

IASbaba's Daily Quiz

December 15, 2016

Q.1) In the context of Indian economy, Open Market Operations' refers to

- a) Borrowing by scheduled banks from the RBI
- b) Lending by commercial banks to industry and trade
- c) Purchase and sale of government securities by the RBI
- d) None of the above

Q.1) Solution (c)

Open market operations are conducted by the RBI by way of sale or purchase of government securities (g-secs) to adjust money supply conditions. The central bank sells g-secs to suck out liquidity from the system and buys back g-secs to infuse liquidity into the system. These operations are often conducted on a day-to-day basis in a manner that balances inflation while helping banks continue to lend. The RBI uses OMO along with other monetary policy tools such as repo rate, cash reserve ratio and statutory liquidity ratio to adjust the quantum and price of money in the system.

Read More - <http://www.thehindubusinessline.com/opinion/columns/all-you-wanted-to-know-about-open-market-operations/article8462165.ece>

In News - <http://www.dnaindia.com/money/report-all-eyes-on-remonetization-in-rbi-policy-review-today-2280481>

Q.2) A "closed economy" is an economy in which?

- a) The money supply is fully controlled
- b) Deficit financing
- c) Only exports take place
- d) Neither exports nor imports take place

Q.2) Solution (d)

A closed economy is self-sufficient, meaning no imports are brought in and no exports are sent out, the goal being to provide consumers with everything they need from within the economy's borders. A closed economy is the opposite of an open economy, in which a country conducts trade with outside regions.

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Q.3) Recently Jiram Valley was in news. It is located in

- a) Jammu & Kashmir
- b) Chhattisgarh
- c) Jharkhand
- d) Madhya Pradesh

Q.3) Solution (b)

In News - <http://www.thehindu.com/news/national/other-states/Jiram-valley-attack-suspect-among-three-Naxals-held/article14469947.ece>

Q.4) Which one of the following was a journal brought out by Abul Kalam Azad?

- a) Al-Hilal
- b) Comrade
- c) The Indian Sociologist
- d) Zamindar

Q.4) Solution (a)

In News - <http://indianexpress.com/article/education/national-education-day-why-is-it-celebrated-on-november-11/>

Q.5) Mitakshara is

- a) A work on astronomy
- b) A treatise on ancient Hindu law of inheritance
- c) An Agamic text
- d) A compendium on medicine

Q.5) Solution (b)

In News - <http://www.livemint.com/Money/lgFFUwEi71uuyB2ZOstkpO/In-Hindu-Succession-Act-daughters-can-be-coparceners.html>

