Q.1) Consider the following statements.

1. The security market of India is regulated by SEBI.
2. The forward market of India is regulated by Forward Market Commission.

Which of the above statements is/are correct?

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

Q.1) Solution (a)

The security market of India is regulated by SEBI. India has developed a regulated 'forward market' also where hundreds of commodities and derivatives are traded on spot and non-spot basis—regulated by FMC which merged into SEBI by late 2015. So now SEBI regulates the both market.

Do you know?

- Through the Registrar of Cooperatives, who are under the departments of agriculture and cooperation**, the state governments regulate the cooperative banking institutions in their respective states**. The state government have also sometimes claimed a regulatory role in certain other cases. Though it never became an open battle, the Andhra Pradesh government's Ordinance directing operations of Micro Finance Institutions (MFIs)—many of them NBFCs registered with and regulated by RBI—falls into this space.

THINK!

- Quasi-regulatory Agencies.

Q.2) Consider the following statements about Financial Stability and Development Council (FSDC).

1. It is structured as a council of regulators.
2. The Union Finance Minister is its chairman.

Which of the above statements is/are correct?

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

d) None

Q.2) Solution (c)

Financial Stability Development Council (FSDC) was set up which replaced the High-Level Committee on Capital Markets. The council is convened by Ministry of Finance and **does not have statutory authority—it is structured as a council of regulators**—Finance Minister as chairman. It has a permanent secretariat.

Do you know?

- The **FSLRC (Financial Sector Legislative Reforms Commission**), set up (headed by Justice B. N. Srikrishna) to examine the regulatory structure and the laws governing the financial sector, submitted its report by early 2013. In a broad sense, the commission has recommended for changeover from an 'area-based' division of regulators to a 'task-based' division.

THINK!

- Regulatory overlap in financial sector in India.

Q.3) Which of the following indices are not connected with the BSE?

a) Sensex
b) National Index
c) BSE-500
d) S&P CNX-50

Q.3) Solution (d)

There are at present four indices connected with the BSE:

- **Sensex:** The sensitive index (i.e., Sensex) is a 30 stocks index of the BSE which was enlarged to include 50 stocks in 2000 but soon was cut down to the original level. This index represents the Indian stock market.
- **BSE-200:** This is a 200-stock share index of the BSE (including the 30 stocks of the Sensex) which has its Dollar version too—the Dollex.
- **BSE-500:** In mid-1999, the BSE came up with a 500-stock index representing major industries and many sub-sectors of the economy with information technology getting a significant weightage.
- **National Index:** An index of 100 stocks being quoted nationwide (Bombay, Delhi, Kolkata, etc.) was developed to give broader/wider representation of the stock

market since the Sensex consists of only 30 stocks. The 30 stocks of the sensex are included in the National Index.

This index is computed by the Statistics Department of the BSE hence it is called the **BSE National Index (BSENI).**

The National Stock Exchange of India Ltd. (NSE) was set up in 1992 and became operationalized in 1994. The sponsors of the exchange are financial institutions, including IDBI, LIC and GIC with IDBI as its promotor. **It has a 50-share index and a 500-share index known as S&P CNX-50 (Nifty Fifty) and S&P CNX-500, respectively.**

Do you know?

- SME exchange is a stock exchange dedicated for trading the shares of small and medium scale enterprises (SMEs) who, otherwise, find it difficult to get listed in the main exchanges. The concept originated from the difficulties faced by SMEs in gaining visibility or attracting sufficient trading volumes when listed along with other stocks in the main exchanges.

THINK!

- Spot exchanges.

Q.4) Consider the following pairs.

Term	Meaning
1. Scrip Share	A share given to the employees of the company without any charge
2. Sweat Share	A share given to the existing shareholders without any charge
3. Badla	When the buyers want postponement of the transaction
4. Undha Badla	When the sellers want postponement of the transaction

Which of the above pairs is/are correctly matched?

