



Gist of Economic Survey 2022-23 (MCQ)

1. Consider the following Statements regarding Economic Survey 2022-23:

1. It is prepared by Budget Division of Department of Economic Affairs.
2. It is one of the documents mandated under FRBM Act 2003.

Select the correct answer using the code given below:

- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Exp : (d)

- The Economic Survey of India is an annual document released by the Ministry of Finance. It is usually presented in Parliament a day before the Union Budget.
- It 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.**
- **Statements mandated under the FRBM Act (Fiscal Responsibility and Budget Management Act) 2003:** (a) Macro-Economic Framework Statement (b) Fiscal Policy Strategy Statement (c) Medium Term Fiscal Policy Statement. **Hence, statement 2 is not correct.**

2. Consider the following statements regarding Emergency Credit Line Guarantee Scheme:

1. It is a scheme for collateral free credit to MSMEs, business enterprises, MUDRA borrowers and individual loans for business purposes.
2. Borrowers with an annual turnover of up to Rs.1000 crore are eligible under the Scheme.

Which of the statements given above is/are correct?

- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Exp: (a)

- **Emergency Credit Line Guarantee Scheme:**
 - Objective: To provide fully guaranteed and **collateral free additional credit to MSMEs, business enterprises, MUDRA borrowers and individual loans for business**

purposes to the extent of 20% of their credit outstanding as on 29th February, 2020.
Hence, statement 1 is correct.

- 100% guarantee coverage is being provided by the National Credit Guarantee Trustee Company, whereas Banks and Non Banking Financial Companies (NBFCs) provide loans.
- Eligibility: Borrowers with credit outstanding up to Rs. 50 crores as on 29th February, 2020, and with an **annual turnover of up to Rs. 250 crores are eligible** under the Scheme.
Hence, statement 2 is not correct.

3. Which of the following can be a reason for rising Bond Yield?

1. Increase in interest rate.
2. Decrease in bond prices.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Exp: (c)

- Most bonds pay a fixed interest rate that becomes more attractive if interest rates fall, driving up demand and the price of the bond.
- Conversely, if interest rates rise, investors will no longer prefer the lower fixed interest rate paid by a bond, resulting in a decline in its price.
- Thus, bonds have an inverse relationship to interest rates. When the cost of borrowing money rises **(when interest rates rise), bond prices usually fall, and vice-versa. Further, Decrease in Bond prices causes the yield to increase. Hence, option C is correct.**

4. Which of the following can be the impact/s of Tightening of Monetary Policy?

1. Rise in price level of goods.
2. Higher unemployment.
3. Decline in economic growth.
4. Encourage savings and investment.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2, 3 only
- (c) 2, 3 and 4 only
- (d) 1, 2, 3 and 4

Exp: (c)

- **Impacts of Tight Monetary Policy:**
 - **Controls Inflation:** The tightening of the economy's money supply primarily aims to reduce inflation and ensure the price stability of goods and services.
 - **Increases Unemployment:** As a result of low consumption, the sales of goods and services also decline. Thus, the companies lay off employees to cut expenses.

- **Decelerates Economic Growth:** Since all the measures focus on curtailing the money circulating in the economy, there is a decrease in consumption and sales of goods and services. It results in lower profitability of the business entities. Also, the banks don't have sufficient funds to extend loans to their clients.
- **Increases Exchange Rates:** It leads to a decrease in exports and an increase in imports. As a result, exchange rates rise, and the balance of payments decreases.
- **Encourage savings and investment:** Consumers spend less on purchasing goods and services.

▪ **Hence, option C is correct.**

5. India is expected to grow between 6.5 and 7.0% in FY23. Which of the following have been India's growth drivers in FY23 according to Economic survey?

1. Rebound in domestic consumption.
2. Thrust on Public Capital expenditure.
3. It is due to advantage of 'Base effect'.

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 only
- (d) 1, 2 and 3

Exp: (a)

- Despite the downward revision, the growth estimate for FY23 is higher than for almost all major economies and even slightly above the average growth of the Indian economy in the decade leading up to the pandemic.
- IMF estimates India to be **one of the top two fast-growing significant economies** in 2022. Despite strong global headwinds and tighter domestic monetary policy, if India is still **expected to grow between 6.5 and 7.0%**, and **that too without the advantage of a base effect**, it is a reflection of India's underlying economic resilience. **Hence, statement 3 is not correct.**
- The **rebound in consumption** has also been supported by the **release of "pent-up" demand**, a phenomenon not again unique to India but nonetheless exhibiting a local phenomenon influenced by a rise in the share of consumption in disposable income. **Hence, statement 1 is correct.**
- **Capex thrust** in the last two budgets of the Government of India was not an isolated initiative meant only to address the infrastructure gaps in the country. It was part of a strategic package aimed at crowding-in private investment into an economic landscape broadened by the vacation of non-strategic PSEs (disinvestment) and idling public sector assets. **Hence, statement 2 is correct.**

6. Which of the following is true about the term Hawkish Stance used in economy?

- (a) It indicates a willingness on the part of the central bank to expand money supply and cut interest rates.
- (b) It indicates that the central bank's top priority is to keep the inflation low.
- (c) The central bank typically adopts such a policy when growth needs policy support and inflation is not the immediate concern.
- (d) This stance is typically adopted when the policy priority is equal on both inflation and growth.

Exp: (b)

- **A hawkish stance indicates that the central bank's top priority is to keep the inflation low.**
- During such a phase, the central bank is willing to hike interest rates to curb money supply and thus reduce the demand.
- A hawkish policy also indicates tight monetary policy.
- When the central bank increases rates or 'tightens' the monetary policy, banks too increase their rate of interest on loans to end borrowers which, in turn, curbs demand in the financial system. **Hence, option B is correct.**

7. Which of the following best describes the labour force participation rate?

- (a) The percentage of the working-age population out of the total population.
- (b) The percentage of the working-age population that is employable.
- (c) The percentage of the working-age population that is employed or actively seeking employment.
- (d) The percentage of the working-age population that is part of formal sector.

Exp: (c)

- According to the CMIE (Centre for Monitoring Indian Economy), the labour force consists of people who are 15 years or older, and belong to either of the following two categories:
 - Are **Employed**
 - Are **unemployed and are willing to work** and are actively looking for a job.
- These two categories have people "demanding" jobs. This demand is what LFPR refers to. **Hence, option C is correct.**

8. Consider the following statements about India's Tax collections for FY23:

1. Indirect tax collections have once again overtaken Direct tax collections.
2. Indirect taxes are generally considered progressive in comparison to direct taxes.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Exp: (d)

- As per Indian Union Budget estimates for financial year 2023, direct tax revenue collections have been highly buoyant. **Direct taxes accounted for 51.5% and indirect taxes accounted for 48.5% of total central tax collection in India. Hence, statement 1 is not correct.**
- Advocates of direct taxation argue that it is a more equitable system, as it taxes individuals and corporations based on their income or wealth. Advocates of indirect taxation argue that it is a more equitable system, as it taxes individuals and corporations based on their income or wealth. While **Indirect taxes are equal for any income level which makes them regressive. Hence, statement 2 is not correct.**

9. Which of the following can be a reason for widening Current Account Deficit?

1. Increased fossil fuel imports
2. Growth in FDI inflows
3. Decrease in exports

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Exp: (c)

- A current account deficit occurs when the total value of goods and services a country imports exceeds the total value of goods and services it exports. **Increasing imports and decreasing exports contribute to rising Current Account Deficit. Hence, statement 1 and 3 are correct.**
- The balance of exports and imports of goods is referred to as the trade balance. Trade Balance is a part of 'Current Account Balance'. According to an earlier report of 2021, High Oil Imports, High Gold Imports are the major driving force, widening the CAD. Whereas **FDI inflows promote exports** thus it does not contribute to Current Account deficit. **Hence, statement 2 is not correct.**

10. What was the main objective of the structural reforms introduced in India in 1991?

- (a) To maintain competitiveness through a flexible exchange rate
- (b) To decrease the real growth rate
- (c) To restrict the entry of private-sector firms
- (d) To support the public sector monopoly in many sectors

Ans: A

Exp:

Structural Reforms, 1991:

- The structural reforms introduced in 1991 **in response to the balance of payments crisis** aimed to liberalize trade and investments.
- The reforms made the exchange rate flexible and allowed it to depreciate as necessary **to maintain competitiveness** and encouraged the entry of private sector firms **by ending the public sector monopoly in many sectors.**
- The structural reforms **had a positive impact on the economy**, with the real growth rate increasing from an average of 5.5% during the 1980s to 6.3% from FY93 to FY2000 and the **total goods and services trade to Gross Domestic Product (GDP) rising from 17.2% in 1990 to 30.6% in 2000.**
- **Hence, option A is correct.**

11. As per the Economic Survey 2023, which one of the following statements describes the trend of Foreign Direct Investment in India?

1. It has decreased due to the less participation of the private sector.
2. It increased after the 1990s reforms; however, it decreased after a few years.
3. It increased rapidly without decreasing in any Financial Year after the telecom sector was entirely reformed.
4. As a result of investment liberalization in 2000-2003, it has increased exponentially.

Select the correct answer using the code given below:

- (a) 1 and 3 only
- (b) 2 and 4 only
- (c) 1, 2 and 3 only
- (d) 1, 2, 3 and 4

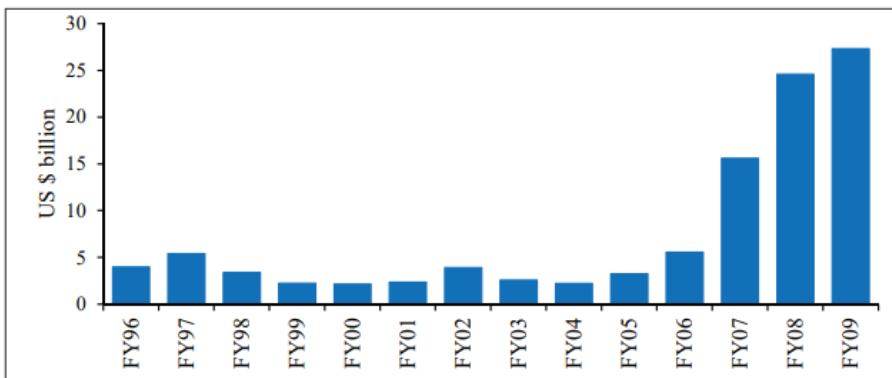
Ans: B

Exp:

- The **product and capital market reforms continued slowly over the decade of the 1990s**. They got a renewed impetus from the government closer to the decade's end.
- Investments **were liberalised further to encourage Foreign Direct Investment** as a main source of non-debt-creating capital inflows.

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Foreign Direct Investment to India- Increased after the impetus to investment liberalisation in 2000-2003



- Hence, option B is correct.

12. What was the approach adopted by the government in the last eight years to promote growth and development?

- (a) Focusing on product and capital market space
- (b) Adopting trust-based governance and public goods strategy
- (c) Emphasizing partnerships among various stakeholders in the development process
- (d) Catering to the private sector for development

Ans: C

Exp:

- The reforms were **undertaken before 2014 primarily catered to product and capital market space**. They were necessary and continued post-2014 as well.
- The government, however, **imparted a new dimension to these reforms in the last eight years**. With an underlying emphasis on enhancing the ease of living and doing business and improving economic efficiency, the reforms are well placed to lift the economy's potential growth.
- The **broad principles behind the reforms were creating** public goods, adopting trust-based governance, co-partnering with the private sector for development, and improving agricultural productivity.

- This approach reflects a paradigm shift in the growth and development strategy of the government, with the **emphasis shifted towards building partnerships amongst various stakeholders in the development process**, where each contributes to and reaps the development benefits (**Sabka Saath, Sabka Vikaas**).
- **Hence, option C is correct.**

13. How has digitalization impacted the economic growth in India between 2014 and 2019?

- (a) It has reduced overall economic growth.
- (b) The economy has grown slower and declined further.
- (c) A faster rate of growth has been recorded in the economy compared to other factors that impact the economy.
- (d) Initially, the economic growth was constant but later increased.

Ans: C

Exp:

India's Digital Economy:

- Besides the push to physical infrastructure, the **government's emphasis on developing public digital infrastructure during the last few years** has been a game changer in enhancing the economic potential of individuals and businesses.
- A recently published article in the RBI's Monthly Bulletin **estimates that India's core digital economy has grown at 2.4 times the overall economic growth between 2014 and 2019.**
- With its strong forward linkages to the non-digital sectors, **digitalisation strengthens potential economic growth through various channels** such as higher financial inclusion, greater formalisation, increased efficiencies and enhanced opportunities.
- **Hence, option C is correct.**

14. What is the impact of digital identities such as Aadhaar on the Indian economy?

- (a) Improved access to formal credit
- (b) Simplification of business transactions
- (c) Growth of micro-enterprises to small and medium enterprises
- (d) All of the above

Ans: D

Exp:

Significance of Aadhaar on the Economy:

- The creation of digital identities such as Aadhaar **has contributed to the formalization of the economy in India.**
- It has enabled **improved access to formal credit for many unorganized workers and street vendors**, as well as simplified and formalized business transactions through systems like the Goods and Services Tax Network (GSTN) and e-Way Bill system.
- The **growth of micro-enterprises to small and medium enterprises**, as seen from the enterprises registered on the Udyam Portal, is also a result of the increased formalization brought about by digital identities.
- **Hence, option D is correct.**

15. With reference to the Companies Act 2013, consider the following statements:

1. It regulates the incorporation of a company, responsibilities of a company, directors, and dissolution of a company.
2. A new term of 'one-person company' is included in this act.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Exp:

Companies Act 2013:

- It regulates the **incorporation of a company, responsibilities of a company, directors, and dissolution of a company. Hence, statement 1 is correct.**
- It is **divided into** 29 chapters which contain 470 sections as against 658 Sections in the former Companies Act, 1956 and has 7 schedules.
- A new term of '**one-person company**' is included in this act. **Hence, statement 2 is correct.**
- In 2020, the Parliament of India passed the Companies (Amendment) Bill, 2020 to further amend the Companies Act **and decriminalise various compoundable offences as well as promote ease of doing business in the country.**
 - Reduction in penalties for certain offences as well as in timeline for rights issues, relaxation in corporate social responsibility (CSR) compliance requirements and creation of separate benches at the National Company Law Appellate Tribunal (NCLAT) are among the proposed changes too.

16. What is the main reason behind the increased revenue buoyancy in India?

- (a) The decision to share data between the Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes & Customs (CBIC) on an automatic and regular basis.
- (b) The reduction in tax evasion through multiple consistency checks in the digital systems.
- (c) The increase in direct tax collections is due to better income reporting.
- (d) The introduction of faceless assessment and appeal systems.

