, including regional rural banks, local area banks, foreign banks with branches in India, and cooperative banks, are mandated to take deposit insurance cover with the DICGC. Hence, **statement 2 is not correct**.

122. Ans: D

Exp:

- Recently, under the **Strategic Petroleum Reserves (SPR)** programme, the government has given approval for establishing two additional facilities.
 - ◆ In 2020, India filled its strategic petroleum reserves in view of the slump in crude prices.
- The new facilities will be commercial-cum-strategic facilities with a total storage capacity of 6.5 MMT (Million Metric Ton) underground storages at:
 - ◆ **Chandikhol**, Odisha (4 MMT)
 - ◆ **Padur**, Karnataka (2.5 MMT)
- They will be built in Public Private Partnership mode under phase II of the SPR Programme.
- Under Phase I of the Programme, Government of India has established petroleum storage facilities with total capacity of 5.33 MMT at 3 locations:

- ◆ **Visakhapatnam**, Andhra Pradesh (1.33 MMT).
- ◆ **Mangaluru**, Karnataka (1.5 MMT).
- ◆ **Padur**, Karnataka (2.5 MMT).
- The petroleum reserves established under Phase I are strategic in nature and the crude oil stored in these reserves will be used during an oil shortage event, as and when declared so by the Government of India.
- The construction of the Strategic Crude Oil Storage facilities in India is being managed by Indian Strategic Petroleum Reserves Limited (ISPRL).
- ISPRL is a wholly owned subsidiary of Oil Industry Development Board (OIDB) under the Ministry of Petroleum & Natural Gas.
- **Hence, option D is correct.**

123. Ans: A

Exp:

- **Centralised & Decentralised Payment Systems (CPS)** in India are **Real Time Gross Settlement (RTGS)** and **National Electronic Funds Transfer (NEFT)** systems, both owned and operated by the Reserve Bank.
 - ◆ RTGS: It enables real-time transfer of funds to a beneficiary's account and is primarily meant for large-value transactions.
 - ◆ NEFT: It is an electronic fund transfer system in which the transactions received up to a particular time are processed in batches.
- The **decentralised payment systems** will include clearing houses managed by RBI (**Cheque Truncation System (CTS)** centres) as well as other banks (**Express Cheque Clearing System (ECCS)** centres) and any other system as decided by RBI from time to time.
- **Hence, option A is correct.**

124. Ans: A

Exp:

- **Marginal Cost of Lending Rate (MCLR)** came into effect in April 2016. It is a benchmark lending rate for floating-rate loans. This is the **minimum interest rate at which commercial banks can lend**. **Hence, statement 1 is correct.**
- This rate is based on four components—the marginal cost of funds, negative carry on account of cash reserve ratio, operating costs and tenor premium.
- **MCLR is linked to the actual deposit rates**. Hence, **when deposit rates rise**, it indicates the banks are likely to hike MCLR and **lending rates are set to go up**. **Hence, statement 2 is not correct.**

125. Ans: A

Exp:

- **Geographical Indication Status** is an indication used to identify goods having special characteristics originating from a **definite geographical territory**. **Hence, statement 1 is correct.**
- **Geographical Indication Status** is used for **agricultural, natural and manufactured goods**. **Hence, statement 2 is not correct.**
- The **Geographical Indications of Goods (Registration and Protection) Act, 1999** seeks to provide for the registration and better protection of geographical indications relating to goods in India.
- The registration of a geographical indication is **valid for a period of 10 years**. It can be renewed from time to time for a further period of 10 years each. **Hence, statement 3 is not correct.**
- It is also a part of the World Trade Organisation's Trade-Related Aspects of Intellectual Property Rights (TRIPS).

126. Ans: D

Exp:

- **Employees' Deposit-Linked Insurance (EDLI)** is an **insurance cover** provided by the Employees' Provident Fund Organisation (EPFO) **for private sector salaried employees**. **Hence, statement 1 is correct.**
 - ◆ It was launched in 1976.
- Any employee who has an EPF account automatically becomes eligible for the EDLI scheme. **Hence, statement 2 is correct.**
 - ◆ It applies to all organisations registered under the Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- The EDLI scheme is managed on the basis of 0.5% of monthly wages paid by the employer to the fund and there is no employee contribution. The nominee registered by the employee is eligible to claim the benefit under the scheme.

127. Ans: A

Exp:

- The **Operation Flood (White Revolution)** in India was the brainchild of Dr Verghese Kurein. Under him many important institutions were established like the Gujarat Cooperative Milk Marketing Federation Ltd and the National Dairy Development Board (NDDB).
 - ◆ The White Revolution was started by the NDDB in the 1970s and the bedrock of the revolution has been the village milk producers' cooperatives.



- **Objectives:**
 - ◆ Increase milk production (“a flood of milk”). Hence, statement 1 is correct.
 - ◆ Increase rural incomes.
 - ◆ Reasonable prices for consumers.
- **Significance:**
 - ◆ It helped dairy farmers direct their own development, placing control of the resources they create in their own hands.
 - ◆ It has helped **India become the largest producer of milk in the world in 2016-17.**
- Currently, **India with 22% of global production is the world’s largest milk producer** followed by the **United States of America**, China, Pakistan and Brazil. Hence, **statement 2 is not correct.**

128. Ans: B

Exp:

- The Minimum Support Price (MSP) is the rate at which the government purchases crops from farmers, and is based on a calculation of at least one-and-a-half times the cost of production incurred by the farmers.
 - ◆ MSP is a “minimum price” for any crop that the government considers as remunerative for farmers and hence deserving of “support”.
- The **Commission for Agricultural Costs & Prices (CACP) only recommends MSPs** for 22 mandated crops and fair and remunerative price (FRP) for sugarcane.
 - ◆ The **Cabinet Committee on Economic Affairs (CCEA)** of the Union government **takes a final decision on the level of MSPs** and other recommendations made by CACP. Hence, **statement 1 is not correct.**
- The mandated crops include 14 crops of the kharif season, 6 rabi crops and 2 other commercial crops.
- In addition, the MSPs of toria and de-husked coconut are fixed on the basis of the MSPs of rapeseed/mustard and copra, respectively.
- CACP is an attached office of the Ministry of Agriculture and Farmers Welfare. Hence, **statement 2 is correct.**

129. Ans: A

Exp:

- India’s power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste.

- India is the third-largest producer and second-largest consumer of electricity in the world.
- Electricity is a **concurrent subject** (Seventh Schedule of the Constitution). Hence, **statement 1 is correct.**
- The Ministry of Power is primarily responsible for the development of electrical energy in the country.
 - ◆ It administers the Electricity Act, 2003 and the Energy Conservation Act, 2001.
- The Government has released its roadmap to achieve 175 GW capacity in renewable energy by 2022, which includes 100 GW of solar power and 60 GW of wind power.
 - ◆ The Government is preparing a ‘rent a roof’ policy for supporting its target of generating 40 gigawatts (GW) of power through solar rooftop projects by 2022.
 - ◆ The Ministry of New and Renewable Energy (MNRE) is the nodal Ministry for all matters relating to new and renewable energy.
- **100% FDI (Foreign Direct Investment) is permitted under automatic route** in the power sector. Hence, **statement 2 is not correct.**

130. Ans: B

Exp:

- **Corporation tax** is a **direct tax imposed on the net income or profit** that enterprises make from their businesses. Hence, **statement 1 is not correct.**
- Companies, both **public** and privately registered in India under the **Companies Act 1956**, are liable to pay corporation tax. Hence, **statement 2 is correct.**
- This tax is levied at a specific rate according to the provisions of the **Income Tax Act, 1961.** Hence, **statement 3 is correct.**
- In September 2019, India slashed corporate tax rates to 22% from 30% for existing companies and to 15% from 25% for new manufacturing companies.
 - ◆ Including a surcharge and cess, the effective tax rate for existing companies now stands at 25.17%, down from 35%.

131. Ans: A

Exp:

- Microfinance is a form of financial service which provides **small loans and other financial services to poor** and low-income households. Hence, **statement 1 is correct.**



- Indian microfinance sector **has witnessed phenomenal growth over the past two decades** in terms of increase in both the number of institutions providing microfinance and the quantum of credit made available to the microfinance customers. **Hence, statement 3 is correct.**
- Microfinance (Microcredit) is delivered through a variety of institutional channels viz.,
 - ◆ **Scheduled commercial banks (SCBs) (including small finance banks (SFBs) and regional rural banks (RRBs)).**
 - ◆ **Cooperative banks**
 - ◆ **Non-banking financial companies (NBFCs)**
 - ◆ Microfinance institutions (MFIs) registered as NBFCs as well as in other forms.
 - ◆ **Hence, statement 2 is not correct.**

132. Ans: B

Exp:

- The MSMEs are the growth accelerators of the Indian economy, contributing about 30% of the country's gross domestic product (GDP).
- **Initiatives to Promote MSME Sector:**
 - ◆ **A Scheme for Promoting Innovation, Rural Industry & Entrepreneurship (ASPIRE):** The scheme promotes innovation & rural entrepreneurship through rural Livelihood Business Incubator (LBI), Technology Business Incubator (TBI) and Fund of Funds for start-up creation in the agro-based industry. **Hence, pair 3 is correctly matched.**
 - ◆ **Udyam Registrations Portal:** This new portal assists the government in **aggregating the data on the number of MSMEs in the country.**
 - **MSME Samadhan:** It enables them to **directly register their cases about delayed payments by Central Ministries/ Departments/ CPSEs/ State Governments.** **Hence, pair 1 is not correctly matched.**
- **MSME SAMBANDH:** It is a Public Procurement Portal. It was launched to **monitor the implementation of the Public Procurement from MSEs** by Central Public Sector Enterprises. **Hence, pair 2 is correctly matched.**

133. Ans: B

Exp:

- **Small Saving Schemes/Instruments** are the major source of household savings in India and comprises 12 instruments.

- ◆ The depositors get an assured interest on their money.
- ◆ Collections from all small savings instruments are **credited to the National Small Savings Fund (NSSF).** **Hence, statement 1 is not correct.**
- **Interest rates on small savings schemes are reset on a quarterly basis,** in line with the movement in benchmark government bonds of similar maturity. **Hence, statement 2 is correct.**
 - ◆ The rates are reviewed periodically by the Ministry of Finance.

134. Ans: A

Exp:

- **Prof. Prasanta Chandra Mahalanobis** is considered the **father of modern statistics in India**, founded the Indian Statistical Institute (ISI), shaped the Planning Commission (which was replaced by the NITI Aayog on 1st January 2015) and pioneered methodologies for large-scale surveys.
- He introduced innovative techniques for conducting large-scale sample surveys, calculated acreages and crop yields, using the method of random sampling.
- He also devised a **statistical method called 'Fractile Graphical Analysis'**, used to compare socio-economic conditions of varied groups. **Hence, statement 1 is correct.**
- He became a member of the Planning Commission and continued in that capacity till 1967.
- He was instrumental in **formulating India's second five-year-plan (1956-1961)**, which laid the blueprint for industrialisation and development in India. **Hence, statement 2 is not correct.**

135. Ans: D

Exp:

- The **National Small Savings Fund (NSSF)** in the Public Account of India was established in 1999.
 - ◆ Since NSSF operates in the public account, its transactions do not impact the fiscal deficit of the Centre directly.
- The Fund is **administered by** the Government of India, Ministry of Finance (**Department of Economic Affairs**) under **National Small Savings Fund (Custody and Investment) Rules, 2001, framed by the President under Article 283(1) of the Constitution.** **Hence, statements 1 and 2 are correct.**
- The objective of NSSF is to **de-link small savings transactions from the Consolidated Fund of India** and ensure their operation in a transparent and self-sustaining manner. **Hence, statement 3 is correct.**



136. Ans: A

Exp:

- The 'Goods And Services Tax (GST)' is a value-added tax levied on most goods and services sold for domestic consumption.
 - ◆ The GST is paid by consumers, but it is remitted to the government by the businesses selling the goods and services.
 - ◆ GST, which **subsumed almost all domestic indirect taxes** (petroleum, alcoholic beverages and stamp duty are the major exceptions) under one head, is perhaps the biggest tax reform in the history of independent India. It was launched into operation on the midnight of 1st July 2017.
- **Features of GST:**
 - ◆ **Applicable on Supply Side:** GST is applicable on 'supply' of goods or services as against the old concept on the manufacture of goods or on sale of goods or on provision of services.
 - ◆ **Destination based Taxation:** GST is based on the principle of destination-based consumption taxation as against the principle of origin-based taxation. **Hence, statement 1 is correct.**
 - ◆ **Dual GST:** It is a dual GST with the Centre and the States simultaneously levying tax on a common base. The GST to be levied by the Centre is called **Central GST (CGST)** and that to be levied by the States is called **State GST (SGST)**.
 - Import of goods or services would be treated as inter-state supplies and would be subject to **Integrated Goods & Services Tax (IGST)** in addition to the applicable customs duties.
- **GST rates to be mutually decided:** CGST, SGST & IGST are levied at rates to be **mutually agreed upon by the Centre and the States**. The rates are notified on the recommendation of the **GST Council**. **Hence, statement 2 is not correct.**
- **Multiple Rates:** GST is levied at four rates viz. 5%, 12%, 18% and 28%. The schedule or list of items that would fall under these multiple slabs are worked out by the GST council.
 - This is aside from the tax on gold that is kept at 3% and rough precious and semi-precious stones that are placed at a special rate of 0.25% under GST.