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

Q.4) Solution (c)

Scrip Share- A share given to the existing shareholders without any charge—also known as bonus share.

Sweat Share- A share given to the employees of the company without any charge.

Badla- When the buyers want postponement of the transaction—in Western world called Contango.

Undha Badla- When the sellers want postponement of the transaction—also known as the reverse badla or backwardation.

Do you know?

- The difference between the buying and selling prices of a share is called **spread.** Higher the liquidity of a share lower its spread and vice versa. Also known as Jobber's Turn or Margin or Haircut.

THINK!

- Kerb Dealings.

Q.5) Consider the following statements about Indian Depository Receipts (IDRs).

1. An IDR is a mechanism that allows foreign investors to invest in Indian listed companies in Indian rupees.
2. IDRs are Indian version of Global Depository Receipts (GDRs).

Which of the above statements is/are correct?

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

Q.5) Solution (b)

IDR is an instrument in the form of a depository receipt **created by the Indian depository** in India **against the underlying equity shares of the issuing company.** In an IDR, foreign companies would issue shares, to an Indian depository [say the National Security Depository Limited (NSDL)], which would in turn issue depository receipts to investors in India. The actual shares underlying IDRs would be held by an Overseas Custodian, shall authorize the Indian depository to issue of IDRs.

An IDR is a mechanism that allows investors in India to invest in listed foreign companies, including multinational companies, in Indian rupees. IDRs give the holder the opportunity to hold an interest in equity shares in an overseas company. IDRs are denominated in Indian Rupees and issued by a Domestic Depository in India.

In other words, what ADRs/GDRs are for investors abroad with respect to Indian companies, IDRs are for Indian investors with respect to foreign companies. i.e they are Indian version of GDR.

Do you know?

- Indian individuals can invest in shares of foreign companies listed on foreign exchanges only upto US$ 200,000 and the process is costly and cumbersome as the investor has to open a bank account and demat account outside of India and comply with Know Your Customer (KYC) norms of respective companies. It also involves foreign currency risks. **IDR subscription and holding is just like any equity share trading on Indian exchanges and does not involve such hassles.**

THINK!

- Shares 'at Par' and 'at Premium'.

Q.6) Consider the following statements.

1. Angel investors are willing to invest in startup or small companies because they can earn a massive return on their investments if these companies are a success.
2. Venture capitalists are focused on helping startups take their first steps, rather than the possible profit they may get from the business.

Which of the above statements is/are correct?

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

Q.6) Solution (d)

Angel investors invest in small startups or entrepreneurs. Often, angel investors are among an entrepreneur's family and friends. The capital angel investors provide may be a one-time investment to help the business propel or an ongoing injection of money to support and carry the company through its difficult early stages.

Angel investors provide more favorable terms compared to other lenders, since they usually invest in the entrepreneur starting the business rather than the viability of the business. **Angel investors are focused on helping startups take their first steps, rather than the possible profit they may get from the business.** Essentially, angel investors are the opposite of venture capitalists.

A venture capitalist is an investor who either provides capital to startup ventures or supports small companies that wish to expand but do not have access to equities markets. **Venture capitalists are willing to invest in such companies because they can earn a massive return on their investments if these companies are a success.**

Venture capitalists also experience major losses when their picks fail, but these investors are typically wealthy enough that they can afford to take the risks associated with funding young, unproven companies that appear to have a great idea and a great management team.

Do you know?

- In order to further develop the alternative investment industry and the startup ecosystem in India, SEBI, in March 2015, constituted a Committee of experts drawn from the across market participants called the **"Alternative Investment Policy Advisory Committee" ("AIPAC") under the chairmanship of NR Narayana Murthy.**

THINK!

- Qualified foreign Investor.

Q.7) Consider the following statements.

1. A bull increases the number of shares in a stock market activating a general fall in the index.
2. A bear creates a scarcity of shares in the stock market activating a general rise in the share prices and the index.