Ans: B

Exp:

- One prominent reason behind the higher revenue buoyancy is the **introduction of technology-backed tax governance reforms** for simplifying tax processes, enhancing compliance, and improving fraud detection systems.
- The faceless assessment and appeal systems no longer require a physical interface between taxpayers and the Income Tax department. Moreover, **multiple consistency checks possible with integrated digital systems reduce tax evasion.**
 - As an illustration, the **GST return filing mechanism results in better income reporting**, leading to higher direct tax collections.
- In this regard, the decision to share data and information between CBDT and CBIC on an automatic

and regular basis is a **promising reform, and it would result in efficiency gains in the tax system.**

- These reforms augur well for **future economic growth and future resource mobilisation in the economy.**

17. What was the reason for the deviation of the credit-to-GDP ratio from its trend during the second decade of the millennium?

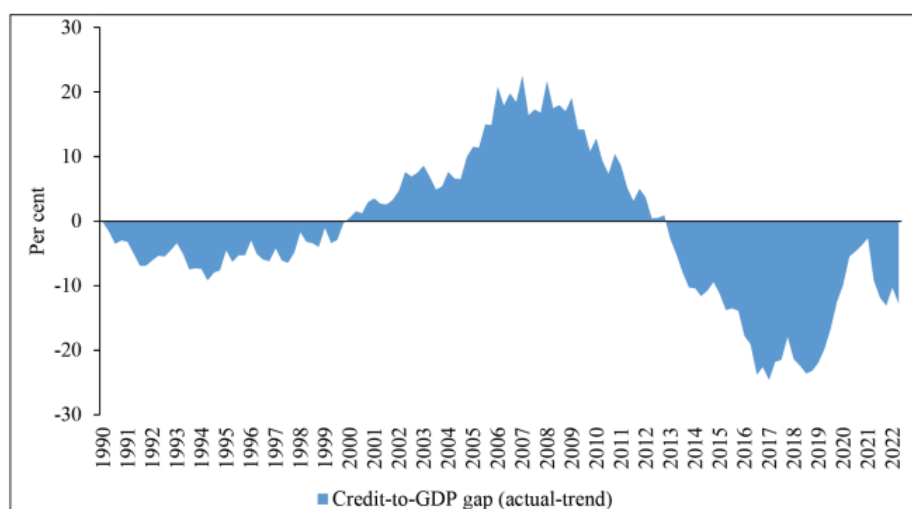
- (a) A lack of investment opportunities in the private non-financial sector.
- (b) An increase in the number of bad loans in the banking sector.
- (c) A decrease in the demand for credit in the private non-financial sector.
- (d) An improvement in the banking sector's credit supply.

Ans: B

Exp:

- Unsurprisingly, **the credit to the private non-financial sector as a percent of GDP was consistently below its trend value** for most of the second decade of the millennium, implying a negative credit gap to GDP ratio.
- **The gap worsened to an unprecedented level of 25% in 2017.** A statistically significant negative correlation (-0.5) between the Gross NPAs and credit growth shows that the **banks' credit supply was severely constrained due to stress in their balance sheet during the second decade.**
 - That explains the large negative deviation of the credit-to-GDP ratio from its trend

Quarterly Credit to GDP Gap remained negative for most of the 2010s



18. What measures did the government and the Reserve Bank of India (RBI) take to help the financial sector recoup balance sheet stress during the 2010s?

- (a) Recapitalisation of Public Sector Banks (PSBs)
- (b) Amendment to the SARFAESI Act 2002
- (c) Implementation of the Insolvency and Bankruptcy Code
- (d) All of the above

Ans: D

Exp:

- As investments made by companies went sour, it impaired their ability to repay bank loans. **Hence, banks' non-performing assets began to rise.**
 - That set-in motion a long period of **repair of the financial and non-financial sector balance sheets in the second half of the last decade.**
- The **government and the RBI took several policy initiatives to help the financial sector** recoup the balance sheet stress during the 2010s.
- **Some of these such as the amendment to the SARFAESI Act 2002**, implementation of the Insolvency and Bankruptcy Code (IBC), launch of 'Asset Quality Review' (AQR), **introduction of prompt corrective action (PCA) framework, recapitalisation of Public Sector Banks (PSB), and merger of PSBs among others, helped in cleaning up the balance sheets of banks/corporates.**
- **Hence, option D is correct.**

19. With reference to the National Logistics Policy (NLP) 2022, consider the following statements:

1. The policy focuses on key areas such as process re-engineering, digitisation, and multi-modal transport.
2. Logistics costs have to be cut by half to be near global benchmarks by 2030 by reducing the cost of logistics.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Exp:

National Logistics Policy (NLP) 2022:

- **About:**
 - The policy **focuses on key areas such as process re-engineering, digitisation, and multi-modal transport. Hence, statement 1 is correct.**
 - It is a crucial move as high logistics cost impacts the competitiveness of domestic goods in the international market.
 - The need for a national logistics policy was felt since the **logistics cost in India is high as compared to other developed economies.**
- **Goals:**
 - Logistics costs have to be cut by half to be near global benchmarks by 2030 by reducing the cost of logistics from 14-18% of GDP to global best practices of 8%. **Hence, statement 2 is correct.**
 - Countries like the US, South Korea, Singapore, and certain European nations have such a low logistics cost-to-GDP ratio.
 - Being the **5th largest economy in the world, India aims to be among the top 10 in the LPI** (Logistics Performance Index) by 2030. It has to match the pace of South Korea.
 - In 2018, **India was ranked 44th in the LPI.**
 - Creating **data-driven Decision Support Systems (DSS)** to enable an efficient logistics ecosystem.

- The **policy's target is to ensure that logistical issues are minimised**, exports grow manifold, and small industries and the people working in them benefit significantly.

20. Consider the following statements:

1. China remained the largest insurance market in the world followed by the US and Japan in 2021.
2. In 2021, India's life insurance penetration was almost twice that of other emerging markets and slightly higher than the global average.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Expl:

- The Economic Survey 2022-23 highlights India's potential to become one of the fastest-growing insurance markets in the coming decade. However, it also flags pitfalls associated with customers' preference for savings-linked life insurance.
- The majority of life insurance products sold in India are savings-linked, with only a small protection component. As a result, households face a significant financial gap in the event of the premature death of a primary breadwinner.
- It said this citing how insurance penetration in the country had increased steadily from 2.7% around the turn of the millennium to 4.2% in 2020. The life insurance penetration in 2021 was 3.2%, almost twice more than the emerging markets and slightly above the global average. **Hence, statement 2 is correct.**
- In the life insurance segment, global premium growth bounced back strongly, registering an increase of 4.5%. The U.S. remained the largest insurance market in the world, with total premiums (non-life and life) of USD2.8 trillion in 2021, followed by China and Japan. **Hence, statement 1 is not correct.**

21. With reference to the trading volume of Government Securities (G-Sec) during the Q2FY23, consider the following statements:

1. Foreign banks emerged as the aggressive trading segment in the secondary market.
2. On a net basis, foreign banks and primary dealers were net sellers.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Expl:

- According to the survey document, private Sector Banks emerged as the aggressive trading

segment in the secondary market during the Q2FY23, with a share of 25.0 per cent in “Buy” deals and 24.8% in “Sell” deals in the total outright trading activity. This was followed by foreign banks, public sector banks, primary dealers and mutual fund. **Hence, statement 1 is not correct.**

- On a net basis, foreign banks and primary dealers were net sellers. In contrast, public sector banks, cooperative banks, financial institutions, insurance companies, mutual funds, private sector banks and ‘others’ were net buyers in the secondary market. **Hence, statement 2 is correct.**

22. Consider the following statements:

1. Gross Non-performing Advances (GNPA) of the Scheduled Commercial Banks (SCBs) has fallen to a seven-year low in the year 2022.
2. The recovery rate for the Scheduled Commercial Banks (SCBs) through the Insolvency and Bankruptcy Code (IBC) was highest in FY22 compared to other channels.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Expl:

- The Economic Survey 2023 has noted that the Gross Non-performing Advances (GNPA) of the Scheduled Commercial Banks (SCBs) has fallen to a seven-year low of 5.0% in the year 2022. **Hence, statement 1 is correct.**
- The survey further said the Capital-to-Risk Weighted Assets Ratio (CRAR) remains healthy at 16.0 and well above the regulatory requirement of 11.5. The health of NBFCs has continued to improve as well, the survey has noted.
- The recovery rate for the SCBs through the Insolvency and Bankruptcy Code (IBC) was highest in FY22 compared to other channels. **Hence, statement 2 is correct.**
- The GNPA ratio decreased from 8.2% in March 2020 to a seven-year low of 5.0% in September 2022, while Net Non-Performing Assets (NNPA) have dropped to a ten-year low of 1.3% of total assets, the survey noted. Lower slippages and the reduction in outstanding GNPA through recoveries, upgrades, and write-offs led to this decrease.

23. Consider the following statements about the performance of Foreign portfolio investors (FPIs) during 2022-23 :

1. The custodial holdings of FPIs reflecting the total market value of the holdings witnessed an increase despite the outflows driven by global factors.
2. Indian equity markets have been relatively less susceptible to large scale corrections due to investments by domestic institutional investors (DIIs).

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Expl:

- Economic Survey 2022-2023 highlights that on account of the strong macroeconomic fundamentals of the Indian economy and the improvement in market risk appetite from time to time, India remains an attractive investment destination.
- The assets under custody (custodial holdings of FPIs reflecting the total market value of the holdings) witnessed an increase despite the outflows driven by global factors. **Hence, statement 1 is correct.**
- The total assets under custody with FPIs increased by 3.4% at the end of November 2022 compared to November 2021.
- Investments by Domestic Institutional Investors (DIIs) acted as a countervailing force against FPI outflows during recent years, rendering the Indian equity market relatively less susceptible to large scale corrections. **Hence, statement 2 is correct.**

24. Consider the following statements:

1. By September 2022, the highest number of the ongoing corporation insolvency resolution process (CIRPs) belong to the services sector.
2. In FY22, the total amount recovered by scheduled commercial banks under the Insolvency and Bankruptcy Code (IBC) has been the highest.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Expl:

- About 52% of the ongoing corporation insolvency resolution process (CIRPs) belong to industry, followed by 37% in the services sector by September 2022. **Hence, statement 1 is not correct.**
- As per the RBI data, in FY22, the total amount recovered by scheduled commercial banks under the Insolvency and Bankruptcy Code (IBC) has been the highest compared to other channels such as Lok Adalats, SARFAESI Act and DRTs in this period. **Hence, statement 2 is correct.**

25. With reference to the Retail Participation in the Capital Market, consider the following statements:

1. The share of individual investors in the cash segment marginally declined during FY23 (April-November 2022) compared to the same period during FY22.
2. The incremental additions of demat accounts have been on a declining trend during FY23 relative to FY22.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2

(d) Neither 1 nor 2

Ans: C

Expl:

- The share of individual investors in the cash segment marginally declined during FY23 (April-November 2022) compared to the same period during FY22. **Hence, statement 1 is correct.**
- However, the number of demat accounts rose sharply, 39% higher by the end of November 2022 on YoY basis.
- However, the incremental additions of demat accounts have been on a declining trend during FY23 relative to FY22, probably because of the increased volatility in the secondary market and subdued primary market performance, amid prevailing global headwinds during the current financial year. **Hence, statement 2 is correct.**

26. Consider the following statements regarding economic survey 2022-23:

1. In Wholesale Price Inflation (WPI), the weightage of primary article is more than manufactured article.
2. In FY23, Primary Articles and Fuel & Power were the main Drivers of Wholesale Inflation.
3. As per RBI, 1% inflation increase in international market can bring more than 10% inflation in domestic market of India.

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

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 1, 2 and 3
- (d) None of the Above

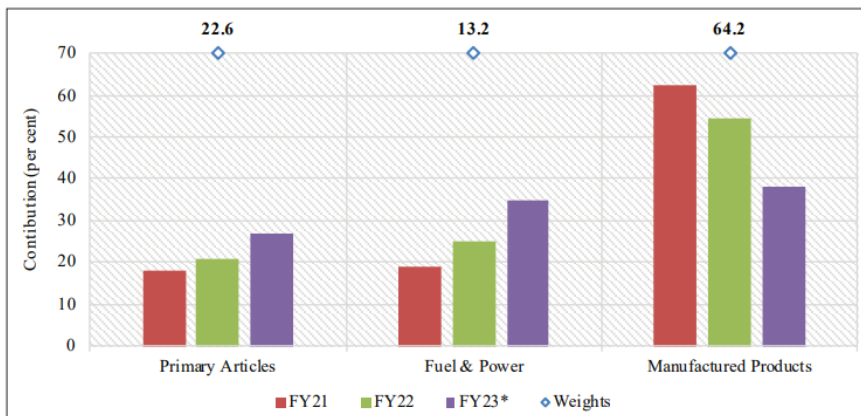
Ans: B

Exp:

Domestic Wholesale Price Inflation: Wholesale Price Inflation Caused by Global Supply Chain Disruption-

- WPI-based inflation remained low during the Covid-19 period, and it started to gain momentum in the post-pandemic period as economic activities resumed.
- Double-digit inflation in WPI could be attributed to food inflation and worsened global supply chains due to Russia-Ukraine conflict. Cereals and vegetables were the major contributors to food inflation owing to erratic climatic conditions.
- A part of WPI inflation is imported inflation. The high import dependence on edible oils has meant that the transitory effect of rising international prices of these products is also reflected in domestic prices.
 - An RBI's report (Monetary Policy Report, September 2022) indicates that **1% increase in prices across all the countries and sectors due to global inflation shock could increase inflation in India by around 63 basis points** through second-round effects comprising domestic indirect effects (46 basis points) and global spillovers (17 basis points), **in addition to the direct impact of 100 basis points. Hence, statement 3 is not correct.**

Figure: Drivers of Wholesale Inflation in FY23* – 'Primary Articles' & 'Fuel & Power'



Note: *April-December

▪ Hence, statement 2 is correct.

