

February 28, 2019

Q.1) The term, 'Qualified institutional placement (QIP)', sometimes appearing in news is used in relation to

- a) Communication Networking
- b) Military Strategies
- c) Foreign Direct Investment
- d) None of the above

Q.1) Solution (d)

Qualified institutional placement (QIP) is a capital-raising tool, primarily used in India and other parts of southern Asia, whereby a listed company can issue equity shares, fully and partly convertible debentures, or any securities other than warrants which are convertible to equity shares to a qualified institutional buyer (QIB).

Q.2) Consider the following statements about 'Applications Supported by Blocked Amount (ASBA)'

1. It does away with the whole process related to refund of money to investors in instances wherein the issue is oversubscribed
2. It is a process developed by RBI for applying to IPO

Select the correct statements

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

Q.2) Solution (a)

ASBA (Applications Supported by Blocked Amount)

- It is a process developed by the India's Stock Market Regulator SEBI for applying to IPO.
- It refers to an online mechanism wherein the application money is kept blocked in the applicant's account and is debited only at the time of allotment.
- This effectively does away with the whole process related to refund of money to investors in instances wherein the issue is oversubscribed.

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- In ASBA, an IPO applicant's account doesn't get debited until shares are allotted to them.

Q.3) Ebony and Rosewood are the tree species found in –

- Tropical rain forests
- Tropical dry deciduous forests
- Prairies
- Desert vegetation

Q.3) Solution (a)

Ebony and rosewood are grown in tropical rainforests.

These species have a very heavy and hard wood. They require a yearlong rainy season and more than 200cm of rainfall. Sometimes the wood is so heavy that it does not float on water.

Q.4) 'Cochrane Collaboration' is concerned with

- Agriculture
- Healthcare
- Artificial Intelligence
- Solar Energy

Q.4) Solution (b)

Cochrane is a non-profit, non-governmental organization formed to organize medical research findings so as to facilitate evidence-based choices about health interventions faced by health professionals, patients, and policy makers

Q.5) 'Swiss formula' has been designed for

- Measuring carbon footprint of industries
- Harmonization of tariffs in international trade
- Determining currency weights in SDR basket
- Calculating capital to risk weighted assets ratio under Basel Accords

Q.5) Solution (b)

The Swiss Formula

- It is a mathematical formula designed to cut and harmonize tariff rates in international trade.
- It belongs to the classification of formulas known as having harmonising impact. Since such a formula prescribes a higher/steeper cut on higher tariffs and lower cuts on lower tariffs it is seen to harmonise the rates by bringing the final rates becoming closer and bridging the gap.
- The formula was proposed by Switzerland in the Tokyo round negotiations of GATT (1973–79).
- Several countries are pushing for its use in World Trade Organization trade negotiations.