137. Ans: A

Exp:

- Recently, the **Reserve Bank of India (RBI)** released the **23rd issue** of its **Financial Stability Report (FSR)**.

- The FSR which is **published biannually** reflects the collective assessment of the **Sub-Committee of the Financial Stability and Development Council (FSDC - headed by the Governor of RBI)** on risks to **financial stability and the resilience of the financial system**.
- The Report also discusses **issues relating to development and regulation of the financial sector**.
- **Hence, option A is correct.**

138. Ans: D

Exp:

- Recently, the Prime Minister of India urged people to be "vocal for local toys", while interacting with the participants at the **Toycathon 2021**.
- **Toycathon 2021** was a joint initiative by the **Ministry of Education**, **WCD (Women and Child Development) Ministry**, **Ministry of Micro, Small and Medium Enterprises**, **Textile Ministry**, **Ministry of Information and Broadcasting** and **All India Council for Technical Education**.
 - ◆ It aims to conceptualize innovative toys based on the Indian value system which will inculcate positive behaviour and good value among the children.
 - It also aims to promote India as a global toy manufacturing hub (**Atmanirbhar Bharat**).
- **Hence, option D is correct.**

139. Ans: A

Exp:

- **Asian Development Bank (ADB)** is a regional development bank established in 1966.
- It has 68 members. **India is a founding member**. **Hence, statement 1 is correct.**
 - ◆ 49 are from within Asia and the Pacific and 19 outside.
- It aims to promote social and economic development in Asia and the Pacific.
- As of 31st December 2019, ADB's **five largest shareholders** are Japan and the United States (each with 15.6% of total shares), the People's Republic of China (6.4%), **India (6.3%)**, and Australia (5.8%). **Hence, statement 2 is not correct.**
- It is headquartered in Manila, **Philippines**. **Hence, statement 3 is not correct.**

140. Ans: B

Exp:

- **Index of Industrial Production (IIP)** is an indicator that measures the changes in the volume of production of industrial products during a given period.



- It is **compiled and published monthly** by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation. **Hence, statement 1 is not correct.**
- It is a composite indicator that measures the growth rate of industry groups classified under:
 - ◆ Broad sectors, namely, Mining, Manufacturing, and Electricity.
 - ◆ Use-based sectors, namely Basic Goods, Capital Goods, and Intermediate Goods.
- **Base Year** for IIP is 2011-2012. **Hence, statement 2 is correct.**
- Significance of IIP:
 - ◆ It is used by government agencies including the Ministry of Finance, the Reserve Bank of India, etc, for policy-making purposes.
 - ◆ IIP remains extremely relevant for the calculation of the quarterly and advance GDP (Gross Domestic Product) estimates.

141. Ans: B

Exp:

- The **National Small Savings Fund (NSSF)** within the **Public Account of India** was established in 1999. **Hence, statement 1 is not correct.**
 - ◆ The objective of the creation of the NSSF was to de-link small savings transactions from the Consolidated Fund of India and ensure their operation in a transparent and self-sustaining manner.
 - Since NSSF operates in the public account, its transactions do not impact the fiscal deficit of the Centre directly.
- The Fund is administered by the Government of India, Ministry of Finance (Department of Economic Affairs) under **National Small Savings Fund (Custody and Investment) Rules, 2001**, framed by the **President of India under Article 283 (1)** of the Indian Constitution. **Hence, statement 2 is correct.**

142. Ans: D

Exp:

- The **Insurance Regulatory and Development Authority of India (IRDAI)** was constituted **following the recommendations of the Malhotra Committee report**, in 1999. **Hence, statement 1 is correct.**
 - ◆ It was constituted as an autonomous body to regulate and develop the insurance industry.
- The IRDAI was incorporated as a **statutory body** in April 2000. **Hence, statement 2 is correct.**

- The key objectives of the IRDA include the promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums while ensuring the financial security of the insurance market.
- It is headquartered in **Hyderabad**. **Hence, statement 3 is correct.**

143. Ans: C

Exp:

- Recently, the Reserve Bank of India's (RBI) decision to step up purchase of Government Securities (G-Sec) under the **Government Securities Acquisition Programme (G-SAP)** led to the yield on the benchmark 10-year bond falling below 6%.
 - ◆ The RBI, for the year 2021-22, has decided to put in place a secondary market G-SAP 1.0.
 - ◆ It is part of **RBI's Open Market Operations (OMOs)**. **Hence, statement 1 is correct.**
 - ◆ Under the programme, the RBI will commit upfront to a specific amount of Open Market Purchases of G-Secs.
- The objective is to avoid volatility in the G-sec market in view of its central role in the pricing of other financial market instruments across the term structure and issuers, both in the public and private sectors.
- It will provide certainty to the bond market participants with regard to RBI's commitment of support to the bond market in Financial Year (FY) 2021-2022.
- It will **help reduce the difference between the repo rate and the 10-year government bond yield**. **Hence, statement 2 is correct.**
 - ◆ That, in turn, will help to reduce the aggregate cost of borrowing for the Centre and states in FY 2021-22.
- It will enable a stable and orderly evolution of the yield curve amidst comfortable liquidity conditions.

144. Ans: B

Exp:

- In 1999, the **Reserve Bank of India** had set up a **Regulations Review Authority (RRA)** for reviewing the regulations, circulars, reporting systems, based on the feedback from the public, banks, and financial institutions. **Hence, statement 1 is not correct.**
- It will focus on **streamlining regulatory instructions, reducing compliance burden of the regulated entities by simplifying procedures and reducing reporting requirements**, wherever possible. **Hence, statement 2 is correct.**



- ◆ It will also obtain feedback from regulated entities.
- ◆ Regulated entities include commercial banks, urban co-operative banks, Non-Banking Financial Companies.

145. Ans: C

Exp:

- Inflation refers to the rise in the prices of most goods and services of daily or common use, such as food, clothing, housing, recreation, transport, consumer staples, etc.
- Inflation measures the average price change in a basket of commodities and services over time.
 - ◆ Inflation is indicative of the decrease in the purchasing power of a unit of a country's currency. This could ultimately lead to a deceleration in economic growth.
 - ◆ However, a moderate level of inflation is required in the economy to ensure that production is promoted.
- In India, inflation is **primarily measured by two main indices — WPI (Wholesale Price Index) and CPI (Consumer Price Index)** which measure wholesale and retail-level price changes, respectively. **Hence, statement 1 is correct.**
- **Core inflation** is the change in the costs of goods and services **but does not include those from the food and energy sectors.** This measure of inflation excludes these items because their prices are much more volatile. **Hence, statement 2 is correct.**
 - ◆ It is important because it's used to determine the impact of rising prices on consumer income.

146. Ans: B

Exp:

- The **Sovereign Gold Bond (SGB) scheme** was launched in November 2015 with an objective to **reduce the demand for physical gold** and shift a part of the domestic savings - used for the purchase of gold - into financial savings. **Hence, statement 1 is correct.**
- The Gold Bonds are issued as Government of India Stock under the Government Securities (GS) Act, 2006.
- **These are issued by the RBI on behalf of the Government of India. Hence, statement 2 is correct.**
- The **bonds are restricted for sale to resident individuals**, Hindu Undivided Families (HUFs), trusts, universities and charitable institutions. **Hence, statement 3 is not correct.**

147. Ans: A

Exp:

- **Alternative Investment Fund (AIF)** means any fund established or incorporated in India which is a **privately pooled investment vehicle which collects funds from sophisticated investors**, whether Indian or foreign, for investing it in accordance with a defined investment policy for the benefit of its investors. **Hence, statement 1 is correct.**
- Regulation 2(1)(b) of **Securities and Exchange Board of India (SEBI) Regulations (AIFs), 2012** lays down the definition of AIFs. **Hence, statement 2 is not correct.**
 - ◆ Through a company, or a Limited Liability Partnership (LLP), an Alternative Investment Fund can be established.

148. Ans: B

Exp:

- Harmonised Master List of Infrastructure sub-sectors is notified by the **Ministry of Finance. Hence, statement 1 is not correct.**
- It includes following categories:
 - ◆ **Transport and Logistics:** Roads and bridges, Inland waterways, Airport, etc.
 - ◆ **Energy:** Electricity Generation, Electricity Transmission, etc.
 - ◆ **Water and Sanitation:** Solid Waste Management, Water treatment plants, etc.
 - ◆ **Communication:** Telecommunication, etc.
 - ◆ **Social and Commercial Infrastructure:** Education Institutions (capital stock), Sports Infrastructure, Hospitals (capital stock), Tourism infrastructure, etc. **Hence, statement 2 is correct.**
- Recently, the Finance Ministry has granted **'Infrastructure' status for exhibition and convention centres.**
 - ◆ It has been included in the list by insertion of a new item in the category of Social and Commercial Infrastructure.
- In 2020, the government added affordable rental housing projects to the list of sectors recognised as infrastructure.

149. Ans: C

Exp:

- An E-Way Bill is a compliance mechanism wherein by way of a digital interface the person causing the movement of goods uploads the relevant information prior to the commencement of movement of goods and generates an e-way bill on the GST portal.



- Under the Goods and Services Tax (GST) regime, **EWBs are mandatory for inter-state transportation of goods** valued over Rs. 50,000 from April 2018, with the **exemption to precious items such as gold. Hence, statement 1 is correct.**

- ◆ It is a mechanism to ensure that goods being transported comply with the GST Law and is a tool to track movement of goods and check tax evasion.

- According to notified e-way bill rules, every supplier requires prior online registration on the e-way bill portal for the movement of goods.
 - ◆ Tax officials have the power to scrutinise the e-way bill at any point during transit to check tax evasion. **Hence, statement 2 is correct.**

150. Ans: C

Exp:

- **Geographical Indication (GI) Certification** is an indication used to identify goods having special characteristics originating from a definite geographical territory.
 - ◆ It is used for agricultural, **natural and manufactured goods. Hence, statement 1 is not correct.**
- The Geographical Indications of Goods (Registration and Protection) Act, 1999 seeks to provide for the registration and better protection of geographical indications relating to goods in India.
- The Act is administered by the Controller General of Patents, Designs and TradeMarks- who is the Registrar of Geographical Indications.
 - ◆ The Geographical Indications Registry is located at Chennai.
- The **registration of a geographical indication is valid for a period of 10 years.** It can be renewed from time to time for a further period of 10 years each. **Hence, statement 2 is correct.**
 - ◆ It is also a part of the **World Trade Organisation's Trade-Related Aspects of Intellectual Property Rights (TRIPS). Hence, statement 3 is correct.**

151. Ans: C

Exp:

- Following the recommendations of the **Malhotra Committee report**, in 1999, the **Insurance Regulatory and Development Authority (IRDA)** was constituted as an autonomous body to regulate and develop the insurance industry. **Hence, statement 1 is correct.**
- The IRDA was incorporated as a **statutory body** in April 2000. **Hence, statement 2 is correct.**

- The key objectives of the IRDA include the promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums while ensuring the financial security of the insurance market.

- It is headquartered in Hyderabad.