Table: Average Annual Wholesale Inflation Based on WPI (per cent) (Base: 2011-12=100)

Groups/Subgroups	Weight	FY20	FY21	FY22	FY23*
Primary Articles	22.6	6.8	1.7	10.3	12.3
Food articles	15.3	8.4	3.1	4.1	8.3
Cereals	2.8	7.5	-2.6	1.6	10.7
Pulses	0.6	15.9	11.6	6.9	0.0
Vegetables	1.9	31.2	3.4	0.4	13.2
Fruits	1.6	3.2	1.4	11.3	10.4
Non-Food Articles	4.1	4.5	1.4	21.1	12.0
Minerals	0.8	13.2	6.7	19.6	6.2
Crude Petroleum & Natural Gas	2.4	-7.7	-17.5	56.7	57.7
Fuel & power	13.2	-1.8	-8.0	32.6	33.8
LPG	0.6	-8.3	-2.7	43.3	16.9
Petrol	1.6	-3.2	-11.8	62.9	41.9
High Speed Diesel	3.1	-3.5	-14.4	59.9	60.8
Manufactured Products	64.2	0.3	2.7	11.1	7.1
Food products	9.1	4.1	5.6	11.7	6.0
Edible oils	2.6	1.4	20.3	30.5	1.4
Food Inflation (Food articles + Food products)	24.4	6.9	3.9	6.8	7.5
Core Inflation (Manufactured Products-Food products)	55.1	-0.4	2.2	11.0	9.2
Headline Inflation	100	1.7	1.3	13.0	11.5

Note: *April-December 2022, WPI data for November and December 2022 are provisional

▪ Hence, statement 1 is not correct.

▪ Measures to Contain Inflation in Input Prices:

- **Fuel Prices:** The Central Government has made interventions by calibrating the excise duties on petrol and diesel.
- **Plastic products:** The import duty on import of raw materials used in the plastic industry has been reduced to lower the cost of domestic manufacturing.
- **Cotton:** The government waived customs duty on cotton imports to benefit the textile industry and lower prices for consumers.
- **Diamonds and gemstones:** In Budget 2022-2023, customs duty was cut on the polished diamonds, gemstones and the simply sawn diamond.
- **Chemical products:** Customs duty on certain critical chemicals namely methanol, acetic acid and heavy feedstocks for petroleum refining was reduced.

27. Consider the following statements regarding economic survey 2022-2023:

1. There was diversion of Wholesale Price Inflation (WPI) and Consumer Price Inflation (CPI) but later it adopted the trend of convergence.

2. Effect of imported input costs and the difference in relative weights of the two indexes were the causes of such tendencies.
3. During the decline of WPI, the CPI had upward journey.

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

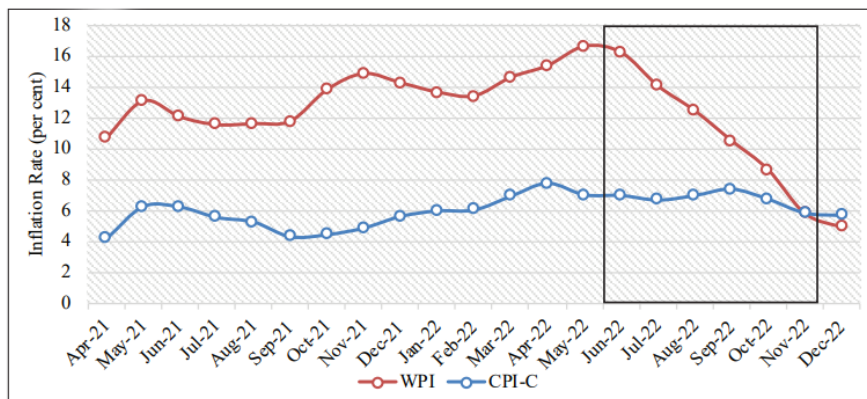
- (a) 1 and 3 only
- (b) 2 and 3 only
- (c) 1, 2 and 3
- (d) None of the Above

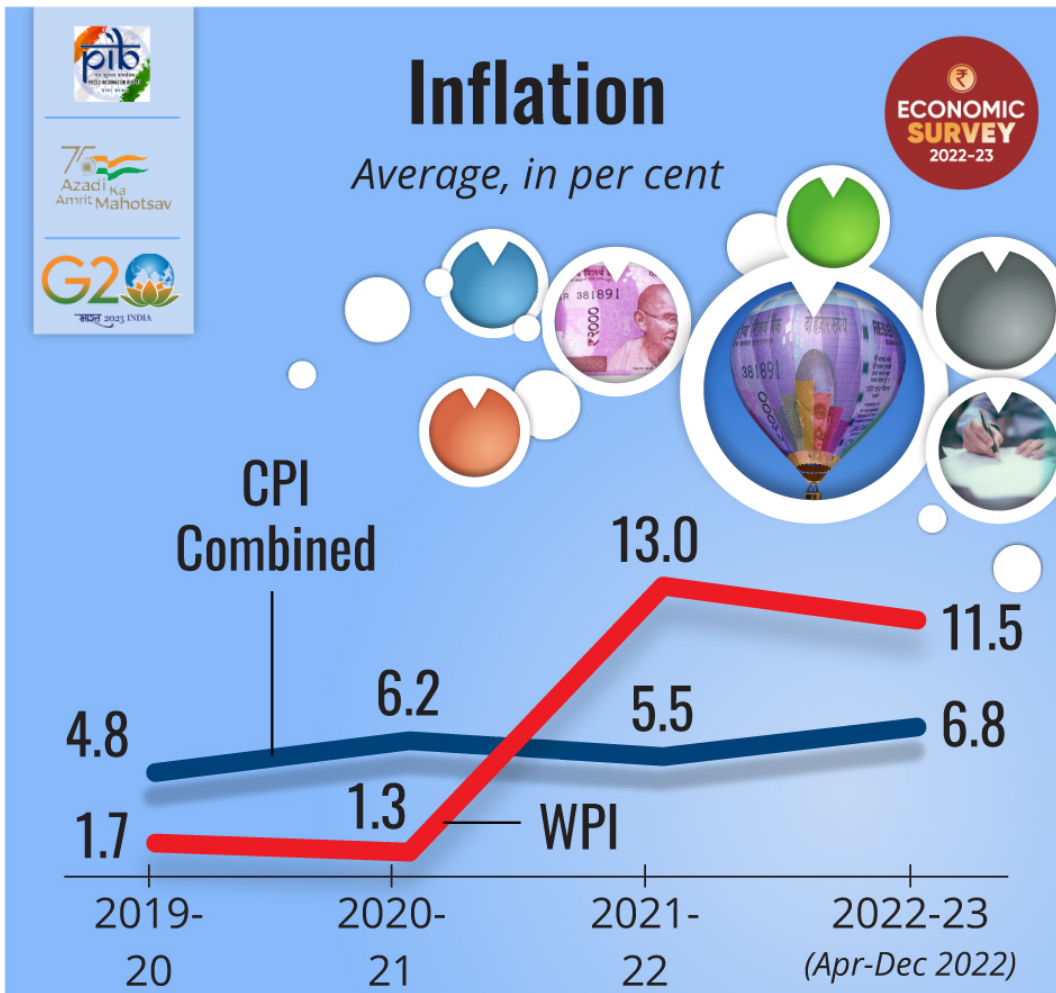
Ans: D

Exp:

- **Wholesale Price Inflation (WPI):** WPI started to increase in 2022 with a **peak value of 16.6% in May 2022** (as economic activities resumed post pandemic and the Russia-Ukraine conflict alleviated it more) and **it slipped to 5.0% by year end. Hence, statement 1 is correct.**
- **WPI and CPI trends:** Since 2021, there had been a **divergence between the WPI and the CPI indexes, followed by a trend of convergence.**
 - **Reasons for divergence:** The difference in relative weights of the two indexes and the lagged effect of imported input costs on retail prices.
 - **Reasons for convergence:** A cooling in WPI inflation of commodities such as crude oil, iron, aluminium etc. along with the rise in CPI inflation (fuelled by the rise in services cost). An important measure of demand-pull inflation - core inflation - remains sticky. **Hence, statement 2 is correct.**

Convergence of Headline WPI Inflation with Headline CPI-C Inflation





- **Consumer Price Inflation (CPI):** The index numbers used to **calculate the retail inflation** of a nation constitute the CPI, which is also known as the "market basket", and is responsible for tracking the shift in prices at the level of the household.
- **Wholesale Price Inflation (WPI):** The index numbers used to measure the change in the overall price of goods before they are sold at retail prices constitute the WPI.
- **Global economic slowdown and interest rate increases** brought down commodity prices, contributing to a substantial decline in wholesale price inflation. Thus, input price pressures on Indian manufacturers abated.
 - **Even as inflation abated at the wholesale level, there has been a pass-through of previously high input costs onto retail prices, so CPI was on rise. Hence, statement 3 is correct.**
- **Core inflation remains sticky at nearly 6 per cent** and reflects the second-round effects of the supply shocks witnessed earlier this year.

28. Consider the following statements regarding Economic survey 2022-23:

1. In FY23, retail inflation was mainly driven by higher food inflation, while core inflation stayed at a moderate level.
2. Food & Beverages', 'Clothing & Footwear', and 'Fuel & Light' were the least contributors to headline inflation.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2

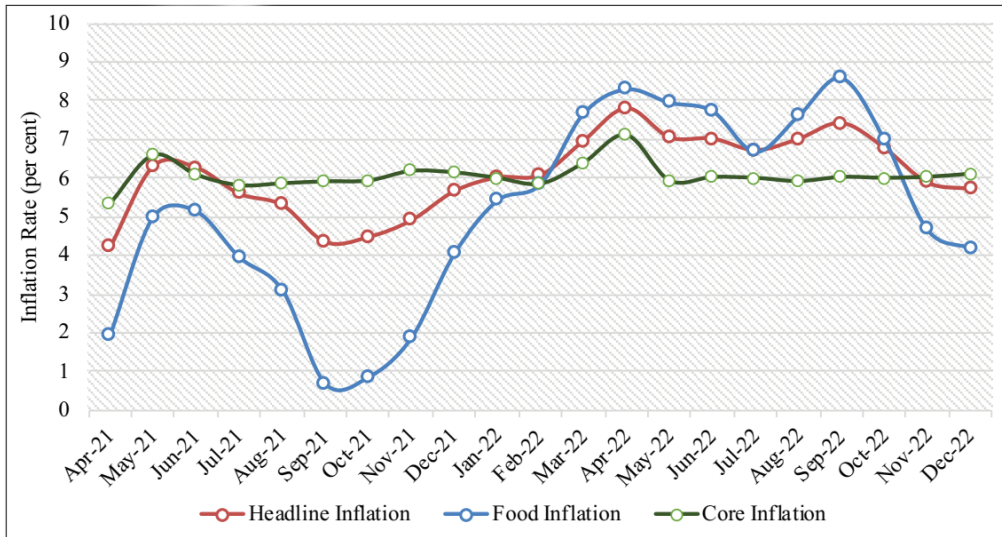
(d) Neither 1 nor 2

Ans: B

Exp:

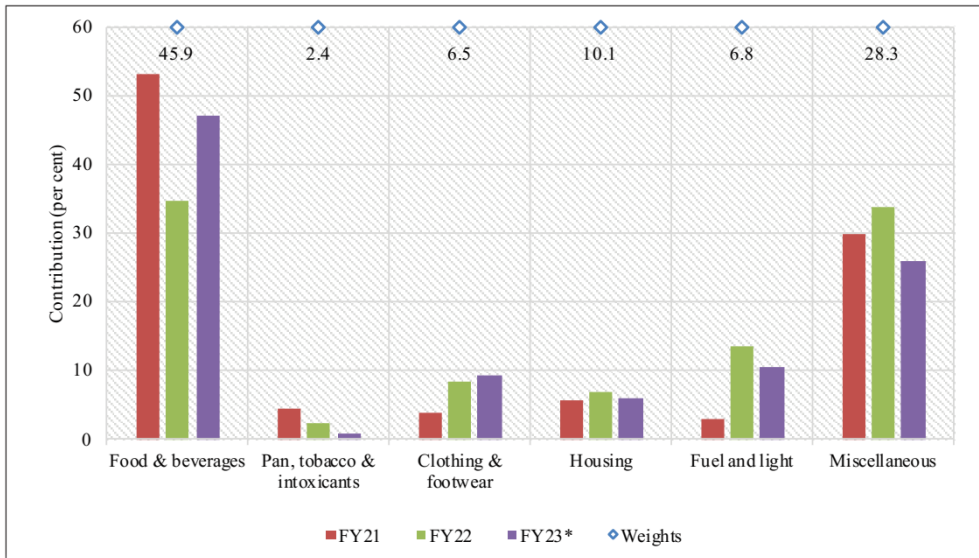
- **Headline Inflation Declined from its Peak:** FY22 witnessed lower CPI-Combined (CPI-C) based retail inflation as compared to FY21.
 - During **FY22, some sub-groups such as 'oils & fats', 'fuel & light' and 'transport & communication' reported high inflation.** This was mainly driven by supply disruptions caused by pandemic-induced lockdowns.
 - FY23, began with the Russia-Ukraine crisis that led to high headline inflation rate in April 2022. **In FY23, retail inflation was mainly driven by higher food inflation, while core inflation stayed at a moderate level.**

Declining Food Inflation but Sticky Core Inflation



- **Retail Inflation Driven by Food Commodities:** Retail price inflation mainly stems from the agriculture and allied sector, housing, textiles, and pharmaceutical sectors. **Hence, statement 1 is correct.**
- **During FY23, 'food & beverages', 'clothing & footwear', and 'fuel & light' were the major contributors to headline inflation-** the first two contributing more this fiscal than in the previous one. **Hence, statement 2 is not correct.**
- Within the 'miscellaneous' group, high inflation was observed in subgroups 'household goods and services' and 'personal care and effects' owing to the revival of consumer demand in the post-Covid-19 period.

Figure: Retail Inflation Driven by 'Food and Beverages' Group



Note: *April-December

29. Which of the following was/were the necessary steps taken by govt to minimize the impact of inflation and supply shortage on the vulnerable section of society?

1. Launched scheme called Pradhan Mantri Garib Kalyan Ann Yojana
2. Maintaining a buffer stock and reduction of import duties & cess on pulses
3. Increase in export tax levies by various country
4. Declared 'Soya Meal' as an Essential Commodity.

Answer the correct one using code given below:

- (a) 1, 2 and 3 only
- (b) 2, 3 and 4 only
- (c) 1, 2 and 4 only
- (d) 1, 2, 3 and 4

Ans: C

Exp:

Food Inflation Caused by Vegetables and Cereals in FY23:

- **Food inflation based on Consumer Food Price Index (CFPI)** climbed to 7.0 per cent in FY23 from 3.8 per cent in FY22. Though the increase in food inflation is broad-based, the **major contributors are vegetables, cereals, milk and spices.**
- Since September 2022, double-digit inflation was observed in cereals. **To check the soaring prices of wheat and rice, the government has prohibited the export of wheat products and imposed an export duty on rice.**
- **To insulate vulnerable sections** from the rise in prices, the Government has launched a new integrated food security scheme, **'Pradhan Mantri Garib Kalyan Ann Yojana' on 1 January 2023**, to provide free foodgrains to more than 80 crore beneficiaries. **Hence, statement 1 is correct.**
- **Inflation in pulses** remained muted owing to higher production and measures taken by the government in terms of **maintaining a buffer stock and reduction of import duties and cess on pulses. Hence, statement 2 is correct.**
- International prices of edible oils surged in FY22 owing to a shortfall in global production and an

increase in export tax levies by various countries, it has increased the prices, not decreased. Hence, statement 3 is not correct.