Which of the above statements is/are correct?

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

Q.7) Solution (d)

A person who speculates share prices to fall in future and so sells his shares and earns profit is a bear. **He earns profit out of a falling market**. Basically, here he is short selling the shares.

Opposite to bear, bull is a person who speculates share prices to go up in future so either stops selling the select group of shares for that time to be reached (he is basically taking long position on those shares) or **starts purchasing that select group of shares**.

Thus, a **bear increases the number of shares in a stock market activating a general fall in the index**—a bearish market. Opposite to it, **a bull creates a scarcity of shares in the stock market activating a general rise in the share prices and the index**—a bullish market.

Do you know?

- This is the process of issuing **'marketable securities'** backed by a pool of existing assets such as auto or home loans. After an asset is converted into a marketable security, it is sold to an investor who then receives interest and principal out of the cash flow generated from servicing of the loan. **Financial institutions such as NBFCs and microfinance companies convert their loans** into marketable securities and sell them to investors. This helps them get liquid cash out of assets that otherwise would be stuck on their balance sheets.

THINK!

- Corporate Bonds.

Q.8) Which of the following are the characteristics of a 'Bull' Market?

1. In a bull market, there is a weak demand and strong supply of securities.
2. Share prices will rise as investors compete to obtain available equity.

Select the code from the following:

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

Q.8) Solution (b)

In a bull market, we see strong demand and weak supply for securities. In other words, many investors are wishing to buy securities while few are willing to sell. As a result, share prices will rise as investors compete to obtain available equity.
In a bear market, the opposite is true as more people are looking to sell than buy. The demand is significantly lower than supply and, as a result, share prices drop.

Q.9) Treasury bills are issued by the RBI on behalf of the government of India. Consider the following statements regarding Treasury bills:

1. Treasury bills are issued through auctions and for a period of 91 days only.
2. State governments are also allowed to issue Treasury bills.
3. Treasury bills are available for a minimum amount of 1 lakh and then in multiples of 25000.

Which of the above statements are NOT correct?

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

Q.9) Solution (b)

Note: Incorrect statements have been asked.

Treasury Bill Market (T - Bills)
This market deals in Treasury Bills of short term duration issued by RBI on behalf of Government of India. At present three types of treasury bills are issued through auctions, namely 91 day, 182 day and364day treasury bills. State government does not issue any treasury bills. Interest is determined by market forces. Treasury bills are available for a minimum amount of Rs. 25,000 and in multiples of Rs. 25,000. Periodic auctions are held for their Issue.
T-bills are highly liquid, readily available; there is absence of risk of default. In India T-bills have narrow market and are undeveloped. Commercial Banks, Primary Dealers, Mutual Funds, Corporates, Financial Institutions, Provident or Pension Funds and Insurance Companies can participate in T-bills market.

Q.10) The basic function of SEBI is to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected there with or incidental there to. SEBI can be categorized as which of the following types of bodies?

1. Quasi Judicial
2. Quasi Legislative
3. Quasi Executive

Select the code from below:

a) 1 only
b) 2 and 3

c) 1 and 3
d) All of the above

Q.10) Solution (d)

Securities and Exchange Board of India

The Preamble of the Securities and Exchange Board of India describes the basic functions of the Securities and Exchange Board of India as "...to protect the interests of investors in securities and to promote the development of, and to regulate the securities market and for matters connected there with or incidental there to".

SEBI has to be responsive to the needs of three groups, which constitute the market:

● the issuers of securities ● the investors ● the market intermediaries.

SEBI has three functions rolled into one body: quasi-legislative, quasi-judicial and quasi-executive. It drafts regulations in its legislative capacity, it conducts investigation and enforcement action in its executive function and it passes rulings and orders in its judicial capacity. Though this makes it very powerful, there is an appeal process to create accountability. There is a Securities Appellate Tribunal which is a three-member tribunal and is headed by Mr. Justice J P Devadhar, a former judge of the Bombay High Court. A second appeal lies directly to the Supreme Court. SEBI has taken a very proactive role in streamlining disclosure requirements to international standards.

