

Q.1) Which of the following are part of World bank group?

1. The International Bank for Reconstruction and Development
2. The International Development Association
3. The International Finance Corporation
4. The Department of International Development
5. The Multilateral Investment Guarantee Agency
6. The World Intellectual Property Organisation
7. The International Centre for Settlement of Investment Disputes

Select the correct answer.

- a) 1, 3, 4, 5 and 7 only
- b) 1, 2 ,3, 5 and 7 only
- c) 1, 2, 4, 5 and 7 only
- d) All of the above

Q.1) Solution (b)

The Department for International Development (DFID) leads the UK's work to end extreme poverty, building a safer, healthier, more prosperous world for all of us which is firmly in the UK's national interest.

WIPO is the global forum for intellectual property services, policy, information and cooperation. It is a UN organisation.

Q.2) Consider the following about World Intellectual Property Organisation (WIPO).

1. World Intellectual Property Organisation is a member of the World Bank group.
2. WIPO was created in 1967 "to encourage creative activity, to promote the protection of intellectual property throughout the world.
3. The predecessor to WIPO was the BIRPI (Bureaux Internationaux Réunis pour la Protection de la Propriété Intellectuelle, French acronym for United International Bureaux for the Protection of Intellectual Property)
4. WIPO's member states and stakeholders share a common goal: an efficient and accessible intellectual property system that provides benefits to all.

Select the correct answer

- a) 1 and 2 only
- b) 1, 2 and 4 only
- c) 2, 3 and 4 only
- d) All of the above

Q.2) Solution (c)

The World Intellectual Property Organization (WIPO) is one of the 17 specialized agencies of the United Nations. WIPO was created in 1967 "to encourage creative activity, to promote the protection of intellectual property throughout the world. It is not a World Bank group member.

Q.3) Consider the following.

1. Protectionism refers to government actions and policies that restrict or restrain international trade, often done with the intent of protecting local businesses and jobs from foreign competition.
2. Import substitution industrialization (ISI) is a theory of economics typically utilized by developing countries or emerging market nations seeking to decrease dependence on developed countries and to increase self-sufficiency.

Select the correct answer:

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

Q.3) Solution (c)

Both are correct and copybook definitions.

Q.4) Which of the following is not correctly matched w.r.t. modes of supply?

- a) Mode 1 – Cross Border Supply
- b) Mode 2 – service delivered within the territory of the member through presence of the supplier
- c) Mode 3 – Commercial presence
- d) Mode 4 – Presence of the natural person

Q.4) Solution (b)

Mode 2 is Consumption abroad and the service provider is not present within the territory of the member.

Q.5) Consider the following about WTO.

1. With GATS the multilateral trading system includes services for the first time as its predecessor GATT didn't include services.
2. The Anti Counterfeiting Trading Agreement is under the arrangement of WTO and establishes international standards w.r.t. IPRs.

Select the correct answer:

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

Q.5) Solution (a)

The ACTA is out of WTO and WIPO and a multinational treaty establishing international standards w.r.t IPRs. It is by the countries like Japan, USA, Australia, New Zealand, Canada etc.

Q.6) Which of the following states were recently granted GI for Basmati rice?

1. Jammu and Kashmir
2. Madhya Pradesh
3. Haryana
4. Western Uttar Pradesh
5. Punjab
6. Himachal Pradesh

Select the correct answer.

- a) 1, 2 ,3, 4 and 6 only
- b) 2 ,3, 4, 5 and 6 only
- c) 1, 3, 4, 5 and 6 only
- d) 1, 2, 3, 5 and 6 only

Q.6) Solution (c)

Madhya Pradesh lost its bid.

Further reading:

<http://www.thehindu.com/news/national/indian-basmati-rice-gets-gi-tag/article8198492.ece>

Q.7) Consider the following.

1. The Asian Development Bank (ADB) is an Asia regional development organization dedicated to reducing poverty in Asia and the Pacific through loans, grants with headquarters in Beijing.
2. The Asian Infrastructure Investment Bank (AIIB) is an international financial institution that aims to support the building of infrastructure in the Asia-Pacific region with headquarters in Manila, Philippines.
3. The New Development Bank (NDB), formerly referred to as the BRICS Development Bank, is a multilateral development bank established by the BRICS states with headquarters in Shanghai, China.

