

August 2, 2018

Q.1) Consider the following statement with respect to Monetary Policy Committee (MPC)

1. It can increase or decrease the policy repo rate under the liquidity adjustment facility (LAF)
2. The Governor of Reserve Bank of India is the chairperson ex officio of the committee

Select the correct statements

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

Q.1) Solution (c)

News: On the basis of an assessment of the current and evolving macroeconomic situation at its meeting on 1st August, the Monetary Policy Committee (MPC) decided to:

- Increase the policy repo rate under the liquidity adjustment facility (LAF) by 25 basis points to 6.5 per cent.
- Consequently, the reverse repo rate under the LAF stands adjusted to 6.25 per cent, and the marginal standing facility (MSF) rate and the Bank Rate to 6.75 per cent.

About

- The Monetary Policy Committee of India is a committee of the Reserve Bank of India that is responsible for fixing the benchmark interest rate in India. The meetings of the Monetary Policy Committee are held at least 4 times a year and it publishes its decisions after each such meeting.
- The committee comprises six members - three officials of the Reserve Bank of India and three external members nominated by the Government of India. They need to observe a "silent period" seven days before and after the rate decision for "utmost confidentiality". The Governor of Reserve Bank of India is the chairperson ex officio of the committee. Decisions are taken by majority with the Governor having the casting vote in case of a tie. The current mandate of the committee is to maintain 4% annual inflation until March 31, 2021 with an upper tolerance of 6% and a lower tolerance of 2%.

Source: <https://www.thehindu.com/opinion/editorial/prudent-increase/article24575828.ece>

Q.2) Consider the following statements about 'Perform Achieve and Trade Scheme (PAT)'

1. It aims to improve energy efficiency in industries by trading in energy efficiency certificates in energy intensive sectors
2. It is a component of the National Mission for Enhanced Energy Efficiency (NMEEE)

Select the correct statements

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

Q.2) Solution (c)

Perform Achieve and Trade Scheme (PAT) is a component of the National Mission for Enhanced Energy Efficiency (NMEEE) which is one of the eight missions under the National Action Plan on Climate Change (NAPCC). NMEEE aims to strengthen the market for energy efficiency by creating conducive regulatory and policy regime and has envisaged fostering innovative and sustainable business models to the energy efficiency sector.

PAT scheme is a regulatory instrument to reduce specific energy consumption in energy intensive industries, with an associated market based mechanism to enhance the cost effectiveness through certification of excess energy saving which can be traded.

Source: <http://pib.nic.in/newsite/PrintRelease.aspx?relid=181378>

Q.3) Consider the following statements about Agricultural Scientists Recruitment Board (ASRB)

1. It was established in pursuance of the recommendations of the Gajendragadkar Committee.
2. It is under the aegis of Ministry of Human Resource Development

Select the correct statements

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

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Q.3) Solution (a)

The Agricultural Scientists Recruitment Board (ASRB) was established on 1 November 1973 as an independent recruitment agency in pursuance of the recommendations of the Gajendragadkar Committee.

The ASRB will now be a 4 Member body instead of 3 Members. It will have a Chairperson and 3 Members.

For the purpose of autonomy, secrecy, accountability and efficient functioning ASRB shall be delinked from ICAR and to be attached with Dept. of Agricultural Research & Education (DARE) under Ministry of Agriculture & Farmers' Welfare.

Source: <https://timesofindia.indiatimes.com/home/education/news/cabinet-approves-restructuring-of-agricultural-scientists-recruitment-board/articleshow/65238413.cms>

Q.4) Consider the following statements about NASA's 'TESS'

1. It is an all-sky survey mission that will discover thousands of exoplanets around nearby bright stars
2. TESS detected its first confirmed exoplanet, a super-Earth named HIP 116454b in 2014

Select the correct statements

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

Q.4) Solution (a)

The Transiting Exoplanet Survey Satellite (TESS) is the next step in the search for planets outside of our solar system, including those that could support life. The mission will find exoplanets that periodically block part of the light from their host stars, events called transits. TESS will survey 200,000 of the brightest stars near the sun to search for transiting exoplanets. TESS launched on April 18, 2018, aboard a SpaceX Falcon 9 rocket.

HIP 116454b was detected by K2 Mission.

Source: <https://www.thehindu.com/todays-paper/tp-in-school/nasas-newest-planet-hunter-starts-operations/article24557394.ece>

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Q.5) The debt service ratio in government finance measures

- a) Overall public debt liability of the Union Government
- b) Contribution of Service sector in debt management of the country
- c) Burden of external debt
- d) None of the above

Q.5) Solution (c)

Debt service ratio is measured by the proportion of total debt service payments (i.e. principal repayment plus interest payment) to current receipts (minus official transfers) of Balance of Payments (BoP). It indicates the claim that servicing of external debt makes on current receipts and is, therefore, a measure of strain on BoP due to servicing of debt service obligations.

Source: <https://indianexpress.com/article/explained/explained-snippets-sharp-fall-in-indias-forex-reserves-from-424-billion-to-405-billion-in-four-months-5287274/>