Q.11) Certificate of Deposit (CD) is a negotiable money market instrument and issued in dematerialised form or as a Usance Promissory Note. Which of the following can issue a CD?

1. Scheduled Commercial Banks
2. Regional Rural Banks
3. Select All India Financial Institutions
4. Business entities

Select the code from following:

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

Q.11) Solution (b)

Certificate of Deposit

A certificate of deposit is a promissory note issued by a bank. It is a time deposit that restricts holders from withdrawing funds on demand. A CD is typically issued electronically and may automatically renew upon the maturity of the original CD. When the CD matures, the entire amount of principal, as well as interest earned, is available for withdrawal.

Certificate of Deposit (CD) is a negotiable money market instrument and issued in dematerialised form or as a Usance Promissory Note against funds deposited at a bank or other eligible financial institution for a specified time period. Guidelines for issue of CDs are presently governed by various directives issued by the Reserve Bank of India (RBI), as amended from time to time. The guidelines for issue of CDs, incorporating all the amendments issued till date, are given below for ready reference.

CDs can be issued by

(i) scheduled commercial banks {excluding Regional Rural Banks and Local Area Banks}; and

(ii) select All-India Financial Institutions (FIs) that have been permitted by RBI to raise short-term resources within the umbrella limit fixed by RBI.

Q.12) MIBOR refers to Mumbai Interbank Offer Rate. Which of the following statements is/are correct regarding MIBOR?

1. It is the standard reference of interest rates in call money market.
2. MIBOR is calculated by Bombay Stock Exchange (BSE).

Select the code from below:

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

Q.12) Solution (a)

'Mumbai Interbank Offered Rate - MIBOR'

The Mumbai Inter-Bank Offer Rate (MIBOR) is one iteration of an interbank rate, which is the rate of interest charged by a bank on a short-term loan to another bank. Banks borrow and lend money to one another on the interbank market in order to maintain appropriate, legal liquidity levels, and meet reserve requirements placed on them by regulators. Interbank rates are made available only to the largest and most creditworthy financial institutions.

MIBOR is calculated everyday by the National Stock Exchange of India (NSEIL) as a weighted average of lending rates of a group of banks, on funds lent to first-class borrowers. The interest rate at which banks can borrow funds, in marketable size, from other banks in the Indian interbank market. The Mumbai Interbank Offered Rate (MIBOR) is calculated everyday by the National Stock Exchange of India (NSEIL) as a weighted average of lending rates of a group of banks, on funds lent to first-class borrowers.

Q.13) Which of the following is/are correct differences between Certificate of Deposit (CD) and Commercial Papers (CP)?

1. CDs are issued by the banks while CPs are issued by corporate.
2. CD is issued for 1 lakh and its multiples while CP is issued for 5 lakh and its multiples.

Select the code from following:

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

Q.13) Solution (c)

Commercial Papers are Certificate of Deposit both are players of money market. These instruments issued in accordance with guidelines issued by Reserve Bank of India. Both rests in same segment but carry different features. The features of these instruments make them alike. Before we go for differentiation, let's first know what actually they are.

Commercial Papers- This instrument is for a short-term investment which ranges over a period of 365 days. It was introduced in India in 1990.This instrument is used as substitute of Bank Loan. It is not supported by any collateral. So investors prefer only creditworthy institutions. These papers are generally issued in a large denomination, so small investor can invest in these through by Mutual Funds. As institutions can get funds in a short span of time, it also saves from complex compliance of Securities and Exchange Board of India.

Certificate of Deposit- A certificate of deposit is an instrument issued by the bank to an investor who deposits his funds in the bank for a specific amount of time. Generally it is issued in form of Promisory Note. The investment can not be withdrawn unless deduction of penalty. Interest quoted is the return on the investment. These instruments may or may not be transferrable.