Select the incorrect answer

- a) 1 and 2 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) All of the above

Q.7) Solution (a)

Headquarters have been mingled around. These are important institutions keeping the changing dynamics in mind.

Q.8) Which of the following is correct?

- a) The UN Monetary and Financial Conference held post Second World War established the international trading regime called General Agreement on Trade and Tariffs.
- b) WTO is part of whole set up of UNO and thus is guided by the actions its member bodies.
- c) IMF follow voting by consensus pattern by which each member gets to ensure their idea is considered.
- d) WTO doesn't have weighted voting as the World Bank or the IMF and goes by the system of one member one vote.

Q.8) Solution (d)

The conference referred to in statement (a) is Bretton Woods Conference and it lead to World Bank and IMF coming to place.

WTO is not part of UN set up and is independent. However both share an agreement between each other.

IMF follow weighted voting and the members with higher quota get a higher voice.

Q.9) Which of the following are correct w.r.t. Trans Pacific Partnership?

1. The Trans-Pacific Partnership (TPP) is a trade agreement among twelve Pacific Rim countries.
2. Historically, the TPP is an expansion of the Trans-Pacific Strategic Economic Partnership Agreement (TPSEP or P4) signed by Brunei, Chile, New Zealand, and Singapore in 2005.
3. The TPP contains measures to raise trade barriers, such as tariffs to rogue nations and establish an investor-state dispute settlement mechanism (but states can opt out from tobacco-related measures).
4. South Korea is not part of the TPP deal.

Select the correct answer

- a) 1, 2 and 3 only
- b) 1, 2 and 4 only
- c) 1, 3 and 4 only
- d) All of the above

Q.9) Solution (b)

There is no such provision called rogue nations in the deal and it basically looks to reduce the trade barriers between member nations.

Q.10) Which of the following is not correctly matched?

- a) TATP – Europe and America
- b) RCEP – ASEAN
- c) FTTA – APEC
- d) NAFTA – Eurasian Union

Q.10) Solution (d)

NAFTA is the North American Free Trade Agreement is an agreement signed by Canada, Mexico, and the United States, creating a trilateral trade bloc in North America.

FTTA is Free Trade Area of Asia Pacific championed by APEC.

Q.11) Consider the following factors:

1. Declining prices of a number of commodities
2. Turbulent financial markets
3. Volatile exchange rates
4. Horizontal distribution of divisible pool among the States

Choose the correct option which signifies being a factor towards the disturbed economic landscape of the world:

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

Q.11) Solution(b)

- Declining prices of a number of commodities (Crude Oil Prices → Decline in Imports)
 - Turbulent financial markets (Equity Market)
 - Volatile exchange rates
 - Rupee has depreciated vis-à-vis the US dollar
 - China's growth and currency developments this year deteriorated
 - Appreciated against some
- Exhibits extreme risk-aversion behaviour of global investors → commodities exporting economies are thus, put under considerable stress

Let us talk about what Economic Survey tells us about the State of Indian Economy—

Growth has been positive on the strength of domestic absorption, and the country has registered a robust and steady pace of economic growth in 2015-16 as it did in 2014-15

Exhibited signs of improvement—

- Inflation, Fiscal deficit and Current Account Balance
- Healthy growth rate of PCI (defined as Net National Income (NNI) divided by the estimated population)
- Progress in its contribution to the global growth of Gross Domestic Product (GDP) in Purchasing Power Parity (PPP) terms
- Growth in Gross Value Added (GVA) (reflects the supply or production side)
- **Prices:**

- Substantial decline in price of the Indian basket of crude oil contributed to the decline in general inflation
 - Prices of essential commodities under check— astute policies and management of inflation by the government through buffer stocking, timely release of cereals and import of pulses and moderate increase in Minimum Support Prices (MSP) of agricultural commodities
 - Decline in the inflation of housing (rent), transport, communication, education and other services.
- **Banking—**

RBI:

- Reduced the **repo rate** (from 7.75 per cent to 6.75 per cent in September, 2015)
- Kept the policy repo rate unchanged

Sluggish growth of bank credit:

- Incomplete transmission of the monetary policy as banks have not passed on the entire benefit to borrowers
- Unwillingness of the banks to lend credit on account of rising Non-performing Assets (NPA)
- Worsening of corporate balance sheets, forcing them to put their investment decisions on hold
- Interest rates in the bond market being more attractive to borrowers

Financial Inclusion:

- Increase in the opening of basic savings bank deposit accounts under the Pradhan Mantri Jan Dhan Yojana
- Launch of Universal social security system for all Indians, especially for the poor and the underprivileged, in the insurance and pension sectors;
 - a) Pradhan Mantri Suraksha BimaYojana
 - b) Pradhan Mantri Jeevan Jyoti Bima Yojana
 - c) Atal Pension Yojana

(Make a note of the schemes and basic information regarding them)

- **Pradhan Mantri Mudra Yojana**— Micro Units Development Refinance Agency (MUDRA) Bank to refinance last mile financers
 - a) Refinance products with a loan requirement up to Rs. 10 lakh
 - b) Support to micro-finance institutions by way of refinance
- **Gold**— In order to mobilize gold for productive purpose and to reduce the country's reliance on imports of gold, two main schemes were launched -

- a) Sovereign Gold Bond Scheme
- b) Gold Monetization Scheme

(Make a note of the schemes and basic information regarding them)

- **Growth in Industry:**

- **Owing to Manufacturing:** Improved manufacturing activity
 - Aided by robust growth in petroleum refining, automobiles, wearing apparels, chemicals, electrical machinery and wood products and furniture
 - Provides the demand base for the products of many other growing sectors of the economy, thereby creating substantial backward linkages.
 - **Witnessing a deceleration in growth:** Electricity, gas, water supply and related utilities, mining & quarrying and construction activities
- **Overall BoP Health—** Comfortable owing to the following factors:
 - a) Lower trade deficit and modest growth in invisibles resulted in lower Current Account Deficit (CAD),
 - b) Continued increase in Foreign Direct Investment (FDI) inflows and Non-resident Indian (NRI) deposits
 - c) Net outflow of portfolio investment

Negative Territory:

- Wholesale price inflation & Decline in consumer prices inflation
- **Agriculture Sector:** lower than the average of last decade, mainly on account of it being the second successive year of lower than- normal monsoon rains
 - **Farm Sector—low growth**→ on account of two consecutive years of deficient south-west monsoon (June-September) rainfall & Below normal post monsoon (October-December) rains
 - Decline in the production of food-grains and oil- seeds
- **India's exports are suffering:** Weak growth in advanced and emerging economies and low global commodity prices, particularly petroleum.

Note:

PPP: Represents the number of units of a country's currency required to purchase the same amount of goods and services in the domestic market as the US dollar would purchase in the United States, thus adjusting for purchasing power differentials between currencies in relevant markets

Eight core sectors—

- Coal, crude oil, natural gas, refinery products, fertilizers, steel, cement and electricity
- Have a total weight of nearly 38 per cent in the IIP

(The chapter **State of the Economy (Economic Survey)** has been covered above roughly— Please read it and revise it again. Additionally, go through all the **schemes** mentioned above)

Q.12) To which factor can the recent growth-revival of India be attributed to?

- a) Fixed Capital Formation
- b) Net Exports
- c) Net Imports
- d) Private Consumption

Q.12) Solution (d)

- Signifies the **consumption-led growth revival**
- **Order: Food > Housing > Transport > Misc. goods & services > Cloth > Health > Education**

Q.13) What does Gross fixed capital formation refer to?