▪ **Measures to Contain Inflation in Essential Food Commodities:**

- **Cereals:** Wheat flour exports were prohibited but were subjected to restrictions, imposed an export duty of 20 per cent on rice, brown rice, and semi-milled as well as wholly milled rice, except parboiled rice.
- **Pulses:** A buffer stock of pulses has been maintained for price stabilisation, the import duty and Agriculture Infrastructure and Development Cess (AIDC) on masur was brought down to zero per cent.
- Central Government has notified an order under the Essential Commodities Act to declare 'Soya Meal' as an Essential Commodity up to 30 June 2022, by amending the Schedule of the Essential Commodities Act, 1955. **Hence, statement 4 is correct.**



Prices And Inflation: Successful Tight- Rope Walking

₹
**ECONOMIC
SURVEY**
2022-23

Inflation has come off its peak,
moderation in Global Comodity prices

Govt measures to ensure domestic supply and contain inflation:

- › Import duty on major inputs-ferronickel, coking coal, PCI coal cut were brought to zero
- › Phase wise reduction in excise duty of petrol and diesel
- › Waived customs duty on cotton
- › Prohibition on export of wheat

30. Consider the following statements regarding economic survey 2022-23:

1. India meets 60% of its edible oils demand through imports and sunflower oil, constitute up to 15% of our total edible oil imports.
2. Quantity and value of edible oil is continuously increased in last 5 years.

Which of the statements given above is/are correct?

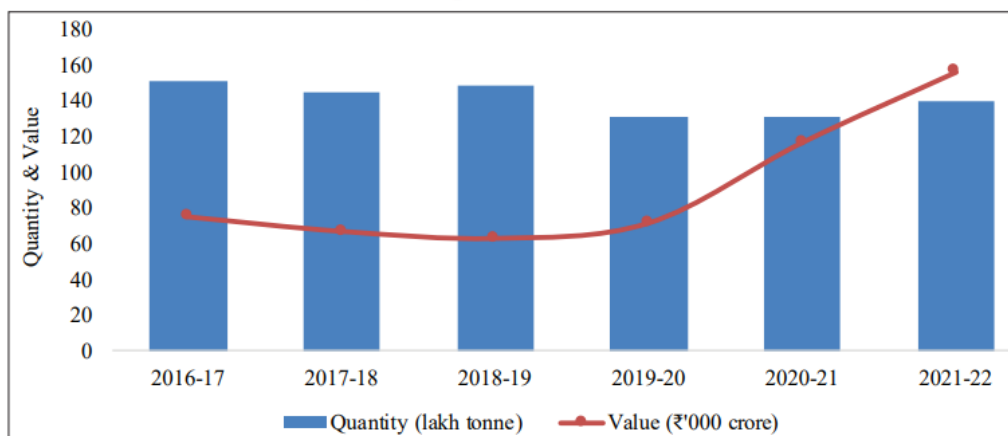
- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp:

- **India meets 60 per cent of its edible oils demand through imports**, making it vulnerable to international movements in prices. For instance, **sunflower oil, which makes up 15 per cent of our total edible oil imports**, is procured mainly from Ukraine and Russia. **Hence, statement 1 is correct.**
- Out of 60% of the edible oils consumed in the country through imports, palm oil constitutes around 54% of the total edible oil imported mainly from Indonesia and Malaysia, while Soyabean oil constitutes around 25% and is imported from Argentina and Brazil and Sunflower oil constitutes 15% and is imported mainly from Ukraine and Russia.

Figure: Import of Edible Oils



Note: Data corresponding to oil year (November-October)

- Statement 2 is self-explanatory from image. **Hence, statement 2 is not correct.**

31. Consider the following statements regarding economic survey 2022-23:

1. Financial Year (FY23) has reversing trend of rural-urban inflation vis-a-vis FY 22.
2. Rural fuel inflation remained lower than its urban counterpart throughout the fiscal year 2022-23.
3. Fiscal year 2022-23 saw wider difference between rural and urban inflation.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1, 2 and 3
- (d) None of the Above

Ans: A

Exp:

Rural-Urban Inflation Differential Has Declined:

- **Rural inflation has remained above its urban counterpart throughout the current fiscal year, reversing the trend seen during the pandemic years.** CPI-C based food inflation seems to have cooled down after reaching a high of 8.3% in April 2022 due to a moderation in global food prices and a reduction in farm input costs. **Hence, statement 1 is correct.**

- However, the cooling was more pronounced for urban inflation.
- **Rural inflation remained lower than its urban counterpart** throughout the current fiscal, **due to subdued price pressures on traditional fuel items** such as firewood and cow dung cakes as opposed to petrol and diesel. **Hence, statement 2 is correct.**
- **While the current fiscal year saw rural and urban inflation closely tracking each other, FY22 had seen a wider differential between the two. Hence, statement 3 is not correct.**
 - The gap between rural and urban inflation reached its widest in March 2022 due to a difference in the experience of food inflation. Urban areas experienced a sharper increase in food prices of vegetables and oils during this time as compared to the hinterlands.
- **Rural and Urban Inflation in the States/UTs:** CPI-C inflation increased in most of the states in FY23 as compared to FY22.
 - Telangana, West Bengal, Maharashtra, Madhya Pradesh, Haryana, and Andhra Pradesh - Fuel and clothing were the major contributors to the surge in inflation.
 - In rural sectors of Haryana, Mizoram, and West Bengal it was because of **higher 'food and beverages and 'clothing and footwear inflation.**
 - In rural sectors of Madhya Pradesh, Manipur and Assam, it was **due to 'fuel and light' segments.**
 - Food, **clothing and fuel** were the major contributors to higher inflation in urban areas of Bihar, Meghalaya, and Tripura.

Urban and Rural Inflation

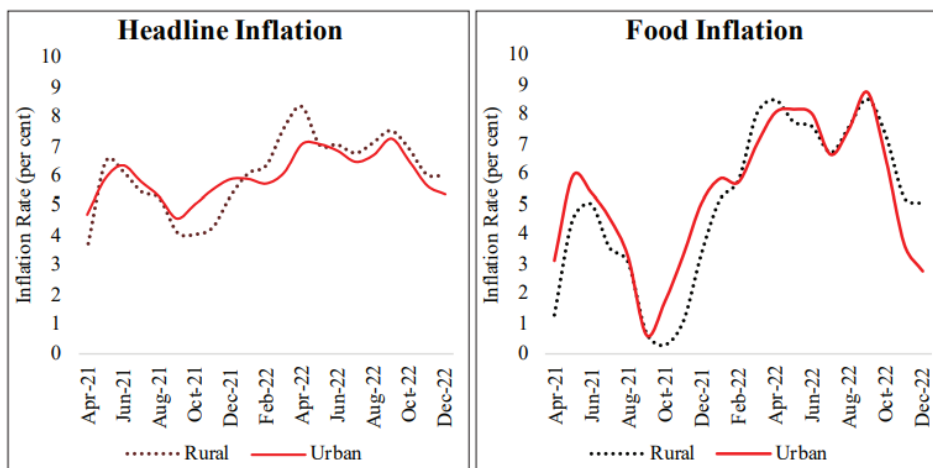
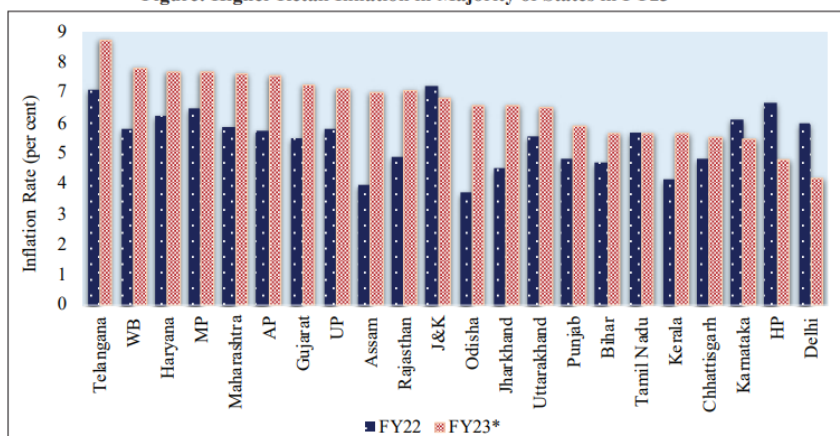


Figure: Higher Retail Inflation in Majority of States in FY23*



Note: (i) *April-December

(ii) Inflation for the FY22 is based on the average of June 2021 to March 2022, owing to the non-availability of indices for the months of April & May 2020 due to the Covid-19 pandemic.

(iii) 22 major States having a population >50 lakhs as per Population Census 2011 are presented

32. Consider the following statements regarding economic survey 2022-23:

1. Reserve Bank of India publishes two Housing Price Indices with FY18 as the base year.
2. All of the eight major metros of the country recorded increases in the index on an annual basis.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp:

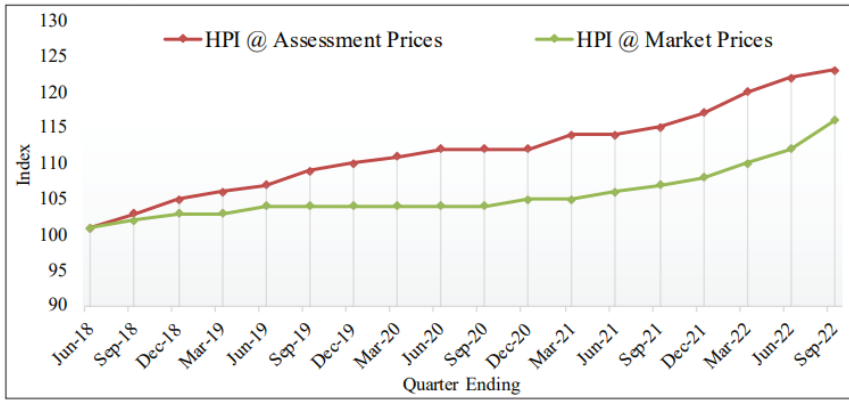
Housing Prices: Recovering Housing Sector After the Pandemic

- Housing prices provide helpful information on the state of the economy via booms and busts in asset markets, which give rise to economic imbalances. Monitoring housing prices is essential for achieving the objectives of price stability, financial stability, and growth. Movements in these prices affect consumption spending through its effects on household wealth and consumer confidence.
- **The National Housing Bank (NHB) publishes two Housing Price Indices (HPI), namely 'HPI assessment price' and 'HPI market price quarterly', with FY18 as the base year. Hence, statement 1 is not correct.**
 - **HPI assessment price** is based **on the valuation prices of residential units collected from primary lending institutions.**
 - In contrast, the **HPI market price is based on the market prices for unsold inventories collected from developers.** A composite index is calculated for 50 cities across India using the population of the cities as weights.
- Out of the 50 cities, 43 saw an increase in the index, whereas 7 cities showed a decline annually. **All of the eight major metros of the country, viz., Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kolkata, Mumbai and Pune, recorded increases in the index on an annual basis. Hence, statement 2 is correct.**
- The Covid-19 crisis significantly impacted the residential real estate market. Health concerns and stay-at-home orders led to fewer buyers looking for homes during the initial phase of the pandemic in April-June, 2020.
 - However, timely policy intervention by the government coupled with low home loan interest rates propped up demand and attracted buyers more readily in the affordable segment in FY23. **The overall increase in composite HPI assessment and HPI market prices indicates a revival in the housing finance sector.** A stable to moderate increase in HPI also offers confidence to homeowners and home loan financiers in terms of the retained value of the asset.

NHBs Support to the Housing Finance Sector (HFC):

- NHB has provided a significant impetus to obviate the liquidity issues faced by the Housing Finance Sector in the last 3 years.
- As a part of the Azadi Ka Amrit Mahotsav (AKAM), NHB has extended concessions of 25/30 basis points under refinance for the various categories including women, rural areas, SC/ ST, aspirational districts, north-eastern region, loans to third gender/differently abled/disabled, UTs of Jammu & Kashmir and Ladakh, and green housing.
- In view of the nation's commitment at COP26 to reach net-zero emission by 2070, NHB has extended 100 bps concession for loans under Green Housing.

Composite HPI for All-India – Recovering Housing House



33. Consider the following statements:

1. The Government’s spending on social services as percentage of GDP has shown a rising trend since 2017-18.
2. The Government’s spending on social services as percentage of total expenditure of the Government has continuously been rising since 2017-18.

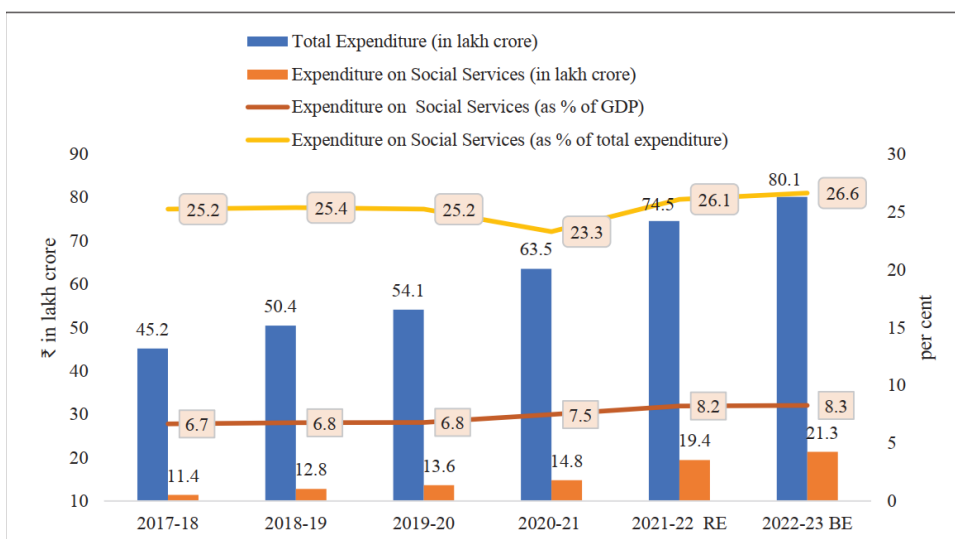
Select the correct answer from the following code:

- (a) 1 Only
- (b) 2 Only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: A

Exp:

- If we look into the following image, we find that the Government’s spending on social services as percentage of GDP has shown a rising trend since 2017-18. But the Government’s spending on social services as percentage of total expenditure of the Government declined in year 2020-2021. **Hence, statement 1 is correct but statement 2 is not correct.**



34. With reference to United Nations Development Programme (UNDP) report on HDI, consider

the following statements:

1. There has been a decline of human development in 2020 or 2021 across the world for the first time in 32 years.
2. India's HDI value in 2021 places the country in the medium human development category.
3. India's HDI value is less than South Asia's average human development.

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

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

Ans: A

Exp:

- Human Development' is the key enabler for upward social mobility. The challenges posed by the aftermath of the peak of the Covid-19 pandemic in 2020 and 2021 and the ensuing Russia-Ukraine conflict in 2022 have impacted the development trajectory of India and the world.
- In the wake of these developments, there was a global decline in human development. According to United Nations Development Programme (UNDP) report, 90 per cent of countries have registered a reduction in their Human Development Index (HDI) value in 2020 or 2021, indicating that **human development across the world has stalled for the first time in 32 years. Hence, statement 1 is correct.**
- India ranked 132 out of 191 countries and territories in the 2021/2022 HDI report. India's HDI value of 0.633 in 2021 places the country in **the medium human development category**, lower than its value of 0.645 in 2019. **Hence, statement 2 is correct.**
- However, India's HDI value continues **to exceed South Asia's average human development. Hence, statement 3 is not correct.**
 - It has been steadily increasing and moving towards the world average since 1990 due to priority placed on investment in social infrastructure, including ensuring universal health and education.

35. Regarding Transformation of Aspirational Districts' programme, consider the following statements:

1. It's focus is to raise living standards of its citizens and ensuring inclusive growth of all in the burgeoning economy.
2. 117 Aspirational Districts (ADs) across 28 States/UTs have been identified by Government of India based upon composite indicators.
3. The ranking of districts every month is based on the incremental progress made across 49 Key Performance Indicators (KPI).

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

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

Ans: B

Exp:

- The Government of India launched the '**Transformation of Aspirational Districts**' (Aspirational Districts Programme (ADP)) initiative in January 2018 with a vision of a New India by 2022 wherein the **focus is to raise living standards of its citizens** and ensuring inclusive growth of all in the burgeoning economy. Hence, statement 1 is correct.
- 117 Aspirational Districts (ADs) across 28 States/UTs have been **identified by NITI Aayog based upon composite indicators** ranging from health and nutrition, education, agriculture, and water resources, financial inclusion and skill development, and basic infrastructure which have an impact on HDI. **Hence, statement 2 is not correct.**
- With States as the main drivers, this programme focuses on the strength of each district, identifying low-hanging fruits for immediate improvement and measuring progress by ranking districts every month. The ranking is based on the incremental progress made across **49 Key Performance Indicators (KPI)** under five broad socio-economic themes mentioned above. **Hence, statement 3 is correct.**

36. With reference to eShram portal, consider the following statement:

1. Ministry of Electronics and Information Technology has developed the portal for creating a National database of unorganised workers, which is verified with Aadhaar.
2. This national database includes migrant workers, construction workers, gig and platform workers etc.
3. Female registrations is more than male registration.

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

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

Ans: C

Exp:

- Accordingly, **Ministry of Labour and Employment (MoLE)** has developed eShram portal for creating a National database of unorganised workers, which is verified with Aadhaar. **Hence, statement 1 is not correct.**
- It captures details of workers like name, occupation, address, occupation type, educational qualification, and skill types etc., for the optimum realisation of their employability and extend the benefits of the social security schemes to them.
- It is the first-ever national database of unorganised workers, including migrant workers, construction workers, gig and platform workers, etc. **Hence, statement 2 is correct.**
- Currently, e-Shram portal has been linked to NCS portal and ASEEM portal for seamless facilitation of services.
- As on 31 December 2022, total over 28.5 crore unorganised workers have been registered on eShram portal. **Female registrations stood at 52.8 per cent of the total** and 61.7 per cent of total registrations belonged to the age group 18-40 years. **Hence, statement 3 is correct.**
- State-wise, Uttar Pradesh (29.1 per cent), Bihar (10.0 per cent), and West Bengal (9.0 per cent) accounted for nearly half of total registrations.
- Agriculture sector workers contributed to 52.4 per cent of the total registrations, followed by domestic and household workers (9.8 per cent), and construction workers (9.1 per cent)

37. Regarding the Pradhan Mantri Fasal Bima Yojana (PMFBY), consider the following statements:

1. PMFBY was launched in the 2016 Kharif season to provide comprehensive insurance coverage to farmers in case of crop failure, helping stabilise their incomes.
2. PMFBY is currently the largest crop insurance scheme in the world in terms of farmer enrolments.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Exp:

- PMFBY was introduced during the 2016 Kharif season. To give farmers full insurance coverage in the event of crop failure and stabilize their incomes, The general insurance companies that have been appointed to implement the scheme. It is upgraded/modified on a timely basis considering the current political climate and the need for policy involvement in crop insurance in the nation. The Scheme includes all food and oil seed crops as well as annual commercial and horticultural crops for which past yield information is available and for which the necessary number of Crop Cutting Experiments (CCEs) are being conducted as part of the General Crop Estimate Survey (GCES). All farmers are free to participate in the updated Scheme starting in Kharif 2020, and the States have chosen the Insurance Companies for three years in a row. **Hence, statement 1 is correct.**
- In terms of farmer participation, PMFBY is currently the largest crop insurance programme worldwide enrolments, which **average 5.5 crore applications annually and rank third in terms of premiums gotten.** Farmers have paid a premium over the course of its implementation's last six years. 25,186 billion rupees and got claims totalling 1.26 lakh billion rupees (as of 31st October 2022). **Hence, statement 2 is correct.**

38. With reference to Millets, consider the following statements:

1. The United Nations General Assembly, in its 75th session during March 2021, declared 2023 the International Year of Millets (IYM).
2. In India millets are primarily a Rabi crop.
3. India produces more than 50.9 million tonnes (as per the fourth advance estimate) of millet which accounts for 80 per cent of Asia's and 20 per cent of global production.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 and 1 only
- (d) 1, 2 and 3 only

Ans: C

Exp:

- The United Nations General Assembly declared 2023 the **International Year of Millets during its 75th session in March 2021(IYM)**. Millets are a Smart Food with high nutritional value, are climate resilient, and align with several UN SDGs (SDGs). These are also significant because of

their enormous potential to generate livelihood, increase farmer income, and ensure global food and nutritional security. **Hence, statement 1 is correct.**

- In India, millets are primarily a Kharif crop mostly grown in rainfed conditions, requiring less water and agricultural inputs than other staple crops. **Hence, statement 2 is not correct.**
- India produces more than 50.9 million tonnes of millet (according to the fourth advance estimate), accounting for 80% of Asia's and 20% of global production. The global average yield is 1229 kg/ha, but India's average yield is 1239 kg/ha. **Hence, statement 3 is correct.**

39. Regarding the Jan Shikshan Sansthan Scheme (JSS) consider the following statements:

1. The nodal ministry for JSS is Ministry of Education.
2. The main objective of JSS is to provide vocational skills to non-literate, neo-literate, as well as school dropouts by identifying skills as per their needs.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) None of the above

Ans: b

Exp:

- The scheme was transferred from the Ministry of Education to the Ministry of Skill Development & Entrepreneurship in 2018. **Hence, statement 1 is not correct.**
- The objective of JSS is to provide vocational skills to non-literate, neo-literate, as well as school dropouts by identifying skills as per their needs and to provide vocational skills to literate persons who have missed opportunities for education and need skill development to improve their livelihood. **Hence, statement 2 is correct.**

40. With reference to PM-SHRI, consider the following statements:

1. PM Schools for Rising India' (PM SHRI) is a scheme to turn existing government schools into model schools.
2. The main objective of PM-SHRI is providing free education and scholarships to students from economically weaker sections.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) None of the above

Ans: A

Exp:

The Union Cabinet approved the 'PM Schools for Rising India' (PM SHRI) scheme to turn existing government schools into model schools. The scheme will provide high-quality education in an equitable, inclusive environment that takes care of the diverse background, multilingual needs and different

academic abilities of children. Hence, Statement 1 is correct.

The main objective of PM-SHRI is to provide high-quality education in an equitable, inclusive environment that takes care of the diverse background, multilingual needs and different academic abilities of children. Hence, statement 2 is not correct.

41. Which ministry conducts the Annual Survey of Industries (ASI) in India?

- (a) Ministry of Commerce and Industry.
- (b) Ministry of Statistics and Programme Implementation.
- (c) Ministry of Micro, Small and Medium Enterprises.
- (d) Ministry of Finance.

Ans: B

Exp:

- The Industrial Statistics Wing of the Central Statistical Organisation (CSO) of the Ministry of Statistics and Programme Implementation is responsible for the designing of the survey methodology, processing of data and preparation of reports. **Hence, option B is correct.**

42. Regarding the National Career Service Project, consider the following statements:

1. It is a government-run recruitment agency.
2. More than 2 crores of job seekers are registered with national career service project.
3. DigiSaksham program provides free, self-paced online/offline training on career skills.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 and 1 only
- (d) 1, 2 and 3 only

Ans: b

Exp:

- The National Career Service (NCS) is a project launched by the government of India in July 2015 to provide an array of **employment and career-related services. It aims to bridge the gap between candidates seeking training and career guidance and agencies providing training and career counselling. Hence, statement 1 is not correct.**
- As of January 2023, 2.8 crore job seekers and 6.8 lakh employers have registered on the NCS portal. **Hence, statement 2 is correct.**
- The DigiSaksham program is a partnership between NCS and the private sector to offer free, self-paced online/offline training on career skills to job seekers. **The program aims to equip job seekers with an array of soft and digital skills to improve their employability. Hence, statement 3 is correct.**

43. Regarding the Skill India Mission, consider the following statements:

1. Main focus of the Skill India Mission is Skilling, re-skilling, and up-skilling.
2. National Skill Development Corporation International aims to make India a Skill Capital of the

World.

3. Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) program is funded by Asia Development Bank.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1, 2 and 3 only

Ans: a

Exp:

- The Skill India Mission focuses on providing **short-term and long-term training programs for skilling, re-skilling, and up-skilling individuals** across the country. Hence, statement 1 is correct.
- The National Skill Development Corporation International has been set up with an aim to make India a Skill Capital of the World and improve mobility of Skilled manpower. **Hence, statement 2 is correct.**
- **Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) is a World Bank loan-assisted programme** launched in 2018 to decentralise skilling initiatives and align skill development programmes with local demand and aspirations of the youth. **Hence, statement 3 is not correct.**

44. Consider the following statements:

1. The Vidyanjali program initiated by the Government aims to provide scholarships to underprivileged students.
2. Vidyanjali portal is a portal for community and volunteers/organizations to interact and connect with Government and Government-aided schools.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) None of the above.

Ans: b

Exp:

- Vidyanjali program initiated by the Government aims to **strengthen schools and improve the quality of school education** through community, CSR, and private sector involvement. **Hence, statement 1 is not correct.**
- The Vidyanjali portal **enables community and volunteers/organizations to interact and connect directly with the Government and Government-aided schools** of their choice. **Hence, statement 2 is correct.**

45. Consider the following statements regarding India's updated Nationally Determined Contributions (NDCs):

1. India aims to reduce the Emissions Intensity of its GDP by 45% by 2030, from the 2005 level.
2. By 2030, India seeks to achieve 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources.
3. The country revised its NDC of creating additional carbon sink through afforestation from 2.5 billion tonnes to 5.0 billion tonnes.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

Ans: A

Exp:

Nationally Determined Contributions (NDCs)

- India submitted its first NDC to UNFCCC in October 2015. This was updated in August 2022.
 - The 2015 NDC comprised eight goals, three of which were quantitative targets to be achieved up to 2030.
 - The three targets included cumulative electric power installed capacity from non-fossil sources to reach 40%, reduction in the emissions intensity of GDP by 33 to 35% compared to 2005 levels, and **creation of additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover.**
- Article 4 of the Paris Agreement provides that **each Party shall communicate or update its NDC every five years.**
- **India's revised NDCs are:**
 - To **reduce the Emissions Intensity of its GDP by 45% by 2030, from the 2005 level. Hence, statement 1 is correct.**
 - To **achieve about 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030**, with the help of the transfer of technology and low-cost international finance, including from the Green Climate Fund (GCF). **Hence, statement 2 is correct.**
 - To create an **additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent through additional forest and tree cover by 2030. Hence, statement 3 is not correct.**

46. Consider the following statements regarding Indian State of Forest Report (ISFR) 2021:

1. The maximum carbon stock in forests among the Indian States was recorded for Madhya Pradesh.
2. An increase in mangrove cover in the country in 2021 was noted as compared to 2013.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp:

Indian State of Forest Report (ISFR) 2021

- Forest Survey of India (FSI) assessed the carbon stock (which is the amount of carbon sequestered from the atmosphere and stored in biomass, deadwood, soil, and litter in the forest) in India's forests for the first time in 2004 and then biennially since 2011.
 - The **Indian State of Forest Report (ISFR)** estimates the carbon stock of forests to be about 7,204 million tonnes in 2019, which is an increase of 79.4 million tonnes of carbon stock as compared to the estimates of the previous assessment for 2017.
 - This translates into carbon emissions sequestered through forest and tree cover to be 30.1 billion tonnes of CO₂ equivalent.
 - Among the Indian States, **Arunachal Pradesh has the maximum carbon stock in forests (1023.84 million tonnes), followed by Madhya Pradesh (609.25 million tonnes). Hence, statement 1 is not correct.**
 - The per-hectare forest carbon stock among different States/UTs indicates that Jammu & Kashmir is contributing the maximum per-hectare carbon stock of 173.41 tonnes, followed by Himachal Pradesh (167.0 tonnes), Sikkim (166.2 tonnes) and Andaman & Nicobar Islands (162.9 tonnes).
- As per the **ISFR 2021, the mangrove cover in the country has increased by 364 sq. km. in 2021 as compared to 2013. Hence, statement 2 is correct.**

47. Consider the following statements regarding Ramsar Site:

1. It is a wetland of international importance under Ramsar Convention, 1971 established by UNESCO and named after the city of Ramsar in Iran.
2. In India, West Bengal's Sundarbans is the largest Ramsar Site,

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

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: D

Exp:

Ramsar Site

- A Ramsar site is a **wetland of international importance under the Ramsar Convention**, which is also known as the 'Convention on Wetlands' — **an intergovernmental environmental treaty established by UNESCO in 1971, and named after the city of Ramsar in Iran**, where the convention was signed that year. **Hence, statement 1 is correct.**
- Ramsar recognition is the identification of wetlands around the world, which are of international importance, especially if they provide habitat to waterfowl (about 180 species of birds).
- There is international interest and cooperation in the conservation of such wetlands and a judicious use of their resources.
- **Sundarbans in West Bengal is the largest Ramsar site in India. Hence, statement 2 is correct.**

48. Consider the following statements regarding Namami Gange Programme:

1. National Mission for Clean Ganga (NMCG) is responsible for the implementation of this programme.
2. Its nodal ministry is Ministry of Jal Shakti.