After getting short intro, let's throw light on their feature which makes difference between them –

- Corporates, primary dealers and the All-India Financial Institutions are eligible to issue Commercial Papers while Certificate of Deposit can be issued by Scheduled Commercial Banks (excluding Regional Rural Banks and Local Area Banks); and select All-India Financial Institution permitted by RBI only.
- Commercial Papers can be issued in denomination of Rs. 5 lakhs or multiple thereof while Certificate of Deposit can be issued in denomination of Rs 1 lakh or multiple thereof.
- Commercial Papers have maturity period ranging from 7 days to 365 days . Certificate of deposit also have the same maturity period but Certificate of Deposit issued by Financial Institution have a maturity period ranging from 1 year to 3 year.
- Commercial Papers are always issued on discount and redeemed at face value. This difference constitute return while Certificate of deposit carry interest rate.

Q.14) The Reserve Bank of India calculates the four components of money supply in India. Which of the following components constitutes the Narrow Money (M1)?

1. Currency in the circulation
2. Demand deposits in the bank
3. Post office savings
4. Time deposits in the bank

Select the code from following:

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

Q.14) Solution (a)

Narrow money is a category of money supply that includes all physical money such as coins and currency, demand deposits and other liquid assets held by the central bank.

Monetary Aggregates

The Reserve bank of India calculates the 4 concepts of Money supply in India. They are called Money Stock Measures. They are as follows:

M1: This is Currency with the public as mentioned above + Demand Deposits of the public as mentioned above. It is called **Narrow Money.**

M2: This is Narrow Money i.e. M1 + Post office Savings Deposits.

M3: M3 is **broad Money** i.e. M1 + Aggregate Deposits of the Public which is made up of Demand Deposits and Time Deposits.

M4: M4 refers to M3 and Post Office Deposits

Why M2 and M4 became irrelevant?

Now, out of the above four, the M2 & M4 became irrelevant over the period of time. This is because, there is NOT much change in the money of people deposited with the Post office and RBI did not care to update this money. The other important reason assigned to this is as follows: There was a time when the Reserve Bank used broad money (M3) as the policy target. However, with the weakened relationship between money, output and prices, it replaced M3 as a policy target with a multiple indicators approach.

Q.15) The concept of "economic convergence" is used in many different domains of economics and business. Consider the below with regard to it –

1. According to this theory/concept, the poorer economies are expected to grow more rapidly than wealthier economies.
2. The concept is alternatively known as 'Catch Up Effect'.
3. Developing countries with more protectionist and closed economy policies play a role in economic convergence's manifesting.

Which of the statements above is/are correct?

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

Q.15) Solution (b)

The theory or concept of "economic convergence" (also sometimes known as the catch-up effect) is the hypothesis that poorer economies' per capita incomes will tend to grow at faster rates than richer economies. As a result, all economies should eventually converge in terms of per capita income.

In other words, the poorer economies will literally "catch-up" to the more robust economies.

Developing countries have the potential to grow at a faster rate than developed countries because diminishing returns (in particular, to capital) are not as strong as in capital-rich countries. Furthermore, poorer countries can replicate the production methods, technologies, and institutions of developed countries.

Developing countries with more openness and national economic policies on free trade play a role in the catch-up effect's manifesting.

Developing countries with more protectionist and closed economy policies show less economic convergence.

Q.16) Learning Poverty Count (LPC) can be defined as –

a) One which measures the number of children who do not meet the basic learning benchmark.
b) One which measures the gap between the basic learning benchmark and the average scores of those students who did not meet the benchmark.
c) One which measures the count of children who did not get access to basic learning because of poverty.
d) All of the above.

Q.16) Solution (a)

At present, there are two estimates of learning outcomes drawing parallels from the poverty measurement literature – The Learning Poverty Count (LPC) and Learning Poverty Gap (LPG).