- a) Difference between exports and imports of goods and non-factor services
- b) Difference between private and public expenditure
- c) Value of new machinery and equipment plus the value of new construction activity undertaken during the year
- d) Both (a) and (b)

Q.13) Solution (c)

- Owing to the growth in capital goods
- Gross fixed capital formation (GCF's) expenditure component of GDP is **second** to Private Consumption

Q.14) The Baltic Dry Index measures—

- a) The expenditure component of various sectors to the GDP
- b) A freight index and an indicator of shipping services
- c) The performance and contribution of the core industries in the Infrastructure of the country

- d) The difference between Foreign Tourist Arrivals and Foreign Exchange Earnings by the country

Q.14) Solution (b)

Baltic Dry Index—

- A freight index and an indicator of shipping services
- **Low:** slowdown in India's and the world's merchandise trade as well as of overseas shipping services

Q.15) Consider the following statements:

1. The Labour Force Participation Rate (LFPR) of women is higher than that of males in rural areas but lower in urban areas.
2. The Worker Population Ratio (WPR) reflects exactly opposite pattern w.r.t the pattern exhibited by the LFPR.

Choose the correct option:

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

Q.15) Solution (d)

- The Labour Force Participation Rate (LFPR) of women is significantly lower than that of males in both rural and urban areas.
- The Worker Population Ratio (WPR) reflects similar patterns w.r.t that exhibited by LFPR.

Q.16) Which of the following taxes come under Direct Tax Collections?

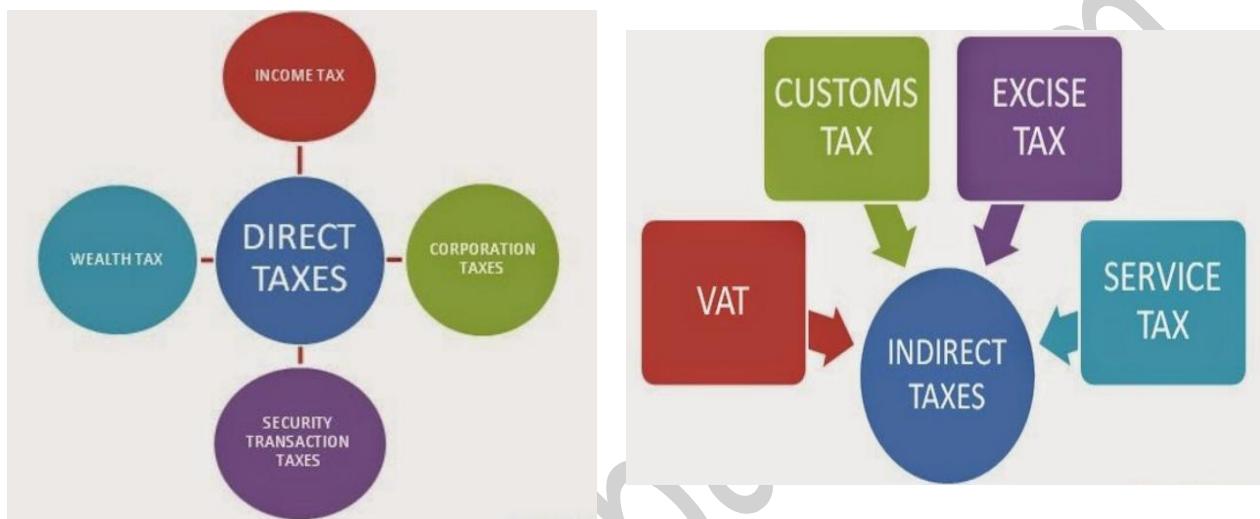
- 1) Personal Income Tax
- 2) Corporate Tax
- 3) Security Transaction Tax
- 4) Wealth Tax

Select the correct code:

- a) All of the above

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

Q.16) Solution (a)



Q.17) Consider the following statements with regard to India and IMF:

- 1) India is the founder member of the IMF and also among the top 10 members of IMF
- 2) India was among the first five nations having the highest quota with IMF and due to this status India was allotted a permanent place in Executive Board of Directors.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both
- d) None

Q.17) Solution (c)

IMF works on quota system, Countries contribute funds to a pool through a quota system from which countries experiencing balance of payments difficulties can borrow money. IMF is controlled and managed by a Board of Governors. Currently there are 24 Directors and each

representing a single country or a group of countries. The transactions of IMF are expressed in Special Drawing Right (SDR) which is also known as Paper Gold. The IMF's financial year is from May 1 to April 30.