3. Phase 2 of the programme will focus on completion of projects and preparation of bankable Detailed Project Report (DPR).

Which of the statements given above is/are correct?

- (a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3

Ans: D

Exp:

Namami Gange Programme

- It is an Integrated Conservation Mission, approved as a 'Flagship Programme' by the Union Government in June 2014 to accomplish the twin objectives of effective abatement of pollution and conservation and rejuvenation of National River Ganga.
- It is **being operated under the Department of Water Resources, River Development and Ganga Rejuvenation, Ministry of Jal Shakti. Hence, statement 2 is correct.**
- The program **is being implemented by the National Mission for Clean Ganga (NMCG)** and its state counterpart organizations i.e., State Program Management Groups (SPMGs). **Hence, statement 1 is correct.**
- **In phase 2 of Namami Gange Programme (2021-26), the states will focus on expeditious completion of projects and preparation of bankable Detailed Project Report (DPR) for projects in Ganga tributary towns, cutting down delays. Hence, statement 3 is correct.**
 - Focus is also being given to the revival of small rivers and wetlands.
 - For future, each Ganga district is to develop scientific plan and health card for at least 10 wetlands and adopt policies for reuse of treated water and other by products.

49. National Green Hydrogen Mission is being implemented by which of the following ministries?

- (a) 1, 3, 4 and 5
(b) 1, 2, 4 and 5
(c) Ministry of New and Renewable Energy

Ans: B

Exp:

National Green Hydrogen Mission:

- It is a program to incentivise the commercial production of green hydrogen and make India a net exporter of the fuel.
- The Mission will facilitate demand creation, production, utilization and export of Green Hydrogen.
- Sub Schemes:
 - Strategic Interventions for Green Hydrogen Transition Programme (SIGHT):
 - It will fund the domestic manufacturing of electrolyzers and produce green hydrogen.
 - Green Hydrogen Hubs:
 - States and regions capable of supporting large scale production and/or utilization of hydrogen will be identified and developed as Green Hydrogen Hubs.

- Objective:
 - Developing green hydrogen production capacity of at least 5 MMT (Million Metric Tonne) per annum, alongside adding renewable energy capacity of about 125 GW (gigawatt) in India by 2030.
 - It aims to entail over Rs 8 lakh crore of total investments and is expected to generate six lakh jobs.
 - It will also lead to a cumulative reduction in fossil fuel imports by over Rs 1 lakh crore and an abatement of nearly 50 MT of annual greenhouse gas emissions.
- Nodal Ministry:
 - **Ministry of New and Renewable Energy**
- **Hence, option C is correct.**

50. With reference to the National Crop Insurance Portal, consider the following statements:

1. It is designed to handle all grievances from end to end.
2. It has API-based connectivity to insurance companies.
3. It was launched in 2022.
4. It aims to increase the yield of crops.

Which of the statements given above is/are correct?

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

Ans: C

Exp:

- **About National Crop Insurance Portal:**
 - It is designed to handle all grievances from end to end, **Hence, statement 1 is correct.**
 - The portal has API-based connectivity to insurance companies. **Hence, statement 2 is correct.**
 - It was launched in the beta version in Chhattisgarh on 21st July 2022, **Hence, statement 3 is correct.**
 - The National Crop Insurance Portal aims to handle grievances related to crop insurance and not increase the yield of crops. **Hence, statement 4 is not correct.**

51. With reference to Pradhan Mantri Fasal Bima Yojana (PMFBY), consider the following statements:

1. It was launched in the Kharif season of 2016.
2. It covers all Food & oilseed crops and Annual Commercial/Horticultural Crops.
3. The Scheme is implemented on an 'Area Approach' basis.
4. The claims paid ratio in several states averaged more than 100% against the gross premium collected during 2017, 2018 and 2019.

Which of the statements given above is/are correct?

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

D) All of the above

Ans: D

Exp:

▪ **About PMFBY:**

- PMFBY (Pradhan Mantri Fasal Bima Yojana) was launched on 13th January 2016, for the Kharif season of that year. **Hence, statement 1 is correct.**
- PMFBY covers all Food & oilseed crops and Annual Commercial/Horticultural Crops. **Hence, statement 2 is correct.**
- The Scheme is implemented on an 'Area Approach' basis, which means that it covers an entire area or crop for all farmers. This approach ensures that all farmers in a particular area are covered under the scheme, and there is no discrimination among them. **Hence, statement 3 is correct.**
- The claims paid ratio in several states **averaged more than 100% against the gross premium** collected during the arduous seasons of 2017, 2018, and 2019. This means that the **amount paid out as claims exceeded the amount collected as premium during these seasons.**
 - The reason for this is that during these years, there were multiple crop failures due to natural calamities such as floods, droughts, and cyclones, which led to a higher number of claims being filed. The government had to pay out more in claims than it collected as premium, resulting in a claim paid ratio of more than 100%. **Hence, statement 4 is correct.**

52. Which state in India was the first to become fully organic?

- (a) Uttarakhand
- (b) Sikkim
- (c) Tripura
- (d) Madhya Pradesh

Ans: B

Exp:

- The economic survey states that Sikkim voluntarily adopted going organic, and the process of getting the total cultivable land of 58,168 hectares under organic farming **commenced at ground level in 2010.** It became the first state in the world to become fully organic. **Hence, option B is correct.**

53. Which sub-scheme of PKVY was launched to promote natural farming practices in 2019-20?

- (a) Namami Gange Programme
- (b) Mission Organic Value Chain Development for North Eastern Region (MOVCDNER)
- (c) Paramparagat Krishi Vikas Yojana (PKVY)
- (d) Bhartiya Prakratik Krishi Paddhati (BPKP)

Ans: D

Exp:

- **About Bhartiya Prakratik Krishi Paddhati (BPKP):**

- Bhartiya Prakratik Krishi Paddhati (BPKP) is a **sub-scheme of PKVY** that aims to **promote natural farming practices such as non-use of synthetic fertilizers and pesticides**, use of locally available resources for crop protection, and adoption of eco-friendly techniques.
 - The scheme is implemented through **cluster-based approach and focuses on building capacity of farmers** to adopt natural farming practices.
- Under BPKP, **financial assistance is provided to farmers** for setting up of vermicomposting units, cow-based farming systems, preparation of indigenous inputs, etc. The scheme also provides for the **establishment of a network of demonstration plots for promoting natural farming practices**.
 - It is an important **initiative towards sustainable agriculture and aims to promote the conservation of natural resources and biodiversity**. It is expected to help farmers in improving soil health, enhancing crop productivity, reducing input costs, and increasing income. **Hence, option D is correct.**

54. Regarding the Horticulture clusters identified by the government, consider the following statements:

1. The government has identified 55 horticulture clusters.
2. 12 clusters have been selected for the Cluster Development Programme (CDP) pilot phase.
3. The horticulture clusters cover only fruits and vegetables.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1 only

Ans: A

Exp:

- The government has indeed identified 55 horticulture clusters. **Hence, statement 1 is correct.**
- 12 clusters have been selected for the Cluster Development Programme (CDP) pilot phase, as mentioned in the provided economic survey. **Hence, statement 2 is correct.**
- The economic survey states that, the scheme to promote horticulture covers "**fruits, vegetables, root and tuber crops, spices, flowers, plantation crops, etc.**" **Hence, statement 3 is not correct.**

55. Regarding the millets and their benefits, consider the following statements:

1. Millets are important due to their potential to generate livelihood, increase farmers' income and ensure food & nutritional security all over the world.
2. India produces more than 50.9 million tonnes of millet which accounts for 80% of Asia's and 20% of global production.
3. Millets are primarily a Rabi crop mostly grown in irrigated conditions, requiring more water and agricultural inputs than other staple crops.
4. Millets have not been recognized as Nutri-cereals by the Indian government.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only 3 only

(c) 1, 2 and 4 only

(d) 3 and 4 only

Ans: A

Exp:

▪ **About Millets:**

- Millets have gained importance due to their potential to generate livelihood, increase farmers' income, and ensure food and nutritional security all over the world. Millets are **easy to grow, require less water and can adapt to a wide range of soil types and climatic conditions**. They also have high nutritional value and are gluten-free, making them a healthy option for people with gluten intolerance. **Hence, statement 1 is correct.**
- India is the largest producer of millets, accounting for **80% of Asia's and 20% of global production**. In India, millets are grown in dryland areas and are an important crop for small and marginal farmers. Millets are also an integral part of the traditional diets of many communities in India. **Hence, statement 2 is correct.**
- Millets are primarily **rainfed crops, grown in dryland areas with little or no irrigation**. They require less water and agricultural inputs than other staple crops like rice and wheat, making them a more sustainable option for farmers. **Hence, statement 3 is not correct.**
- Millets have been **recognized as nutri-cereals by the Indian government**. In fact, the Indian government has launched a scheme called the National Mission on Nutri-cereals to promote the cultivation and consumption of millets.
 - The government has also included millets in the public distribution system and mid-day meal scheme to improve the nutritional status of people, especially children and women. **Hence, statement 4 is not correct.**

56. Which of the following is a supply-side bottleneck for the growth of the food processing sector in India?

(a) Lack of adequate and efficient cold chain infrastructure.

(b) Uneven geographic distribution of cold storage infrastructure.

(c) Logistical barriers relating to connectivity.

(d) Lack of demand for processed food items in the consumer basket.

Ans: A

Exp:

- The food processing industry in India is growing at a rapid pace, but the **lack of adequate and efficient cold chain infrastructure is a major supply-side bottleneck for its growth**. Cold chain infrastructure includes storage, transportation, and distribution facilities that are necessary to maintain the quality and safety of perishable food products, such as fruits, vegetables, dairy, and meat products.
- In India, a significant portion of **perishable produce is lost due to inadequate cold storage facilities and transportation systems**. The existing cold storage infrastructure is unevenly distributed, with most of the facilities concentrated in a few states and cities, which makes it difficult for farmers and food processors to access them. Furthermore, the quality of the existing cold storage infrastructure is often poor, resulting in product spoilage and wastage.
- The lack of efficient connectivity and logistical barriers also pose challenges to the growth of the food processing sector. For instance, poor road infrastructure and inadequate transportation facilities can increase the time and cost of transporting perishable products from the farm to the processing facility or market, thereby reducing the quality and shelf-life of the products.

- However, the **lack of demand for processed food items in the consumer basket is not a supply-side bottleneck**. Rather, it is a demand-side constraint that can be addressed through effective marketing and consumer education initiatives. **Hence, option A is correct.**

57. What was the reason for lower procurement of wheat during Rabi Marketing Season (RMS) 2022-23 compared to RMS 2021-22?

- (a) The estimated target for wheat procurement was lower in RMS 2022-23.
- (b) The market price of wheat was higher than its Minimum Support Price (MSP) during its procurement season.
- (c) There was a shortage of wheat due to weather conditions.
- (d) All of the above.

Ans: B

Exp:

- The reason for lower procurement of wheat during Rabi Marketing Season (RMS) 2022-23 compared to RMS 2021-22 was that the **market price of wheat was higher than its Minimum Support Price (MSP) during its procurement season. Hence, option B is correct.**
 - The Minimum Support Price (MSP) is the price at **which the government purchases crops from farmers**. When the market price of a crop is lower than its MSP, the government buys the crop at the MSP to support the farmers and ensure food security.
 - However, when the market price of a crop is higher than its MSP, farmers prefer to sell their crops in the open market instead of selling them to the government at the MSP. This results in lower procurement by the government.
 - In the case of wheat during Rabi Marketing Season (RMS) 2022-23, the market price of wheat was higher than its MSP, which led to lower procurement by the government.

58. Which of the following is a factor contributing to the growth in bank credit to industry in India?

- A) Introduction of the Emergency Credit Linked Guarantee Scheme (ECLGS)
- B) Increase in credit demanded by MSMEs
- C) Reduction in capital raising from volatile debt and equity markets by large industries
- D) All of the above.

Ans: D

Exp:

- **All three factors (A, B and C) are contributing to the growth in bank credit to the industry in India.**
- The introduction of the **Emergency Credit Linked Guarantee Scheme (ECLGS)** has assisted in the significant increase in credit to MSMEs. This, combined with the increase in **credit demanded by MSMEs, has driven the growth in total credit.**
- Additionally, **large industries have reduced their capital raising from volatile debt and equity markets** and have begun to increase the pace of their credit offtake, contributing to the growth in credit to the industry as a whole.
- **Hence, option D is correct.**

59. Consider the following statements about the Indian Pharmaceuticals industry:

1. It is ranked 3rd in the world for the volume of pharmaceutical products produced.
2. India is the largest global supplier of generic medicines, holding a 20% share in the global supply by volume.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans- C

Exp:

- The Indian Pharmaceuticals industry plays a prominent role in the global pharmaceuticals industry.
 - India is ranked **3rd worldwide in the production of pharma products** by volume and 14th by value. **Hence, statement 1 is correct.**
- The sector is the **largest provider of generic medicines globally, occupying a 20 % share in global supply by volume**, and is also the leading vaccine manufacturer globally with a market share of 60 per cent. **Hence, statement 2 is correct**

60. Which of the following is NOT a Core Industry of India?

- (a) Coal
- (b) Cement
- (c) Textile
- (d) Pharmaceuticals

Ans: D

Exp:

- The **Eight Core Industries of India are the key sectors that form the foundation** of the country's industrial production.
 - These industries include **Coal, Crude oil, Natural gas, Refinery products, Fertilisers, Steel, Cement, and Electricity.**
- They are critical for the overall economic development of the country, generating employment opportunities and contributing significantly to the country's GDP.
 - **Pharmaceuticals** is not part of the Eight Core Industries.
- **Hence, option D is correct.**

61. What is Gross Value Added (GVA)?

- (a) A measure of the total value of goods and services produced in an economy, excluding the value of intermediate inputs used in the production process.
- (b) A measure of the total value of goods and services produced in an economy, including the value of intermediate inputs used in the production process.
- (c) A measure of the total income earned by the residents of an economy.
- (d) A measure of the total expenditure incurred by the residents of an economy.

Ans: A

Exp:

- **Gross Value Added (GVA)** is a measure of the total value of goods and services produced in an economy, excluding the value of intermediate inputs used in the production process, such as **raw materials, utilities, and services**.
 - It is a measure of the value added by the various sectors of the economy and is used to assess the economic performance of a country.
- The **GVA of a country can be used to identify the sectors** that are driving economic growth, and to evaluate the contribution of different sectors to the overall economic development of the country.
- **Hence, option A is correct.**

62. Consider the following statements about the Index of Industrial Production (IIP) in India:

1. The IIP is a composite indicator that measures the short-term changes in the volume of production of a basket of industrial products.
2. The IIP is compiled and published monthly by the National Statistical Office (NSO) of the Ministry of Statistics and Programme Implementation.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans- C

Exp:

- **IIP is an indicator that measures the changes in the volume of production of industrial products during a given period. Hence, statement 1 is 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.
- It is compiled and published monthly by the **National Statistical Office (NSO)**, Ministry of Statistics and Programme Implementation. **Hence, statement 2 is correct.**
 - Base Year for IIP is **2011-2012**.

63. Consider the following statements about the Purchasing Managers Index (PMI):

1. The PMI is a composite indicator that measures the performance of the manufacturing sector.
2. A reading above 50 indicates contraction in the manufacturing sector, while a reading below 50 indicates expansion.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: A

Exp:

- The **Purchasing Managers Index (PMI)** is a composite indicator that **measures the performance of the manufacturing sector. Hence, statement 1 is correct.**
 - It provides an overview of the current economic conditions in the sector, including new orders, production, employment, supplier deliveries, and inventories.
- A **reading above 50 on the PMI indicates expansion** in the manufacturing sector, while a **reading below 50 indicates contraction. Hence, statement 2 is not correct.**
- The PMI is considered a **leading indicator of economic activity**, as changes in the manufacturing sector tend to precede changes in the overall economy.

64. What is "Flipping" in the context of entrepreneurship?

- A. The process of selling a company's shares to an overseas entity
- B. The process of transferring the entire ownership of an Indian company to an overseas entity
- C. The process of acquiring an overseas company to expand business
- D. The process of obtaining government support for start-ups

Ans: B

Exp:

- In the context of entrepreneurship, "**Flipping**" refers to the process of transferring the **entire ownership of an Indian company to an overseas entity**, accompanied by a transfer of all **intellectual property (IP)** and all data hitherto owned by the Indian company.
- It effectively transforms an Indian company into a **100% subsidiary of a foreign entity**, with the founders and investors retaining the same ownership via the foreign entity, having swapped all shares.
- This process is typically driven by **commercial, taxation and personal preferences** of founders and investors.
- **Hence, option B is correct.**

65. Consider the following statements:

1. World Investment Report is released by World Economic Forum.
2. India is the third largest recipient of FDI in the in the top 20 host countries in 2021 as per the World Investment Report 2022.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: (d)

- The World Investment Report 2022 of UNCTAD places India as the seventh largest recipient of FDI in the top 20 host countries in 2021. **Hence, statement 1 and 2 are not correct.**
- In FY22 India received the highest-ever FDI inflows of US\$ 84.8 billion including US\$ 7.1 billion FDI equity inflows in the services sector.

- To facilitate investment, various measures have been undertaken by the Government, such as the launch of the **National Single-Window system, a one-stop solution for approvals and clearances needed by investors, entrepreneurs, and businesses.**

66. With reference to the reforms by Government to ensure the liberalisation of investment in various industries, consider the following statements:

1. Government has allowed 100% foreign investment in Life Insurance Corporation (LIC) and telecommunication services under the automatic route.
2. The FDI ceiling in insurance companies was also raised from 49 to 74% under Automatic Route.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: b

- To ensure the liberalisation of investment in various industries, the Government has permitted 100 per cent foreign participation in telecommunication services, including all services and infrastructure providers, through the Automatic Route.
- Further, Government has allowed **20% foreign investment in Life Insurance Corporation (LIC)** under the automatic route. **Hence, statement 1 is not correct.**
- The FDI ceiling in insurance companies was also raised from 49 to 74 percent, under Automatic Route. **Hence, statement 2 is correct.**

67. Consider the following statements:

1. Indian Insurance Market is the 10th largest in the world.
2. RBI is the Insurance Regulatory of India.

Which of the above statements are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: a

- The Indian Insurance sector is at an inflexion point. India will be one of the main drivers of global insurance industry growth over the next decade. **Indian Insurance Market is the 10th largest** in the world and is poised to become the 6th largest by 2032, ahead of Germany, Canada, Italy, and South Korea. **Hence, statement 1 is correct.**
- The **insurance regulator, IRDAI**, has taken up the mission of universal insurance, which is expected to lead to a significant increase in insurance penetration such that, when India celebrates 100 years of its independence in 2047, every Indian has appropriate life, health, and property insurance cover and every enterprise is supported by appropriate insurance solutions. **Hence, statement 2 is not correct.**

68. Consider the following statements regarding the World in the Medical Tourism Index:

1. India is ranked 10th out of the top 46 countries in the World in the Medical Tourism Index FY21.
2. It is released by World Health Organization.

Which of the above statements are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: a

- India is ranked 10th out of the top 46 countries in the World in the Medical Tourism Index FY21 released by **Medical Tourism Association. Hence, statement 1 is correct and 2 is not correct.**
- The way India has handled the Covid situation and also prepared itself for future shocks, trust in India's medical infrastructure has improved.

69. Which of the following schemes will assist in capturing a larger share of the global medical tourism market?

1. Ayush visa for tourists
2. National Strategy for Sustainable Tourism & Responsible Traveller Campaign
3. Swadesh Darshan 2.0 scheme
4. Heal in India

Select the correct answer by using the following codes:

- (a) 1 and 2 only
- (b) 1, 2 and 4 only
- (c) 1, 3 and 4 only
- (d) 1, 2, 3 and 4

Ans: d

- India has attempted to improve its attractiveness as a destination for specialised tourism.
- Recent initiatives like the **Ayush visa for tourists** who desire to visit India for medical treatment, the launch of the National Strategy for Sustainable Tourism & Responsible Traveller Campaign, the introduction of the Swadesh Darshan 2.0 scheme, and Heal in India can assist in capturing a larger share of the global medical tourism market. **Hence, option D is the correct answer.**

70. With reference to the System for Assessment, Awareness, and Training for Hospitality Industry (SAATHI), consider the following statements:

1. It was launched by Ministry of Health and Family Welfare in association with the Quality Council of India.
2. It aims to restrict any further transmission of the Covid-19 virus while providing accommodation and other services post-lockdown.

Which of the statements given above is/are correct?

- (a) 1 only

- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: b

- System for Assessment, Awareness, and Training for Hospitality Industry (SAATHI) was launched by **Ministry of Tourism** in association with the **Quality Council of India** to restrict any further transmission of the virus while providing accommodation and other services post-lockdown. **Hence, statement 1 is not correct and statement 2 is correct.**
- The objective of the scheme is to sensitise the industry on the Covid-19 regulations of the government and instil confidence amongst the staff and guests that the hospitality unit has exhibited intent towards ensuring safety and hygiene at the workplace.

71. With reference to National Housing Bank, consider the following statements:

1. NHB is a statutory organization established under the Company's Act 1956.
2. It is a government-owned entity.
3. It is the apex level financial institution for the housing sector in the country.

Which of the following statements is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (b)

Exp:

- Under the **Special Liquidity Facility of RBI, National Housing Bank (NHB) disbursed Rs.13,917 crore and Rs. 8,112 crore during the 1st and 2nd waves of the pandemic**, respectively, to ensure seamless business as usual in the sector. Including the above, **National Housing bank** has provided Liquidity support of ₹ 88,400 crore through various refinance schemes since the onset of the Pandemic.
- **National Housing Bank (NHB)** is a statutory organization that was established on July 9, 1988 under the **National Housing Bank Act, 1987**.
- It is the apex level financial institution for the housing sector in the country.
- It is a **government-owned entity**.
 - The government took over the NHB from the RBI after buying entire stake of Rs. 1,450 crore in 2019.
 - The move follows the recommendation of **Narasimham-II committee** report of October 2001.
 - Earlier, RBI sold its stake in NABARD as well.
- NHB aims to facilitate the **promotion of Housing Finance Institutions** and provides financial and other support to such institutions.

72. Consider the following statements regarding the Neobanks:

1. They are digital banks with multiple branches.
2. They are financial institutions that give customers a cheaper alternative to traditional banks.
3. These banks have been approved by the Reserve Bank of India (RBI).

Which of the following statements is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Ans: (b)

Exp:

- A neobank is a kind of **digital bank without any branches**. Rather than being physically present at a specific location, neobanking is entirely online. **Hence, statement 1 is not correct.**
- Neobanks are financial institutions that give customers a cheaper alternative to traditional banks. **Hence, statement 2 is correct.**
- They leverage technology and artificial intelligence to offer personalised services to customers while minimising operating costs.
- Neobanks entered the financial system with the tag of 'challenger banks' because they challenged the complex infrastructure and client onboarding process of traditional banks.
- In India, these firms don't have a bank licence of their own but rely on bank partners to offer licensed services.
 - These banks have not yet been approved by the Reserve Bank of India (RBI). **Hence, statement 3 is not correct.**

73. Consider the following statements regarding Central Bank Digital Currency (CBDC):

1. RBI has launched pilots of CBDC in the Retail segments only.
2. It is the same as a fiat currency and is exchangeable one-to-one with the fiat currency.
3. Bahamas has been the first economy to launch its nationwide CBDC.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Ans: (c)

- RBI has also recently launched pilots of CBDC in **both the Wholesale and Retail segments**. **Hence, statement 1 is not correct.**
 - Digital Rupee -Wholesale- the pilot in the wholesale segment was launched on 1st November 2022, with the use case being limited to the settlement of secondary market transactions in government securities. Use of Digital Rupee- Wholesale is expected to make the inter-bank market more efficient. The pilot in the retail segment, known as Digital Rupee-Retail kicked off on 1st December 2022, within a closed user group comprising participating customers and merchants.
- It is the same as a fiat currency and is exchangeable one-to-one with the fiat currency. **Hence, statement 2 is correct.**
 - A fiat currency is a national currency that is not pegged to the price of a commodity such as gold or silver.
- Bahamas has been the first economy to launch its nationwide CBDC- — Sand Dollar. **Hence, statement 3 is correct.**

74. With reference to the Account Aggregator (AA), consider the following statements:

1. It is a Non-Banking Financial Company.
2. It is engaged in the business of providing the service of retrieving or collecting financial information pertaining to the customer.
3. AAs enable flow of data between Financial Information Providers (FIPs) and Financial Information Users (FIUs).

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Ans: (d)

- Account Aggregator (AA) **is a Non-Banking Financial Company (NBFC)** engaged in the business of providing the service of retrieving or collecting financial information pertaining to the customer. **Hence, statement 1 and 2 are correct.**
- No financial information of the customer is retrieved, shared or transferred by AA without the explicit consent of the customer.
- AA transfers data from one financial institution to another based on an individual's instruction and consent. Registering with an AA is fully voluntary for consumers.
- Entities may enrol themselves on AA framework as Financial Information Provider (FIP) viz. banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc. and as **Financial Information User (FIU)** which is an entity registered with and regulated by any financial sector regulator.
 - AAs enable flow of data between FIPs and FIUs. **Hence, statement 3 is correct.**

75. Consider the following statements with reference to National e-Governance Services Limited (NeSL):

1. NeSL is India's first Information Utility.
2. NeSL is registered with the Insolvency and Bankruptcy Board of India (IBBI) under the aegis of the Insolvency and Bankruptcy Code, 2016 (IBC).
3. NeSL launched Digital Document Execution (DDE) platform which aims to digitise all the steps of the document/ agreement execution journey.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: (d)

- The primary role of National E-Governance Services (NeSL) is to serve as a repository of legal evidence holding the information pertaining to any debt/claim, as submitted by the financial or operational creditor and verified and authenticated by the parties to the debt.
- **NeSL is India's first Information Utility** and is registered with the Insolvency and Bankruptcy

Board of India (IBBI) under the aegis of the Insolvency and Bankruptcy Code, 2016 (IBC). **Hence, statement 1 and 2 are correct.**

- Two years after the first completely digital loan document agreement was executed, the government-backed NeSL has processed one million transactions through **its digital document execution (DDE) platform. Hence, statement 3 is correct.**

76. Consider the following statements:

1. An international currency is one that is used and held beyond the borders of the issuing country, not merely for transactions with that country's residents, but also, and importantly, for transactions between non-residents.
2. Recently, RBI has permitted an additional arrangement for invoicing, payment, and settlement of exports/imports in Indian Rupees (INR) to increase interest of the global trading community in INR as an international currency.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Explanation

- An international currency is one that is used and held beyond the borders of the issuing country, not merely for transactions with that country's residents, but also, and importantly, for transactions between non-residents.
- In other words, an international currency is one that is used instead of the national currencies of the parties directly involved in an international transaction, whether the transaction in question involves a purchase of goods, services or financial assets. **Hence, statement 1 is correct.**
- The Government of India has made suitable amendments in the Foreign Trade Policy and Handbook of Procedures to allow for International Trade Settlement in Indian Rupees (INR) i.e., invoicing, payment, and settlement of exports / imports in Indian Rupees. This has been done as per RBI guidelines.
- Given the rise in interest in internationalization of Indian Rupee, the given Policy amendments have been undertaken to facilitate and to bring ease in international trade transactions in Indian Rupees. **Hence, statement 2 is correct.**

77. With reference to Financial Year 2021-22, consider the following statements:

1. China, UAE, US, Russia, and Saudi Arabia have a joint share of 40% of the total imports of India.
2. The US remained the top export destination followed by UAE and the Netherlands.
3. The Netherlands has displaced China from the 3rd spot as India's exporting partner.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) All the Above

Ans: D

Exp:

- As regards imports, China, UAE, US, Russia, and Saudi Arabia have a joint share of 40% of the total imports of India. **Hence, statement 1 is correct.**
 - However, the share of China declined to 13.8% during April-November 2022 from 15.5% a year ago. Similarly, the share of the US declined to 6.9% in April-November 2022 from 7.2% a year ago.
- The US remained the top export destination in April-November 2022 followed by UAE and the Netherlands. **Hence, statement 2 is correct.**
- The Netherlands has displaced China from the 3rd spot as India's exporting partner. **Hence, statement 3 is correct.**
- India has diversified its export destinations over time. For example, the share of South Africa in total exports has risen from 1.2% in FY19 to 2.0 per cent in FY23 (April to November).