152. Ans: C

Exp:

- A currency swap between the two countries is an agreement or contract to exchange currencies with predetermined terms and conditions. **Hence, statement 1 is correct.**
- These swap operations **carry no exchange rate or other market risks** as transaction terms are set in advance. **Hence, statement 2 is not correct.**
- Recently, **Bangladesh cleared a USD 200 million currency swap facility for Sri Lanka**, to help boost its economy. **Hence, statement 3 is correct.**
 - ◆ In the present context, a currency swap is effectively a loan that Bangladesh will give to Sri Lanka in dollars, with an agreement that the debt will be repaid with interest in Sri Lankan rupees.

153. Ans.: B

Exp.:

- Balance of Payment (BoP) of a country can be defined as a systematic statement of all economic transactions of a country with the rest of the world during a specific period usually one year. For preparing BoP accounts, economic transactions between a country and the rest of the world are grouped under - **Current account, Capital account and Financial Account and Errors and Omissions. Hence, statement 1 is not correct.**
- **Components of BOP:**
 - ◆ **Current Account:** It shows export and import of visibles and invisibles (includes goods and services). **Hence, statement 2 is correct.**
 - ◆ **Capital Account:** It shows a capital expenditure and income for a country. It gives a summary of the net flow of both private and public investment into an economy.
 - ◆ **Errors and Omissions:** Sometimes the balance of payment does not balance. This imbalance is shown in the BoP as errors and omissions.



154. Ans: A

Exp:

- The **SWAMIH Fund** is a **government backed fund** that was set up as a **Category-II AIF (Alternate Investment Fund)** debt fund registered with SEBI, launched in 2019. **Hence, statement 1 is correct.**
- SWAMIH Investment Fund was formed to complete construction of stalled, **RERA-registered affordable and mid-income category housing projects** which are stuck due to paucity of funds. **Hence, statement 2 is correct.**
- The Investment Manager of the Fund is SBICAP Ventures, a wholly-owned subsidiary of SBI Capital Markets, which in turn is a wholly-owned subsidiary of the State Bank of India.
- The **Sponsor of the Fund is the Secretary, Department of Economic Affairs (not SEBI)**, Ministry of Finance, on behalf of the Government of India. **Hence, statement 3 is not correct.**

155. Ans: D

Exp:

- Reserve Bank Of India (RBI) Publications:
- **Consumer Confidence Survey (CCS - Quarterly)**
- **Inflation Expectations Survey of Households (IESH - Quarterly)**
- **Financial Stability Report (Half-Yearly)**
- **Monetary Policy Report (Half-Yearly)**
- **Report on Foreign Exchange Reserves (Half-Yearly)**
- The **Export Preparedness Index 2020 is released by Niti Aayog**. **Hence, option D is correct.**

156. Ans: D

Exp:

- Social enterprise can be defined as a **non-loss; non-dividend paying company created and designed to address a social problem**. **Hence, statement 1 is correct.**
- The idea of the Social Stock Exchange (SSE) as a platform for listing social enterprise, voluntary and welfare organisations so that they can raise capital **was mooted in the Union Budget 2019-20**. **Hence, statement 2 is correct.**
 - ◆ It was proposed to be set up under the market regulator SEBI.
 - ◆ The aim of the **initiative is to help social and voluntary organisations** which work for social causes **to raise capital as equity or debt or a unit of mutual fund**. **Hence, statement 3 is correct.**

- ◆ SSE already exists in countries such as Singapore, UK, Canada among others. These countries allow firms operating in sectors such as health, environment and transportation to raise capital.

157. Ans: C

Exp:

- According to FSSAI, 'organic farming' is a system of farm design and management to create an ecosystem of agriculture production without the use of synthetic external inputs such as chemical fertilisers, pesticides and synthetic hormones or genetically modified organisms.
 - ◆ The Indian state of **Sikkim achieved the feat of being the world's first organic state** and was awarded the UN Future Policy Gold Award 2018, also known as the Oscar for best policies. **Hence, statement 2 is correct.**
- India's **export of organic food products rose by more than 51%** to Rs. 7078 crore during April-February (2020-21) compared to the same period in the previous fiscal (2019-20). In terms of quantity, the exports of organic food products grew by 39%. **Hence, statement 1 is not correct.**
 - ◆ India's organic products have been exported to 58 countries including USA, European Union, Canada, Great Britain, Australia, Switzerland, Israel and South Korea.
- The **National Programme for Organic Production (NPOP) has been implemented by APEDA** (Agricultural and Processed Food Products Export Development Authority) since its inception in 2001 as notified under the Foreign Trade (Development and Regulations) Act, 1992. **Hence, statement 3 is not correct.**
 - ◆ APEDA functions under the Ministry of Commerce and Industry,
 - ◆ At present, organic products are exported provided they are produced, processed, packed and labelled as per the requirements of the National Programme for Organic Production (NPOP).

158. Ans: B

Exp:

- The **National Small Savings Fund (NSSF)** in the Public Account of India was established in 1999.
- The Fund is administered by the Government of India, **Ministry of Finance** (Department of Economic Affairs) under **National Small Savings Fund (Custody and Investment) Rules, 2001, (and not Finance Act, 1994)** framed by the President under Article 283 (1) of the Constitution. **Hence, statement 1 is correct but statement 2 is not correct.**



- The objective of NSSF is to de-link small savings transactions from the Consolidated Fund of India and ensure their operation in a transparent and self-sustaining manner.
 - ◆ Since NSSF operates in the public account, its **transactions do not impact the fiscal deficit of the Centre directly. Hence, statement 3 is correct.**

159. Ans: A

Exp:

- The **Monetary Policy Committee (MPC)** is a statutory and institutionalized framework under the **Reserve Bank of India Act, 1934**, for maintaining price stability, while keeping in mind the objective of growth. **Hence, statement 1 is correct.**
- The **Governor of RBI** is ex-officio Chairman of the committee. **Hence, statement 2 is not correct.**
- The **MPC determines the policy interest rate (repo rate)** required to achieve the inflation target (4%).
 - ◆ It is the **Central Government** of India that **determines the Inflation Target. Hence, statement 3 is not correct.**
- An RBI-appointed committee led by the then deputy governor Urjit Patel in 2014 recommended the establishment of the Monetary Policy Committee.

160. Ans: B

Exp:

- A report 'Economic and Social Survey of Asia and the Pacific 2021: Towards post-Covid-19 resilient economies' has recently been released by the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP).
 - ◆ According to the report, India is estimated to record an economic growth of 7% in 2021-22, over a contraction of 7.7% witnessed in the previous fiscal on account of the pandemic's impact on normal business activity
- The **Economic and Social Survey of Asia and the Pacific report** is annually produced since 1947.
 - ◆ It is the **oldest United Nations** report on the region's progress. **Hence, statement 1 is not correct.**
- The Survey monitors regional progress, provides cutting-edge analyses and guides policy discussion on the current and emerging socio-economic issues and policy challenges to support inclusive and sustainable development in the region.

- Since 1957, the **Survey has also contained a study or studies focusing on a significant aspect or challenge relevant to the economies** of the Asia-Pacific region. **Hence, statement 2 is correct.**
- The Survey of 2021 studies the impact of Covid-19 pandemic and provides insights for post-Covid-19 resilient economies.

161. Ans: C

Exp:

Historical Background of Ombudsman:

- In 1809, the institution of ombudsman was inaugurated officially in Sweden. **Hence, statement 1 is correct.**
- In the 20th century, the Ombudsman as an institution developed and grew most significantly after the Second World War (1939-45).
 - ◆ In 1967, on the recommendations of the Whyatt Report of 1961, **Great Britain adopted the institution of the ombudsman and became the first large nation** in the democratic world to have such a system. **Hence, statement 2 is not correct.**
- In India, the concept of constitutional ombudsman was first proposed by the then law minister Ashok Kumar Sen in parliament in the early 1960s.
 - ◆ The terms Lokpal and Lokayukta were **coined by Dr. L. M. Singhvi. Hence, statement 3 is correct.**
 - ◆ They perform the function of an "ombudsman" and inquire into allegations of corruption against certain public functionaries and for related matters.

162. Ans: B

Exp:

- The **current account records exports and imports in goods and services and transfer payments. Hence, statement 1 is not correct.**
 - ◆ It represents a country's transactions with the rest of the world and, like the capital account, is a component of a country's Balance of Payments (BOP).
- There is a deficit in Current Account if the value of the goods and services imported exceeds the value of those exported.
- **Current Account Deficit could be reduced by boosting exports and curbing non-essential imports** such as gold, mobiles, and electronics. **Hence, statement 2 is correct.**



163. Ans: B

Exp:

- **Foreign exchange reserves** are assets held on reserve by a central bank in foreign currencies, which can include bonds, treasury bills and other government securities.
- **India's Forex Reserve include:**
 - ◆ Foreign Currency Assets
 - ◆ Gold reserves
 - ◆ Special Drawing Rights
 - ◆ Reserve position with the IMF.
 - ◆ **Hence, statement 1 is not correct.**
- Foreign Currency Assets are assets that are valued based on a currency other than the country's own currency.
 - ◆ FCA is the largest component of the forex reserve. It is **expressed in dollar terms. Hence, statement 2 is correct.**
 - ◆ The FCAs also include the effect of appreciation or depreciation of non-US units like the euro, pound and yen held in the foreign exchange reserves.

164. Ans: C

Exp:

- The **Special Drawing Rights (SDR)** is an **international reserve asset, created by the International Monetary Fund (IMF)** in 1969 to supplement its member countries' official reserves. **Hence, statement 1 is correct.**
- The SDR is neither a currency nor a claim on the IMF. Rather, it is a potential claim on the freely usable currencies of IMF members. SDRs can be exchanged for these currencies.
- The value of the SDR is calculated from a **weighted basket of major currencies**, including the US dollar, the euro, Japanese yen, Chinese yuan, and British pound. **Hence, statement 2 is correct.**
- The interest rate on SDRs or (SDRi) is the interest paid to members on their SDR holdings.

165. Ans: C

Exp:

- The **World Economic Outlook** is a survey by the **International Monetary Fund (IMF)**. **Hence, statement 1 is not correct.**
- It is usually **published twice a year** in the months of April and October. **Hence, statement 2 is not correct.**
- It analyzes and **predicts global economic developments** during the near and medium term. **Hence, statement 3 is correct.**

166. Ans: C

Exp:

- **National Bank for Agriculture and Rural Development (NABARD)** came into existence on 12th July 1982 by transferring the agricultural credit functions of the Reserve Bank of India (RBI) and refinance functions of the then Agricultural Refinance and Development Corporation (ARDC).
 - ◆ It is a statutory body established under 'National Bank for Agriculture and Rural Development Act, 1981'.
 - ◆ It is a development bank focussing primarily on the rural sector of the country.
 - ◆ It is the apex banking institution to provide finance for Agriculture and rural development.
- **Major Functions of NABARD:**
 - ◆ It provides **refinance support for building rural infrastructure. Hence, statement 1 is correct.**
 - ◆ Refinancing institutions are important institutions who give loans to other institutions who ultimately give loans to the end customers.
 - ◆ NABARD provides short-term, medium-term and long-term refinance to Cooperative banks and RRBs to supplement their resources for providing adequate credit for supporting investment activities of farmers and rural artisans.
 - ◆ It **supervises Cooperative Banks and Regional Rural Banks (RRBs)** and helps them develop sound banking practices and integrate them to the CBS (Core Banking Solution) platform. **Hence, statement 2 is correct.**

167. Ans: D

Exp:

- The electricity market at **Indian Energy Exchange (IEX)** achieved an all-time high volume of 8,248.52 MU (million units) in the month of March 2021 surpassing all the previous milestones.
 - ◆ IEX is the first and largest energy exchange in India providing a nationwide, automated trading platform for physical delivery of electricity, Renewable Energy Certificates and Energy Saving Certificates.
 - ◆ The exchange platform enables efficient price discovery and increases the accessibility and transparency of the power market in India while also enhancing the speed and efficiency of trade execution.

- ◆ It is a publicly listed company with **National Stock Exchange (NSE)** and **Bombay Stock Exchange (BSE)**. Hence, **statement 1 is correct**.
- ◆ It is **approved and regulated by Central Electricity Regulatory Commission (CERC)** and has been operating since 2008. Hence, **statement 2 is correct**.
 - It is a **statutory body** functioning with **quasi-judicial status** under the Electricity Act 2003. Hence, **statement 3 is correct**.
 - CERC is a regulator of the power sector in India.
 - It intends to promote competition, efficiency and economy in bulk power markets, improve the quality of supply, promote investments and advise the government on the removal of institutional barriers to bridge the demand supply gap.

