

CURRENT AFFAIRS QUIZ

Q.1) Consider the following statements

1. Chaolung Sukapha founded the Ahom Kingdom.
2. The Mughals never tried to conquer the land of the Ahoms.

Select the correct statements

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

Q.1) Solution (a)

Sukapha was a 13th-century ruler who founded the Ahom kingdom that ruled Assam for six centuries. Contemporary scholars trace his roots to Burma.

Ahoms faced many invasions from the south-west. In 1662, the Mughals under Mir Jumla attacked the Ahom kingdom. Despite their brave defence, the Ahoms were defeated. But direct Mughal control over the region could not last long.

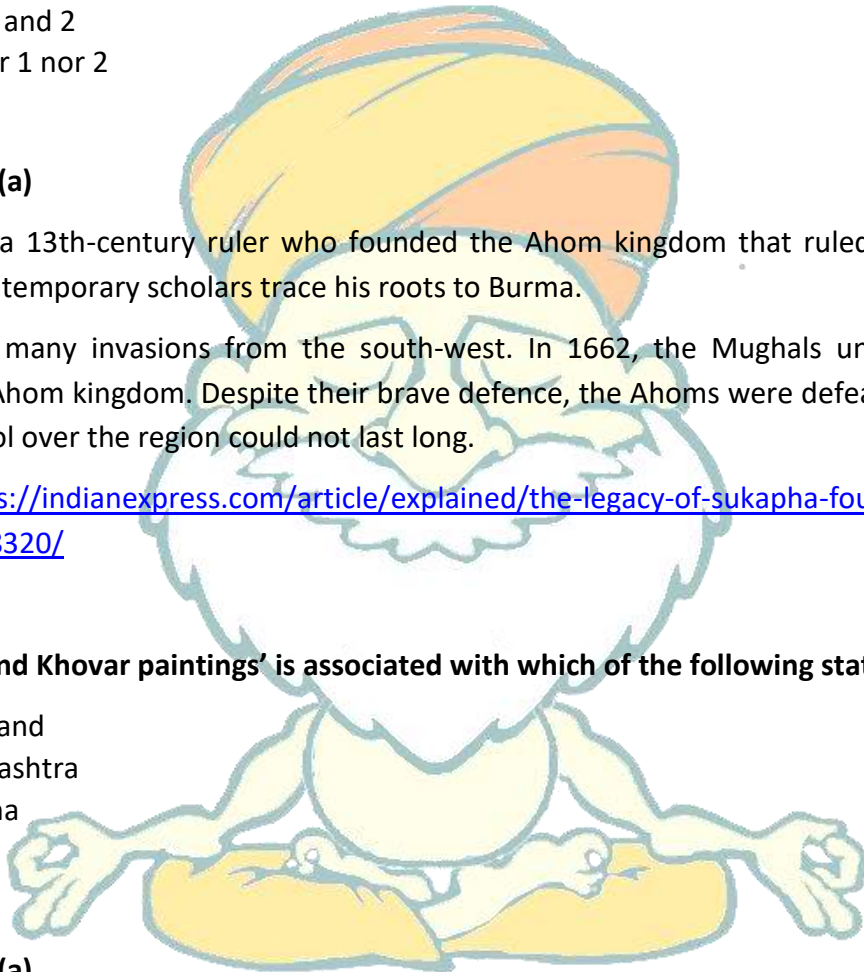
Source: <https://indianexpress.com/article/explained/the-legacy-of-sukapha-founder-of-ahom-kingdom-6468320/>

Q.2) 'Sohrai and Khovar paintings' is associated with which of the following states?

- a) Jharkhand
- b) Maharashtra
- c) Haryana
- d) Assam

Q.2) Solution (a)

Khovar refers to the decoration of the marriage chambers and Sohrai is the harvest painting on the mud houses, repairing it after the rains and offering a thanksgiving to the forces of Nature.



 <p>Jharkhand</p>	 <p>Goa</p>
<p>Art and Culture</p> <p>CHHAU DANCE SOHRAI PAINTING</p>	<p>Art and Culture</p> <p>MANDO (MUSIC) DHANGAR DANCE</p>
<p>Festival</p> <p>SARHUL KARAM</p>	<p>Festival</p> <p>GOA CARNIVAL</p>
<p>Tourism</p> <p>DALMA TOP TAGORE HILL</p>	<p>Tourism</p> <p>BASILICA OF BOM JESUS</p>
<p>Food</p> <p>DHUSHKA MALPUA</p>	<p>Food</p> <p>KALPUTI AMBOT TIK</p>



Q.3) Which of the following pairs are correctly matched?

Places in News – State

1. Chopta – Uttarakhand
2. Valley of Flowers -Himachal Pradesh
3. Madikeri – Karnataka

Select the correct code:

- a) 1 and 2
- b) 1 and 3

- c) 2 and 3
- d) 3 Only

Q.3) Solution (b)



Uttarakhand
Valley of Flowers

This world heritage site is set in the backdrop of the majestic Himalayan Ranges. A popular trek to this paradisiacal place takes travellers through gorgeous landscapes, where they get the chance to sight rare and exotic Himalayan flora.

Karnataka
Hampi



The UNESCO recognized World Heritage Site is known for its archaeological significance. This famous huge Stone Chariot that stands magnificent in front of the Vittala Temple is one of the must-visit places in and around Hampi.



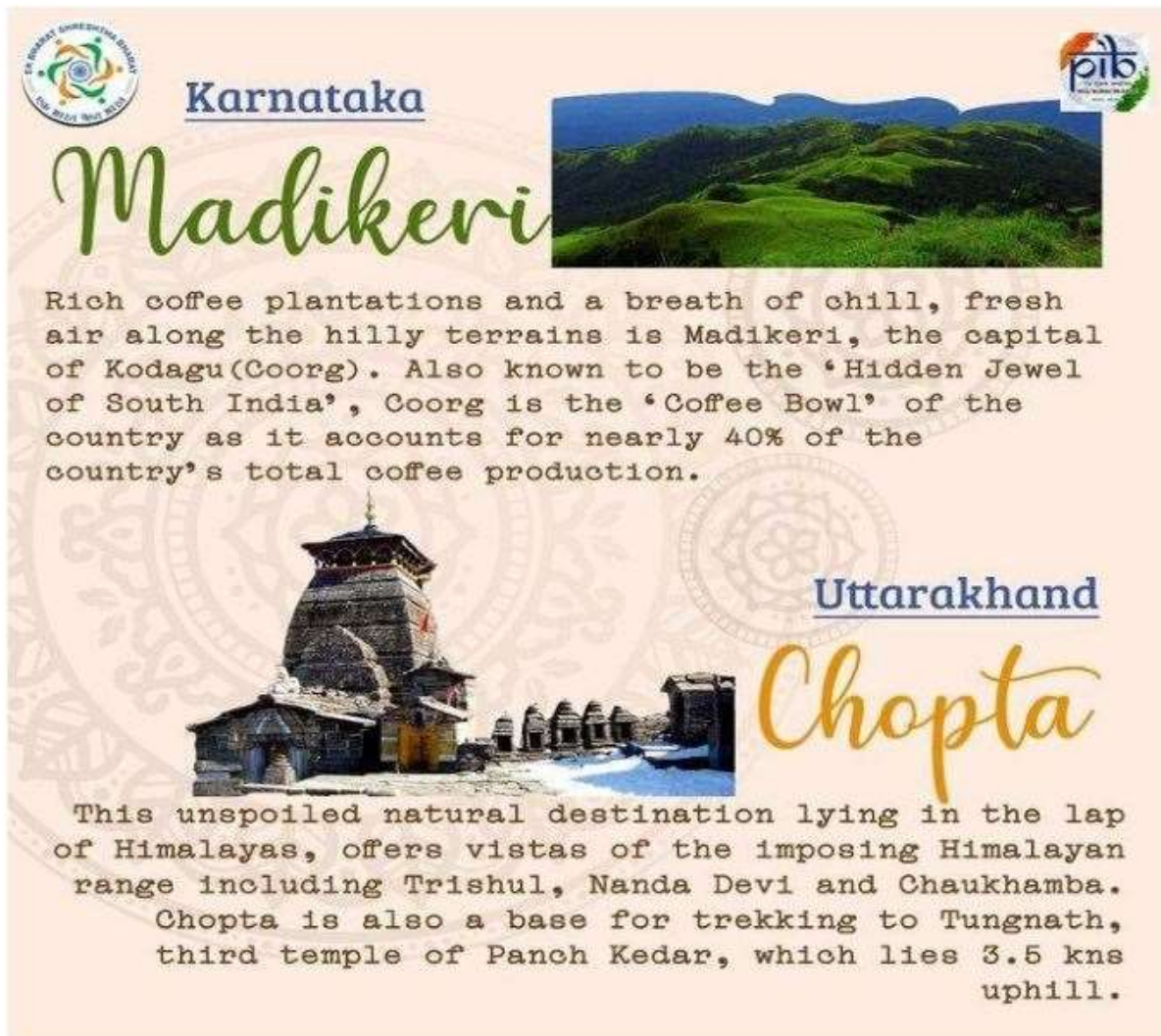
Barren Island

India's only confirmed active volcano is located in Barren Island. It is about three kilometres in diameter and has a big crater of the volcano. This place is uninhabited by humans, earning it, it's name.

Kavaratti Island

The Kavaratti is the capital of the Union Territory of Lakshadweep. It has been selected as one of the hundred Indian cities to be developed as a smart city under PM Narendra Modi's flagship Smart Cities Mission.





The infographic is divided into two sections. The top section is for Madikeri, Karnataka, featuring a logo for 'PIB' (Public Information Board) and a photograph of green, rolling hills. The bottom section is for Chopta, Uttarakhand, featuring a photograph of a stone temple structure and a logo for 'PIB'. The text in both sections is in a typewriter-style font.

Karnataka
Madikeri

Rich coffee plantations and a breath of chill, fresh air along the hilly terrains is Madikeri, the capital of Kodagu (Coorg). Also known to be the 'Hidden Jewel of South India', Coorg is the 'Coffee Bowl' of the country as it accounts for nearly 40% of the country's total coffee production.

Uttarakhand
Chopta

This unspoiled natural destination lying in the lap of Himalayas, offers vistas of the imposing Himalayan range including Trishul, Nanda Devi and Chaukhamba. Chopta is also a base for trekking to Tungnath, third temple of Panch Kedar, which lies 3.5 kms uphill.

Q.4) Consider the following statements with respect to 'Favipiravir'.

1. It was developed in Japan and subsequently approved for use among influenza patients.
2. It has been approved by the Drug Controller General of India for the treatment of COVID-19.

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.4) Solution (c)

Favipiravir is an anti-viral drug and it is approved in Japan for treating influenza.

Based on Phase-3 data, Glenmark obtained approval for manufacture and marketing of antiviral drug Favipiravir, which has been branded as FabiFlu, an oral medication. The approval is for emergency restricted use only for treatment of mild to moderate Covid-19 patients. The approval's restricted use entails responsible medication use where every patient must have signed informed consent before treatment initiation.

Source: <https://www.thehindu.com/sci-tech/health/glenmark-unveils-oral-antiviral-for-covid-19/article31878134.ece>

Q.5) Recently, a fossil of Stegodon was discovered from the Siwalik sediments exposed in the vicinity of Badshahi Bagh area in Uttar Pradesh's Saharanpur. What is a Stegodon?

- a) It is a variety of the elephant which used to be found at an early age.
- b) It was a four-legged herbivorous dinosaur.
- c) It was the largest aquatic mammal ever existed.
- d) It is an insect of the order Blattodea.

Q.5) Solution (a)

The fossil of an elephant was discovered from the Siwalik sediments exposed in the vicinity of Badshahi Bagh area in Uttar Pradesh's Saharanpur.

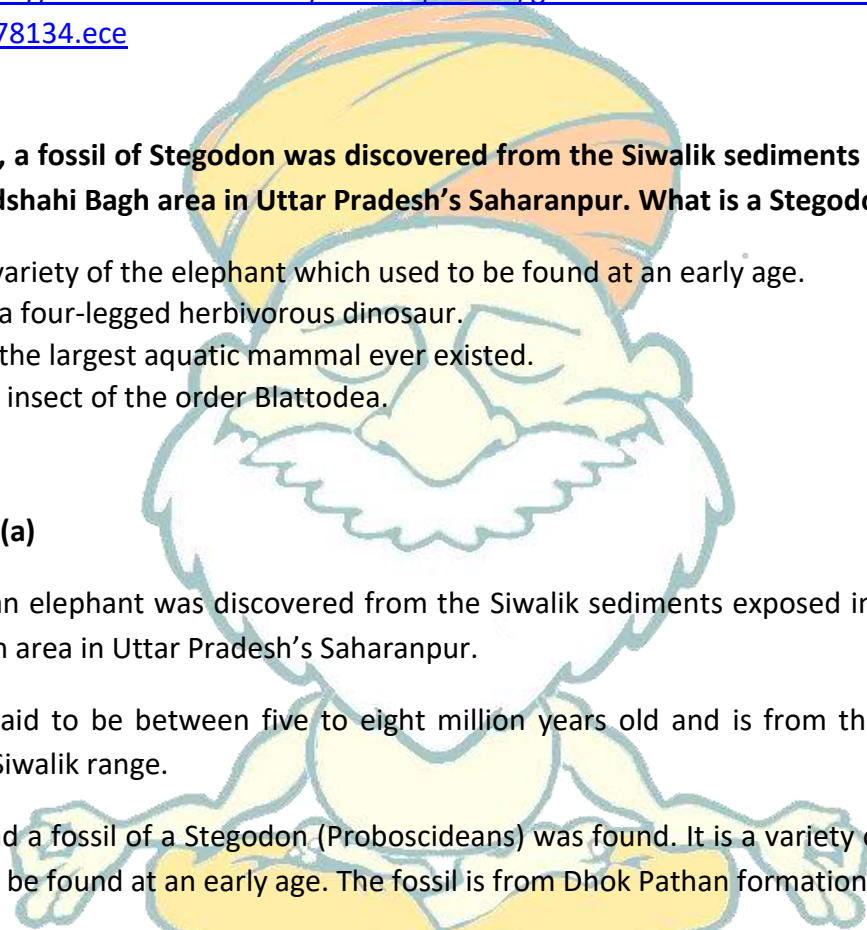
The fossil is said to be between five to eight million years old and is from the Dhok Pathan formation of Siwalik range.

We have found a fossil of a Stegodon (Proboscideans) was found. It is a variety of the elephant which used to be found at an early age. The fossil is from Dhok Pathan formation of Siwalik.

The presence of stegodons shows the existence of dense forests and lots of river channels in the area during that time. Other fossils which existed with stegodons' were of those of giraffe, horses and hippopotamus.

The sandstone embedded on the fossil is medium grained, salt and pepper in nature. This type of lithology is the characteristic of Middle Shivalik.

Fossils are found in Asian and African strata dating from the late Miocene. During the Pleistocene, they lived across large parts of Asia and Central Africa.



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Source: <https://www.hindustantimes.com/india-news/fossils-of-stegodon-elephant-found-in-saharanpur-s-shivalik-range/story-a3YDohUmJqvcm5myrOZrwN.html>

Q.6) Which of the following pairs is/are correctly matched?

Geo-Heritage Sites – States

1. Erra Matti Dibbalu – Andhra Pradesh
2. Varkala Cliff – Goa
3. National Fossil Wood Park – Rajasthan

Select the correct code:

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

Q.6) Solution (a)

- Erra Matti Dibbalu – Andhra Pradesh
- Varkala Cliff – Kerala
- National Fossil Wood Park – Tamil Nadu

Q.7) Which of the following Wildlife Sanctuaries is well known for 'Golden Langurs'?

- a) Chakrashila Wildlife Sanctuary
- b) Kambalakonda Wildlife Sanctuary
- c) Eaglenest Wildlife Sanctuary
- d) Bor Wildlife Sanctuary

Q.7) Solution (a)

Chakrashila Wildlife Sanctuary is located in Assam and is known for Golden Langur.

Q.8) Which of the following statements is/are correct with respect to 'Abdul Hamid Lahori'?

1. He wrote the book Badshahnama, about the reign of Shahjahan.
2. He was a traveller and historian during the period of Akbar.



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Select the correct statements

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

Q.8) Solution (a)

He was a traveller and historian during the period of Mughal Emperor Shah Jahan who later became a court historian of Shah Jahan (Shah Jahan's official chronicler). He wrote the book Badshahnama, about the reign of Shah Jahan.

Q.9) 'Takin' is an ungulate found in which of the following biosphere reserves?

- a) Seshachalam Hills
- b) Great Rann of Kutch
- c) Dihang-Dibang
- d) Gulf of Mannar

Q.9) Solution (c)

It is a large species of ungulate of the subfamily Caprinae found in the eastern Himalayas.

The four subspecies are the Mishmi takin (*B. t. taxicolor*), the golden takin (*B. t. bedfordi*), the Tibetan (or Sichuan) takin (*B. t. tibetana*), and the Bhutan takin (*B. t. whitei*).

The Mishmi takin occurs in eastern Arunachal Pradesh, while the Bhutan takin is in western Arunachal Pradesh and Bhutan. Dihang-Dibang Biosphere Reserve in Arunachal Pradesh, India is a stronghold of both Mishmi, Upper Siang (Kopu) and Bhutan takins.

Q.10) Which of the following countries is the largest foreign holder of US Treasury Securities?