The LPC simply measures the number of children who do not meet the basic learning benchmark, whereas the LPG additionally takes into account how far each student is from the benchmark. In other words, the LPG measures the gap between the the basic learning benchmark and the average scores of those students who did not meet the benchmark.

Think!

- Annual Survey of Education Reports (ASER)

Q.17) Which of the below given pairs describing about Gender indexes is/are matched correctly?

1. Global Gender Gap Index : : World Economic Forum (WEF)
2. Gender Inequality Index (GII) : : United Nations Development Program (UNDP)
3. Social Institutions and Gender Index (SIGI) : : Organisation for Economic Co-operation and Development (OECD)

Choose appropriate code:

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

Q.17) Solution (d)

All the given pairs are correct.

Gender Inequality Index (GII) by United Nations Development Program (UNDP)

The GII is an inequality index. It measures gender inequalities in three important aspects of human development—reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older. The GII is built on the same framework as the IHDI—to better expose differences in the distribution of achievements between women and men. It measures the human development costs of gender inequality. Thus the higher the GII value the more disparities between females and males and the more loss to human development.

World Economic Forum's Global Gender Gap index

According to the 2017 World Economic Forum's Global Gender Gap index, India fell 21 places to 108 – far below the global average and much behind its neighbours China and Bangladesh. India lost out mainly because of lower participation of women in the economy and low wages.

The Global Gender Gap measure was introduced by the World Economic Forum to examine four critical areas of inequality between men and women:

- Economic participation and opportunity – outcomes on salaries, participation levels and access to high-skilled employment
- Educational attainment – outcomes on access to basic and higher level education
- Political empowerment – outcomes on representation in decision-making structures
- Health and survival – outcomes on life expectancy and sex ratio

The Gender Gap Index assesses countries on how well they are dividing their resources and opportunities among their male and female populations, regardless of the overall levels of these resources and opportunities. By providing a comprehensible framework for assessing and comparing global gender gaps and by revealing those countries that are role models in dividing these resources equitably between women and men, serves as a catalyst for greater awareness as well as greater exchange between policymakers.

The Global Gender Gap Report ranks 144 countries on the progress they have made towards gender parity in four areas – health, education, economics and politics.

OECD's Social Institutions and Gender Index (SIGI)

The **Social Institutions and Gender Index (SIGI)** is a new composite measure of gender equality, based on the OECD's Gender, Institutions and Development Database. It complements and improves existing measures in several ways. While conventional indicators of gender equality capture inequality outcomes, the SIGI focuses on the root causes behind these inequalities.

THINK!

- **Gender Development Index (GDI)** of United Nations Development Program (UNDP) – Link: http://hdr.undp.org/en/content/gender-development-index-gdi

Q.18) Which of the following would include Foreign Direct Investment in India?

1. Subsidiaries of foreign companies in India
2. Majority foreign equity holding in Indian companies
3. Companies exclusively financed by foreign companies
4. Portfolio investment

Select the correct answer using the codes given below:

a) 1,2, 3 and 4
b) 2 and 4 only

c) 1 and 3 only
d) 1,2 and 3 only

Q.18) Solution (d)

FDI- Foreign Direct Investment

- FDI refers to international investment in which the investor obtains a lasting interest in an enterprise in another country.
- Most concretely, it may take the form of buying or constructing a factory in a foreign country or adding improvements to such a facility, in the form of property, plants, or equipment.
- FDI is calculated to include all kinds of capital contributions, such as the purchases of stocks, as well as the reinvestment of earnings by a wholly owned company incorporated abroad (subsidiary), and the lending of funds to a foreign subsidiary or branch. The reinvestment of earnings and transfer of assets between a parent company and its subsidiary often constitutes a significant part of FDI calculations.
- FDI is more difficult to pull out or sell off. Consequently, direct investors may be more committed to managing their international investments, and less likely to pull out at the first sign of trouble.

FPI (Foreign Portfolio Investment)

- On the other hand, FPI represents passive holdings of securities such as foreign stocks, bonds, or other financial assets, none of which entails active management or control of the securities' issuer by the investor.
- Unlike FDI, it is very easy to sell off the securities and pull out the foreign portfolio investment. Hence, FPI can be much more volatile than FDI.
- For a country on the rise, FPI can bring about rapid development, helping an emerging economy move quickly to take advantage of economic opportunity, creating many new jobs and significant wealth.
- However, when a country's economic situation takes a downturn, sometimes just by failing to meet the expectations of international investors, the large flow of money into a country can turn into a stampede away from it.

Q.19) Which one among the following sectors has attracted the highest foreign direct investment inflows into India in the last 25 years?

a) Automobile industries
b) Services sector

c) Food processing
d) Special Economic Zones

Q.19) Solution (a)

Overall the telecommunication sector has been the highest FDI attracting sector of the Indian Economy. But among the given options, Automobile industry had attracted highest FDI inflows.

THINK!

- Foreign direct investment inflows into other sectors.

Q.20) Consider the following statements:

1. Child Sex Ratio is defined as the number of females per thousand males in the age group 0–6 years in a human population.
2. Infant mortality rate (IMR) is the number of deaths of children under one year of age per 1000 live births.
3. Neonatal death is the death of a baby before or during birth after 28 weeks of gestation.

Which of the above statements is/are NOT correct?

a) 1 only
b) 3 only
c) 2 and 3 only
d) None

Q.20) Solution (b)

In India, **Child Sex Ratio** is defined as the number of females per thousand males in the age group 0–6 years in a human population.

Infant mortality: refers to deaths of young children, typically those less than one year of age. It is measured by the infant mortality rate (IMR), which is the number of deaths of children under one year of age per 1000 live births.

Stillbirth: the death of a baby before or during birth after 28 weeks of gestation (according to WHO definition).

Neonatal death: the death of a baby within the first 28 days of life. (So statement 3 is wrong)

Do you know?

- The Economic Survey presents the first ever estimate of the number of 'unwanted' girls in India — girls whose parents wanted a boy but had a girl instead — at 21 million. The number has been arrived at by looking at the sex ratio of the last child (SRLC) which is heavily male-skewed, indicating that parents keep having children until they get the desired number of sons.
- The Survey points out that the huge number of 'unwanted girls' (in the 0-25 age group in the population currently) is a direct outcome of the 'son meta preference' where parents do not stop having children after having a daughter.

Q.21) Consider the below statements:

1. Labour force means all persons who are working i.e. it includes only those being engaged in the economic activity.
2. Non-Labour force is that component of population which is not a part of the labor force (i.e. includes all those who are not working).
3. Unemployment can be defined as a state of worklessness for a person who is fit and willing to work at the current wage rate.

Which of the statements given above is/are correct?

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

Q.21) Solution (b)

The population of any country consists of two components: (i) Labor Force (ii) Non-Labor Force.

Labor force means all persons who are working (i.e. being engaged in the economic activity) as well as those who are not working but are seeking or available for work at the current wage rate. It means the labor force consists of both employed and unemployed people.

The component of population which is not a part of the labor force is Non-Labor Force. It includes all those who are not working and are neither seeking nor available for work.

Unemployment can be defined as a state of workless-ness for a person who is fit and willing to work at the current wage rate. It is a condition of involuntary and not voluntary idleness. Simply stated an unemployed person is the one who is an active member of the labor force and is seeking work, but is unable to find the same.