168. Ans: D

Exp:

Priority Sector Lending (PSL)

- The RBI mandates banks to lend a certain portion of their funds to specified sectors, like agriculture, Micro, Small and Medium Enterprises (MSMEs), export credit, education, housing, social infrastructure, renewable energy among others.
 - ◆ All **scheduled commercial banks and foreign banks** (with a sizable presence in India) are mandated to set aside 40% of their Adjusted Net Bank Credit (ANBC) for lending to these sectors. Hence, **statement 1 is not correct**.
 - ◆ Regional rural banks, co-operative banks and small finance banks have to allocate 75% of ANBC to PSL. Hence, **statement 2 is not correct**.
- The idea behind this is to ensure that adequate institutional credit reaches some of the vulnerable sectors of the economy, which otherwise may not be attractive for banks from the profitability point of view.

169. Ans: C

Exp:

- Consumer Price Index measures price changes from the perspective of a retail buyer.
 - ◆ It is released by the National Statistical Office (NSO). Hence, **statement 1 is correct**.
- The CPI calculates the difference in the price of commodities and services such as food, medical care, education, electronics etc, which Indian consumers buy for use. Hence, **statement 2 is correct**.

170. Ans: A

Exp:

- At times it may happen that a taxpayer, being a company, may have generated income during the year, but by taking the advantage of various provisions of Income-tax Law (like exemptions, deductions, depreciation, etc.), it may have reduced its tax liability or may not have paid any tax at all.
- **Due to an increase in the number of zero tax paying companies**, Minimum Alternate Tax (MAT) was introduced by the Finance Act, 1987 with effect from assessment year 1988-89. Later on, it was withdrawn by the Finance Act, 1990 and then reintroduced by Finance Act, 1996. Hence, **statement 1 is correct**.
- MAT is calculated at 15% on the book profit (the profit shown in the profit and loss account) or at the usual corporate rates, and whichever is higher is payable as tax.
- **All companies in India, whether domestic or foreign**, fall under this provision. MAT was later extended to cover non-corporate entities as well. Hence, **statement 2 is not correct**.
- MAT is an important tool with which tax avoidance can be prevented.

171. Ans: C

Exp:

- **Currency depreciation** is a fall in the value of a currency in a floating exchange rate system.
 - ◆ In a floating exchange rate system, market forces (based on demand and supply of a currency) determine the value of a currency.
- Currency depreciation **increases a country's export activity as its products and services become cheaper to buy**. Hence, **statement 1 is correct**.
- Foreign tourists are the gainers of currency depreciation, as travel to India gets **cheaper (not costly)**. Hence, **statement 2 is not correct**.
- **Impact of Depreciating Rupee:**
- **Losers:**
 - ◆ People Importing from outside.
 - ◆ People seeking foreign education.
 - ◆ People travelling abroad.
 - ◆ People investing abroad.
 - ◆ People seeking medical treatment abroad etc.
- **Gainers:**
 - ◆ People exporting from India.
 - ◆ People receiving remittances from abroad or Non Resident Indian (NRI). Hence, **statement 3 is correct**.

172. Ans: C

Exp:

- An ombudsman is a government official who deals with complaints made by ordinary people against public organizations.
 - ◆ This concept of Ombudsman arrived from Sweden.
- It means an officer appointed by the Legislature to handle complaints against a service or administrative authority.
- In India an Ombudsman is appointed to resolve grievances in the following sectors.
 - ◆ Insurance Ombudsman
 - ◆ Income Tax Ombudsman
 - ◆ Banking Ombudsman
- Hence, option C is correct.

173. Ans: A

Exp:

- The National Electronic Fund Transfer (NEFT) system is the Centralised Payment Systems (CPSs) of the RBI.
 - ◆ It is an electronic fund transfer system in which the transactions received up to a particular time are processed in batches.
 - ◆ It is generally used for fund transfers of up to Rs. 2 lakh.
 - ◆ Hence, option A is correct.
- The Real Time Gross Settlement (RTGS) System is the Centralised Payment Systems (CPSs) of the RBI.
 - ◆ It enables real-time transfer of funds to a beneficiary's account and is primarily meant for large-value transactions.
 - ◆ Real time means the processing of instructions at the time they are received and gross settlement implies that settlement of funds transfer instructions occurs individually.
- The Cheque Truncation System (CTS) and the Express Cheque Clearing System (ECCS) are the decentralised payment systems of RBI.

174. Ans: C

Exp:

- Recently, the United States (US) placed 11 countries, including India in the Currency Practices Monitoring List (Currency Manipulators Watch List).
 - ◆ India was on the list in the December 2020 report as well. In 2019, the US Treasury Department had removed India from its currency manipulator watch list of major trading partners. Hence, statement 2 is not correct.

- Currency Manipulator is a label given by the US government to countries it feels are engaging in "unfair currency practices" by deliberately devaluing their currency against the dollar.
 - ◆ The practice would mean that the country in question is artificially lowering the value of its currency to gain an unfair advantage over others. Hence, statement 1 is not correct.
 - This is because the devaluation would reduce the cost of exports from that country and artificially show a reduction in trade deficits as a result.

175. Ans: C

Exp:

- A Microfinance Institution (MFI) is an organization that offers financial services to low income populations.
 - ◆ MFIs are financial companies that provide small loans to people who do not have any access to banking facilities. Hence, statement 1 is correct.
- These services include microloans, microsavings and microinsurance.
 - ◆ The definition of "small loans" varies between countries. In India, all loans that are below Rs.1 lakh can be considered as microloans. Hence, statement 2 is not correct.
- Microfinance sector has grown rapidly over the past few decades and currently it is serving around 102 million accounts (including banks and small finance banks) of the poor population of India.
- Non Banking Finance Company (NBFC)-MFIs in India are regulated by The NBFC-MFI (Reserve Bank) Directions, 2011 of the Reserve Bank of India (RBI) (and not RBI Act, 1934). Hence, statement 3 is not correct.

176. Ans: B

Exp:

- Ways and Means Advances (WMA) scheme was introduced in 1997 to meet mismatches in the receipts and payments of the government. Hence, statement 1 is correct.
- The government can avail immediate cash from the RBI, if required. But it has to return the amount within 90 days. Hence, statement 2 is correct.
- Interest is charged at the existing repo rate.
 - ◆ Section 17(5) of the RBI Act, 1934 authorises the central bank to lend to the Centre and state governments subject to their being repayable "not later than three months from the date of the making of the advance".

- ◆ **Interest is charged at the existing repo rate.** If the WMA exceeds 90 days, it would be treated as an overdraft (the interest rate on overdrafts is 2 percentage points more than the repo rate). **Hence, statement 3 is not correct.**
 - The limits for WMA (for Centre) are decided by the government and RBI mutually and revised periodically.
 - A higher limit provides the government flexibility to raise funds from RBI without borrowing them from the market.
- ◆ There are two types of Ways and Means Advances — normal and special.
 - A Special WMA or Special Drawing Facility is provided against the collateral of the government securities held by the state.
 - After the state has exhausted the limit of SDF, it gets normal WMA.
 - The interest rate for SDF is one percentage point less than the repo rate.
 - The number of loans under normal WMA is based on a three-year average of actual revenue and capital expenditure of the state.

177. Ans: B

Exp:

- The Power Grid Corporation of India (PGCIL) has launched its Infrastructure Investment Trust (InvIT) - PowerGrid Infrastructure Investment Trust (PGInvIT).
 - ◆ It is the first time a **state-owned entity (PGCIL)** is monetizing its infrastructure assets through the InvIT route.
 - ◆ This will be **only the third InvIT to be listed in the Indian markets**, after IRB InvIT and India Grid Trust, both of which went public in 2017. **Hence, statement 1 is not correct.**
 - ◆ The InvIT route was proposed by the Centre as an alternative fundraising route for state-run companies to manage funding requirements without having to depend on government support.
- Power Grid Corporation of India (PGCIL) is a **public limited company under the administrative control of the Ministry of Power.**
 - ◆ It is the largest power transmission company in India.
 - ◆ It started its commercial operation in the year 1992-93 and is today, a **Maharatna company.** **Hence, statement 2 is correct.**

178. Ans: C

Exp:

- An **Asset Reconstruction Company (ARC)** is a specialized financial institution that **buys the Non Performing Assets (NPAs) from banks** and financial institutions so that they can clean up their balance sheets. **Hence, statement 1 is correct.**
 - ◆ A NPA is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.
 - ◆ This helps banks to concentrate in normal banking activities. Banks rather than going after the defaulters by wasting their time and effort, can sell the bad assets to the ARCs at a mutually agreed value.
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (**SARFAESI Act, 2002** provides the legal basis for the setting up of ARCs in India. **Hence, statement 2 is not correct.**
 - ◆ The Act helps reconstruction of bad assets without the intervention of courts. Since then, a large number of ARCs were formed and were registered with the Reserve Bank of India (RBI).
- **RBI** has got the power to regulate the ARCs. **Hence, statement 3 is correct.**

179. Ans: B

Exp:

- The term "**Corporate Social Responsibility**" in general can be referred to as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.
- In India, **the concept of CSR is governed by clause 135 of the Companies Act, 2013.** **Hence, statement 1 is not correct.**
 - ◆ India is the first country in the world to mandate CSR spending along with a framework to identify potential CSR activities.
- The CSR provisions within the Act is **applicable to companies with an annual turnover of 1,000 crore and more, or a net worth of Rs. 500 crore and more, or a net profit of Rs. 5 crore and more.** **Hence, statement 2 is correct.**

180. Ans: C

Exp:

- **Consolidated Sinking Fund (CSF)** was set up in 1999-2000 by the **RBI to meet redemption of market loans of the States.** **Hence, statement 1 is correct.**



- Initially, 11 States set up sinking funds. Later, the 12th Finance Commission (2005-10) recommended that all States should have sinking funds for amortisation of all loans, including loans from banks, liabilities on account of National Small Saving Fund (NSSF), etc.
 - ◆ The fund should be **maintained outside the consolidated fund of the States and the public account. Hence, statement 2 is correct.**
 - ◆ It should not be used for any other purpose, except for redemption of loans.
- As per the scheme, State governments could contribute 1-3% of the outstanding market loans each year to the Fund.
- The Fund is administered by the Central Accounts Section of RBI Nagpur.

181. Ans: B

Exp:

- Infrastructure Investment Trust (InvIT) is a collective investment scheme similar to a mutual fund, which enables **direct investment of money from individual and institutional investors** in infrastructure projects to earn a small portion of the income as return. **Hence, statement 1 is not correct.**
 - ◆ InvITs can be treated as the modified version of REITs (real estate investment trusts) designed to suit the specific circumstances of the infrastructure sector.
 - ◆ It is created to hold income-generating and operational infrastructure assets such as roads, power transmission lines, gas pipelines, etc.
 - ◆ These assets have long-term contracts with strong counterparties that provide a steady cash flow over the long term – typically 15-20 years.
- The InvITs are **regulated by the Securities and Exchange Board of India (SEBI)** (Infrastructure Investment Trusts) Regulations, 2014. **Hence, statement 2 is correct.**

182. Ans: A

Exp:

- **Brent and West Texas Intermediate (WTI)**
 - ◆ Brent crude oil originates from oil fields in the North Sea between the Shetland Islands and Norway.
 - ◆ WTI is sourced from US oil fields, primarily in Texas, Louisiana, and North Dakota.
- **Light and Sweet:**
 - ◆ Both oils are relatively light, but Brent has a slightly higher API gravity, making WTI the lighter of the two.

- American Petroleum Institute (API) gravity is an indicator of the density of crude oil or refined products.
 - ◆ WTI with a lower sulphur content (0.24%) than Brent (0.37%), is considered “sweeter”.
- **Benchmark Prices:**
 - ◆ **Brent crude price** is the international benchmark price **used by the Organization of the Petroleum Exporting Countries (OPEC)** while **WTI crude price is a benchmark for US oil prices. Hence, statement 1 is correct.**
 - ◆ Since India imports primarily from OPEC countries, **Brent is the benchmark for oil prices in India. Hence, statement 2 is not correct.**
- **Cost of Shipping:**
 - ◆ Cost of shipping for Brent crude is typically lower, since it is produced near the sea and it can be put on ships immediately.
 - ◆ Shipping of WTI is priced higher since it is produced in landlocked areas like Cushing, Oklahoma where the storage facilities are limited.