- a) Japan
- b) India
- c) China
- d) Switzerland

Q.10) Solution (a)

Japan is the largest holder. India is 12th.

Source: <https://economictimes.indiatimes.com/markets/bonds/india-becomes-12th-largest-holder-of-us-govt-securities/articleshow/76494079.cms>

Q.11) 'Senkakau Islands' was in news recently. Where is it located?

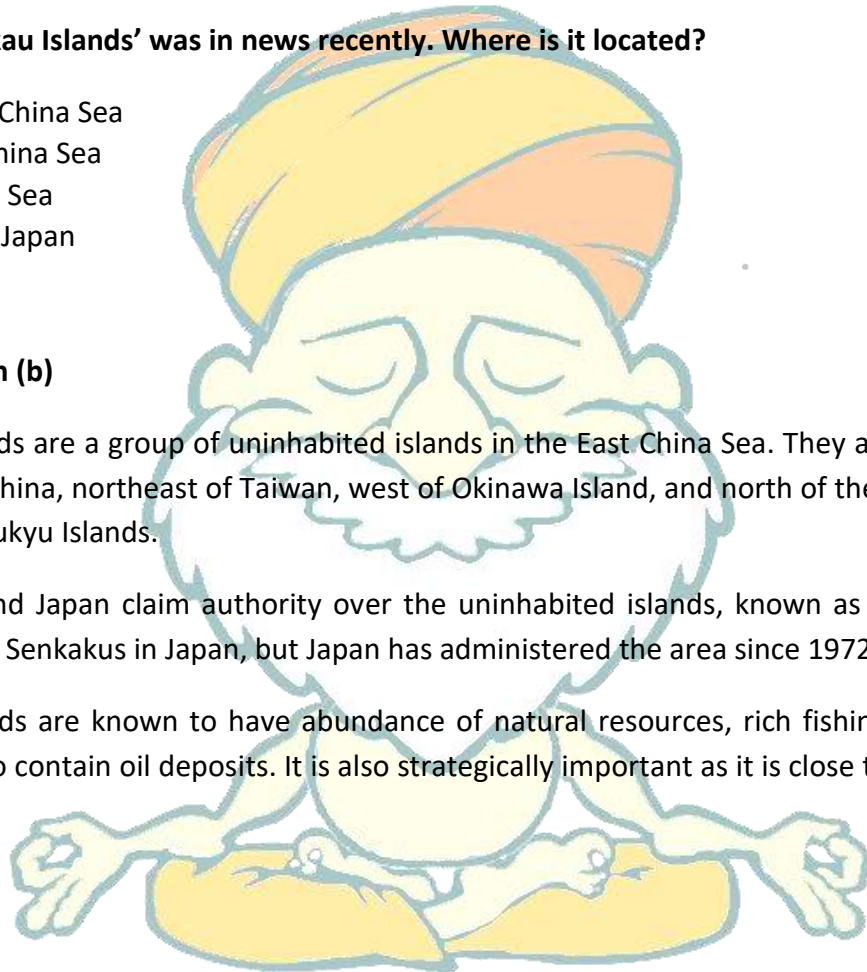
- a) South China Sea
- b) East China Sea
- c) Yellow Sea
- d) Sea of Japan

Q.11) Solution (b)

Senkaku Islands are a group of uninhabited islands in the East China Sea. They are located east of Mainland China, northeast of Taiwan, west of Okinawa Island, and north of the southwestern end of the Ryukyu Islands.

Both China and Japan claim authority over the uninhabited islands, known as the Diaoyus in China and the Senkakus in Japan, but Japan has administered the area since 1972.

Senkaku Islands are known to have abundance of natural resources, rich fishing grounds and are thought to contain oil deposits. It is also strategically important as it is close to international trade routes.





Source: <https://www.hindustantimes.com/world-news/after-face-off-with-india-china-embroiled-in-maritime-dispute-with-japan/story-aPSWNmYndKkcpcuf4tYDGL.html>

Q.12) Which of the following statements is/are correct?

1. An elected member of the house can be disqualified from being a member if he/she wins the election as a candidate of one party and then join another.
2. The anti-defection law was added to the Constitution through the Forty-Second (Amendment) Act, 1976.

Select the correct statements

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

Q.12) Solution (a)

According to paragraph 2(1)(a) of the Tenth Schedule of the Constitution, an elected member of the house shall be disqualified from being a member if they win the election as a candidate of one party and then join another. The power for this disqualification is vested in the Speaker, who is usually a nominee of the ruling party. The anti-defection law, referred to as the Tenth Schedule, was added to the Constitution through the Fifty-Second (Amendment) Act, 1985.

Source: <https://indianexpress.com/article/explained/explained-how-manipur-defections-put-focus-on-powers-to-speakers-to-disqualify-6472904/>

Q.13) Antipodes are points on the Earth's surface which are diametrically opposite each other. They would be the extreme ends of a straight line through the Earth's centre. There is one entity that is so large that at one point it is its own antipode. If you were to tunnel directly under the point you would still come out in the same entity. What huge entity is this?

- a) Antarctica
- b) India Ocean
- c) Russia
- d) Pacific Ocean

Q.13) Solution (d)

This straight line through the Pacific Ocean



Covers half the Earth

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Q.14) Consider the following statements and identify the correct answer.

1. It lies between Kazakhstan and Uzbekistan and means 'Sea of Islands',
2. By 2014, the lake had almost completely dried up leaving behind a giant ship graveyard where camels walk around rotting remains of fishing vessels.

Select the correct code:

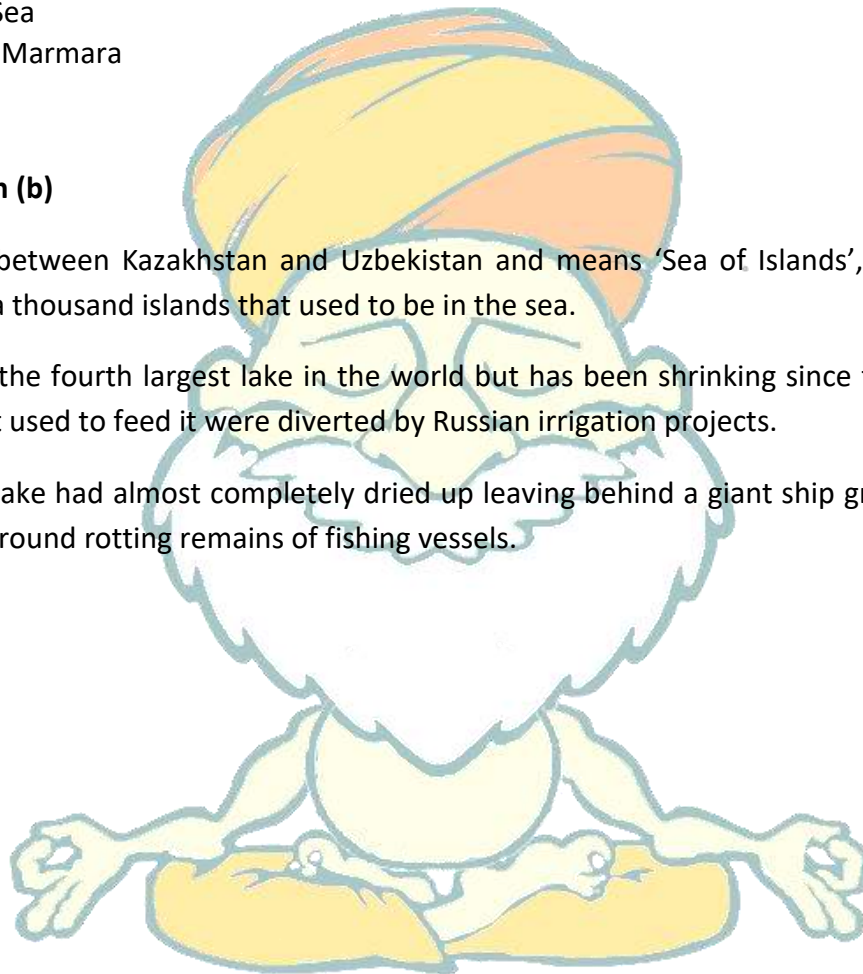
- a) Caspian Sea
- b) Aral Sea
- c) Dead Sea
- d) Sea of Marmara

Q.14) Solution (b)

Aral Sea lies between Kazakhstan and Uzbekistan and means 'Sea of Islands', which used to refer to over a thousand islands that used to be in the sea.

It used to be the fourth largest lake in the world but has been shrinking since the 1960s after the rivers that used to feed it were diverted by Russian irrigation projects.

By 2014, the lake had almost completely dried up leaving behind a giant ship graveyard where camels walk around rotting remains of fishing vessels.





Q.15) Consider the following statements with respect to 'Arms Trade Treaty (ATT)'

1. It regulates the international trade in conventional arms – from small arms to battle tanks, combat aircraft and warships.
2. It is signed and ratified by India in 2014.

Select the correct statements

- a) 1 only
- b) 2 only

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- c) Both 1 and 2
- d) Neither 1 nor 2

Q.15) Solution (a)

The Arms Trade Treaty (ATT) is a multilateral treaty that regulates the international trade in conventional weapons.

It entered into force on 4th December 2014. 105 states have ratified the treaty, and a further 32 states have signed but not ratified it. India has not signed nor ratified the ATT.

China has decided to join a global pact on regulations of arms sales showing its willingness to address the poorly regulated international arms trade after the United States pulled out last year.

Q.16) Consider the following statements with respect to 'Seabed 2030' Project

1. The project is aimed at reversing coral bleaching.
2. It is a collaborative project between World Wide Fund for Nature (WWF) and Global Coral Reef Alliance.

Select the correct statements

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

Q.16) Solution (d)

Seabed 2030 is a collaborative project between GEBCO and the Nippon Foundation with the aim to facilitate the complete mapping of the global ocean floor by the year 2030.

Source: <https://indianexpress.com/article/explained/mapping-the-ocean-floor-6473482/>

Q.17) Gautama Buddha attained Mahaparinirvana at

- a) Bodh Gaya

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- b) Sarnath
- c) Kushinagar
- d) Lumbini

Q.17) Solution (c)

Kushinagar is an important Buddhist pilgrimage site, where Buddhists believe Gautama Buddha attained Parinirvana after his death.

Source: <https://pib.gov.in/PressReleaseDetailm.aspx?PRID=1633893>

Q.18) 'Government e-Marketplace (GeM)' is under the aegis of the

- a) Ministry of Consumer Affairs, Food and Public Distribution
- b) Ministry of Finance
- c) Ministry of Commerce and Industry
- d) Ministry of Agriculture & Farmers' Welfare

Q.18) Solution (c)

The Commerce Ministry launched Government e-Marketplace (GeM), an online platform for public procurement, in August 2016 with the objective of creating an open and transparent procurement platform for government.

Source: <https://indianexpress.com/article/business/economy/government-e-marketplace-make-in-india-6472162/>

Q.19) Which of the following union territories have representation in the Rajya Sabha?

- a) Delhi
- b) Puducherry
- c) Ladakh
- d) Jammu & Kashmir

Select the correct code:

- a) 1 and 2
- b) 1, 2 and 3



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

Q.19) Solution (c)

Out of the nine union territories, only three (Delhi, Puducherry and Jammu and Kashmir) have representation in Rajya Sabha.

Q.20) The lost wax process is a specific technique used for making objects of

- a) Metal
- b) Wood
- c) Wool
- d) Cotton

Q.20) Solution (a)

Lost-wax process, also called cire-perdue, method of metal casting in which a molten metal is poured into a mold that has been created by means of a wax model. Once the mold is made, the wax model is melted and drained away.

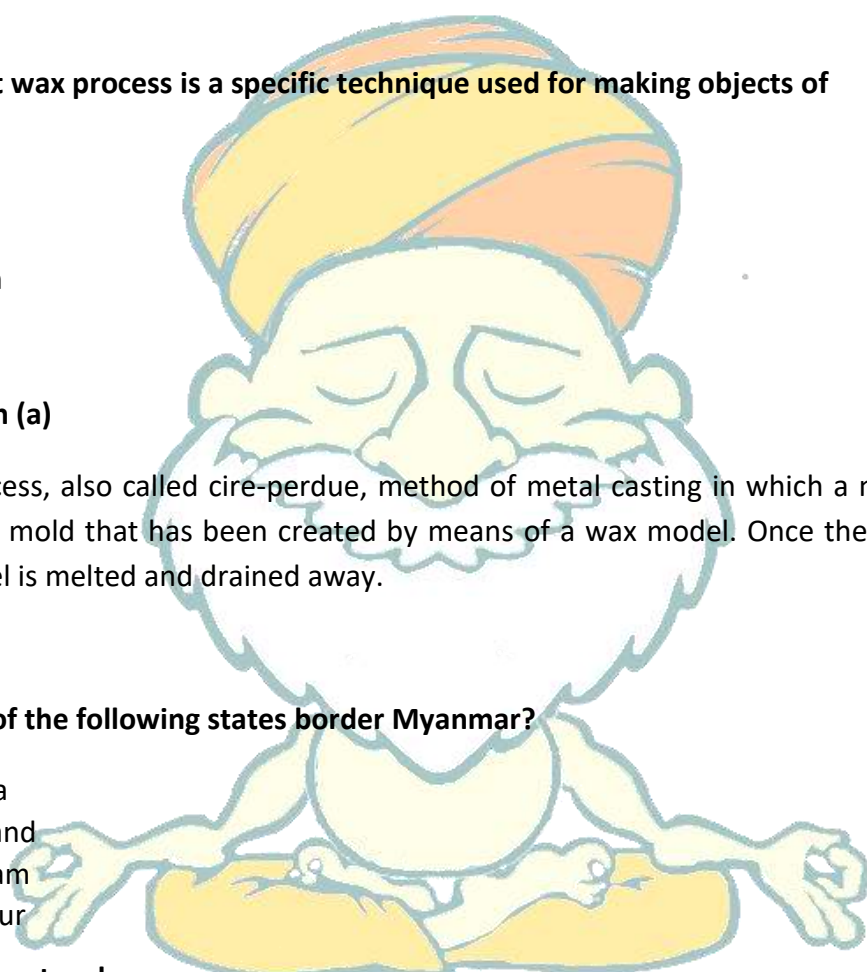
Q.21) Which of the following states border Myanmar?

1. Tripura
2. Nagaland
3. Mizoram
4. Manipur

Select the correct code:

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

Q.21) Solution (b)



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Indian States Bordering Myanmar – Arunachal Pradesh, Mizoram, Myanmar, Nagaland

Q.22) Which of the following are benefits of 'Vertical Farming'?

1. Maximum Crop Yield
2. Less Carbon Print
3. Minimal Water Use

Select the correct code:

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

Q.22) Solution (d)

Vertical farming has many advantages such as that it allows maximum crop yield. This means that vertical farming can allow crops to be grown at all times throughout the year, as it is not weather dependent.

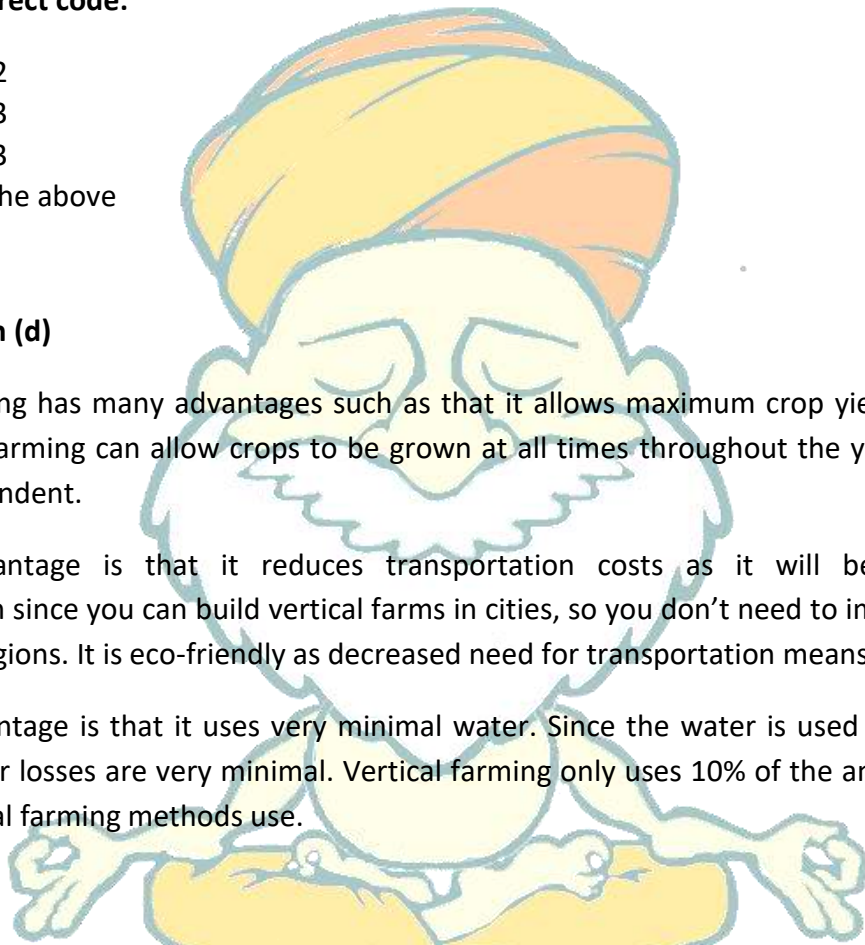
Another advantage is that it reduces transportation costs as it will be cheaper for transportation since you can build vertical farms in cities, so you don't need to import the crops from other regions. It is eco-friendly as decreased need for transportation means less pollution.