78. What measures are being implemented to improve the resilience of India's external sector?

- A. Free Trade Agreements
- B. International settlement in Indian Rupee
- C. National Logistics Policy
- D. All the above

Ans D

Exp:

- The measures being considered/implemented to improve the resilience of India's external sector are Free Trade Agreements, National Logistics Policy, and efforts to promote international trade settlement in Indian Rupees.
- The Free Trade Agreements would address external frictions by creating opportunities for exports at concessional tariffs and non-tariff barriers.
- Efforts are underway to promote international trade settlement in Indian Rupees. Once this initiative gain traction, dependence on foreign currency would potentially reduce, making the economy less vulnerable to external shocks.
- National Logistics Policy would ease the domestic frictions to encourage Indian exports by reducing the cost of internal logistics.
- **Hence Option D is correct.**

79. Consider the following statements:

1. India has the largest emigrant population and is the top remittance recipient country.
2. Remittances are the largest major source of external financing.
3. Remittances have benefitted from a gradual structural shift in Indian migrants' key destinations from largely low-skilled, informally employment in the Gulf Cooperation Council (GCC) countries to a dominant share of high-skilled jobs in high-income countries such as the United States, the United Kingdom, and East Asia.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 1 and 3 only

(d) All the Above

Ans: C

Exp:

- India has the largest emigrant population and is the top remittance recipient country with remittances anticipated to reach a milestone of USD 100 billion in 2022 according to the World Bank. **Hence, statement 1 is correct.**
- Remittances are the second largest major source of external financing after service export, which contributes to narrowing the CAD (Current Account Deficit) and has always been a stable constituent of the BoP (Balance of Payments). **Hence, statement 2 is not correct.**
- Remittances have benefitted from a gradual structural shift in Indian migrants' key destinations from largely low-skilled, informally employment in the Gulf Cooperation Council (GCC) countries to a dominant share of high-skilled jobs in high-income countries such as the United States, the United Kingdom, and East Asia (Singapore, Japan, Australia, New Zealand). **Hence, statement 3 is correct.**

80. With reference to 'International Investment Position (IIP)', consider the following statements:

1. India has a negative Net IIP.
2. The Net IIP position determines whether a country is a net creditor or debtor nation by measuring the difference in its external assets and liabilities.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Exp:

- India has a negative IIP. India's international financial assets covered 68.5% of international financial liabilities as of end September 2022. **Hence, statement 1 is correct.**
- The International Investment Position (IIP) is a statistical statement that shows at a point in time the value and composition of (a) financial assets of residents of an economy that are claims on non-residents and gold bullion held as reserve assets, and (b) liabilities of residents of an economy to non-residents.
- The difference between an economy's external financial assets and liabilities is the economy's net IIP, which may be positive or negative. **Hence, statement 2 is correct.**
- The Net IIP position determines whether a country is a net creditor or debtor nation by measuring the difference in its external assets and liabilities.
- These statistics serve as an indicator of a country's financial condition and soundness. The Net IIP, along with the BoP transactions, reflects the domestic economy's set of international accounts.

81. With reference to India's BoP (Balance of Payments) in FY2021-22, consider the following statements:

1. A sharp rise in oil prices was a reason behind widening of the CAD (Current Account Deficit).
2. India was the largest foreign exchange reserves holder in the world.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: A

Exp:

- Overall, the adverse global economic situation placed India's BoP (Balance of Payments) under pressure in 2022.
- While the impact of a sharp rise in oil prices was discernible in the widening of the CAD (Current Account Deficit), policy tightening by the US Fed (central bank of the US) and the strengthening of the US dollar led to FPI outflows (Foreign Portfolio Investment). **Hence, statement 1 is correct.**
- India's foreign exchange reserves stood at USD 532.7 billion as of end-September 2022, covering 8.8 months of imports. The reserves augmented to USD 562.7 billion as of end December 2022 covering 9.3 months of imports.
- As of end-November 2022, India was the sixth largest foreign exchange reserves holder in the world according to data compiled by the IMF (International Monetary Fund). **Hence, statement 2 is not correct.**

82. Consider the following statements:

1. Owing to Covid-19 pandemic, India lost its dominance in the world services trade in FY22.
2. Software and business services together constitute more than 60% of India's total services exports.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp:

- India maintained its dominance in the world services trade in FY22. Despite pandemic-induced global restrictions and weak tourism revenues, India's services exports stood at USD 254.5 billion in FY22 recording a growth of 23.5% over FY21 and registered a growth of 32.7% in April-September 2022 over the same period of FY22. **Hence, statement 1 is not correct.**
- Software and business services together constitute more than 60% of India's total services exports and exhibited strong growth during Q2FY23.
- While strong revenues in major information technology (IT) companies from various segments such as retail and consumer business; communications and media; healthcare; and banking, financial and insurance services drove the growth in software exports, a significant pick-up in engineering, and research and development related services boosted the growth in business services exports during the quarter. **Hence, statement 2 is correct.**

83. Consider the following statements:

1. The optimal threshold for India's external debt is around 23-24% of GDP.

2. There has been a well-recognized trend in the rise in external debt of the non-sovereign sector over the SED (Sovereign External Debt) is seen since FY99.

Which of the statements given above is/are correct?

- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Ans: C

Exp:

- India's external debt, at USD 610.5 billion as of end-September 2022, grew by 1.3% over USD 602.9 billion as of end-September 2021. However, external debt as a ratio to GDP fell to 19.2% as of end-September 2022 from 20.3% a year ago.
- The Economic Survey documents that the optimal threshold for India's external debt is around 23-24% of GDP. Thus, India has the potential growth positive space as far as the external debt level is concerned. **Hence, statement 1 is correct.**
- The Ministry of Finance's "India's External Debt: A Status Report 2019-20", provides details of the evolution of India's external debt. A discernible trend in the rise in external debt of the non-sovereign sector over the SED (Sovereign External Debt) is seen since FY99. Accordingly, typically, in a normal year, it is the relative movements in non-SED that influences the dynamics of the country's external debt. **Hence, statement 2 is correct.**
- In the pandemic year of FY21, it was the growth in SED that accounted for a larger share of the overall growth of foreign debt due to Covid-19 loans from multilateral institutions.
- As the pandemic receded and normalcy was restored with the revival of the economy, the usual dynamics of India's external debt returned as the growth in non-SED constituted as much as 4.7 percentage points out of the overall external debt growth of 8.0% at end-March 2022.
- However, the quarter ending September 2022, yet again witnessed deviation from the usual dynamics. It was the relative growth in SED (akin to the pandemic year) that influenced the overall external debt dynamics on the back decline in external assistance as well as other government debt which includes FPI investment in G-Sec and SDR.
- Out of the overall decline in India's external debt by 0.4%, the fall in the SED was 0.5%, while the rise in non-SED was 0.2%.

84. Consider the following statements regarding "PM GatiShakti":

1. PM GatiShakti is a National Master Plan for multi-modal connectivity.
2. It is a digital platform to bring different ministries together for planning and implementation.

Which of the statements given above is/are correct?

- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

Ans: C

Exp:

- **PM GatiShakti**, also known as the **National Master Plan for multi-modal connectivity**, which was introduced in the previous year. **Hence, statement 1 is correct.**
- **National Logistics Policy** will support the **PM GatiShakti initiative** and is complementary to it.
- It is a **digital platform** to bring **16 Ministries** including **Railways** and **Roadways** together for **integrated planning** and **coordinated implementation** of **infrastructure connectivity projects**. **Hence, statement 2 is correct.**
- The **multi-modal connectivity** will provide **integrated** and **seamless connectivity** for movement of **people, goods** and **services** from one mode of transport to another.

85. Which of the following statements is/are correct?

1. The National Monetization Pipeline (NMP) is a policy initiative by the Indian government to monetize public infrastructure assets.
2. The NMP is aligned with the Indian government's agenda of strategic disinvestment.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Exp:

- The **National Monetisation Pipeline (NMP)** is a policy initiative by the Indian government to **monetize public infrastructure assets**, such as **roads, bridges, airports, and ports**, through various financial instruments such as **long-term leases, concessions, and build-operate-transfer models**. **Hence, statement 1 is correct.**
- The **NMP** aims to unlock the potential value of public infrastructure assets, enhance their efficiency and performance, and promote private investment in infrastructure development.
- The **National Monetisation Pipeline (NMP)** is aligned with the Indian government's agenda of **strategic disinvestment**, which involves partial or full transfer of ownership of **public sector enterprises (PSEs)** or **public infrastructure assets** to the private sector. **Hence, statement 2 is correct.**

86. Consider the following statements with respect to 'UDAN (Ude Desh Ka Aam Naagrik)':

1. Under this Scheme, Regional Connectivity Fund (RCF) was created, which funds the Viability Gap Funding (VGF) requirements of the scheme.
2. The scheme focuses on the connectivity between the Tier-2 and 3 cities in the country.
3. It is also fostering the growth of the international aviation market.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3
- (d) 1, 2 and 3

Ans: A

Exp:

- **Ude Desh ka Aam Nagrik (UDAN)** was launched as a **regional connectivity scheme** under the **Ministry of Civil Aviation in 2016**.
- Under this Scheme, **Regional Connectivity Fund (RCF)** was created, which funds the **Viability Gap Funding (VGF)** requirements of the scheme through a levy on certain domestic flights. **Hence, statement 1 is correct.**
- The scheme focuses on the connectivity between the **Tier-2 and 3 cities** in the India. **Hence, statement 2 is correct.**
- This scheme is intended to provide **affordable, economically viable and profitable air travel** on regional routes to the common man even in small towns.
- Its objective is to develop the **regional aviation market**. **Hence, statement 3 is not correct.**

87. Which of the following statements is/are correct?

1. The capacity of major ports in India decreased from 2014 to 2019.
2. National Logistics Portal-Marine (NLP-Marine) is a digital platform being developed for the maritime industry.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp:

- The **development of ports** is essential for the economy as the **majority of international trade** is handled through ports (**90%** of international trade cargo by volume and **79.9%** by value).
- The capacity of major ports in India increased from **871.5 Million Tonnes Per Annum (MTPA)** at the end of **March 2014** to **1534.9 MTPA** at the end of **March 2022**. **Hence, statement 1 is not correct.**
- During FY22, the major ports in India handled 720.1 MT of traffic cumulatively.
- **National Logistics Portal-Marine (NLP-Marine)** is a digital platform being developed for the maritime industry to provide a **unified and efficient solution** for all stakeholders involved in maritime logistics. **Hence, statement 2 is correct.**

88. With reference to the Indian Railways (IR), consider the following statements:

1. Indian Railways (IR) is the fourth largest network in the world.
2. The capital expenditure (Capex) on infrastructure in railways has declined due to Covid-19 in the last four years.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: A

Exp:

- **Indian Railways (IR)**, with over **68,031 route kms**, is the **fourth largest network** in the world. **Hence, statement 1 is correct.**
- The fast pace of infrastructure augmentation by IR has been a result of **substantial increase in allocation of funds** and various steps being taken by the government.
- The **capital expenditure (Capex)** on **infrastructure** in **railways** has received a tremendous boost since 2014. It has seen a continuous increase in the last four years with Capex of **Rs. 2.5 lakh crore in FY23, up by around 29% compared to the previous year.** **Hence, statement 2 is not correct.**

89. Which of the following sectors were covered under the National Infrastructure Pipeline?

- A) Transportation, housing, commercial development, telecom, and sanitation
- B) Healthcare, education, agriculture, energy, and tourism
- C) Technology, entertainment, media, finance, and manufacturing
- D) None of the above

Ans: A

Exp:

- The **National Infrastructure Pipeline (NIP)** is a forward-looking programmatic approach towards infrastructure development in India, adopted by the **Government of India in 2019.**
- **Transportation, housing, commercial development, telecom, and sanitation** are the sectors covered under the **National Infrastructure Pipeline.** **Hence, option A is correct.**
- Its purpose is to facilitate infrastructure development and enhance the socio-economic growth of the country by bringing together various sectors of infrastructure development and ensuring that they operate in a coordinated and integrated manner.

90. Consider the following statements about 'India's infrastructure journey':

1. India's infrastructure journey has been domestic in outlook and implementation.
2. The public sector has not played a significant role in India's digital infrastructure development.
3. India has only focused on physical infrastructure development in the last few years.

Which of the statements given above are correct?

- (a) 1 only
- (b) 2 and 3 only
- (c) 3 only
- (d) 1, 2 and 3

Ans: A

Exp:

- It states that India has seen unprecedented expansion in **roads, railways, waterways, ports, and airports**, which has helped the country move from unimodal to multi-modal transportation.
- India's infrastructure journey has been domestic in innovation and implementation. The country has led innovation in technology and digital connectivity through the public sector. **Hence,**

statement 1 is correct.

- Infrastructure developments in India are a testament to the fact that India has been one of the few countries where **innovation in technology and digital connectivity** has been and continues to be led by the public sector. **Hence, statement 2 is not correct.**
- India's infrastructure journey, covering both **physical and digital infrastructure development.** **Hence, statement 3 is not correct.**

91. Consider the following statements:

1. The Unified Payment Interface (UPI) led by the National Payments Corporation of India International (NPCIL) transformed the payment landscape in India.
2. Digital transformation enables the rethinking of business processes and organizational structures.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

Exp:

- The payment scenario in India underwent a significant transformation due to the introduction of the Unified Payment Interface (UPI) by the National Payments Corporation of India International (NPCIL). **Hence, statement 1 is correct.**
- Innovation can be driven by a wide range of factors, including advances in **technology, changes in consumer preferences**, and shifts in market conditions.
- Digital transformation involves not only the adoption of new technologies but also the rethinking of business processes and organizational structures. **Hence, statement 2 is correct.**

92. Which of the following statements is/are not correct?

1. The GST Sahay platform was created by the GSTN to assist taxpayers in addressing their concerns and questions related to GST.
2. The GSTN was established as a not-for-profit, public-private partnership company.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: D

Exp:

- **GST Sahay** is a digital platform developed by the **Goods and Services Tax Network (GSTN)** in India to provide assistance to taxpayers in resolving their queries and grievances related to the **Goods and Services Tax (GST)**. **Hence, statement 1 is correct.**
- The **GSTN** was established as a **not-for-profit, public-private partnership company**, with the

aim of providing a **shared IT infrastructure and services** to **Central and State Governments, taxpayers**, and other stakeholders in the **GST ecosystem**. Hence, **statement 2 is correct**.

93. Which of the following is an impact of increased infrastructure investment on the economy?

1. It can lead to a decrease in economic growth.
2. It can provide a critical push to the potential growth of the economy.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp:

- Increased **infrastructure investment** can actually lead to an **increase in economic growth** rather than a **decrease**. Infrastructure is the backbone of any economy, and its development can lead to several positive economic impacts. **Hence, statement 1 is not correct.**
- Infrastructure such as roads, bridges, and public transportation systems can make it easier and faster for businesses to transport goods and for workers to get to their jobs. This can increase productivity and efficiency, which can lead to higher economic growth. **Hence, statement 2 is correct.**

PDF Refernece URL: <https://www.drishtias.com/printpdf/gist-of-economic-survey-2022-23-mcq>