183. Ans: A

Exp:

- The **Digital India Land Records Modernisation Programme** is a Central Sector scheme that has been extended up to 2020-21 at a total cost of Rs. 950 crores. **Hence, statement 1 is not correct.**
 - ◆ The Department of Land Resources (Ministry of Rural development) has proposed a further extension to 2023-24, to complete its original targets as well as expand its ambit with a slew of new schemes.
- It attempts to build upon the commonalities that exist in the arena of land records in various States to develop an appropriate Integrated Land Information Management System (ILIMS) across the country, on which different States can also add State-specific needs as they may deem relevant and appropriate.
 - ◆ ILIMS: The system will contain information on parcel ownership, land use, taxation, location boundaries, land value, encumbrances and many more.
- **New initiatives have been taken under the program like** the National Generic Document Registration System (NGDRS), **ULPIN**, linking of revenue court to land records, integration of consent based Aadhar numbers with land records etc. **hence, statement 2 is correct.**

184. Ans.B

Exp:

- The Indian economy has emerged out of technical recession as it grew at 0.4% in the third (October-December) quarter of 2020-21 with improvement in manufacturing, construction and agriculture.
- A **technical recession** is when a country faces a continuous decline for two consecutive quarters in the GDP. **Hence, statement 1 is not correct.**
- The growth rate in terms of **Gross Value Added (GVA)** — which is the **Gross Domestic Product (GDP) minus net product taxes**, and reflects growth in supply — is seen contracting 6.5% in 2020-21 as against earlier estimates of 7.2% and 3.9% in the previous year. **Hence, statement 2 is correct.**

185. Ans: C

Exp

- The **World Customs Organization (WCO)**, established in 1952 as the Customs Co-operation Council (CCC) is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of Customs administrations. **Hence, statement 1 is correct.**
 - ◆ It has its headquarters in Brussels, Belgium.
 - ◆ At present, it represents 183 Customs administrations across the globe that collectively process approximately 98% of world trade.
- **Central Revenues Control Laboratory (CRCL)**, New Delhi, under the Central Board of Indirect Taxes & Customs has been **recognized as a Regional Customs Laboratory (RCL) of the World Customs Organisation (WCO)** for Asia-Pacific Region. **Hence, statement 2 is correct.**
- India has become the Vice-Chair (Regional Head) of the Asia Pacific Region of World Customs Organisation (WCO) for a period of two years, from July, 2018 to June, 2020.
 - ◆ It is the only international organization with competence in Customs matters and which can rightly call itself the voice of the international Customs community.

186. Ans: D

Exp:

- Recently, the **United Nations Environment Programme (UNEP)** released the **Food Waste Index Report 2021**. **Hence, option D is correct.**
- It has revealed that 17% of all food available at consumer level (11% in households, 5% in food service and 2% in retail) was wasted in 2019 and around 690 million people had to go hungry.

- ◆ It presents the most comprehensive food waste data collection, analysis and modelling to date, generating a new estimate of global food waste.
- ◆ It also publishes a methodology for countries to measure food waste, at household, food service and retail level, to track national progress towards 2030.
- ◆ In contrast to the Food Loss Index, the Food Waste Index measures total food waste (rather than loss or waste associated with specific commodities).

187. Ans.B

Exp

- **Employees' Provident Funds (EPF) Scheme** is the main scheme under the Employees' Provident Funds and Miscellaneous Act, 1952.
 - ◆ The **employee and employer each contribute 12%** of the employee's basic salary and dearness allowance towards EPF. **Hence, statement 1 is not correct.**
- As per current laws, a person **mandatorily becomes a member of EPF** if his monthly salary does not exceed Rs. 15,000. **Hence, statement 2 is correct.**

188. Ans: c

Exp:

- The **Insurance Ombudsman** derives its powers from the **Insurance Regulatory and Development Authority Act, 1999**. **Hence, statement 1 is correct.**
 - ◆ In Accordance to **Redressal of Public Grievances Rules, 1998**, the office of Insurance Ombudsman was established by the Central Government.
 - ◆ Further, its powers, functions, terms of office etc. were laid in Insurance Ombudsman Rules, 2017.
- The **term of this office is three years** and it is **eligible for reappointment** provided that no person shall hold office as an Ombudsman after he has attained the age of seventy years. **Hence, statement 2 is not correct.**
- Recently the Union government **amended the Insurance Ombudsman Rules, 2017**, bringing insurance brokers within the ambit of the Insurance Ombudsman and also allowed policy holders to file online complaints. **Hence, statement 3 is correct.**

189. Ans: C

Exp:

- The **TransUnion CIBIL** in partnership with the **Ministry of Statistics & Programme Implementation (MoSPI)** has launched **MSME Credit Health Index**. The Index is published quarterly. **Hence, statement 1 is correct.**



- The Index measures the **credit health of India's MSME industry on two parameters** i.e, **growth and strength**. Both the growth and strength indices follow the principle of higher the better. **Hence, statement 2 is correct.**

- ◆ Growth is measured by plotting increase in exposure value (outstanding balances) over time. An increasing Growth Index indicates improvement in credit growth.

- ◆ Strength is measured by decrease/increase in credit risk in terms of non-performing assets (NPA). An increasing Strength Index implies better asset quality and therefore denotes an improvement in the structural strength of the sector.

- This measurement model will facilitate better MSME credit risk management, formulation of strategies and policies to support the revival and resurgence of the MSME sector and the economy.

190. Ans: B

Exp:

- Recently, a sub-committee of the Insolvency Law Committee (ILC) has recommended a **pre-pack framework** within the basic structure of the Insolvency and Bankruptcy Code (IBC), 2016.
- A pre-pack is an agreement for the **resolution of the debt of a distressed company** through an agreement between secured creditors and investors instead of a public bidding process. **Hence, option B is correct.**
- This system of insolvency proceedings has become an increasingly popular mechanism for insolvency resolution in the UK and Europe over the past decade.
- In India's case, such a system would likely require that financial creditors agree on terms with potential investors and seek approval of the resolution plan from the National Company Law Tribunal (NCLT).

191. Ans: D

Exp:

- **National Payments Corporation of India (NPCI)** is an **umbrella organisation** for operating retail payments and settlement systems in India. **Hence, statement 1 is correct.**
 - ◆ It is an initiative of **Reserve Bank of India (RBI)** and **Indian Banks' Association (IBA)** under the provisions of the **Payment and Settlement Systems Act, 2007**. **Hence, statement 2 is correct.**
- It has been incorporated as a **"Not for Profit" Company** under the provisions of Section 25 of Companies Act 1956 (now **Section 8 of Companies Act 2013**). **Hence, statement 3 is correct.**

- The ten core promoter banks are State Bank of India, Punjab National Bank, Canara Bank, Bank of Baroda, Union Bank of India, Bank of India, ICICI Bank, HDFC Bank, Citibank and HSBC. In 2016 the shareholding was broad-based to 56 member banks to include more banks representing all sectors.

192. Ans: A

Exp:

- Different from the usual taxes and duties like excise and personal income tax, a **Cess is imposed as an additional tax** besides the existing tax (tax on tax) with a purpose of **raising funds for a specific task**. **Hence, statement 1 is correct.**
- The Union government is empowered to raise revenue through a gamut of levies, including taxes (both direct and indirect), surcharges, fees and cess.
 - ◆ A cess, generally paid by everyday public, is added to their basic tax liability paid as part of total tax paid.
 - ◆ **Article 270** of the Constitution allows cess to be excluded from the purview of the divisible pool of taxes that the Union government must share with the States. **Hence, statement 2 is not correct.**
 - Article 250 mentions the power of Parliament to legislate with respect to any matter in the State List in case of emergency.
- Cess should be kept as a separate fund after allocating to Consolidated Fund of India and can be spent only for a specific purpose.
- A cess is meant to raise revenue and is therefore temporary in nature.
 - A particular cess continues to be levied till the time the government collects enough funds for the purpose that it was introduced for.

193. Ans: A

Exp:

- Open Market Operations refers to **buying and selling of bonds issued by the Government in the open market**. **Hence, statement 1 is correct.**
 - ◆ **OMO is one of the quantitative tools that RBI** uses to smoothen the liquidity conditions through the year and minimise its impact on the interest rate and inflation rate levels. **Hence, statement 2 is not correct.**
 - Quantitative tools control the extent of money supply by changing the Cash Reserve Ratio (CRR), or bank rate or open market operations.

- Qualitative tools include persuasion by the Central bank in order to make commercial banks discourage or encourage lending which is done through moral suasion, margin requirement, etc.

194. Ans: B

Exp:

- **Stock exchanges, depositories and clearing corporations** are collectively referred to as securities **Market Infrastructure Institutions (MIIs)**. Hence, **statement 1 is not correct**.
 - ◆ According to the Bimal Jalan Committee (2010), these institutions are systemically important for the country's financial development and serve as the infrastructure necessary for the securities market.
- The **stock exchange in India serves as a market where financial instruments** like stocks, bonds and commodities are traded. Hence, **statement 2 is correct**.

196. Ans: A

Exp:

- The **Securities and Exchange Board of India (SEBI)** has decided to introduce new requirements for business sustainability reporting by listed entities.
 - ◆ This new report will be called the **Business Responsibility and Sustainability Report (BRSR)** and will **replace the existing Business Responsibility Report (BRR)**. Hence, **option A is correct**.
- BRSR, which is from an Environmental, Social and Governance ("ESG") perspective, is intended to enable businesses to engage more meaningfully with their stakeholders.
 - ◆ It will encourage businesses to go beyond regulatory financial compliance and report on their social and environmental impacts.
 - ◆ The BRSR will be applicable to the top 1000 listed entities (by market capitalization), for reporting on a voluntary basis for FY 2021 – 22 and on a mandatory basis from FY 2022 – 23.

197. Ans: B

Exp:

- The Companies Act, 2013 is an Indian company law which regulates **incorporation** of a company, **responsibilities** of a company, directors, **dissolution of a company**. Hence, **statement 1 is correct**.

- ◆ The provisions contained in the **Companies Act 2013 only protects the rights of small shareholders (and not of minority shareholders)** of listed companies by asking such companies to have on their board at least one director elected by such small shareholders. Hence, **statement 2 is not correct**.
- ◆ According to the Companies Act, small shareholders is a shareholder or group of shareholders who hold shares of nominal value of not more than Rs. 20,000.
 - The Minority Shareholders are the equity holders of a firm who do not enjoy the voting power of the firm by virtue of his or her below 50% ownership of the firm's equity capital.

198. Ans: D

Exp:

According to the latest MSME Credit Health Index MSME credit growth has accelerated in the quarter ending September 2020 as compared to the quarter ending in June 2020.

- The Index has been launched by TransUnion CIBIL in partnership with the Ministry of Statistics & Programme Implementation (MoSPI). Hence, **statement 1 is not correct**.
 - ◆ The Index is published quarterly (not biennially). Hence, **statement 2 is not correct**.
- Its aim is **to provide a measure of the growth and strength of the MSME sector** in India.
 - ◆ The Index will provide government, policy makers, lenders and MSME market participants, a numeric indicator for benchmarking the health of the MSME sector.
 - ◆ It measures the credit health of India's MSME industry on **two parameters i.e., growth and strength**. Both the growth and strength indices follow the principle of higher the better. Hence, **statement 3 is not correct**.

199. Ans: A

Exp:

Wholesale Price Index

- ◆ It measures the changes in the prices of goods sold and traded in bulk by wholesale businesses to other businesses.
- ◆ It is the most widely used inflation indicator in India.
- ◆ The base year of All-India WPI has been revised from 2004-05 to 2011-12 in 2017.



Consumer Price Index

- It measures price changes from the perspective of a retail buyer.
- The CPI calculates the difference in the price of commodities and services such as food, medical care, education, electronics etc, which Indian consumers buy for use.
- Base Year for CPI is 2012.