Q.22) Consider the following statements about 'Graded Surveillance Measure'

1. It is developed by Reserve Bank of India
2. It is launched in order to enhance market integrity and safeguard interest of investors
3. It is aimed at advising market participants to carry out necessary due diligence while dealing in identified securities

Select the correct statements

a) 1 and 2
b) 2 Only
c) 2 and 3
d) 1, 2 and 3

Q.22) Solution (c)

Securities and Exchange Board of India (SEBI) and Exchanges in order to enhance market integrity and safeguard interest of investors, have introduced Graded Surveillance Measures (GSM) wherein certain identified securities shall be subjected to enhanced monitoring and surveillance actions

The main objective of these measures is to:

- alert and advice investors to be extra cautious while dealing in these securities and
- advice market participants to carry out necessary due diligence while dealing in these securities.

Read More - http://www.thehindu.com/business/Industry/all-you-need-to-know-about-graded-surveillance-measure/article19747350.ece

Q.23) Consider the following statements about 'Bakhshali manuscript'

1. It was written in Sanskrit
2. It is notable as the evidence of the spread and sharing of ideas in ancient times between India, China and central Asia
3. It is the oldest surviving palm leaf manuscript text

Select the correct statements

a) 1 Only
b) 2 and 3
c) 1 and 3
d) 1 and 2

Q.23) Solution (a)

The Bakhshali manuscript is a mathematical text written on birch bark that was found in 1881 in the British-ruled village of Bakhshali (near Mardan in present-day Pakistan). It is notable for being "the oldest extant manuscript in Indian mathematics", with portions dated to AD 224–383. It contains the earliest known Indian use of a zero symbol. It is written in Sanskrit with significant influence of local dialects.

Source: https://www.livemint.com/Science/MSxVoPsCyzUQcvUMh10hDN/1800yearold-black-dot-in-Bakhshali-manuscript-is-first-z.html

Q.24) The 'P5+1' is composed of the five permanent members of the UN Security Council and which of the following countries?

a) Japan
b) Germany
c) Australia
d) India

Q.24) Solution (b)

The P5+1 refers to the UN Security Council's five permanent members (the P5); namely China, France, Russia, the United Kingdom, and the United States; plus Germany. The P5+1 is often referred to as the E3+3 by European countries. It is a group of six world powers which, in 2006, joined together in diplomatic efforts with Iran with regard to its nuclear program.

Source: **http://www.thehindu.com/news/national/india-walks-a-fine-line-as-us-iran-spar-over-nuclear-deal/article19733664.ece**

Q.25) Konkani language is spoken in which of the following states?

1. Karnataka
2. Maharashtra
3. Kerala
4. Goa

Select the correct code:

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

Q.25) Solution (d)

It is spoken in Goa, Maharashtra, Karnataka, Kerala, Dadra and Nagar Haveli and Diu and Daman.

It is one of the 22 scheduled languages mentioned in the 8th schedule of the Indian Constitution and the official language of the Indian state of Goa.

It is the only language in the world in everyday use in five different scripts: Devanagiri, Malayalam, Kannada, Arabic and Latin (aka Romi)

Source: **https://www.livemint.com/Leisure/AJVHke7VvvvVPerV1jv8WO/Konkani-a-language-in-crisis.html**

Q.26) Consider the following statements about 'Aquatic Rhabdops'

1. It is a non-venomous aquatic snake species
2. It is endemic to Western Ghats

Select the correct statements

a) 1 Only
b) 2 Only
c) Both 1 and 2

d) Neither 1 nor 2

Q.26) Solution (c)

The Aquatic Rhabdops is found only in the laterite plateaus of the northern Western Ghats in Goa, southern Maharashtra and northern Karnataka, in areas facing severe human pressures.

All Rhabdops snakes are endemic to India. The Olive Forest Snake Rhabdops olivaceus is found only in the Western Ghats while the bi-coloured Forest Snake Rhabdops bicolor lives in a few localities in the northeast.

The non-venomous aquatic species, Aquatic Rhabdops is endemic to habitat where human pressure is high.

Source: http://www.thehindu.com/sci-tech/energy-and-environment/western-ghats-throw-up-a-new-snake/article19764405.ece