Another advantage is that it uses very minimal water. Since the water is used in a controlled manner, water losses are very minimal. Vertical farming only uses 10% of the amount of water that traditional farming methods use.

Q.23) Recently 'Octocrylene (OC)' was in news in the context of

- a) Coral Reefs
- b) Locusts
- c) Poultry
- d) Fish Preservation

Q.23) Solution (a)



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Octocrylene (OC), which is used in some cosmetics and hair products, accumulates in coral as fatty acid esters that could be toxic to the marine organism.

Q.24) Consider the following statements with respect to 'Climate Ambition Alliance'.

1. It brings together countries, businesses, investors, cities and regions who are working towards achieving net-zero CO₂ emissions by 2050.
2. India is not a part of the alliance.

Select the correct statements

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

Q.24) Solution (c)

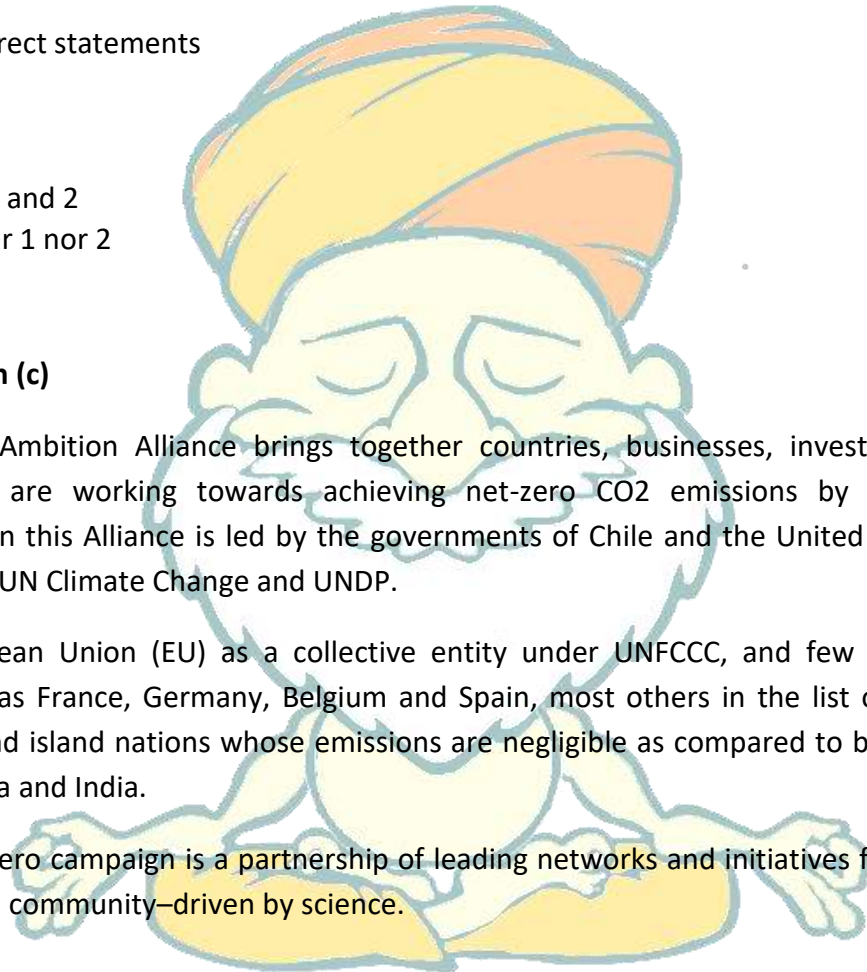
The Climate Ambition Alliance brings together countries, businesses, investors, cities and regions who are working towards achieving net-zero CO₂ emissions by 2050. Country engagement in this Alliance is led by the governments of Chile and the United Kingdom, with support from UN Climate Change and UNDP.

Except European Union (EU) as a collective entity under UNFCCC, and few of its member nations such as France, Germany, Belgium and Spain, most others in the list of 73 are small developing and island nations whose emissions are negligible as compared to big emitters like the USA, China and India.

The Race to Zero campaign is a partnership of leading networks and initiatives from across the climate action community—driven by science.

Q.25) The 'Emissions Gap Report' is released by

- a) UN Environment
- b) Intergovernmental Panel on Climate Change
- c) International Union for Conservation of Nature
- d) World Wide Fund for Nature



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Q.25) Solution (a)

It is released by the United Nations Environment Programme (UNEP)

Q.26) Consider the following statements with respect to "Skills Build Reignite"

1. It is aimed at providing job seekers and entrepreneurs, with access to free online coursework and mentoring support designed to help them reinvent their careers and businesses.
2. Directorate General of Training (DGT) will be overlooking the initiative.

Select the correct statements

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

Q.26) Solution (c)

Directorate General of Training (DGT), under the aegis of the Ministry of Skill Development & Entrepreneurship (MSDE), is responsible for implementing long term institutional training to the nation's youth through its network of training institutes and infrastructure. It plays a key role in the execution of vocational training schemes and in making 'Digital India' dream become a reality.

The SkillsBuild Reignite tends to provide job seekers and entrepreneurs, with access to free online coursework and mentoring support designed to help them reinvent their careers and businesses. Job seekers, individual business owners, entrepreneurs and any individual with learning aspirations can now tap into host of industry relevant content on topics including Artificial intelligence, Cloud, Data analytics and security to reskill and upskill themselves, at no cost.

Source:

<https://pib.gov.in/PressReleaselframePage.aspx?PRID=1633965#:~:text=Its%20special%20feature%20is%20the,of%20the%20COVID%2019%20pandemic.>

Q.27) 'ACT-Accelerator Hub' is associated with which of the following organization?

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- a) World Health Organisation
- b) World Economic Forum
- c) European Union
- d) United Nations Environment Programme

Q.27) Solution (a)

The WHO is working with a large coalition of drug-development, funding and distribution organisations under what it is calling the ACT-Accelerator Hub.

In an update on the ACT-Accelerator initiative, launched in April to speed up research and development for the new disease, the WHO and global health groups said the coronavirus pandemic is still threatening millions of lives and scores of economies.

Source: <https://www.livemint.com/news/world/who-led-coalition-needs-31-3-billion-to-fight-covid-19-11593178617027.html>

Q.28) The terms “Call for action” and “Other monitored jurisdictions” are associated

- a) Financial Action Task Force (FATF)
- b) International Atomic Energy Agency (IAEA)
- c) International Court of Justice (ICC)
- d) International Criminal Court (ICC)

Q.28) Solution (a)

Since 2000, FATF has maintained the FATF blacklist (formally called the “Call for action”) and the FATF greylist (formally called the “Other monitored jurisdictions”).

Q.29) Consider the following statements with respect to ‘TULIP’ programme.

1. It is a program for providing internship opportunities to fresh graduates in all Urban Local Bodies (ULBs) and Smart Cities across the country.
2. It is being implemented through a partnership between Ministry of Human Resources Development (MHRD) and AICTE.

Select the correct statements

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

Q.29) Solution (a)

The Urban Learning Internship Program (TULIP)' – A program for providing internship opportunities to fresh graduates in all Urban Local Bodies (ULBs) and Smart Cities across the country.

The TULIP program is being implemented through a partnership between Ministry of Housing and Urban Affairs (MoHUA) and AICTE. At the State level, TULIP will be supported by the Urban Development departments in providing a clear roadmap for the ULBs/smart cities to adopt TULIP in their respective organisations.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1634268>

Q.30) Consider the following statements with respect to 'Angikaar Campaign'.

1. It aims to bring the beneficiaries of the Pradhan Mantri Awas Yojana (PMAY) under the fold of other Central Government Schemes like Ayushman Bharat, and Pradhan Mantri Ujjwala Yojana.
2. It is launched by the Ministry of Housing & Urban Affairs.

Select the correct statements

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

Q.30) Solution (c)

This campaign aims to bring the beneficiaries of the Pradhan Mantri Awas Yojana (PMAY) under the fold of other Central Government Schemes like Ayushman Bharat (Health Insurance Scheme), and Pradhan Mantri Ujjwala Yojana (LPG Gas Connection Scheme).

It was launched by the Union Housing and Urban Affairs Ministry.

STATIC QUIZ

Q.1) Consider the following statements

1. Social exclusion is a measure, which describes the greater probability of certain communities of becoming or remaining poor in the coming years.
2. Per Capita Income does not reflect the disparities between the rich and the poor.

Which of the statements given above is/are **NOT** correct?

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

Q.1) Solution (a)

Vulnerability to poverty is a measure, which describes the greater probability of certain communities or individuals of becoming, or remaining, poor in the coming years.

According to the concept of social exclusion, poverty must be seen in terms of the poor having to live only in a poor surrounding with other poor people, excluded from enjoying social equality of better-off people in better surroundings.

Hence Statement 1 is incorrect.

Per Capita Income is the total income of the country divided by its total population. Per Capita Income does not reflect the disparities between the rich and the poor.

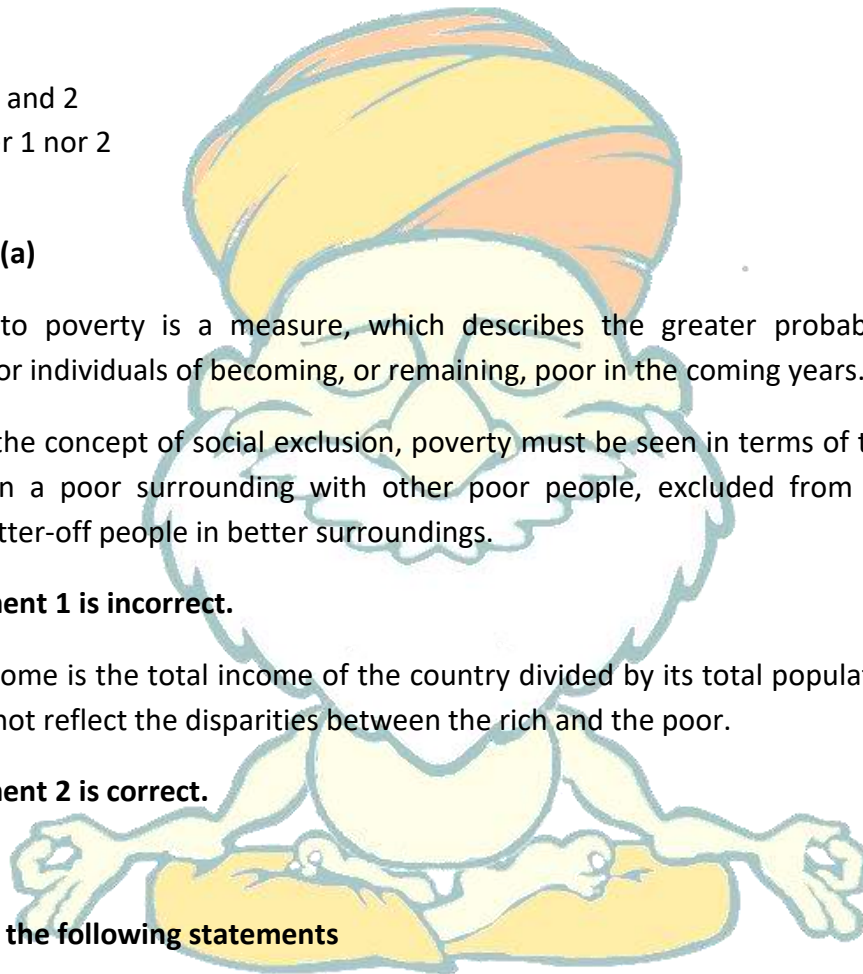
Hence Statement 2 is correct.

Q.2) Consider the following statements

1. Standard of Living is one of the three dimensions used by Multidimensional Poverty Index.
2. The global Multidimensional Poverty Index was developed in 2010 by World Bank.

Which of the statements given above is/are correct?

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



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d) Neither 1 nor 2

Q.2) Solution (a)

Health, Education and Standard of Living are the three dimensions used by Multi Poverty Index.

Hence Statement 1 is correct.

The global MPI was developed in 2010 by the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford and the Human Development Report Office of the United Nations Development Programme (UNDP) for the flagship Human Development Report.

Hence Statement 2 is incorrect.

Q.3) Consider the following statements

1. Great Gatsby Curve provides correlation between concentration of wealth in one generation and its impact on intergenerational economic mobility.
2. Gross National Income Per Capita is one of the indicators used in calculation of Human Development Index.

Which of the statements given above is/are correct?

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

Q.3) Solution (c)

Great Gatsby Curve provides correlation between concentration of wealth in one generation and its impact on intergenerational economic mobility.

Hence Statement 1 is correct.

Life Expectancy at Birth, Expected Years of Schooling, Mean Years of Schooling, Gross National Income Per Capita are used as indicators in calculation of Human Development Index.

Hence Statement 2 is correct.

Q.4) Consider the following statements:

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1. The share of Agriculture and allied sectors in the GVA (Gross Value Added) of the Country has declined from 2014-15 levels.
2. In 2018, India is the second largest consumer of the finished steel after China.

Which of the statements given above is/are *NOT* correct?

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

Q.4) Solution (b)

The share of Agriculture and allied sectors in the GVA (Gross Value Added) of the Country has declined from 2014-15 levels. (from 18.2% in 2014-15 to 16.5% in 2019-20)

Hence Statement 1 is correct.

In 2018, India is the third largest consumer of the finished steel after China and USA.

Hence Statement 2 is incorrect.

Q.5) Consider the following statements:

1. Service Sector accounts for 15% of the total exports.
2. Service Sector accounts for 75% of the GVA of the Country.

Which of the statements given above is/are correct?

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

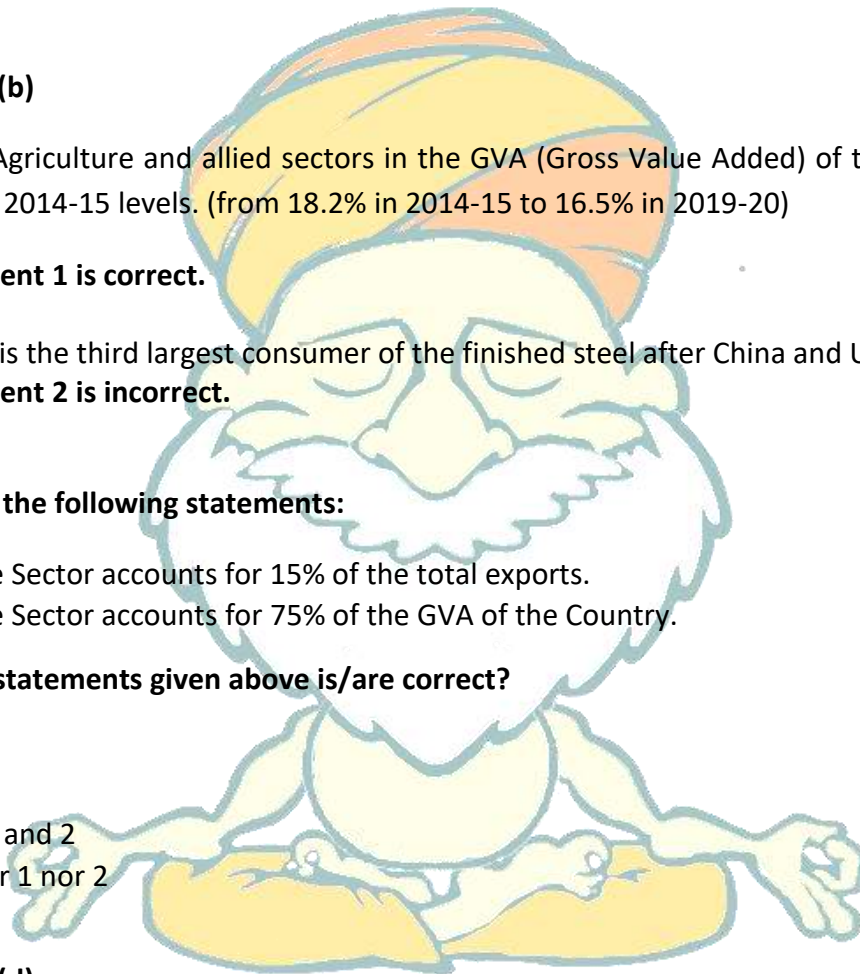
Q.5) Solution (d)

Service Sector accounts for 38% of the total exports.

Hence Statement 1 is incorrect.

Service Sector accounts for 55% of the GVA of the Country.

Hence Statement 2 is incorrect.



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Q.6) Consider the following statements regarding purchasing power parity (PPP).

- 1) It is a technique used to determine the relative value of different currencies.
- 2) This concept works on the assumption that markets work on the law of one price.

Which of the statements given above is/are correct?

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

Q.6) Solution (c)

PPP is a technique used to determine the relative value of different currencies.

Hence Statement 1 is correct.

This concept works on the assumption that markets work on the law of one price.

Law of one price, i.e., identical goods and services (in quantity as well as quality) must have the same price in different markets when measured in a common currency.

Hence Statement 2 is correct.

Q.7) Which among the following is/are relative merits of GDP?

- 1) It enables central banks and policymakers to evaluate whether the economy is in recession or inflation
- 2) Disguised Unemployment is the situation, where people are apparently working but all of them are made to work less than their potential.