CPI vs. WPI

- **WPI is published by the Office of Economic Adviser, Ministry of Commerce and Industry** whereas **CPI is released by the National Statistical Office (NSO)**. Hence, **statement 1 is not correct**.
- **WPI** does not capture changes in the prices of services, which **CPI** does. Hence **statement 2 is not correct**.
- **WPI**, tracks inflation at the producer level and **CPI** captures changes in prices levels at the consumer level. Hence **statement 3 is correct**.

200. Ans: B**Exp:**

- Small Finance Banks are the financial institutions which provide **financial services to the unserved and unbanked region of the country**. Hence, **statement 1 is correct**.
- They are registered as a public **limited company under the Companies Act, 2013**. Hence, **statement 2 is correct**.
- The small finance bank **shall primarily undertake basic banking activities** of acceptance of deposits and lending to small business units, small and marginal farmers, micro and small industries and unorganised sector entities.
 - ◆ It **can also undertake other non-risk sharing simple financial services** activities, not requiring any commitment of own funds, such as the distribution of mutual fund units, insurance products, pension products, etc.
 - ◆ The small finance bank **can also become an Authorised Dealer in foreign exchange business** for its clients' requirements. Hence, **statement 3 is not correct**.

201. Ans: C**Exp:**

- The **Economic Survey of India** is an annual document released by the **Ministry of Finance**, Government of India.

- ◆ The Economic Survey document is prepared by the Economics Division of the **Department of Economic Affairs (DEA)** under the guidance of the Chief Economic Advisor. Hence, **statement 1 is not correct**.

- It contains the most authoritative and updated source of data on India's economy.

- ◆ It is a report that the government presents on the state of the economy in the past one year, the key challenges it anticipates, and their possible solutions.

- It is usually **presented a day before the Union Budget** is presented in the Parliament.

- ◆ The first Economic Survey in India was presented in the year 1950-51. **Up to 1964, it was presented along with the Union Budget**. From 1964 onwards, it has been **delinked from the Budget**. Hence, **statement 2 is not correct**.

202. Ans: C**Exp:**

- The government's fiscal deficit has increased to Rs. 11.58 lakh crore or 145.5% of the Budget Estimate (BE) at the end of December 2020 (accounting for the first nine months of the year 2020-21) mainly on account of lower revenue realisation.
- A high fiscal deficit can also be good for the economy if the money spent goes into the creation of productive assets like highways, roads, ports and airports that boost economic growth and result in job creation.
- The **Fiscal Responsibility and Budget Management Act, 2003** provides that the Centre should take appropriate measures to **limit the fiscal deficit upto 3% of the GDP by 31st March, 2021**. Hence, **statement 1 is correct**.
- The NK Singh committee (set up in 2016) recommended that the government should target a fiscal deficit of 3% of the GDP in years up to 31st March, 2020, cut it to 2.8% in 2020-21 and to 2.5% by 2023.
 - ◆ The Finance Commission has constituted a committee under the **chairmanship of NK Singh in order to create a roadmap for fiscal consolidation for the Center and the States**. The Finance Commission submitted its first report to the Government of India in February 2020. Hence, **statement 2 is correct**.

203. Ans: C

Exp:

Budget and Constitutional Provisions:

- According to **Article 112** of the Indian Constitution, the Union Budget of a year is referred to as the **Annual Financial Statement (AFS)**. Hence, **statement 1 is correct**.
- It is a statement of the estimated receipts and expenditure of the Government in a Financial Year (which begins on 1st April of the current year and ends on 31st March of the following year).
- In Parliament, the Budget goes through **six stages**:
 - ◆ **Presentation** of Budget.
 - ◆ **General discussion**.
 - ◆ **Scrutiny** by Departmental Committees.
 - ◆ **Voting** on Demands for Grants.
 - ◆ **Passing an Appropriation Bill**.
 - ◆ **Passing of Finance Bill**.
 - ◆ **Hence, statement 3 is not correct**.
- The Budget Division of the Department of Economic Affairs in the Ministry of Finance is the nodal body responsible for preparing the Budget.
 - ◆ **The first Budget of Independent India was presented in 1947. Hence, statement 2 is not correct.**

204. Ans: C

Exp:

Dedicated Freight Corridor (DFC):

- It is a **high speed and high capacity railway corridor** that is **exclusively meant for the transportation of freight**, or in other words, **goods and commodities**. Hence, **statement 1 is correct**.
 - ◆ DFC involves the seamless integration of better infrastructure and state of the art technology.
- DFC consists of two arms, **Eastern DFC and Western DFC**:
 - ◆ **Eastern Dedicated Freight Corridor (EDFC)**:
 - It starts at Sahnewal (Ludhiana) in Punjab and ends at Dankuni in West Bengal.
 - ◆ **Western Dedicated Freight Corridor (WDFC)**:
 - The other arm is the around 1,500-km WDFC from Dadri in Uttar Pradesh to Jawaharlal Nehru Port Trust in Mumbai, touching all major ports along the way.
- Recently, the Minister of Finance presented the first ever digital budget, Union Budget 2021-22. The key proposals for Railway Infrastructure include:

- ◆ National Rail Plan for India (2030) to create a "future ready" Railway system by 2030.
- ◆ 100% electrification of Broad-Gauge routes to be completed by December, 2023.
- ◆ **Western Dedicated Freight Corridor (DFC) and Eastern DFC to be commissioned by June 2022. Hence, statement 2 is correct.**

205. Ans: A

Exp:

- Recently, the 15th Finance Commission's Report was tabled in the Parliament. It provided range for the **fiscal deficit and debt path of both the Union and States**. Hence, **statement 1 is correct**.
- Fiscal deficit target for Centre: It recommended that the Centre brings down its fiscal deficit to **4% of Gross Domestic Product GDP by 2025-26** against 6.8% in FY22. Hence, **statement 2 is not correct**.
- **Fiscal deficit target for States**: For states, it recommended **fiscal deficit at 4% of Gross State Domestic Product (GSDP)** in 2021-22, 3.5% in the following year and 3% for the next three years.

206. Ans: C

Exp:

- In the Budget 2021-22, **Asset Reconstruction Company (ARC)** have been proposed to be set up by state-owned and private sector banks, and **there will be no equity contribution from the government**. Hence, **statement 3 is not correct**.
- It is a specialized financial institution that **buys the Non Performing Assets (NPAs) from banks and financial institutions** so that they can clean up their balance sheets. Hence, **statement 1 is correct**.
- The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 provides the legal basis for the setting up of ARCs in India. Hence, **statement 2 is correct**.

207. Ans. B

Exp:

- Recently, the **Reserve Bank of India has proposed to allow retail investors to open gilt accounts** with the central bank to invest in **Government securities (G-secs)** directly and without the help of intermediaries.
- Government Security (G-Sec) is a tradable instrument issued **by the Central Government or the State Governments**. Hence, **statement 1 is not correct**.
- In India, the Central Government issues both treasury bills and bonds or dated securities while the State Governments issue only bonds or dated securities, which are called the **State Development Loans (SDLs)**. Hence, **statement 2 is correct**.



- G-Secs carry practically no risk of default and, hence, are called **risk-free gilt-edged instruments**. Hence, **statement 3 is correct**.
- **Gilt-edged securities are high-grade investment bonds** offered by governments and large corporations as a means of borrowing funds.

208. Ans: A

Exp:

- The Union Budget 2021 has announced the privatisation of two public sector banks and one general insurance company in the upcoming fiscal 2021-22.
- Many committees had proposed bringing down the government stake in public banks below 51%:
- **Narasimham Committee, 1998**
 - ◆ The merger of major banks which will have a 'multiplier effect' on the industry.
 - ◆ Improve the strength of the Indian banking system the committee recommended to raise capital adequacy norms.
 - ◆ Review of functions of boards to adopt a professional corporate strategy to check the imbalance between government control over the banks in the form of management and ownership, and bank autonomy.
- **PJ Nayak Committee, 2014**
 - ◆ Conversion of PSBs into Companies as per the Companies Act.
 - ◆ Formation of a Bank Investment Company (BIC) under the Companies Act and transfer of shares by the central government in PSBs to the BIC.
 - ◆ BIC should be given the controlling power of boards of PSBs.
 - ◆ Proportionate voting rights to all shareholders and reduction of government shareholding to 40%.
- Abhijit Sen Committee (2002) is related to the **Long Term Food Policy of India**.
- The Abhijit Sen committee (2007) was formed to study the **impact, if any, on futures trading on agricultural commodity prices (not banking reforms)**.
- Hence, option A is correct.

209. Ans: C

Exp:

- Recently, **the price of Brent crude crossed the USD 60 per barrel mark after over a year**. The rise in prices is because of production cuts by oil-producing countries and expectations of improvements in global demand as the Covid-19 vaccine is rolled out across the world.

- Impact of Crude oil price hike on India:

- ◆ The increase in oil prices will **increase the country's import bill**, and further disturb its current account deficit (excess of imports of goods and services over exports). Hence, **statement 1 is correct**.
- ◆ The increase in crude prices could also further increase **inflationary pressures** that have been building up over the past few months.
- ◆ The value of Indian oil and gas companies **could be positively impacted**. The government could get greater value from **disinvestment** in Bharat Petroleum Corporation Limited. Hence, **statement 2 is correct**.
- ◆ Remittances from the Persian Gulf could increase. Hence, **statement 3 is not correct**.

210. Ans: A

Exp:

- The **Committee on World Food Security (CFS)** is the foremost inclusive international and intergovernmental platform for all stakeholders to work together to ensure food security and nutrition for all.
 - ◆ The Committee **reports to the United Nations (UN) General Assembly** through the Economic and Social Council (ECOSOC) and to the Food and Agriculture Organisation (FAO) Conference. Hence, **statement 1 is correct**.
- CFS holds an annual Plenary session every October in FAO, Rome.
- CFS **receives its core funding equally from the FAO, the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP)**. Hence, **statement 2 is not correct**.

211. Ans: D

Exp:

- **Foreign portfolio investment (FPI)** consists of securities and other financial assets passively held by foreign investors. It **does not provide the investor with direct ownership of financial assets** and is relatively liquid depending on the volatility of the market. Hence, **statement 2 is correct**.
 - ◆ Examples of FPIs include **stocks, bonds, mutual funds, exchange traded funds, American Depositary Receipts (ADRs), and Global Depositary Receipts (GDRs)**.
- **Other Details Related to FPI:**
 - ◆ FPI is **part of a country's capital account** and is shown on its **Balance of Payments (BOP)**. Hence, **statement 3 is correct**.



- The BOP measures the amount of money flowing from one country to other countries over one monetary year.
- The **Securities and Exchange Board of India (SEBI)** brought **new FPI Regulations, 2019**, replacing the erstwhile FPI Regulations of 2014.
- ◆ **FPI is often referred to as “hot money”** because of its tendency to flee at the first signs of trouble in an economy. **Hence, statement 1 is correct.**
- **FPI is more liquid and less risky than Foreign Direct Investment.**

212. Ans: C

Exp:

- Recently, the Union Minister for Road Transport and Highways released the **World Bank** Report titled **“Traffic Crash Injuries And Disabilities: The Burden on India Society”**. **Hence, option C is correct.**
- ◆ The Report has been prepared in collaboration with the NGO-Save Life Foundation.
- ◆ The survey data was collected from four Indian states i.e. Uttar Pradesh, Bihar, Tamil Nadu and Maharashtra.

213. Ans: B

Exp:

- Recently, the Reserve Bank of India (RBI) issued directives to Housing Finance Companies (HFCs).
- HFCs are **specialized Non-Banking Financial Companies (NBFC)**. **Hence, statement 1 is correct.**
- Recently, the RBI came up with the new definition of HFCs.
 - ◆ To qualify as HFCs, a NBFC must have 50% assets as housing loans and 75% of which should be for individual homebuyers. **Hence, statement 3 is correct.**
- The **RBI took over the powers to regulate HFCs** from the National Housing Bank (NHB) in 2019. **Hence, statement 2 is not correct.**
- The directions, which shall come into force with an immediate effect, are aimed at preventing the affairs of any HFCs from being conducted in a manner detrimental to the interest of investors and depositors.

214. Ans: C

Exp:

- The concept of **blue economy** was introduced by Gunter Pauli in his 2010 book- **“The Blue Economy: 10 years, 100 innovations, 100 million jobs”**. **Hence, statement 1 is correct.**

- It is the sustainable use of ocean resources for economic growth, improved livelihoods and jobs, and ocean ecosystem health.
- It advocates the greening of ocean development strategies for higher productivity and conservation of ocean’s health. **Hence, statement 2 is correct.**
- Blue Economy emphasizes on integration of development of the ocean economy with social inclusion, environmental sustainability, combined with innovative business models.