India is the founder member of the IMF and also among the top 10 members of IMF, along with the U.S, Japan, France, Germany, Italy, the United Kingdom, China and Russia. IMF has played an important role in Indian economy. IMF has provided economic assistance from time to time to India and has also provided appropriate consultancy in determination of various policies in the country. India was among the first five nations having the highest quota with IMF and due to this status India was allotted a permanent place in Executive Board of Directors.

Q.18) Ulaanbaatar Declaration deals with

- a) the 11th edition of the Asia-Europe Meeting Summit - "20 Years of ASEM: Partnership for the Future through Connectivity"
- b) a prescription on how "a duty-centred system, which had been the origin of Indian philosophy of life, has become the most relevant today."
- c) 51 sacred points for betterment of mankind that will start new discourse not only in India but around the world.
- d) Both (b) and (c)

Q.18) Solution (a)

Link: <http://www.newindianexpress.com/world/11th-ASEM-Summit-to-sign-Ulaanbaatar-Declaration-today/2016/07/16/article3532245.ece>

Q.19) Consider the following statements:

- 1) UDAY or Ujwal Discom Assurance Yojna was launched to help loss-making discoms turn around financially, with support from their State governments.
- 2) Under the scheme, States will take over three-fourths of the debt of their respective discoms. The governments will then issue 'UDAY bonds' to banks and other financial institutions to raise money to pay off the banks.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both
- d) None

Q.19) Solution (c)

UDAY or Ujwal Discom Assurance Yojna was launched in November 2015 to help loss-making discoms turn around financially, with support from their State governments.

Under the scheme, States will take over three-fourths of the debt of their respective discoms. The governments will then issue ‘UDAY bonds’ to banks and other financial institutions to raise money to pay off the banks.

The remaining 25 per cent of the discom debt will be dealt within one of the two ways — conversion into lower interest rate loans by the lending banks or be funded by money raised through discom bonds backed by State guarantee. Backing from the State will help bring down the interest rate for the discoms.

In return for the bailout, the discoms have been given target dates (2017 to 2019) by which they will have to meet efficiency parameters such as reduction in power lost through transmission, theft and faulty metering, installing smart meters and implementing GIS (geographic information system) mapping of loss making areas. States will also have to ensure that power tariffs are revised regularly.

Q.20) Which of the below statement(s) is/are correct about Minimum Alternate Tax (MAT) in India?

- 1) The MAT is the means through which the government makes companies that do not pay any tax cough up some money to the exchequer.
- 2) Only domestic companies in India, including non-corporate entities, fall under the MAT provision.

Select the correct code:

- a) 1 only
- b) 2 only
- c) Both
- d) None

Q.20) Solution (a)

The MAT is the means through which the government makes companies that do not pay any tax — despite showing hefty book profits and paying handsome dividends to their shareholders — cough up some money to the exchequer.

All companies in India, whether domestic or foreign, fall under this provision. MAT was later extended to cover non-corporate entities as well.

Q.21) 'Vinicius' is the mascot for Rio Olympics 2016. Consider the following statements regarding Vinicius:

1. Vinicius is a mix of different Brazilian animals.
2. The name of the Olympic mascot pays tribute to Brazilian musician Vinicius de Moraes.

Which of the above statements are correct?

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

Q.21) Solution (c)

Vinicius

Name

The name of the Olympic mascot pays tribute to Brazilian musician Vinicius de Moraes.

Description

Vinicius is a mix of different Brazilian animals. His design takes inspiration from pop culture, as well as video game and animation characters. Alongside his Paralympic Games colleague, Vinicius represents the diversity of the Brazilian people and culture, as well as its exuberant nature.

Q.22) Which of the following Indian lakes have saline water?

1. Wular
2. Chilka
3. Sambhar
4. Pangyong

5. Loktak

Select the code from below:

- a) 1,2 and 3
- b) 2,3 and 4
- c) 3,4 and 5
- d) 2 and 3

Q.22) Solution (b)

Wular lake- One of the largest fresh water lakes in Asia and the largest in India, is located in Jammu and Kashmir.

Located in Bandipora district in the Indian state of Jammu and Kashmir.

Chilka Lake- Spread over the Puri, Khurda and Ganjam districts of Odisha state on the east coast of India.

Largest coastal lagoon in India and the second largest lagoon in the world.

Largest wintering ground for migratory birds on the Indian sub-continent. The lake is home to a number of threatened species of plants and animals.

The lake is an ecosystem with large fishery resources. It sustains more than 150,000 fisher folk living in 132 villages on the shore and islands.

Sambhar Lake -India's largest inland salt lake.

A bowl shape lake encircles historical Sambhar Lake Town located 96 km south west of the city of Jaipur (Northwest India) and 64 km north east of Ajmer along National Highway 8 in Rajasthan. The Salt Lake was owned by various rulers of Jaipur and Jodhpur before it was leased to the British.

Situated 65 kilometers from Jaipur, the lake is also a major hub for the production of salt.

Bird lovers are also in for a treat here as Sambhar is the best place/town/sanctuary for bird watching.

The main wildlife found at the Sambhar Wildlife Sanctuary includes flamingos, storks, sandpipers and redshanks.

Pangong- It is an endorheic lake in the Himalayas situated at a height of about 4,350 m (14,270 ft).

It is 134 km (83 mi) long and extends from India to Tibet.

Approximately 60% of the length of the lake lies in Tibet.

The lake is 5 km (3.1 mi) wide at its broadest point.

During winter the lake freezes completely, despite being saline water.

Loktak Lake: Located near Moirang in Manipur state, India.

Largest freshwater (sweet) lake in North -East India.

Famous for the phumdis (heterogeneous mass of vegetation, soil, and organic matters at various stages of decomposition) floating over it.

Keibul Lamjao the only floating national park in the world floats over it.

Q.23) Consider the following statements:

1. German Government has recently introduced an initiative 'One World, no Hunger'.
2. NABARD has entered into collaboration with German Government for a special programme on 'Soil Protection and Rehabilitation for Food Security'.

Which of the above statements are correct?

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

Q.23) Solution (c)

The National Bank for Agriculture and Rural Development (NABARD) has entered into collaboration with German Government for a special programme on ‘Soil Protection and Rehabilitation for Food Security’. The programme is part of the German government’s recently introduced special initiative ‘One World, No Hunger’ initiative. As part of the collaboration NABARD is anchoring two programmes viz.

- Soil conservation and rehabilitation of degraded land programme in Madhya Pradesh and Maharashtra.
- Innovation of watershed development and climate change adaptation programmes in five states Telangana, Andhra Pradesh, Gujarat, Maharashtra and Rajasthan.

Q.24) Consider the following statements:

1. ‘Order of the Rising Sun’ is the highest civilian award of Japan.
2. Former bureaucrat and Parliamentarian, N K Singh, has been selected for this prestigious award.

Which of the above statements are correct?

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

Q.24) Solution (c)

Former bureaucrat and parliamentarian Nand Kishore Singh has been selected for prestigious ‘Order of the Rising Sun, Gold and Silver’, Japan’s highest civilian award. He was chosen for this prestigious award for promoting economic, educational and cultural ties between India and Japan.

About Order of the Rising Sun It is a Japanese Government highest civilian established in 1875 by Emperor Meiji. It is conferred in recognition of distinguished accomplishments of an individual. The modern version of the order is being given to non-Japanese recipients from 1981.

Q.25) Consider the following statements:

1. Brazilian Selvas are not included in the list of Biodiversity hotspots of the world.
2. They do not satisfy the condition of having at least 1500 species of vascular plants (>0.5% of the world's total) as endemic.

Which of the above statements are incorrect?

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

Q.25) Solution (b)

Selvas are not included in the list of World's Biodiversity Hotspots.

According to CI, to qualify as a hotspot a region must meet two strict criteria: it must contain at least 1,500 species of vascular plants (> 0.5% of the world's total) as **endemics**, and it has to have lost at least 70% of its original habitat.

Selvas do not satisfy the second condition. Although currently large scale destruction is going on in those tropical rain forests.

Note: this is actually a criticism of the criteria of Hotspots. That in order to pay total attention to conserve a biologically rich area, do we need to wait till it is 70% destroyed.