Which of the statements given above is/are NOT CORRECT?

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

Q.7) Solution (d)

GDP growth over time enables central banks and policymakers to evaluate whether the economy is in recession or inflation.

Hence Statement 1 is correct.

Disguised Unemployment:



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This is the situation of underemployment, where people are apparently working but all of them are made to work less than their potential.

This is a type of underemployment which is hidden in contrast to someone who does not have a job and is clearly visible as unemployed.

Hence Statement 2 is correct.

Q.8) Macroeconomics sees an economy as a combination of 4 sectors. Select the correct sector from the code given below:

- a) Land, labour, capital, entrepreneur
- b) Households, firms, government, external sector
- c) Consumer, entrepreneur, firms, government
- d) Consumer, firms, government, external sector

Q.8) Solution (b)

- Macroeconomics deals with the aggregate economic variables of an economy. It also takes into account various inter linkages which may exist between the different sectors of an economy.
- Macroeconomics sees an economy as a combination of four sectors, namely households, firms, government and external sector.

Q.9) Consider the following statements with reference to GDP and GNI

- 1) In a perfectly closed economy $GDP = GNI$
- 2) If the Production is less than the remittances, then GDP will be greater than GNI.

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.9) Solution (a)

A perfectly closed economy has no contact with the outside world, it is completely self-sufficient, and has no imports or exports with the other countries. So, all the goods and services that are produced in the domestic territory (GDP) is produced by the Nationals of that country (GNI).

Hence Statement 1 is correct.

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GNI may or may not be greater than GDP, if all the residents of the country have migrated for work outside their country, and the Production is less than the remittances, then GNI will be greater than GDP.

Hence Statement 2 is incorrect.

Q.10) Which of the following statements is/are *NOT CORRECT* regarding 'Green' GDP?

- 1) It accounts for the total amount of agricultural goods produced in the country.
- 2) It accounts for the monetized loss of biodiversity and costs caused by climate change.

Select the correct answer from the code given below:

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

Q.10) Solution (a)

The green gross domestic product (green GDP or GGDP) is an index of economic growth with the environmental consequences of that growth factored into a country's conventional GDP.

Hence Statement 1 is incorrect.

Green GDP monetizes the loss of biodiversity, and accounts for costs caused by climate change.

Hence Statement 2 is correct.

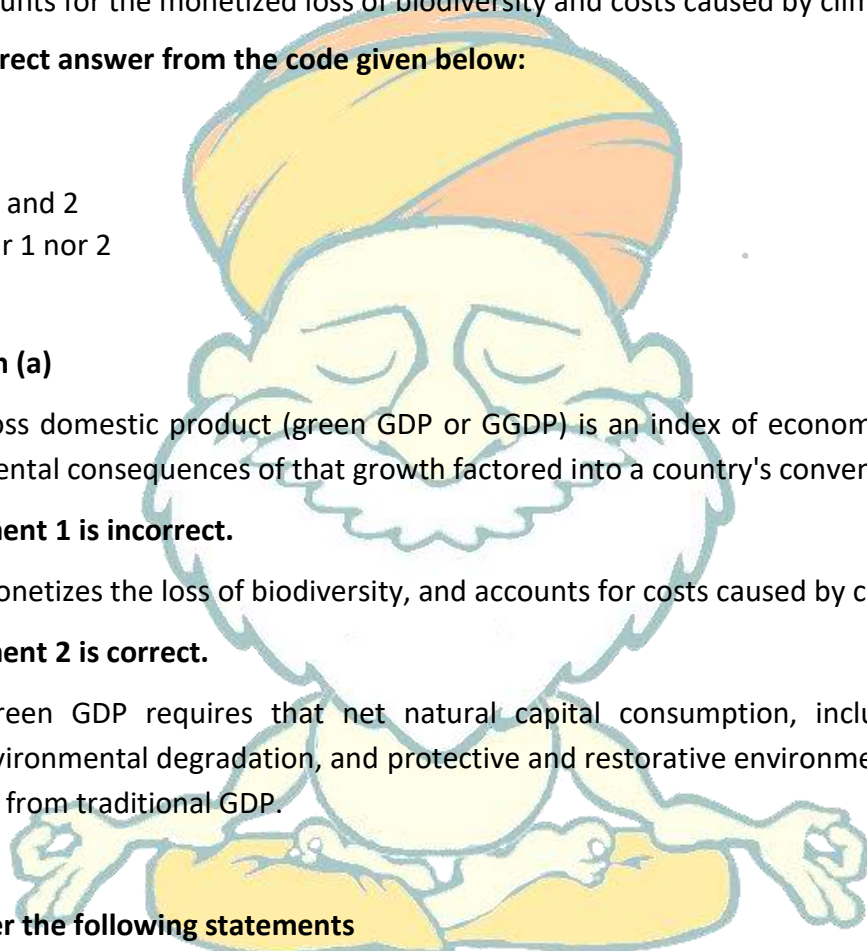
Calculating green GDP requires that net natural capital consumption, including resource depletion, environmental degradation, and protective and restorative environmental initiatives, be subtracted from traditional GDP.

Q.11) Consider the following statements

1. Transient poor are those who regularly move in and out of poverty.
2. Churning poor who are rich most of the time but may sometimes have a patch of bad luck.

Which of the statements given above is/are *NOT* correct?

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



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d) Neither 1 nor 2

Q.11) Solution (c)

Churning poor are those who regularly move in and out of poverty (example: small farmers and seasonal workers)

Hence Statement 1 is incorrect.

Transient poor who are rich most of the time but may sometimes have a patch of bad luck.

Hence Statement 2 is incorrect.

Q.12) Consider the following statements

1. Total formal employment in the economy increased from 18 per cent in 2011-12 to 20 per cent in 2017-18.
2. India is ranked above China in Human Development Index (HDI) 2018.

Which of the statements given above is/are correct?

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

Q.12) Solution (d)

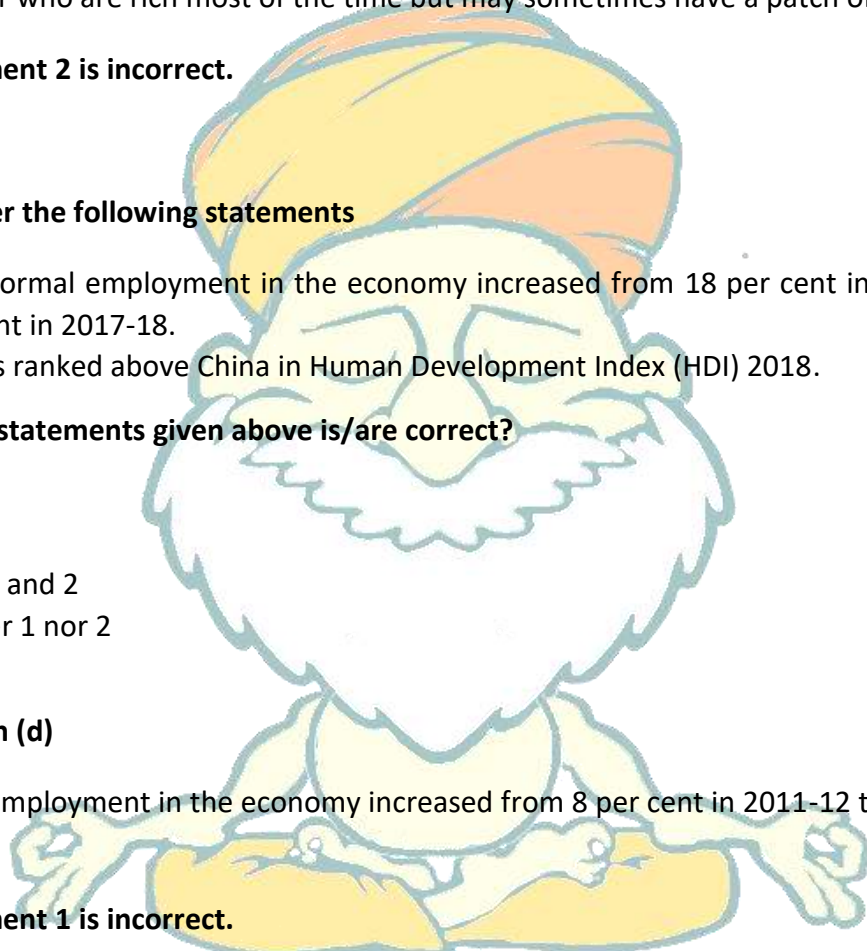
Total formal employment in the economy increased from 8 per cent in 2011-12 to 9.98 per cent in 2017-18.

Hence Statement 1 is incorrect.

India is ranked below China in Human Development Index (HDI) 2018. India's rank—129, China's Rank—85)

Hence Statement 2 is incorrect.

Q.13) Consider the following statements



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1. 'Own account workers' are those who ran their enterprise by hiring labourers.
2. According to Periodic Labour Force Survey (PLFS) unpaid family labour comes under the self-employed category.

Which of the statements given above is/are correct?

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

Q.13) Solution (b)

Own account workers include those who operated their enterprises on their own account or with one or a few partners and ran their enterprise without hiring any labour during the reference period while employers are those own account workers who ran their enterprise by hiring labourers.

Hence Statement 1 is incorrect.

According to Periodic Labour Force Survey (PLFS) unpaid family labour comes under the self-employed category.

Unpaid family labourers/helpers included those who were engaged in their household enterprises, working full or part time and did not receive any regular salary or wages in return for the work performed during the reference period.

Hence Statement 2 is correct.

Q.14) Consider the following statements:

1. Female Labour Force Participation Rate (LFPR) is higher in rural areas as compared to urban areas.
2. Female Labour Force Participation Rate (LFPR) for productive age group has shown a decline in 2017-18 compared to 2011-12 levels.

Which of the statements given above is/are *NOT* correct?

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

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Q.14) Solution (d)

Female LFPR is higher in rural areas as compared to urban areas.

Hence Statement 1 is correct.

According to NSO-EUS and PLFS estimates, female labour force participation rate (LFPR) for productive age-group (15-59 years) as per usual status shows a declining trend. Female labour force participation declined by 7.8 percentage points from 33.1 per cent in 2011-12 to 25.3 per cent in 2017-18.

Hence Statement 2 is correct.

Q.15) Consider the following statements:

1. Prime Minister Employment Generation Programme (PMEGP) is one among the Core of the Core schemes.
2. PMEGP scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the nodal agency at the national level.

Which of the statements given above is/are correct?

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

Q.15) Solution (b)

Prime Minister Employment Generation Programme (PMEGP) is one among the Major Central Sector schemes.

(Classification of schemes—Core of the Core Schemes, Core Schemes, Major Central Sector schemes)

Hence Statement 1 is incorrect.

PMEGP scheme is implemented by Khadi and Village Industries Commission (KVIC) functioning as the nodal agency at the national level.

At the state level, the scheme is implemented through State KVIC Directorates, State Khadi and Village Industries Boards (KVIBs), District Industries Centres (DICs) and banks.

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Hence Statement 2 is correct.

Q.16) Arrange following committee's w.r.t. Poverty Alleviation in chronological order:

- 1) Lakadwala Committee
- 2) Y K Alag Committee
- 3) C Rangarajan Committee
- 4) Suresh Tendulkar Committee
- 5) N C Saxena Committee

Select the correct answer using the code given below:

- a) 1 – 2 – 3 – 4 – 5
- b) 1 – 3 – 4 – 5 – 2
- c) 2 – 5 – 4 – 3 – 1
- d) 2 – 1 – 4 – 5 – 3

Q.16) Solution (d)

- 1) Y K Alag Committee
- 2) Lakadwala Committee
- 3) Suresh Tendulkar Committee
- 4) N C Saxena Committee
- 5) C Rangarajan Committee

Q.17) Which of the following categories comes under MGNREGA Special Category Of Workers?

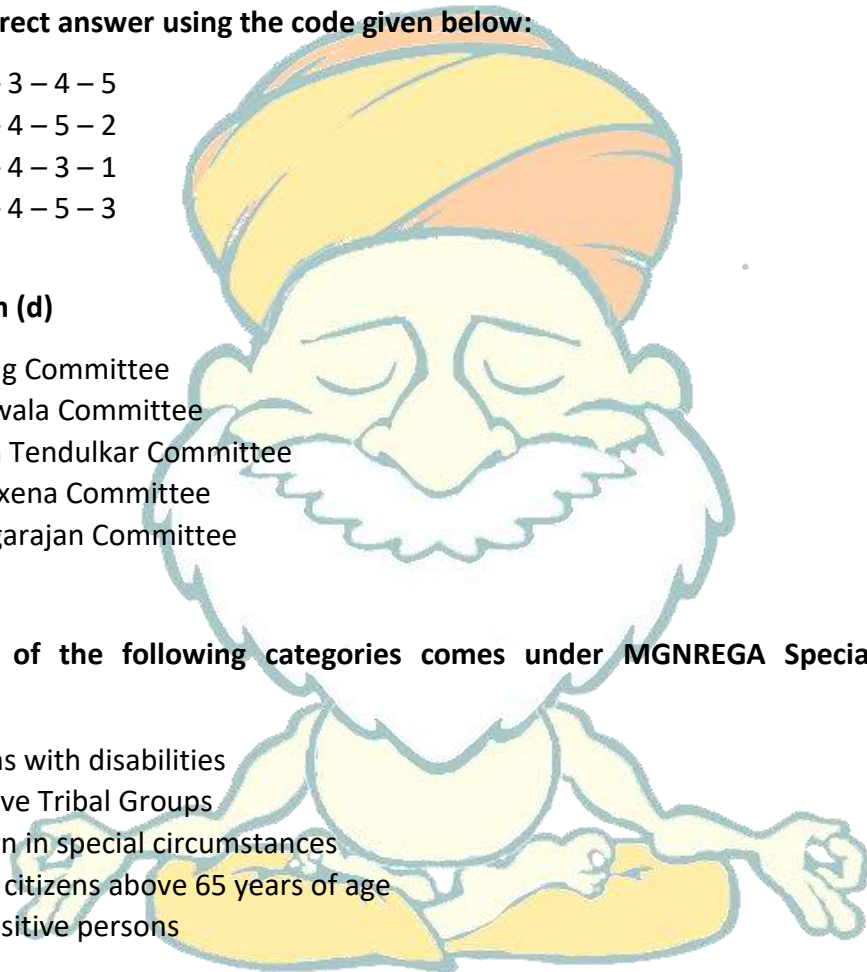
1. Persons with disabilities
2. Primitive Tribal Groups
3. Women in special circumstances
4. Senior citizens above 65 years of age
5. HIV positive persons

Select the correct answer using the code given below:

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

Q.17) Solution (d)

MGNREGA special categories list:



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1. Persons with disabilities
2. Primitive Tribal Groups
3. Nomadic Tribal Groups
4. De-notified Tribes
5. Women in special circumstances
6. Senior citizens above 65 years of age
7. HIV positive persons
8. Internally displaced persons

Q.18) Consider the following statements with reference to MGNREGA.

- 1) Daily unemployment allowance has to be paid if the employment is not given within 15 days of application for work.
- 2) Job card of the MGNREGA workers cannot be cancelled under any circumstances.

Which of the statements given above is/are correct?

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

Q.18) Solution (a)

Employment is to be given within 15 days of application for work, otherwise daily unemployment allowance has to be paid by the respective State.

Hence Statement 1 is correct

Job card cannot be cancelled except where it is found to be a duplicate, or if the entire household has permanently migrated to a place outside the Gram Panchayat and no longer lives in the village.

Hence Statement 2 is incorrect.

Q.19) Consider the following statements with respect to the Gini Coefficient.

- 1) It is a measure of income distribution and is derived from the Lorenz Curve.
- 2) A rich country and a poor country can have the same Gini coefficient.
- 3) A Gini coefficient of zero expresses perfect equality.

Which of the above statements is/are correct?

- a) 1 only

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

Q.19) Solution (d)

Gini Coefficient is a measure of income inequality. It is derived from the Lorenz Curve.

Hence Statement 1 is correct.

A rich country and a poor country can have the same Gini-coefficient, as it does not measure the absolute income levels but the distribution of wealth.

Hence Statement 2 is correct.

A Gini coefficient of zero expresses perfect equality, where all values are the same (for example, where everyone has the same income). One represents complete inequality. However no country has a score of either zero or one, actual figures are somewhere in between.

Hence Statement 3 is correct.

Q.20) Consider the following Statements with reference to the Rangarajan Committee report on Poverty.

- 1) It computed the average requirements of calories, proteins and fats based on ICMR norms to derive the normative levels of nourishment.
- 2) The Rangarajan Committee goes back to the idea of Tendulkar Committee method of calculating Rural and Urban Poverty Separately.

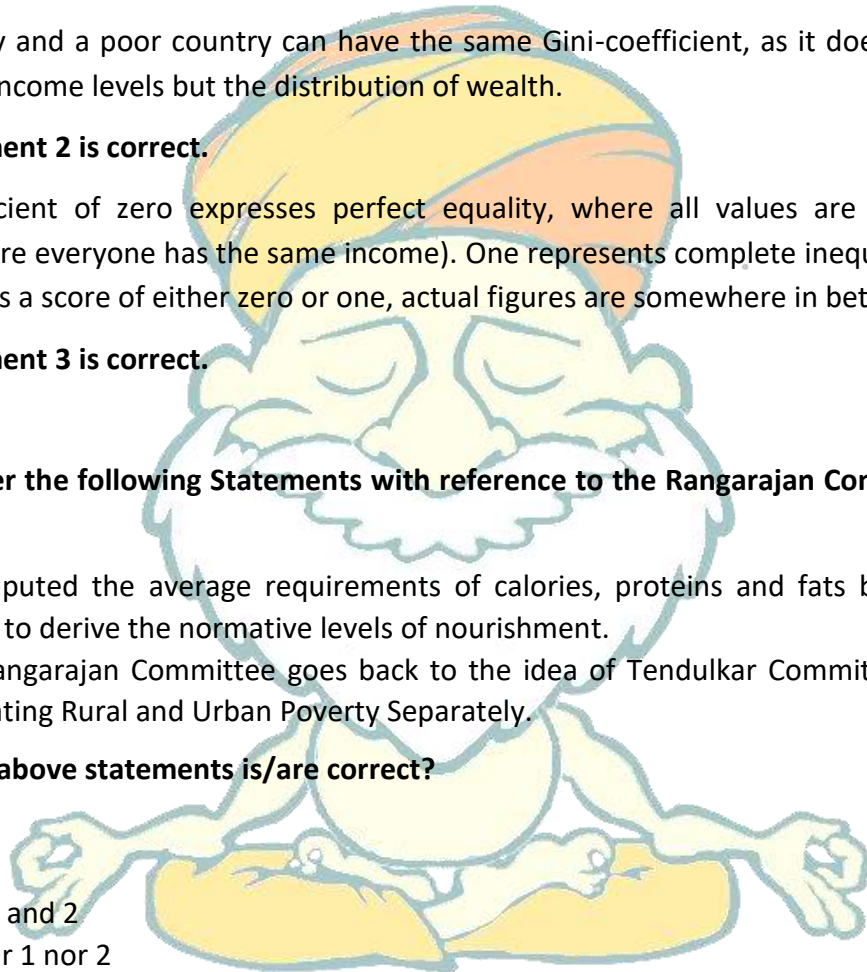
Which of the above statements is/are correct?

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

Q.20) Solution (a)

The Expert Group (Rangarajan) computed the average requirements of calories, proteins and fats based on ICMR norms differentiated by age, gender and activity for all-India rural and urban regions to derive the normative levels of nourishment.

Hence Statement 1 is correct.



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The Rangarajan Committee goes back to the idea of Lakdawala committee method of calculating Rural and Urban Poverty Separately.

Hence Statement 2 is incorrect.

Q.21) Consider the following statements

1. Cobweb theory is the idea that price fluctuations can lead to fluctuations in supply which cause a cycle of rising and falling prices.
2. CPI for Industrial Workers (IW) is compiled by Labour Bureau.

Which of the statements given above is/are *NOT* correct?

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

Q.21) Solution (d)

Cobweb theory is the idea that price fluctuations can lead to fluctuations in supply which cause a cycle of rising and falling prices.

Hence Statement 1 is correct.

CPI for Industrial Workers (IW) is compiled by Labour Bureau in the Ministry of Labour.

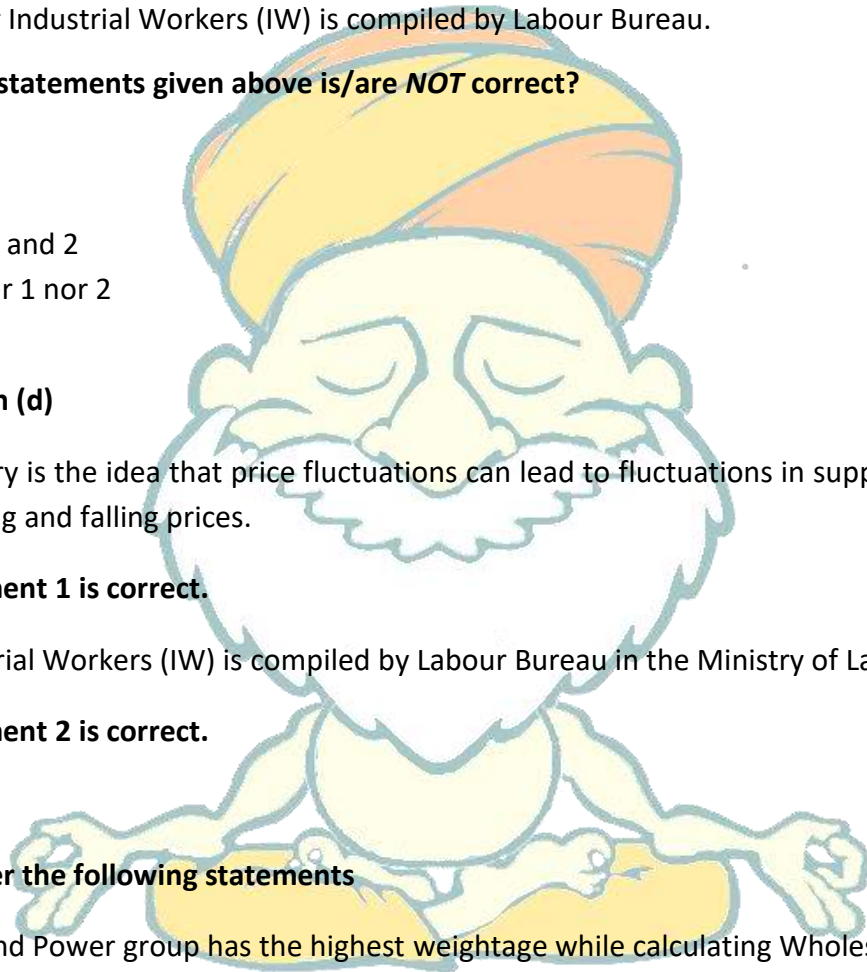
Hence Statement 2 is correct.

Q.22) Consider the following statements

1. Fuel and Power group has the highest weightage while calculating Wholesale Price Index (WPI).
2. CPI for Agricultural Labourers (AL) is compiled by the Central Statistical Organization.

Which of the statements given above is/are correct?

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



Q.22) Solution (d)

Manufacturing products has the highest weightage while calculating Wholesale Price Index (WPI).

Hence Statement 1 is incorrect.

CPI for Agricultural Labourers (AL) is compiled by Labour Bureau in the Ministry of Labour.

Hence Statement 2 is incorrect.

Q.23) Consider the following statements

1. Inflation means increase in the prices of all the goods and services in an economy.
2. Unanticipated inflation in the economy leads to redistribution of wealth with no regard to social goals.

Which of the statements given above is/are correct?

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

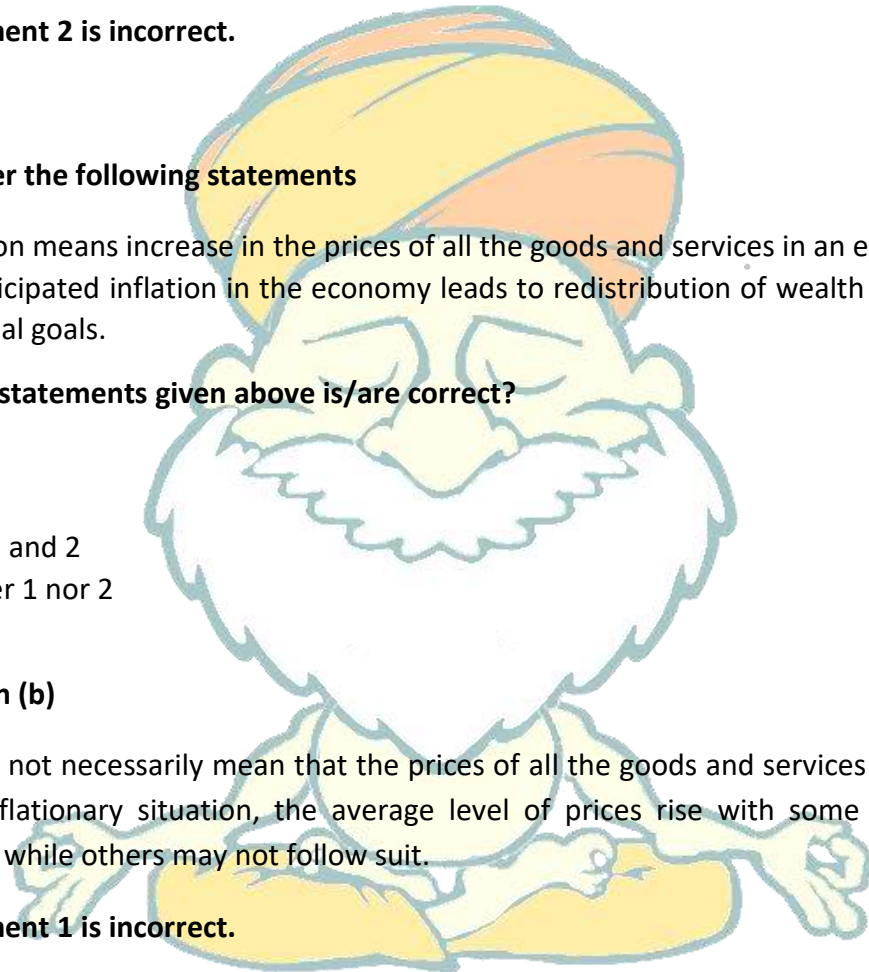
Q.23) Solution (b)

Inflation does not necessarily mean that the prices of all the goods and services in an economy rise. In an inflationary situation, the average level of prices rise with some items showing excessive rise while others may not follow suit.

Hence Statement 1 is incorrect.

Unanticipated inflation in the economy leads to redistribution of wealth with no regard to social goals. Consequential effects can be: flow of wealth from fixed-income earners and weakly unionized workers to strongly unionised workers, from lenders to borrowers, from tax-payers to the government, from public sector employees to private sector employees, and from profit-earners to wage-earners.

Hence Statement 2 is correct.



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Q.24) Consider the following statements:

1. Inflation target is set by the Reserve Bank of India, in consultation with the Government of India.
2. 6 per cent Consumer Price Index (CPI) inflation is the target for the period from August 5, 2016 to March 31, 2021.

Which of the statements given above is/are *NOT* correct?

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

Q.24) Solution (c)

Inflation target is set by the Government of India, in consultation with the Reserve Bank, once in every five years.

Hence Statement 1 is incorrect.

The Central Government has notified in the Official Gazette 4 per cent Consumer Price Index (CPI) inflation as the target for the period from August 5, 2016 to March 31, 2021 with the upper tolerance limit of 6 per cent and the lower tolerance limit of 2 per cent.

Hence Statement 2 is incorrect.

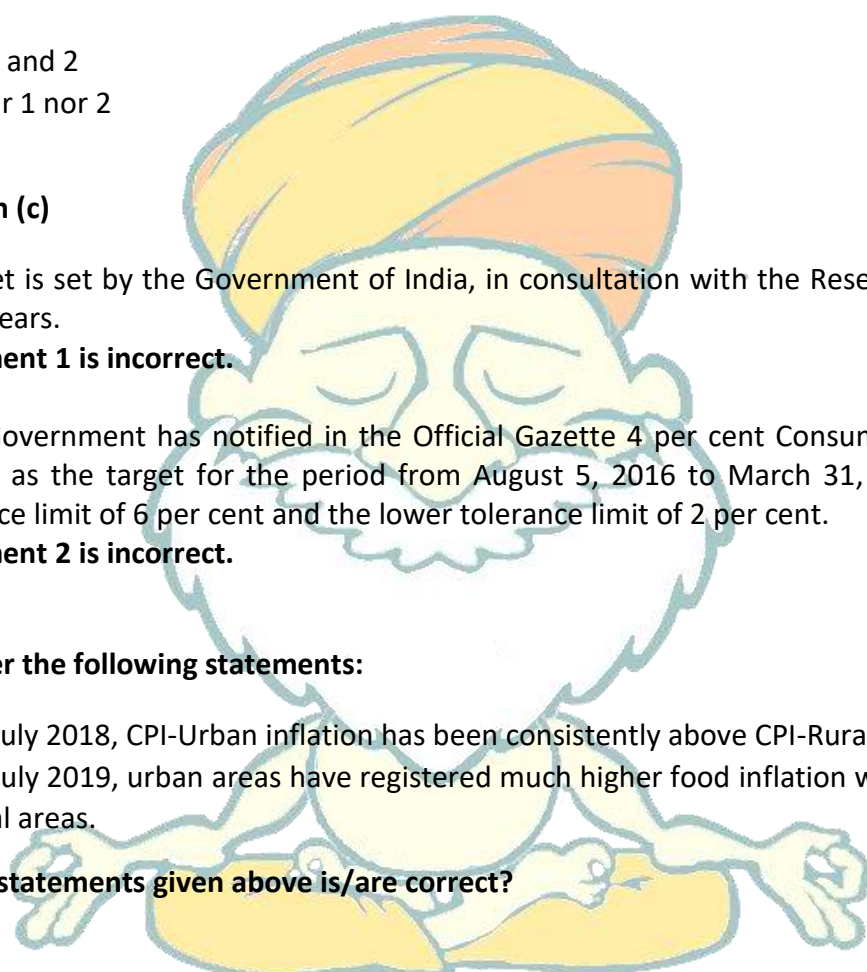
Q.25) Consider the following statements:

1. Since July 2018, CPI-Urban inflation has been consistently above CPI-Rural inflation.
2. Since July 2019, urban areas have registered much higher food inflation when compared to rural areas.

Which of the statements given above is/are correct?

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

Q.25) Solution (c)



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Since July 2018, CPI-Urban inflation, has been consistently above CPI-Rural inflation. This is in contrast to earlier experience where rural inflation has been mostly higher than urban inflation. **Hence Statement 1 is correct.**

Since July 2019, urban areas have registered much higher food inflation when compared to rural areas.

Hence Statement 2 is correct.

Q.26) Consider the following statements.

- 1) Mild form of recession is known as depression.
- 2) Price deflation, financial crises, stock market crash and bank failures are common elements of a recession.

Which of the statements given above is/are correct?

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

Q.26) Solution (d)

In economics, a depression is a sustained, long-term downturn in economic activity in one or more economies. It is a more severe economic downturn than a recession.

Hence Statement 1 is incorrect

Price deflation, financial crises, stock market crash, and bank failures are common elements of a depression that do not normally occur during a recession.

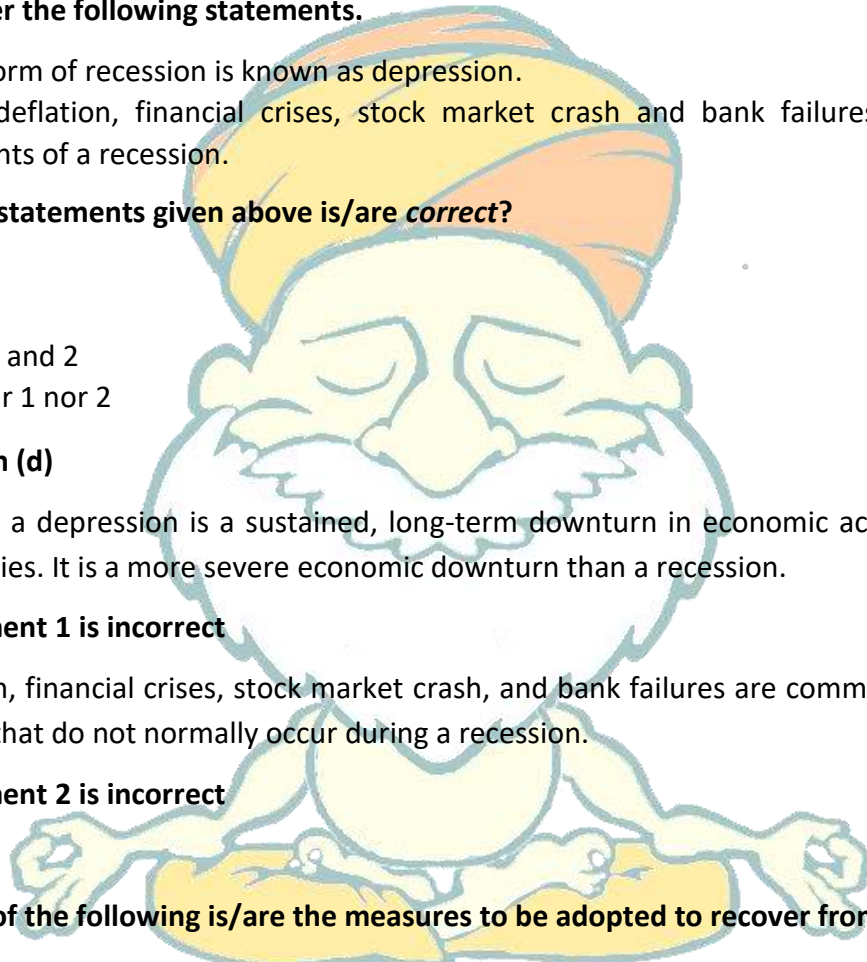
Hence Statement 2 is incorrect

Q.27) Which of the following is/are the measures to be adopted to recover from recession?

- 1) Direct and indirect taxes should be cut down.
- 2) Salaries and wages should be revised by the government.
- 3) The government usually goes on to follow a dear money supply policy.

Select the correct answer using the codes given below:

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



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Q.27) Solution (b)

Direct and indirect taxes should be cut down, so that the consumers have higher disposable incomes.

Hence Statement 1 is correct

Salaries and wages should be revised by the government to encourage general spending by the consumers

Hence Statement 2 is correct

The government usually goes on to follow a cheap money supply policy by slashing down interest rates across the board and the lending procedure is also liberalized.

Hence Statement 3 is incorrect

Q.28) Consider the following statements with reference to the Monetary Policy Committee (MPC):

- 1) The committee comprises three officials of the RBI and three external members nominated by the Governor of RBI.
- 2) The Reserve Bank of India Act, 1934 was amended by Finance Act (India), 2016 to constitute MPC.
- 3) The committee is answerable to the RBI if the inflation exceeds the range prescribed for three consecutive months.

Which of the statements given above is/are correct?

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

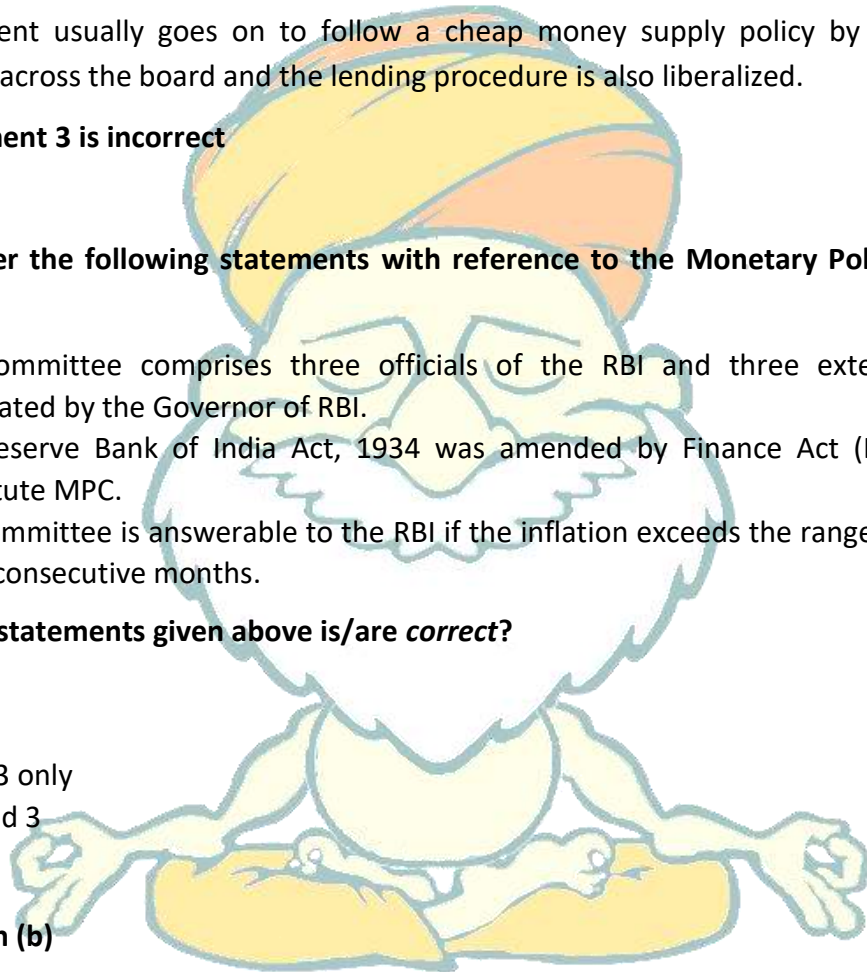
Q.28) Solution (b)

The committee comprises six members - three officials of the Reserve Bank of India and three external members nominated by the Government of India.

Hence Statement 1 is incorrect

The Reserve Bank of India Act, 1934 was amended by Finance Act (India), 2016 to constitute MPC which will bring more transparency and accountability in fixing India's Monetary Policy

Hence Statement 2 is correct



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The committee is answerable to the Government of India if the inflation exceeds the range prescribed for three consecutive months

Hence Statement 3 is incorrect

Q.29) Which of the following statements is/are correct about Wholesale Price Index?

- 1) Wholesale Price Index (WPI) represents the price of goods at a wholesale stage.
- 2) India uses Wholesale Price Index (WPI) whereas United States uses Producer Price Index (PPI) to measure inflation.
- 3) Indian WPI is published by the Economic Advisor, Ministry of Commerce and Industry.

Select the correct answer using the codes given below:

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

Q.29) Solution (d)

Wholesale Price Index (WPI) represents the price of goods at a wholesale stage i.e. goods that are sold in bulk and traded between organizations instead of consumers.

Hence Statement 1 is correct

WPI is used as an important measure of inflation in India. Fiscal and monetary policy changes are greatly influenced by changes in WPI. In the United States, Producer Price Index (PPI) is used to measure inflation.

Hence Statement 2 is correct

Indian WPI is published by the Economic Advisor, Ministry of Commerce and Industry.

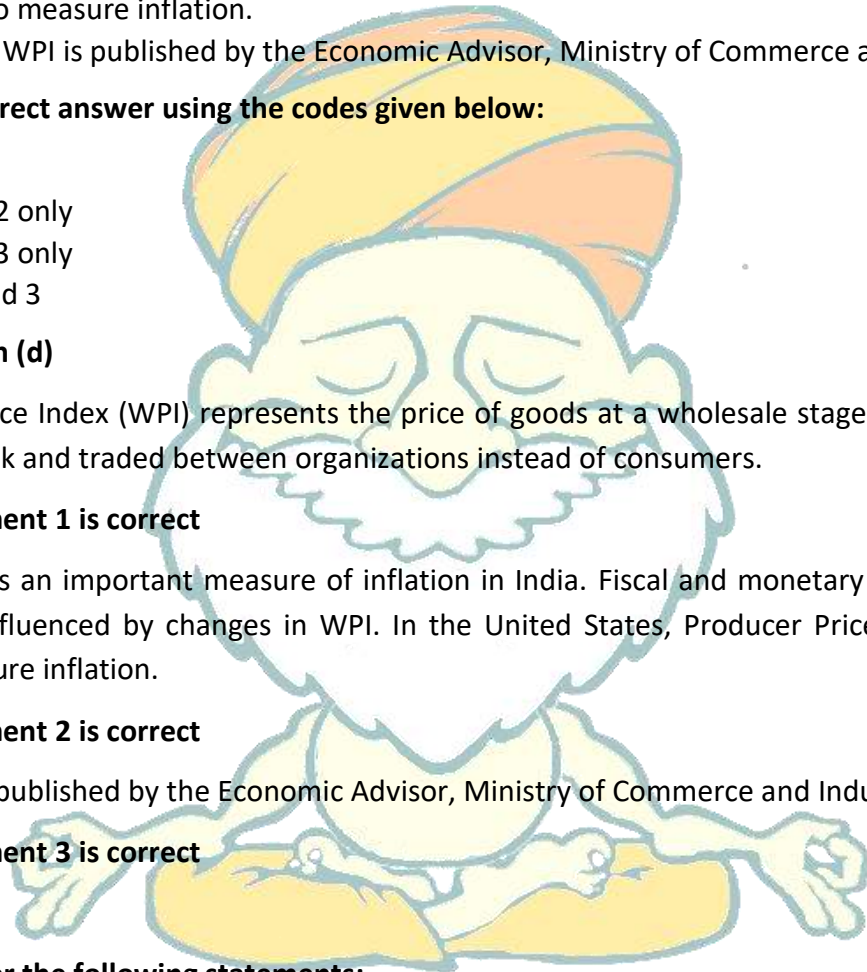
Hence Statement 3 is correct

Q.30) Consider the following statements:

- 1) The National Statistical Commission (NSC) updated base year for GDP calculation to 2011-12, as per the recommendations of the Central Statistics Office (CSO).
- 2) Change of base year to calculate GDP is done in line with the global exercise to capture economic information accurately.

Which of the statements given above is/are NOT CORRECT?

- a) 1 only
- b) 2 only



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- c) Both 1 and 2
- d) Neither 1 nor 2

Q.30) Solution (a)

The Central Statistics Office (CSO) updated base year for GDP calculation to 2011-12, replacing the old series base year of 2004-05, as per the recommendations of the National Statistical Commission.

Hence Statement 1 is incorrect

Why is base year changed?

Change of base year to calculate GDP is done in line with the global exercise to capture economic information accurately. Ideally, the base year should be changed after every five years to capture the changing economy. GDP based on 2004-05 did not reflect current economic situation correctly. The new series is also compliant with the United Nations guidelines in System of National Accounts-2008. It takes information for the corporate sector and has better estimates of the unorganised sector from 2010-11 National Sample Survey on unincorporated enterprises and data on sales and service taxes.

Hence Statement 2 is correct

Q.31) Consider the following statements

1. Price of a bond is inversely related to the market rate of interest.
2. Speculative demand for money is inversely related to the rate of interest.

Which of the statements given above is/are **NOT** correct?

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

Q.31) Solution (d)

Price of a bond is inversely related to the market rate of interest.

Hence Statement 1 is correct.

Speculative demand for money is inversely related to the rate of interest.

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Hence Statement 2 is correct.

Q.32) Consider the following statements

1. Net Reserve Bank credit to Government includes the Reserve Bank's credit to Central as well as State Governments.
2. Demand deposits include all liabilities which are payable on demand except unclaimed deposits.

Which of the statements given above is/are correct?

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

Q.32) Solution (a)

'Net Reserve Bank credit to Government' includes the Reserve Bank's credit to Central as well as State Governments. It includes ways and means advances and overdrafts to the Governments, the Reserve Bank's holdings of Government securities, and the Reserve Bank's holdings of rupee coins less deposits of the concerned Government with the Reserve Bank.

Hence Statement 1 is correct.

'Demand deposits' include all liabilities which are payable on demand and they include current deposits, demand liabilities portion of savings bank deposits, margins held against letters of credit/ guarantees, balances in overdue fixed deposits, cash certificates and cumulative/ recurring deposits, outstanding Telegraphic Transfers (TTs), Mail Transfers (MTs), Demand Drafts (DDs), unclaimed deposits, credit balances in the Cash Credit account and deposits held as security for advances which are payable on demand.

Hence Statement 2 is incorrect.

Q.33) Consider the following statements

1. M2 and M3 are known as broad money.
2. Broad money (M3) growth has been on declining trend from 2009 to 2017-18.

Which of the statements given above is/are correct?

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

Q.33) Solution (b)

M1 and M2 are known as narrow money. M3 and M4 are known as broad money. These gradations are in decreasing order of liquidity.

Hence Statement 1 is incorrect.

Broad money (M3) growth has been on declining trend since 2009. However, since 2018-19 it has picked up marginally, mainly driven by the growth in aggregate deposits and stands at 10.4 per cent as on December 2019.

Hence Statement 2 is correct.

Q.34) Consider the following statements:

1. The currency deposit ratio is the ratio of money held by the public in currency to that they hold in bank deposits.
2. Reserve deposit ratio is the proportion of the total deposits commercial banks keep as reserves.

Which of the statements given above is/are *NOT* correct?

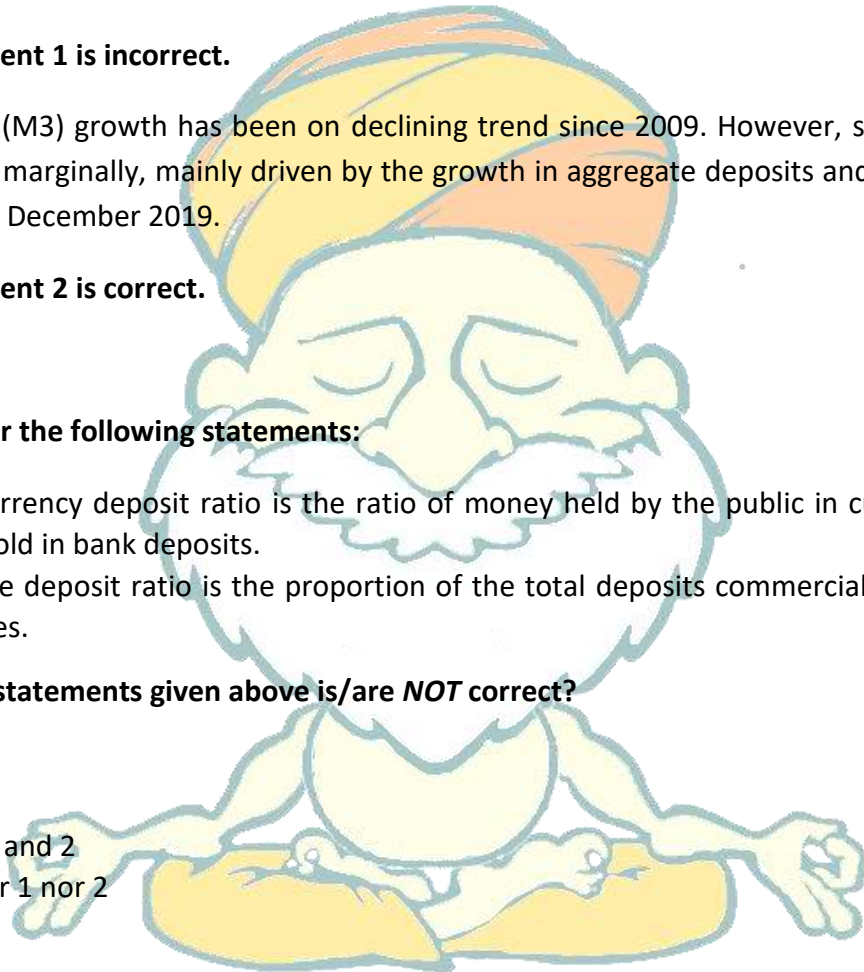
- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Q.34) Solution (d)

The currency deposit ratio (cdr) is the ratio of money held by the public in currency to that they hold in bank deposits.

Hence Statement 1 is correct.

Reserve deposit ratio (rdr) is the proportion of the total deposits commercial banks keep as reserves.



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Hence Statement 2 is correct.

Q.35) Consider the following statements:

1. Statutory Liquidity Ratio specifies the fraction of their deposits that banks must keep with RBI.
2. The rate of interest offered by the bank to deposit holders is called the borrowing rate.

Which of the statements given above is/are correct?

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

Q.35) Solution (b)

Statutory Liquidity Ratio requires the banks to maintain a given fraction of their total demand and time deposits in the form of specified liquid assets.

Hence Statement 1 is incorrect.

The rate of interest offered by the bank to deposit holders is called the 'borrowing rate' and the rate at which banks lend out their reserves to investors is called the 'lending rate'. The difference between the two rates, called 'spread', is the profit that is appropriated by the banks.

Hence Statement 2 is correct.

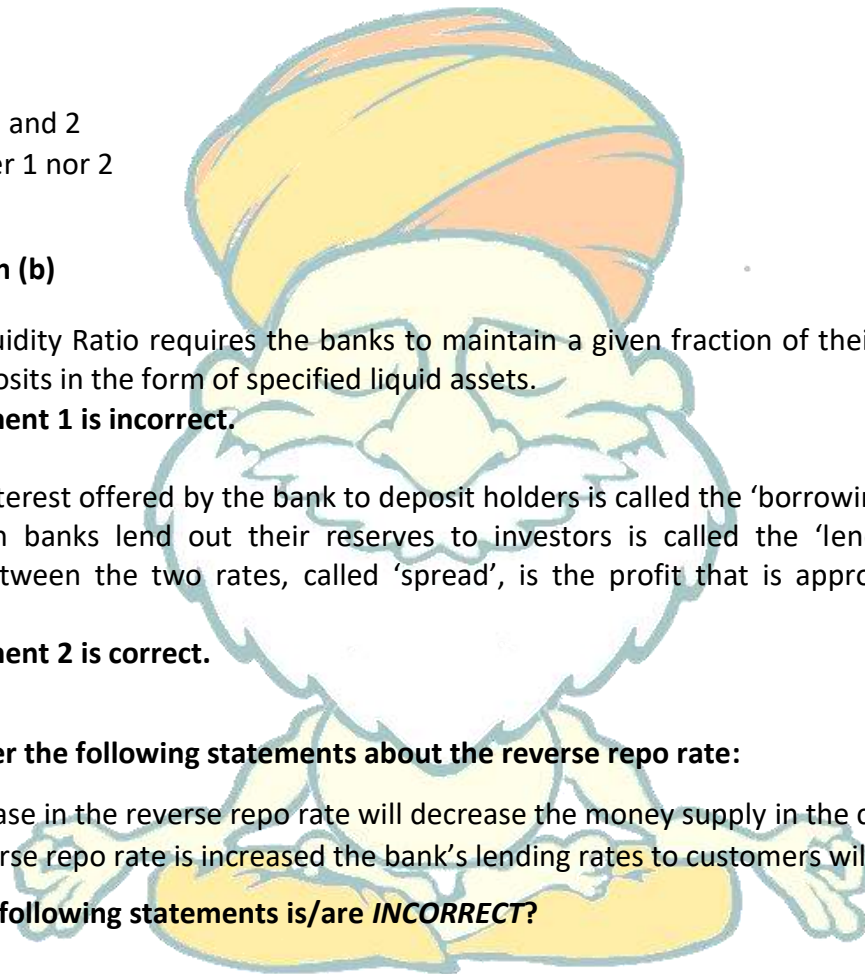
Q.36) Consider the following statements about the reverse repo rate:

- 1) Decrease in the reverse repo rate will decrease the money supply in the country.
- 2) If reverse repo rate is increased the bank's lending rates to customers will also increase.

Which of the following statements is/are INCORRECT?

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

Q.36) Solution (a)



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Reverse repo rate is the rate at which the central bank of a country (Reserve Bank of India in case of India) borrows money from commercial banks within the country.

An increase in the reverse repo rate will decrease the money supply and vice-versa, other things remaining constant.

Hence Statement 1 is incorrect

An increase in reverse repo rate means that commercial banks will get more incentives to park their funds with the RBI, thereby decreasing the supply of money in the market. This also means that lending to the consumers becomes risky, as they can easily get risk free returns from parking the money with the RBI. To compensate this, the Banks increase their interest rates to earn more profits for taking the risk.

Hence Statement 2 is correct

Q.37) Consider the following statements with reference to the Cash reserve ratio (CRR)

- 1) The Cash Reserve Ratio in India is decided by RBI's Monetary Policy Committee.
- 2) CRR allows RBI to maintain a desired level of inflation, control the money supply and also liquidity in the economy.
- 3) CRR deposits earn interest at the rate which is equal to reverse repo rate.

Which of the above statements is/are correct?

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

Q.37) Solution (c)

The percentage of cash required to be kept in reserves, vis-a-vis a bank's total deposits, is called the Cash Reserve Ratio.

The Cash Reserve Ratio in India is decided by RBI's Monetary Policy Committee in the periodic Monetary and Credit Policy.

Hence Statement 1 is correct

CRR is one of the major weapons in the RBI's arsenal that allows it to maintain a desired level of inflation, control the money supply, and also liquidity in the economy.

Hence Statement 2 is correct

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The cash reserve is either stored in the bank's vault or is sent to the RBI. Banks do not get any interest on the money that is with the RBI under the CRR requirements.

Hence Statement 3 is incorrect

Q.38) Which of the following statements correctly explains the Marginal Standing Facility (MSF)?

- a) It is the interest rate at which the Reserve Bank provides overnight liquidity to banks against the collateral of government.
- b) It is a facility under which scheduled commercial banks can borrow additional amount of overnight money from the Reserve Bank.
- c) It is the rate at which the Reserve Bank is ready to buy or rediscount bills of exchange or other commercial papers.
- d) It is a facility where surplus liquidity of a more enduring nature arising from large capital inflows is absorbed through sale of short-dated government securities.

Q.38) Solution (b)

Marginal Standing Facility (MSF):

A facility under which scheduled commercial banks can borrow additional amount of overnight money from the Reserve Bank by dipping into their Statutory Liquidity Ratio (SLR) portfolio up to a limit at a penal rate of interest. This provides a safety valve against unanticipated liquidity shocks to the banking system.

Q.39) An increase in the Bank Rate generally indicates that the

- a) Central Bank is no longer making loans to commercial banks.
- b) Central Bank is following an easy money policy.
- c) Central Bank is following a tight money policy.
- d) Market rate of interest is likely to fall.

Q.39) Solution (c)

A bank rate is the interest rate at which a nation's central bank lends money to domestic banks, often in the form of very short-term loans. Managing the bank rate is a method by which central banks affect economic activity. Lower bank rates can help to expand the economy by lowering the cost of funds for borrowers, and higher bank rates help to reign in the economy when inflation is higher than desired.

Tight monetary policy: when RBI raises the rates to decrease liquidity.

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Q.40) Consider the following statements regarding Regional Rural Banks (RRB):

- 1) RRBs have a statutory backing under RRB Act 1976.
- 2) Regional Rural Banks are supervised by National Bank for Agriculture and Rural Development (NABARD)
- 3) Their area of operation includes rural areas only.

Which of the above statements is/are correct?

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

Q.40) Solution (a)

The rural banks had the legislative backing of the Regional Rural Banks Act 1976. This act allowed the government to set up banks from time to time wherever it considered necessary.

Hence Statement 1 is correct

Regional Rural Banks are supervised by National Bank for Agriculture and Rural Development (NABARD).

Hence Statement 2 is correct

They have been created with a view to serve primarily the rural areas of India with basic banking and financial services. RRBs may have branches set up for urban operations and their area of operation may include urban areas too.

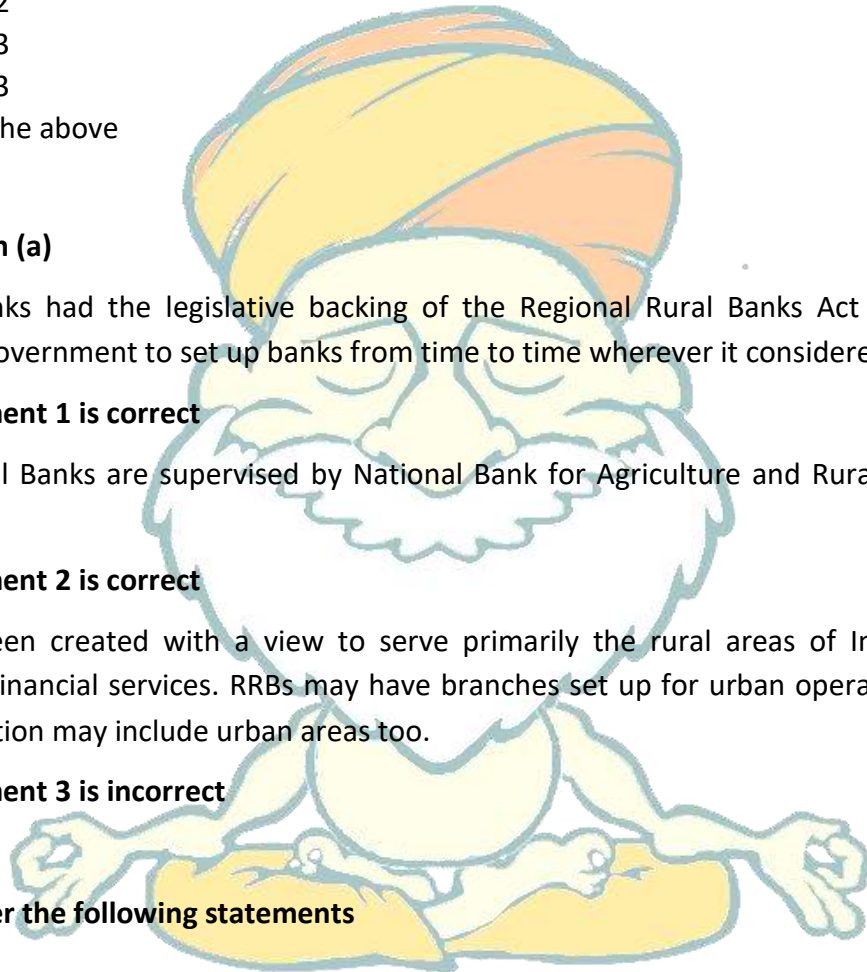
Hence Statement 3 is incorrect

Q.41) Consider the following statements

1. Banking Regulation Act, 1949, empowers NABARD to conduct inspection of State Cooperative Banks (StCBs).
2. NABARD has been accredited as National Implementing Entity (NIE) for Adaptation Fund of United Nations Framework Convention on Climate Change (UNFCCC).

Which of the statements given above is/are *NOT* correct?

- a) 1 only
- b) 2 only



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- c) Both 1 and 2
- d) Neither 1 nor 2

Q.41) Solution (d)

Section 35(6) of the Banking Regulation Act, 1949, empowers NABARD to conduct inspection of State Cooperative Banks (StCBs), District Central Cooperative Banks (DCCBs) and Regional Rural Banks (RRBs).

Hence Statement 1 is correct.

NABARD has been accredited as Direct Access Entity (DAE) of Green Climate Fund for channelizing resources under this Fund. NABARD aims to use the use the GCF resources for projects and programmes aimed at climate resilient and low emission development.

NABARD has also been accredited as National Implementing Entity (NIE) for Adaptation Fund of United Nations Framework Convention on Climate Change (UNFCCC) as well designated as NIE for National Adaptation Fund for Climate Change.

Hence Statement 2 is correct.

Q.42) Consider the following statements

1. The total liability of the RBI is called the monetary base.
2. Money multiplier can be defined as the ratio of the stock of money to the stock of high powered money in an economy.

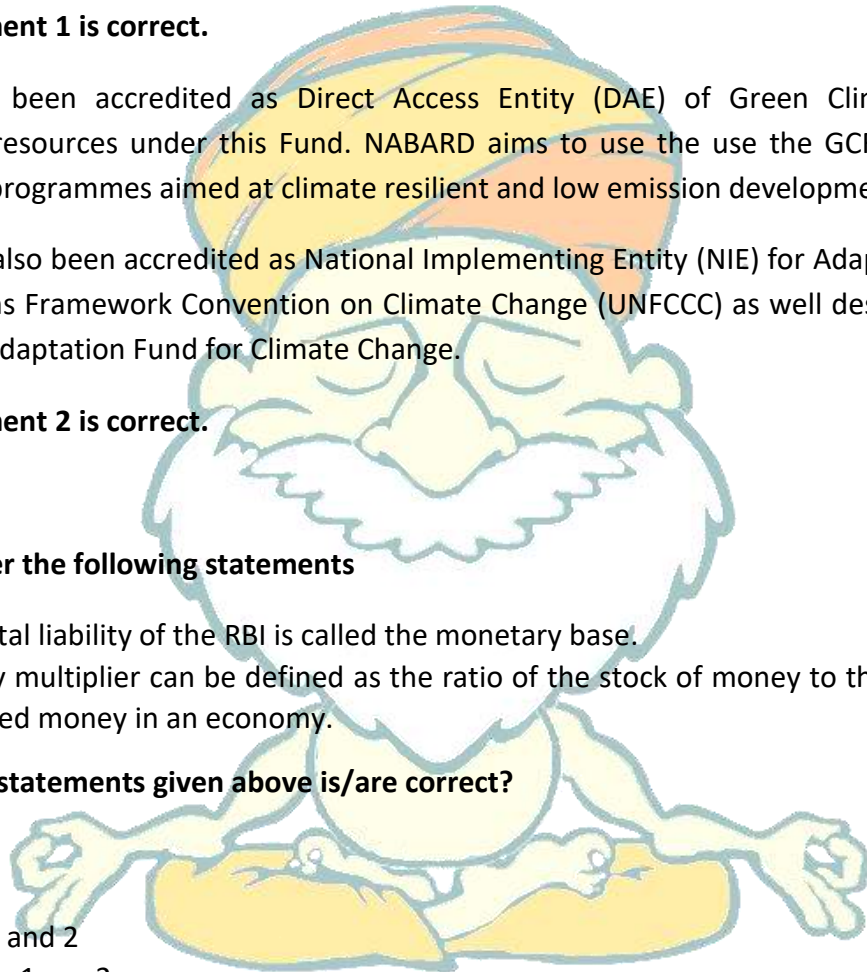
Which of the statements given above is/are correct?

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

Q.42) Solution (c)

The total liability of the monetary authority of the country, RBI, is called the monetary base or high powered money.

Hence Statement 1 is correct.



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Money multiplier can be defined as the ratio of the stock of money to the stock of high powered money in an economy.

Hence Statement 2 is correct.

Q.43) Consider the following statements

1. The total amount of deposits held by all commercial banks in the country is much lower than the total size of their reserves.
2. Open Market Operations (OMO's) includes both outright purchase and sale of Government securities.

Which of the statements given above is/are correct?

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

Q.43) Solution (b)

The total amount of deposits held by all commercial banks in the country is much larger than the total size of their reserves.

Hence Statement 1 is incorrect.

Open Market Operations (OMOs): These include both, outright purchase and sale of government securities, for injection and absorption of durable liquidity, respectively.

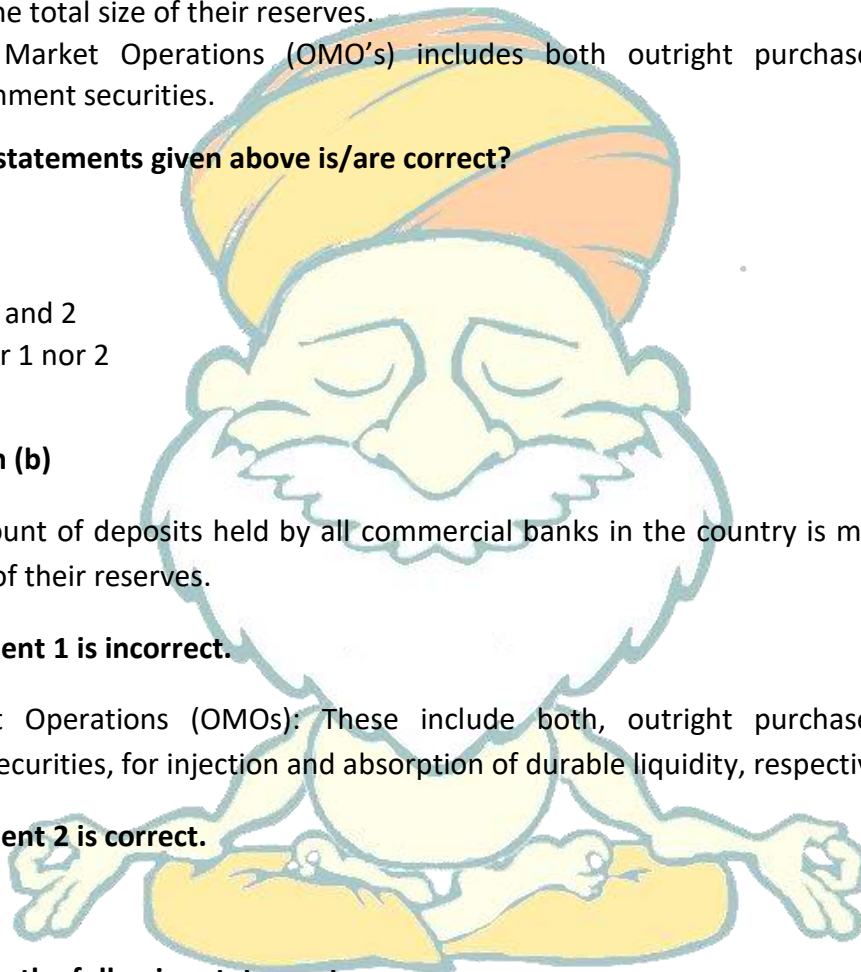
Hence Statement 2 is correct.

Q.44) Consider the following statements:

1. Private sector banks are considered banking companies as defined in the Companies Act, 2013.
2. Some part of equity of Regional Rural Bank is also held by the respective State Government.

Which of the statements given above is/are *NOT* correct?

- a) 1 only



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

Q.44) Solution (a)

Private sector banks and foreign banks are considered banking companies as defined in the Banking Regulation Act, 1949.

Hence Statement 1 is incorrect.

The equity of the RRBs was contributed by the Central Government, concerned State Government and the sponsor bank in the proportion of 50:15:35.

Hence Statement 2 is correct.

Q.45) Consider the following statements:

1. Co-operative Societies in India do not fall under the regulatory purview of RBI.
2. A company registered under Companies Act and engaged in the chit business can be a NBFC.

Which of the statements given above is/are correct?

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

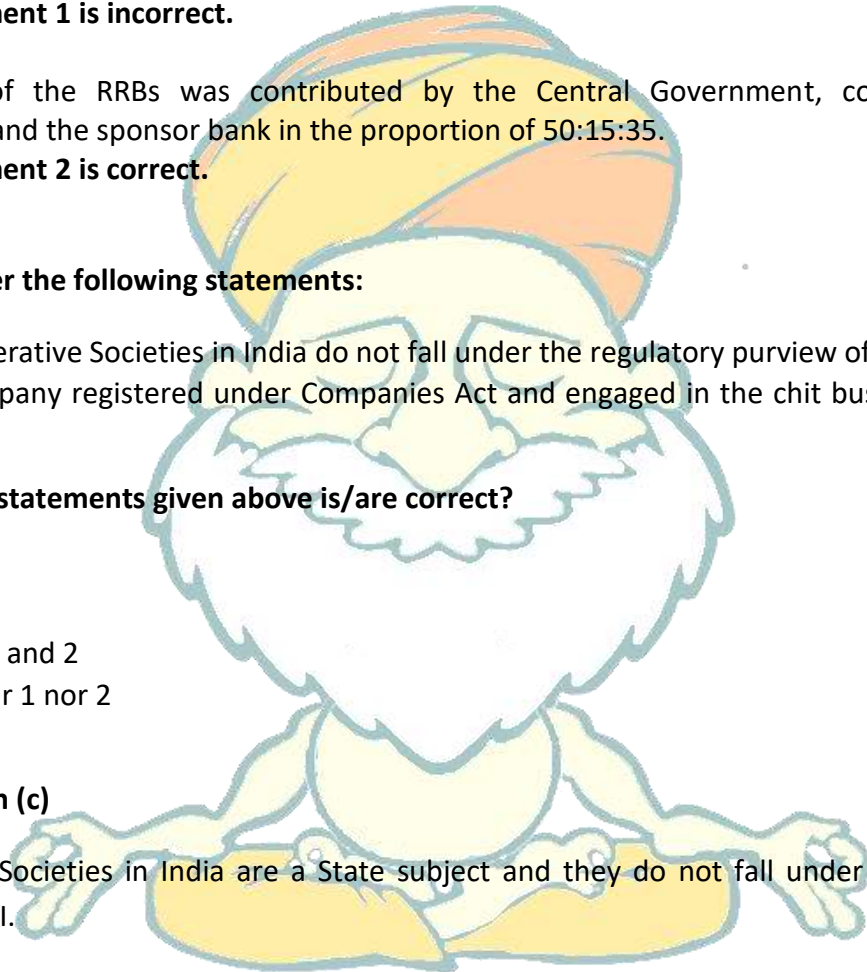
Q.45) Solution (c)

Co-operative Societies in India are a State subject and they do not fall under the regulatory purview of RBI.

Hence Statement 1 is correct.

A Non-Banking Financial Company (NBFC) as defined in Sec.45-I(f) read with Sec.45-I(c) of RBI Act, 1934 is a Company registered under the Companies Act and engaged in the business of:

1. Lending or financing
2. acquisition of shares / stocks / bonds/ debentures/
3. securities issued by Government or local authority
4. Leasing & hire-purchase
5. insurance business



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6. chit business
7. collection of monies
8. acceptance of deposits.

Hence Statement 2 is correct.

Q.46) Consider the following statements on regulators of different types of NBFC's/activities:

1. Mutual Benefit Companies are regulated by SEBI.
2. Chit Funds are regulated by State Governments.

Which of the following statements is/are *NOT CORRECT*?

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

Q.46) Solution (a)

Mutual Benefit Companies, Nidhi Companies are regulated by Ministry of Corporate Affairs.

Hence Statement 1 is incorrect

Chit Funds are regulated by State Governments.

Hence Statement 2 is correct

Q.47) Consider the following statements:

1. Certificate of Deposits (CD) means a debt instrument issued by a corporate with original or initial maturity up to one year and issued by way of private placement.
2. Commercial Paper (CP) is an unsecured money market instrument issued in the form of promissory note.

Which of the statements given above is/are correct?

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

Q.47) Solution (b)

Non-Convertible Debenture (NCD) means a debt instrument issued by a corporate (including NBFCs) with original or initial maturity up to one year and issued by way of private placement.

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Hence Statement 1 is incorrect

Commercial Paper (CP) is an unsecured money market instrument issued in the form of promissory note.

Hence Statement 2 is correct

Q.48) Which of the following statement is/are correct regarding White Label ATM?

1. ATMs set up, owned and operated by non-bank entities are called white label ATMs.
2. White label ATMs will not display logo of any particular bank.
3. The operators are permitted to charge bank customer directly for the use of ATM resources.

Select the correct answer using the code given below:

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

Q.48) Solution (b)

ATMs set up, owned and operated by non-bank entities are called white label ATMs.

Hence Statement 1 is correct

Cash in ATMs is provided by the sponsored bank while ATM machine does not have any branding of Bank. These white label ATMs will not display logo of any particular bank.

Hence Statement 2 is correct

The operators are entitled to receive a fee from the banks for the use of ATM resources by the bank's customers and are not permitted to charge bank customer directly.

Hence Statement 3 is incorrect

TATA launched the first white label ATM in India under the brand name of Indicash.

Q.49) Consider the following statements with reference to the India Post Payment Bank (IPPB).

- 1) The bank offers only savings account up to a balance of Rupees 1 Lac.
- 2) It operates with the Department of Posts under Ministry of Communications.

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Which of the following statements is/are **NOT CORRECT**?

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

Q.49) Solution (a)

The bank offers savings and current accounts up to a balance of Rs 1 Lac.

Hence Statement 1 is incorrect

India Post Payments Bank (IPPB) is a 100% government owned public sector bank, operating with the Department of Posts under Ministry of Communications,

Hence Statement 2 is correct

Q.50) Consider the following statements regarding MUDRA Bank:

- 1) It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs.
- 2) The Tarun category under MUDRA bank is allowed a loan upto a limit of Rs 50 thousand.
- 3) The bank will function as a subsidiary of SIDBI.

Which of the above statements are correct?

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

Q.50) Solution (c)

Micro Units Development and Refinance Agency Bank (or MUDRA Bank) is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs.

Hence Statement 1 is correct

The bank will classify its clients into three categories and the maximum allowed loan sums will be based on the category:

Shishu: Allowed loans up to ₹50,000

Kishore: Allowed loans up to ₹5 lakhs

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Tarun: Allowed loans up to ₹10 lakhs

Hence Statement 2 is incorrect

The bank will function as a subsidiary of the Small Industries Development Bank of India (SIDBI).

Hence Statement 3 is correct

Q.51) Consider the following statements

1. Fifteenth Finance Commission (for horizontal devolution) has assigned highest weight for the criteria of 'population'.
2. Fifteenth Finance Commission (for horizontal devolution) has assigned lowest weight for the criteria of 'Tax effort'.

Which of the statements given above is/are NOT correct?

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

Q.51) Solution (a)

15th Finance Commission--Criteria and Weights Assigned for Horizontal Devolution

Criteria	Weight (%)
Population	15
Area	15
Forest and Ecology	10
Income Distance	45
Demographic Performance	12.5
Tax Effort	2.5

Hence Statement 1 is incorrect and Statement 2 is correct.

Q.52) Consider the following statements

1. The grants provided by 15th Finance Commission to the rural local bodies are completely (100%) untied.

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- For rural local bodies, no conditions have been prescribed by 15th Finance Commission for getting the grants in 2020-21.

Which of the statements given above is/are correct?

- 1 only
- 2 only
- Both 1 and 2
- Neither 1 nor 2

Q.52) Solution (b)

50 per cent grants to rural local bodies are untied, the remaining 50 per cent would be tied as grants for sanitation and water supply which are identified national priorities.

Hence Statement 1 is incorrect.

For rural local bodies, no conditions have been prescribed for getting the grants in 2020-21. However, from 2021-22 onwards, the entry level conditions for rural local bodies getting these grants is the timely submission of audited accounts.

Hence Statement 2 is correct.

Q.53) Consider the following statements

- 15th Finance Commission has recommended an aggregate share of 42 per cent of the net proceeds of Union taxes (divisible pool) for the States.
- One of the major components of the revenue expenditure of the Government is Interest payments.

Which of the statements given above is/are correct?

- 1 only
- 2 only
- Both 1 and 2
- Neither 1 nor 2

Q.53) Solution (b)

15th Finance Commission has recommended an aggregate share of 41 per cent of the net proceeds of Union taxes (divisible pool) for the States, compared to 42 per cent recommended

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by the 14th Finance Commission. The reduction of 1 per cent devolution to states is meant to enable the Union Government to provide for the security and other special needs of the Union Territory of Ladakh and Union Territory of Jammu & Kashmir.

Hence Statement 1 is incorrect.

The major components of the revenue expenditure of the Government include Interest payments, Subsidies, Salaries, Pensions, Defence revenue expenditures, expenditure on Central Police Organizations and the revenue transfers made to the State/UT Governments in the form of Finance Commission grants, Centrally Sponsored Schemes and Other Transfers.

Hence Statement 2 is correct.

Q.54) Consider the following statements:

1. In the recent Budget, the government has reduced the GST rate on Electric Vehicles and Electric Vehicle Chargers to 5 per cent.
2. e-Nivaran is the online grievance redressal system of the Income Tax Department.

Which of the statements given above is/are *NOT* correct?

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

Q.54) Solution (d)

In the recent Budget, the government has reduced the GST rate on Electric Vehicles and Electric Vehicle Chargers to 5 per cent.

Hence Statement 1 is correct.

e-Nivaran is the online grievance redressal system of the Income Tax Department. All types of Grievances such as PAN application, processing, assessment, appeals, TDS etc., can be filed by tax payers.

Hence Statement 2 is correct.

Q.55) Consider the following statements:

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1. PAHAL is an example of cash scheme of Direct Benefit Transfer (DBT), while PDS is an example for In-kind scheme of DBT.
2. Proportion of external debt as percentage of total liabilities, amounts to 49 per cent of Central Government's total liabilities as on March 31, 2019.

Which of the statements given above is/are correct?

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

Q.55) Solution (a)

Cash schemes of DBT: This category includes 301 schemes or components of schemes where subsidies/benefits are transferred directly into the bank accounts of the beneficiaries.

For example, under PAHAL, beneficiaries buy LPG cylinders at market price and receive subsidy directly in their bank accounts.

In-kind schemes of DBT: This category includes 67 schemes or components of schemes where beneficiaries receive subsidies in the form of goods, commodities, etc. after conducting Aadhaar-based authentication preferably at Point of Sale (PoS). For instance, under PDS, food grains are distributed at subsidized rates via Fair Price Shops to authenticated beneficiaries.

Hence Statement 1 is correct.

One of the key features on country's debt profile is low proportion of external debt as percentage of total liabilities, which amounts to 5.9 per cent of Central Government's total liabilities as on March 31, 2019.

Hence Statement 2 is incorrect.

Q.56) Consider the following statements regarding 'Financial Stability':

- 1) Financial stability could be defined as a situation in which the financial sector provides critical services to the real economy without any discontinuity.
- 2) Financial stability is an important aspect of the Monetary Policy of India
- 3) Financial Stability report is published every year by Ministry of Finance.

Which of the above statements are correct?

- a) 1 and 2
- b) 2 and 3
- c) 1 and 3

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d) 1,2 and 3

Q.56) Solution (a)

Financial Stability could be defined as a situation in which the financial sector provides critical services to the real economy without any discontinuity.

Hence Statement 1 is correct

Financial stability is now one of the three important objectives of monetary policy besides price stability and credit support.

Hence Statement 2 is correct

The RBI since 2010 is publishing India Financial Stability Report to assess financial stability scenario in the country.

Hence Statement 3 is incorrect

Q.57) Consider the following statements with reference to SEBI:

- 1) It regulates the trading of Shares in the Stock exchanges
- 2) The trading of Agricultural Commodities in Commodity exchanges is regulated by Forward Markets Commission (FMC) and SEBI supervises it.

Which of the following statements is/are correct?

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

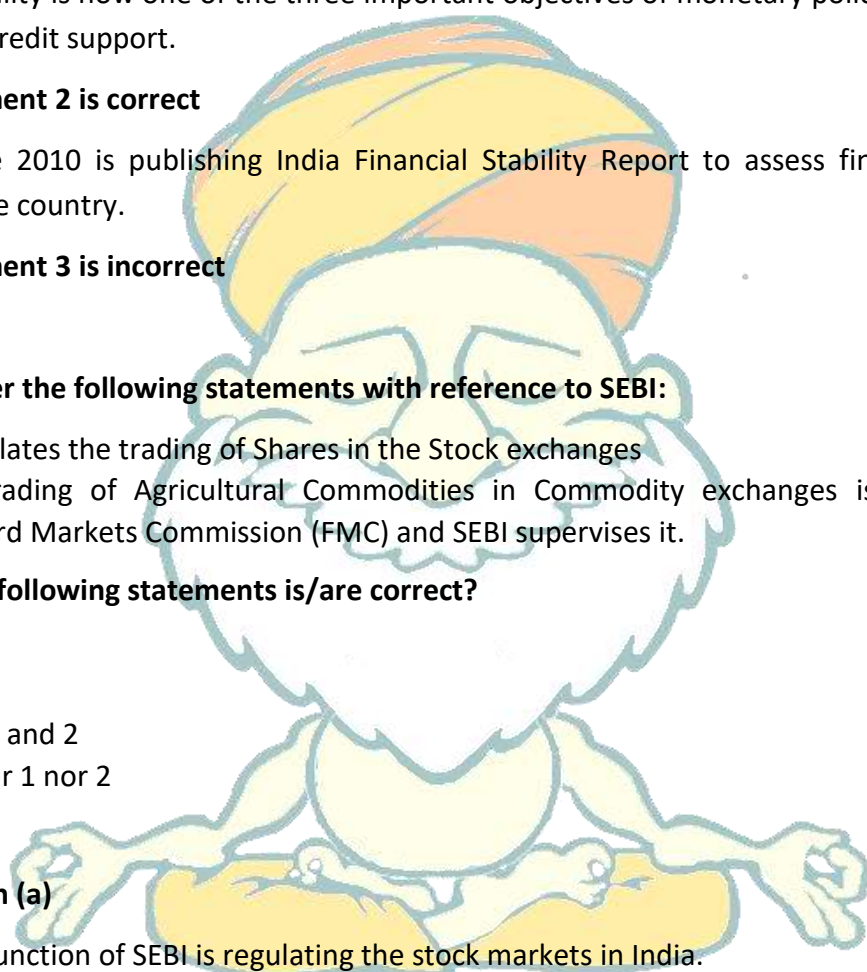
Q.57) Solution (a)

The primary function of SEBI is regulating the stock markets in India.

Hence Statement 1 is correct

Until September 2015, the SEBI was only regulator of the stock markets and the regulation of trade in Agricultural products was carried out by Forward Markets Commission. On 28 September 2015 the FMC was merged with the Securities and Exchange Board of India (SEBI). So, now, SEBI is the regulator of both the sectors.

Hence Statement 2 is incorrect



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Q.58) With reference to regulation of pension products, consider the below statements:

- 1) Pension products floated by insurance companies or sold by mutual funds come under the purview of the Insurance Regulatory and Development Authority (IRDA).
- 2) The National Pension System (NPS) is a voluntary defined contribution pension system administered and regulated by the Pension Fund Regulatory and Development Authority (PFRDA).

Which of the statements given above is/are correct?

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

Q.58) Solution (b)

Pension products floated by insurance companies come under the purview of the Insurance Regulatory and Development Authority (IRDA) while those sold by mutual funds are overseen by the SEBI.

Hence Statement 1 is incorrect

The National Pension System (NPS), which is a voluntary defined contribution pension system administered, is regulated by the Pension Fund Regulatory and Development Authority (PFRDA).

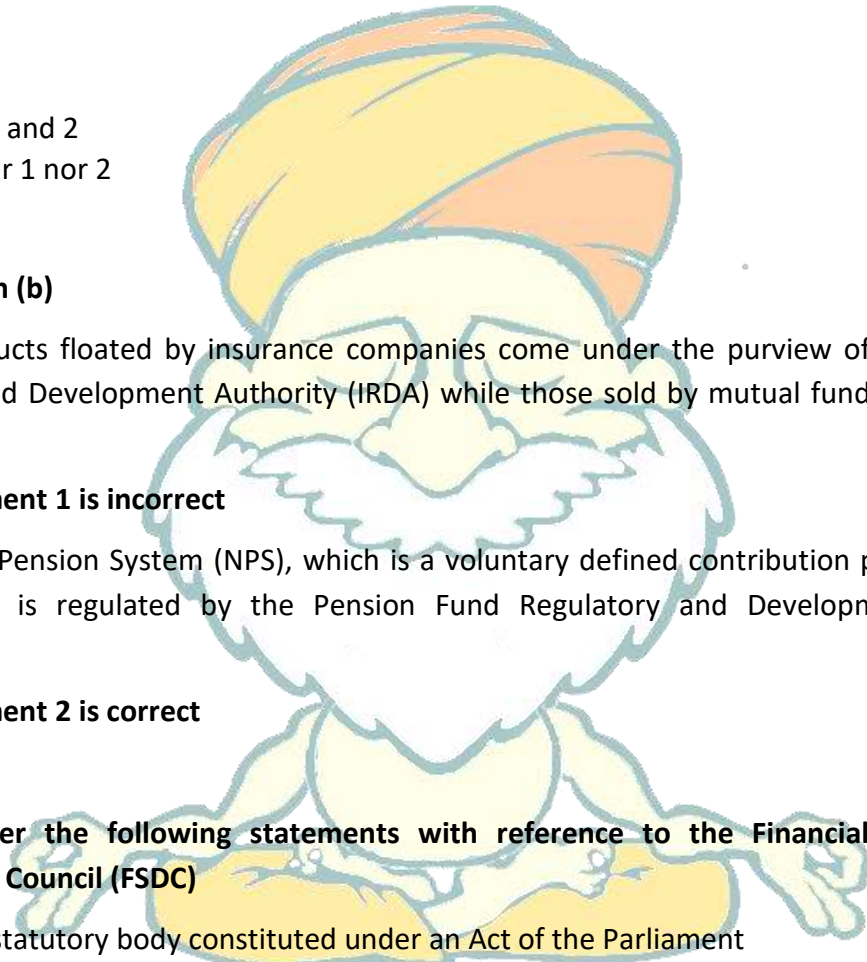
Hence Statement 2 is correct

Q.59) Consider the following statements with reference to the Financial Stability and Development Council (FSDC)

- 1) It is a statutory body constituted under an Act of the Parliament
- 2) The Chairman of the FSDC is the Finance Minister of India

Which of the above statements is/are *NOT CORRECT*?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 or 2



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Q.59) Solution (a)

Financial Stability and Development Council was setup with a view to strengthen and institutionalize the mechanism for maintaining financial stability and enhancing inter-regulatory coordination, Indian Government has setup FSDC, not by the Act of Parliament.

Hence Statement 1 is incorrect

The Chairman of the FSDC is the Finance Minister of India and its members include the heads of the financial sector regulatory authorities (i.e, SEBI, IRDA, RBI, PFRDA and FMC), Finance Secretary and/or Secretary, Department of Economic Affairs (Ministry of Finance), Secretary, (Department of Financial Services, Ministry of Finance) and the Chief Economic Adviser.

Hence Statement 2 is correct

Q.60) Which of the following constitutes Non-tax revenue in the economy:

- 1) Interest and dividend receipts
- 2) External grants and receipts from fiscal services
- 3) External grants and receipts from the Union Public Service
- 4) Disinvestment receipts

Choose the correct option from the code given below:

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

Q.60) Solution (b)

Non-debt capital receipts: Recovery of loans and advances, and disinvestment receipts