215. Ans: D

Exp:

Initiatives to Promote MSME Sector:

- **Udyog Aadhaar Memorandum (UAM)**: It is a simple one-page registration form to promote ease of doing business for **MSMEs** in India.
- **Prime Minister’s Employment Generation Programme (PMEGP)**: It is a credit linked subsidy scheme, for setting up of **new micro-enterprises** and to generate employment opportunities in rural as well as urban areas of the country.
- **SFURTI**: The Ministry of **MSME** is implementing a Scheme of Fund for Regeneration of Traditional Industries (SFURTI) to provide a boost to the **MSME sector**.
- **Credit Guarantee Fund Scheme**: To facilitate easy flow of credit, guarantee cover is provided for collateral free credit extended to MSMEs.
- **Hence, option D is correct.**

216. Ans.: D

Exp.:

- A large number of farmers depend upon animal husbandry for their livelihood. It supports the livelihood of almost 55% of the rural population. As per the **Economic Survey-2021**, the contribution of Livestock in total agriculture and allied sector Gross Value Added (at Constant Prices) has **increased from 24.32% (2014-15) to 28.63% (2018-19)**. **Hence, statement 1 is not correct.**
- India is the highest livestock owner of the world. As per the **20th Livestock Census**, the total Livestock population is 535.78 million in the country showing an **increase of 4.6% over Livestock Census-2012**. **Hence, statement 2 is not correct.**

217. Ans: A

Exp:

- A blank-cheque company is an entity specifically set up with the objective of **acquiring a firm in a particular sector**. **Hence, statement 1 is correct.**



- ◆ It is also known as **Special Purpose Acquisition Company (SPAC)**. Hence, **statement 2 is not correct**.
- The aim of this SPAC is to raise money in an Initial Public Offering (IPO), and at this point in time, it does not have any operations or revenues.
 - ◆ Once the money is raised from the public, it is kept in an escrow account, which can be accessed while making the acquisition.
 - ◆ If the acquisition is not made within two years of the IPO, the SPAC is delisted and the money is returned to the investors.
- A **shell company** is a firm that **does not conduct any operations in the economy**, but it is **formally registered**, incorporated, or legally organized in the economy.

218. Ans: A

Exp:

- Recently, the Security and Exchange Board of India (SEBI) sought comments on the proposal to introduce the concept of 'Accredited Investors' in the Indian securities market.
- Currently, the Indian markets have the concept of **Qualified Institutional Buyers (QIBs)**, which include mutual funds, insurance companies or foreign portfolio investors. These investors enjoy greater market access. Hence, **statement 1 is correct**.
- An individual investor cannot obtain the QIB status. The concept of accredited investor will provide QIB-like status to individual investors. Hence, **statement 2 is not correct**.
- Qualified Institutional Buyers are those institutional investors who are generally perceived to possess expertise and the financial capacities to evaluate and invest in the capital markets.

219. Ans: D

Exp:

- **Securities Appellate Tribunal (SAT)** is a statutory body established under the provisions of Section 15K of the SEBI Act, 1992. Hence, **statement 1 is correct**.
 - ◆ It is located in Mumbai.
 - ◆ SEBI is a quasi-legislative, quasi-judicial and quasi-executive body.
- SAT consists of a Presiding Officer and Two other members.
 - ◆ The **Presiding officer of SAT shall be appointed by the Central Government in consultation with the Chief Justice of India** or his nominee. Hence, **statement 2 is not correct**.

- It has the same powers as vested in a civil court. Further, if any person feels aggrieved by SAT's decision or order can appeal to the Supreme Court.

220. Ans: A

Exp:

- The **Reserve Bank of India (RBI)** has constructed a composite **Digital Payments Index (DPI)** to **capture the extent of digitisation of payments** across the country. Hence, **option A is correct**.
- **About the Index:**
 - ◆ The RBI-DPI comprises **5 broad parameters** that enable **measurement of deepening and penetration of digital payments** in the country **over different time periods**.
 - ◆ **5 Parameters:**
 - **Payment Enablers** (weight 25%),
 - **Payment Infrastructure – Demand-side factors** (10%),
 - **Payment Infrastructure – Supply-side factors** (15%),
 - **Payment Performance** (45%) and
 - **Consumer Centricity** (5%).

221. Ans: C

Exp:

- Recently, the Reserve Bank of India (RBI) has announced the operationalisation of the **Payment Infrastructure Development Fund (PIDF)** scheme.
- Its objective is to develop payment acceptance infrastructure in tier-3 to tier-6 cities (centres), with a special focus on the north-eastern states of the country.
- An Advisory Council (AC) under the chairmanship of RBI deputy governor BP Kanungo has been constituted for managing the PIDF.
- **This fund will be used to subsidize banks and non-banks for deploying payment infrastructure**, which will be contingent upon specific targets being achieved. Hence, **statement 1 is correct**.
- The Advisory Council will devise a transparent mechanism for allocation of targets to acquiring banks and non-banks in different segments and locations.
- **The implementation of targets shall be monitored by the RBI** with assistance from card networks, the Indian Banks' Association (IBA) and the Payments Council of India (PCI). Hence, **statement 2 is correct**.



222. Ans.C

Exp

- Recently, the long-awaited spectrum auction is being held after a gap of four years and over two years after the Telecom Regulatory Authority of India (TRAI) calculated and recommended base/reserve price for the radio waves.
- **The Union government owns all the publicly available assets** within the geographical boundaries of the country, which also include airwaves. **Hence, statement 1 is correct.**
- To sell these assets to companies willing to set up the required infrastructure to transport these waves from one end to another, the central government through the Department of Telecom (Ministry of Communications) auctions these airwaves from time to time.
- These airwaves are called spectrum, which is subdivided into bands which have varying frequencies. **All these airwaves are sold for a certain period of time, after which their validity lapses, which is generally set at 20 years. Hence, statement 2 is correct.**

223. Ans.B

Exp

- Recently, the Office of the United States Trade Representative (USTR) has said that the **Digital services taxes adopted by India, Italy and Turkey** discriminate against US companies and are inconsistent with international tax principles. **Hence, statement 1 is not correct.**
- Digital Services Taxes (DSTs) are the adopted taxes on revenues that certain companies generate from providing certain digital services. E.g. digital multinationals like Google, Amazon and Apple etc.
- The government had moved an amendment in the Finance Bill 2020-21 **imposing a 2% digital service tax (DST)** on trade and services by non-resident e-commerce operators with a turnover of over Rs. 2 crore. **Hence, statement 2 is correct.**

224. Ans.C

Exp

- Recently, the final session of India's **seventh Trade Policy Review (TPR)** concluded at the World Trade Organization (WTO) in Geneva, Switzerland.
 - ◆ The TPR is an important mechanism under the WTO's monitoring function in which member countries' trade and related policies are examined by the WTO with an aim to contribute towards improved adherence to WTO rules.

- **Currently, public distribution programmes of developing countries are included under trade-distorting Amber Box** measures that attract reduction commitments of WTO. **Hence, statement 1 is correct.**
- India with the group of developing countries is demanding that the programmes for food security purposes be exempted from subsidy reduction commitments of WTO.
- India has repeatedly demanded a permanent solution for public stockholding issues.
- **The Trade Policy Review Mechanism (TPRM) was an early result of the Uruguay Round. Hence, statement 2 is correct.**
 - ◆ The Uruguay Round was the 8th round of multilateral trade negotiations (MTN) conducted within the framework of the General Agreement on Tariffs and Trade (GATT), spanning from 1986 to 1993 and embracing 123 countries as "contracting parties".
- It is the main transparency instrument of the WTO, affording opportunities for a process of collective evaluation of the trade policies and practices of individual members.

225. Ans: B

Exp:

- Cereals Exports of India
- India is one of the largest producers as well as exporter of cereal products in the world. The important cereals are - **wheat, paddy, sorghum, millet (Bajra), barley and maize.**
- Previously in 2008, India had imposed a ban on export of rice and wheat etc. to meet domestic needs.
 - ◆ Owing to huge demand in the global market and country's surplus production, India allowed limited amounts of export of the commodity.
- **Rice** (including Basmati and Non Basmati) **occupy the major share in India's total cereals export with 95.7% in 2019-20.**
 - ◆ Whereas, **other cereals including wheat represent only 4.3% share** in total cereals exported from India during the year 2019-20. **Hence, statement 1 is not correct.**
- **Major Export Destinations (2019-20) of Wheat :** Nepal, Bangladesh , UAE, Somalia.
- **Major Export Destinations (2019-20) of Non Basmati rice:** Nepal, Benin, UAE, Somalia. **Hence, statement 2 is correct.**
- Major Export Destinations (2019-20) of Basmati Rice: Iran, Saudi Arab, Iraq, UAE.

226. Ans: B

Exp:

- Recently, the latest readings of the Nomura India Normalization Index (NINI) suggested the impact of Covid-19 on Indian Economy and the K-Shaped Recovery through which the Indian Economy is recovering.
- Economic recovery can take many forms, which is depicted using alphabetic notations. For example, a Z-shaped recovery, V-shaped recovery, U-shaped recovery, elongated U-shaped recovery, W-shaped recovery and L-shaped recovery.
 - ◆ **Z-shaped recovery:** It is the most-optimistic scenario in which the economy quickly rises after an economic crash.
 - It makes up more than for lost ground before settling back to the normal trend-line, thus forming a Z-shaped chart.
 - In this economic **disruption lasts for a small period wherein more than people's incomes, it is their ability to spend is restricted. Hence, option A is correct.**
 - ◆ **V-shaped recovery:** It is the next-best scenario after Z-shaped recovery in which the economy quickly recoups lost ground and gets back to the normal growth trend-line.
 - In this, incomes and **jobs are not permanently lost**, and the **economic growth recovers sharply** and returns to the path it was following before the disruption. **Hence, option B is not correct.**
 - ◆ **U-shaped recovery:** It is a scenario in which the economy, **after falling, struggles around a low growth rate for some time, before rising gradually to usual levels.**
 - In this case several jobs are lost and people fall upon their savings.
 - If this process is more-long drawn than it throws up the "elongated U" shape. **Hence, option C is correct.**
 - ◆ **W-shaped recovery:** A W-shaped recovery is a dangerous creature. In this, growth falls and rises, but falls again before recovering, thus forming a W-like chart.
 - The double-dip depicted by a W-shaped recovery can be due to the second wave of the pandemic.
 - ◆ **L-shaped recovery:** In this, the economy fails to regain the level of GDP even after years go by.
 - The shape shows that there is a permanent loss to the economy's ability to produce.

- ◆ **K-shaped recovery:** It occurs when, following a recession, different parts of the economy recover at different rates, times, or magnitudes. This is in contrast to an even, uniform recovery across sectors, industries, or groups of people.

- It leads to changes in the structure of the economy or the broader society as economic outcomes and relations are fundamentally changed before and after the recession. **Hence, option D is correct.**

227. Ans: D

Exp:

- Recently, the Reserve Bank of India (RBI) Governor has agreed to look at a proposal for creating a Bad Bank.
- A bad bank conveys the impression that it will function as a bank but has bad assets to start with.
 - ◆ Technically, a **bad bank is an Asset Reconstruction Company (ARC) or an Asset Management Company (AMC) that takes over the bad loans of commercial banks**, manages them and finally recovers the money over a period of time. **Hence, statement 1 is not correct.**
 - The bad bank is not involved in lending and taking deposits, but helps commercial banks clean up their balance sheets and resolve bad loans. **Hence, statement 2 is not correct.**
 - ◆ The takeover of bad loans is normally below the book value of the loan and the bad bank tries to recover as much as possible subsequently.
 - US-based Mellon Bank created the first bad bank in 1988, after which the concept has been implemented in other countries including Sweden, Finland, France and Germany.
 - ◆ The Troubled Asset Relief Programme (TARP) in the US.
 - ◆ In Ireland, the National Asset Management Agency was established in 2009 to respond to the financial crisis.

228. Ans: D

Exp:

- **Shadow entrepreneurs** are individuals who manage a **business that sells legitimate goods and services** but they do **not register their businesses. Hence, statement 1 is correct.**
- This means that they do not pay tax, operating in a shadow economy where business activities are performed outside the reach of government authorities.

- ◆ Types of businesses include **unlicensed taxicab services**, roadside food stalls and small landscaping operations. There has been a global rise of shadow entrepreneurship, in various sectors such as education (certificates), finance (for easy loans), the betting economy (online games) and healthcare (**e-pharmacies**). **Hence, statement 2 is correct.**
- In a study of 68 countries, the Imperial College Business School found that after **Indonesia, India has the second highest rate of shadow entrepreneurs. Hence, statement 3 is correct.**
- **Benefits:**
 - ◆ Increase in employment: Most of Informal sector jobs come under shadow entrepreneurship.
 - ◆ Driver of economic development
 - ◆ Reduction in Poverty
 - ◆ Removes pressure on agriculture by providing non agricultural jobs.
 - ◆ Diversified options for consumers

229. Ans: D

Exp:

- Limited Liability Partnership (LLP) is a partnership in which some or all partners (depending on the jurisdiction) have limited liabilities.
 - ◆ In an LLP, each partner is **not responsible or liable for another partner's misconduct or negligence. Hence, statement 1 is not correct.**
 - ◆ The LLP can continue its existence irrespective of changes in partners. It is capable of entering into contracts and holding property in its own name.
 - ◆ The LLP is a separate legal entity, is liable to the full extent of its assets but liability of the partners is limited to their agreed contribution in the LLP.
- Under "traditional partnership firm", **every partner is liable, jointly** with all the other partners and also severally for all acts of the firm done while he is a partner. **Hence, statement 2 is not correct.**

230. Ans: C

Exp:

- A green bond is a debt instrument with which capital is **being raised to fund 'green' projects**, which typically include those relating to renewable energy, clean transportation, sustainable water management etc. **Hence, statement 1 is correct.**
 - ◆ A bond is a fixed income instrument that represents a loan made by an investor to a borrower (typically corporate or governmental).
 - ◆ Bonds traditionally paid a fixed interest rate (coupon) to investors.

- The Securities and Exchange Board of India (SEBI) has put in place disclosure norms for issuance and listing of green bonds.
- Green bonds typically carry a lower interest rate than the loans offered by the commercial banks. With an increasing focus of foreign investors towards green investments, it could help in reducing the cost of raising capital.
- These green bonds have been **crucial in increasing financing to sunrise sectors** like renewable energy, thus contributing to India's sustainable growth. **Hence, statement 2 is correct.**
 - ◆ Sunrise industry is a term used for a sector that is just in its infancy but shows promise of a rapid boom.
 - ◆ The industry is typically characterized by high growth rates, high degree of innovation and generally has plenty of public awareness about the sector and investors get attracted to its long-term growth prospects.

231. Ans: C

Exp:

- **United Nations Conference on Trade and Development (UNCTAD)** is a permanent intergovernmental body established in 1964.
 - ◆ It is headquartered at Geneva in Switzerland.
 - ◆ UNCTAD promotes development-friendly integration of developing countries into the world economy.
- **Reports Published:**
 - ◆ **Investment Trends Monitor Report**
 - ◆ Trade and Development Report
 - ◆ World Investment Report
 - ◆ **The Least Developed Countries Report**
 - ◆ Information and Economy Report
 - ◆ **Technology and Innovation Report**
 - ◆ Commodities and Development Report
- The Global Financial Stability Report is released by the **International Monetary Fund. Hence, option C is correct.**

232. Ans: C

Exp:

- Recently, the latest **World Economic Outlook of the International Monetary Fund (IMF)** has estimated that India's Gross Domestic Product (GDP) will grow by 11.5% in the Financial Year (FY) 2021-22. **Hence, statement 1 is correct.**



- The IMF was set up along with the World Bank **after the Second World War to assist in the reconstruction of war-ravaged countries. Hence, statement 2 is correct.**
 - ◆ The two organisations were agreed to be set up at a conference in Bretton Woods in the US. Hence, they are known as the Bretton Woods twins.
- Created in 1945, the IMF is governed by and accountable to the 189 countries that make up its near-global membership. India joined on December 27, 1945.
- The IMF's primary purpose is to ensure the stability of the international monetary system — the system of exchange rates and international payments that enables countries (and their citizens) to transact with each other.
 - ◆ The Fund's mandate was updated in 2012 to include all macroeconomic and financial sector issues that bear on global stability.

233. Ans: C

Exp:

- Recently, **Pakistan received the Geographical Indication (GI) tag for its Basmati rice under its Geographical Indications Act 2020.**
- Internationally GI are covered as a component of Intellectual Property Rights (IPRs) under the Paris Convention for the Protection of Industrial Property.
- GI is also governed by the **World Trade Organisation's (WTO's) Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Hence, statement 1 is correct.**
- India, as a member of the World Trade Organization (WTO), enacted the **Geographical Indications of Goods (Registration & Protection) Act, 1999** which came into force with effect from 2003.
- The registration of a geographical indication is valid for a period of 10 years. It can be renewed from time to time for a further period of 10 years each. **Hence, statement 2 is correct.**

234. Ans: C

Exp:

- The Sovereign Gold Bond Scheme seeks to encourage people to buy gold bonds instead of actual gold.
- The **Reserve Bank of India (RBI)** issues these bonds on behalf of the Central Government. **Hence, statement 1 is correct.**
 - ◆ The gold bonds will be denominated in multiples of gram (s) of gold with a basic unit of one gram while the minimum investment limit is two grams.

- ◆ The maximum subscription is 500 grams per person per fiscal (April-March) and for joint holders, the limit will be applied on the first holder.
- ◆ The **gold bonds will be sold only to resident Indian entities** including individuals, Hindu undivided families, trusts, universities, and charitable institutions. **Hence, statement 2 is correct.**
- ◆ The bond tenure is eight years with exit option beginning the fifth year onwards. They will also be tradable.
- ◆ These bonds can also be used as collateral for loans.

235. Ans: B

Exp:

Future Investment Initiative Forum

- The **FIIF** was announced in September 2017 by the **Public Investment Fund, Saudi Arabia's** main sovereign wealth fund, in the context of the Saudi Vision 2030 Economic and Social Reform Programme. **Hence, statement 2 is not correct.**
- The Future Investment Initiative (FI) is widely described as **"Davos in the desert"**. **Hence, statement 1 is correct.**
 - ◆ It is Saudi Arabia's flagship investment conference.
- The informal name derives from the World Economic Forum's annual meeting that is held in Davos, Switzerland, where world leaders discuss agendas for pressing international issues.

236. Ans: A

Exp:

- Recently, the Prime Minister addressed the World Economic Forum's (WEF) Davos Dialogue via video conferencing.
- The WEF annual meeting in Davos (Switzerland) engages the world's top leaders to shape global, regional and industry agendas.
- The Davos Dialogues agenda marks the launch of the **WEF's Great Reset Initiative** in the post Covid world. **Hence, option A is correct.**
 - ◆ It is based on the assessment that the world economy is in deep trouble.
 - ◆ Situation has been made a lot worse by many factors, including the pandemic's devastating effects on global society, the unfolding technological revolution, and the consequences of climate change.



237. Ans: C

Exp:

- Anything that can be converted into a digital form can be a Non-Fungible Tokens (NFT).
 - ◆ Everything from **drawings, photos, videos, GIFs, music, in-game items, selfies, and even a tweet** can be turned into an NFT, which can then be traded online using cryptocurrency.
 - ◆ NFTs are **different from other digital forms** in that they are backed by Blockchain technology.
 - ◆ NFTs can have **only one owner at a time**.
 - ◆ **Hence, statement 1 is correct.**
- NFTs are **non-fungible, which means the value of one NFT is not equal to another**.
 - ◆ Non Fungible means NFTs **aren't mutually interchangeable**.
 - ◆ Every art is different from others, making it non-fungible, and unique. **Hence, statement 2 is correct.**

238. Ans: C

Exp:

Fair and Remunerative Price (FRP):

- FRP is the price declared by the government, which mills are legally bound to pay to farmers for the cane procured from them.
 - ◆ Mills have the option of signing an agreement with farmers, which would allow them to pay the FRP in installments.
 - ◆ Delays in payment can attract an interest up to 15% per annum, and the sugar commissioner can recover unpaid FRP as dues in revenue recovery by attaching properties of the mills.
- The **payment of FRP across the country** is governed by the Sugarcane Control order, 1966 **issued under the Essential Commodities Act (ECA), 1955** which mandates payment within 14 days of the date of delivery of the cane. **Hence, statement 1 is correct.**
- It has been determined on the recommendation of the Commission for Agricultural Costs and Prices (CACP) and announced by the Cabinet Committee on Economic Affairs (CCEA).
 - ◆ CACP is an attached office of the Ministry of Agriculture and Farmers Welfare. It is an advisory body whose recommendations are not binding on the Government.
 - ◆ CCEA is chaired by the Prime Minister of India.
- The **FRP is based on the Rangarajan Committee report** on reorganising the **sugarcane industry**. **Hence, statement 2 is correct.**

239. Ans: A

Exp:

- **Society for Worldwide Interbank Financial Telecommunication (SWIFT)** provides the **trusted messaging platform** that enables financial institutions to **exchange information about global monetary transactions** such as money transfers.
- While SWIFT does **not actually move money**, it operates as a **middleman to verify information of transactions** by providing secure financial messaging services to more than **11,000 banks in over 200 countries**.
 - ◆ Most of the world trade takes place with financial messaging passing through SWIFT.
- It was **established in 1973** and is **based in Belgium**.
- It is overseen by the central banks from **eleven industrial countries**: Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States, besides Belgium.
 - ◆ **India's financial system has access to the SWIFT.**
- Hence, option A is correct.

240. Ans: A

Exp:

- The RBI keeps changing the total amount of money in the economy to ensure smooth functioning. As such, when the **RBI wants to boost economic activity it adopts a so-called "loose monetary policy"**. **Hence, statement 1 is correct.**
- There are two parts to such a policy:
 - ◆ **Injecting Liquidity in the Economy:** It does so by buying government bonds from the market. As the RBI buys these bonds, it pays back money to the bondholders, thus injecting more money into the economy.
 - ◆ **Lowering Interest Rate:** Two, the **RBI also lowers the interest rate it charges banks when it lends money to them; this rate is called the repo rate**. **Hence, statement 2 is not correct.**
 - By lowering the interest rate at which it lends money to commercial banks, the RBI hopes that the commercial banks (and the rest of the banking system), in turn, will feel incentivised to lower interest rates.
 - Lower interest rates and more liquidity, together, are expected to boost both consumption and production in the economy.

- For a consumer, it would now pay less to keep the money in the bank — thus it incentivises current consumption. For firms and entrepreneurs, it would make more sense to borrow money to start a new enterprise because interest rates are lower.
- The **reverse of a loose monetary policy is a “tight monetary policy”** and it involves the RBI raising interest rates and sucking liquidity out of the economy by selling bonds (and taking money out of the system).
 - ◆ When any central bank finds that a loose monetary policy has started becoming counterproductive (for example, when it leads to a higher inflation rate), the central bank “normalizes the policy” by tightening the monetary policy stance.
- Kisan Drones: For crop assessment, digitization of land records, spraying of insecticides and nutrients.
- Skill Development: Digital Ecosystem for Skilling and Livelihood (DESH-Stack e-portal) will be launched to empower citizens to skill, re-skill or upskill through on-line training. Hence, Pair 1 is correctly matched.
- Education: ‘One class-One TV channel’ programme of PM eVIDYA to be expanded to 200 TV channels.
- PM-DevINE: New scheme Prime Minister’s Development Initiative for North-East Region (PM-DevINE) launched to fund infrastructure and social development projects in the North-East. Hence, Pair 2 is not correctly matched.
- Sunrise Opportunities: Government contribution to be provided for R&D in Sunrise Opportunities like Artificial Intelligence, Geospatial Systems and Drones, Semiconductor and its eco-system, Space Economy, Genomics and Pharmaceuticals, Green Energy, and Clean Mobility Systems. Hence, Pair 3 is correctly matched.
- Parvatmala: It is a National Ropeways Development Program, Parvatmala to be taken up on PPP mode.

241Ans: A

Exp:

Major Announcements in Budget:

