

### CURRENT AFFAIRS QUIZ

**Q.1) The Government of India has set a target of 175 GW renewable power installed capacity by the end of 2022. In this context, arrange the following renewable energy sources in the decreasing order of their specific targets:**

1. Small hydro power
2. Solar power
3. Biomass power
4. Wind power

**Select the correct answer using the codes given below:**

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

#### **Q.1) Solution (a)**

The government has up-scaled the target of renewable energy capacity to 175GW by the year 2022. This includes:

- 100 GW from solar power
- 60 GW from wind power
- 10 GW from biomass power and
- 5 GW from small hydro power

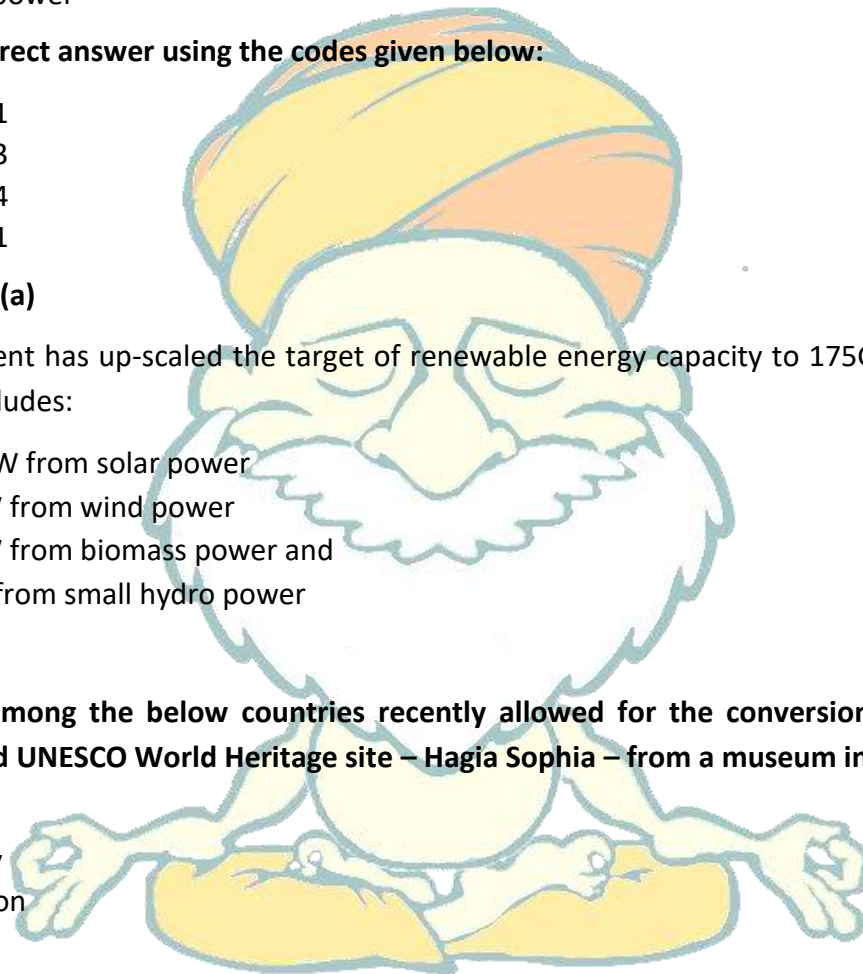
**Q.2) Which among the below countries recently allowed for the conversion of the nearly 1,500 year-old UNESCO World Heritage site – Hagia Sophia – from a museum into a mosque?**

- a) Syria
- b) Turkey
- c) Lebanon
- d) Egypt

#### **Q.2) Solution (b)**

Recently, Turkey's highest court allowed for the conversion of the nearly 1,500 year-old Hagia Sophia from a museum into a mosque.

The centuries-old structure, listed as a UNESCO World Heritage site, was originally a cathedral in the Byzantine empire before it was turned into a mosque in 1453, when Constantinople fell to Sultan Mehmet II's Ottoman forces. In the 1930s, however, Mustafa Kemal Ataturk, the



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founder of the Republic of Turkey, shut down the mosque and turned it into a museum in an attempt to make the country more secular.

The change in status of the Hagia Sophia comes after repeated warnings from the international community, including UNESCO, to ensure that Turkey did not proceed with these plans.

Source: <https://indianexpress.com/article/explained/explained-why-hagia-sophias-return-as-mosque-puts-turkeys-secular-credentials-on-a-prayer-6500819/>

**Q.3) Bosnia and Herzegovina, often known informally as Bosnia, is a country located in –**

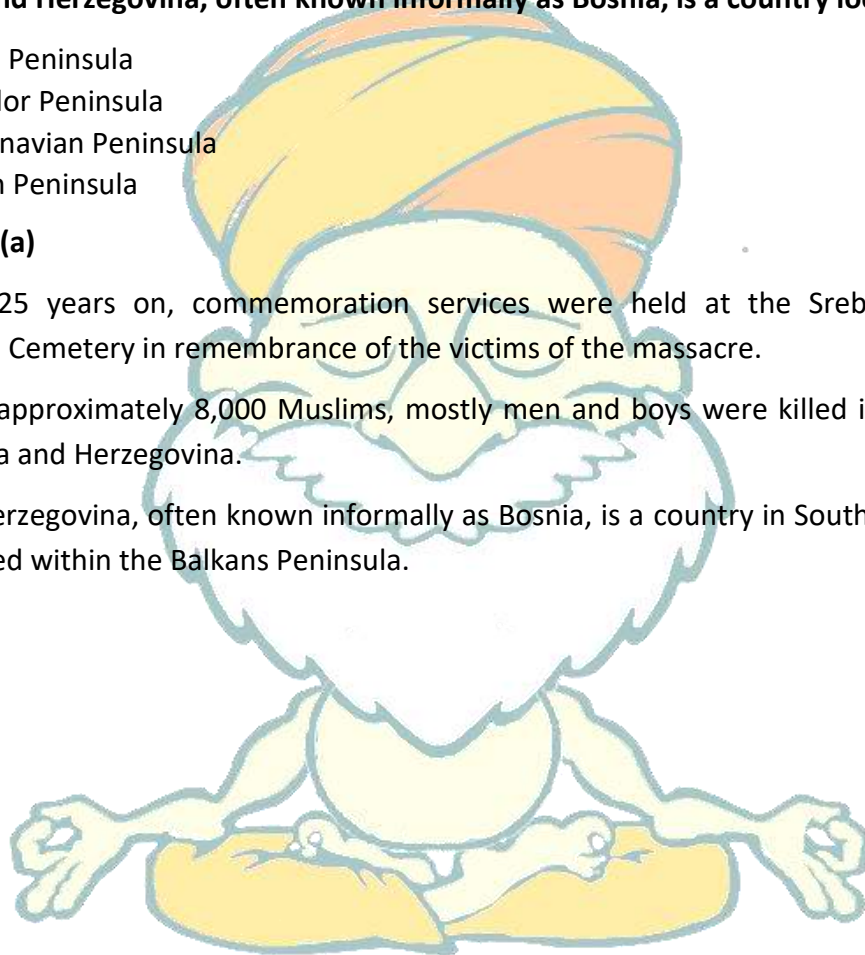
- a) Balkan Peninsula
- b) Labrador Peninsula
- c) Scandinavian Peninsula
- d) Iberian Peninsula

**Q.3) Solution (a)**

On July 11, 25 years on, commemoration services were held at the Srebrenica-Potocari Memorial and Cemetery in remembrance of the victims of the massacre.

In July 1995, approximately 8,000 Muslims, mostly men and boys were killed in Srebrenica, a town in Bosnia and Herzegovina.

Bosnia and Herzegovina, often known informally as Bosnia, is a country in South and Southeast Europe, located within the Balkans Peninsula.





Source: <https://indianexpress.com/article/explained/explained-srebrenica-massacre-the-ethnic-cleansing-of-bosnian-muslims-6502200/>

**Q.4) The tail of a comet is directed away from the sun because**

- a) as the comet rotates around the sun, the lighter mass of the comet is pushed away due to the centrifugal force alone
- b) as the comet rotates, the lighter mass of the comet is attracted by some star situated in the direction of its tail
- c) the radiation emitted by the sun exerts a radial pressure on the comet throwing its tail away from the sun
- d) the tail of the comet always exists in the same orientation

**Q.4) Solution (c)**

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A comet tail—and coma—are features visible in comets when they are illuminated by the Sun and may become visible from Earth when a comet passes through the inner Solar System.

As a comet approaches the inner Solar System, solar radiation causes the volatile materials within the comet to vaporize and stream out of the nucleus, carrying dust away with them.

Separate tails are formed of dust and gases, becoming visible through different phenomena; the dust reflects sunlight directly and the gases glow from ionisation. Most comets are too faint to be visible without the aid of a telescope, but a few each decade become bright enough to be visible to the naked eye.

In the outer Solar System, comets remain frozen and are extremely difficult or impossible to detect from Earth due to their small size. Statistical detections of inactive comet nuclei in the Kuiper belt have been reported from the Hubble Space Telescope observations, but these detections have been questioned, and have not yet been independently confirmed.

As a comet approaches the inner Solar System, solar radiation causes the volatile materials within the comet to vaporize and stream out of the nucleus, carrying dust away with them. The streams of dust and gas thus released form a huge, extremely tenuous atmosphere around the comet called the coma, and the force exerted on the coma by the Sun's radiation pressure and solar wind cause an enormous tail to form, which points away from the Sun.

Source: <https://indianexpress.com/article/explained/comet-c-2020-f3-neowise-nasa-earth-6500688/>

**Q.5) Consider the following pairs:**

**(Portals launched by GoI) : : (Associated Ministries)**

1. ASEEM portal : : Ministry of Skill Development and Entrepreneurship
2. Udyam portal : : Ministry of MSME
3. SATYABHAMA portal : : Ministry of Women and Child Development

Which of the statements given above is/are correct?

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

**Q.5) Solution (b)**

Union Ministry of Skill Development and Entrepreneurship launched Aatamanirbhar Skilled Employee-Employer Mapping (ASEEM) portal to help skilled people find sustainable livelihood opportunities.

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The Ministry of Micro, Small and Medium Enterprises (MSMEs) launched a new portal for MSME registration – Udyam portal.

The Ministry of Coal, Mines and Parliamentary Affairs launched SATYABHAMA (Science and Technology Yojana for Aatmanirbhar Bharat in Mining Advancement) Portal for Science and Technology Programme Scheme of Ministry of Mines on 15th June 2020. The portal has been designed, developed and implemented by National Informatics Centre (NIC), Mines Informatics Division.

Source:

<https://www.thehindubusinessline.com/news/education/msde-launches-aseem-portal-to-help-skilled-people-find-livelihood-opportunities/article32042600.ece>

<https://www.thehindubusinessline.com/economy/ministry-launches-online-portal-for-msme-registration/article31955499.ece>

<https://pib.gov.in/PressReleasePage.aspx?PRID=1632668>

### Q.6) Consider the following statements about Red sanders

1. It is restricted to the southern parts of the Western Ghats
2. Its export without state permission is illegal
3. It is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

Select the correct statements

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

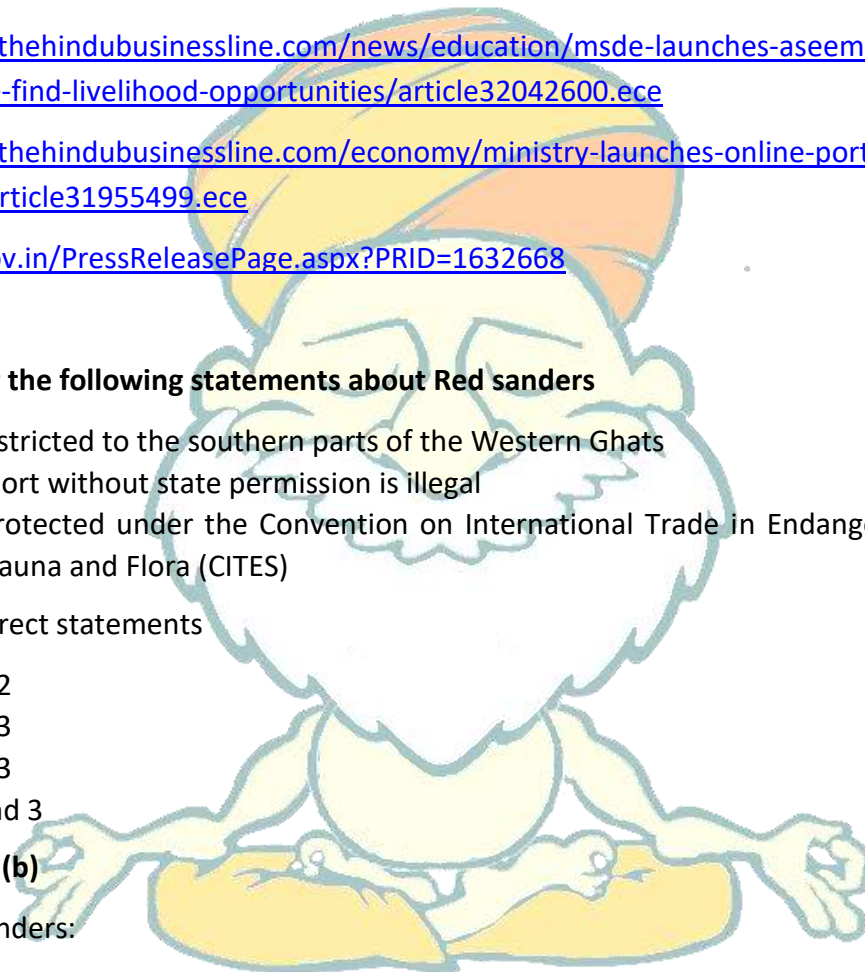
### Q.6) Solution (b)

About Red Sanders:

Pterocarpus santalinus or Red Sanders is an endemic tree of South India.

They are found in Tropical Dry Deciduous forest of the Palakonda and Seshachalam hill ranges of Andhra Pradesh and also found in Tamil Nadu and Karnataka. They are restricted to the southern parts of the Eastern Ghats.

It is protected under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). While its export without state permission is illegal, farmers can grow it.



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It is listed as an Endangered species by the IUCN, because of overexploitation for its timber in South India.

Source: <https://www.thehindu.com/todays-paper/tp-national/tp-andhrapradesh/red-sanders-worth-rs-1-crore-seized/article32055231.ece>

**Q.7) Which of the statements given below is/are true with reference to International Comparison Program (ICP)?**

1. It is a worldwide statistical initiative led by the World Bank under the auspices of the United Nations Statistical Commission.
2. India has participated in all ICP rounds since its inception in 1970.

**Choose correct answer:**

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

**Q.7) Solution (c)**

International Comparison Program (ICP) is a partnership of various statistical administrations of up to 199 countries guided by the World Bank.

World Bank has released new PPPs for the reference year 2017, under the International Comparison Program (ICP).

India has participated in almost all ICP rounds since its inception in 1970.

India is participating in the current phase of International Comparison Programme (ICP) with reference to 2017.

India is third-largest economy in terms of its PPP-based share in global actual individual consumption and global gross capital formation.

The next ICP comparison will be conducted for the reference year 2021.

Source: <https://www.thehindu.com/opinion/lead/the-sum-and-substance-of-the-eus-china-dilemma/article32060289.ece>

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**Q.8) Consider the following statements about CCTNS – Crime and Criminal Tracking Network & Systems:**

1. It is nationwide network that connects over 14,000 police stations across the country
2. It is implemented by NITI Aayog in collaboration with Ministry of Home Affairs

Which of the above statement(s) given above is/are correct?

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

**Q.8) Solution (a)**

The CCTNS is a project for creating a comprehensive and integrated system for effective policing through e-Governance.

The concept was first conceived in the year 2008 by the then Home Minister in the aftermath of the 2008 Mumbai attacks.

The system includes a nationwide online tracking system by integrating more than 14,000 police stations across the country.

The project is implemented by NCRB (not NITI Aayog).

Source: <https://www.thehindu.com/news/national/natgrid-to-have-access-to-database-that-links-around-14000-police-stations/article32058643.ece>

**Q.9) Churachandpur Mao Fault zone is associated with –**

- a) North East India Region
- b) South China Sea Region
- c) Pacific Ring of Fire
- d) Eurasian Convergence Plate

**Q.9) Solution (a)**

The Churachandpur Mao Fault is named after two places in Manipur and runs north-south into Myanmar along the border of Champhai.

Faults are discontinuities or cracks that are the result of differential motion within the earth's crust. Vertical or lateral slippage of the crust along the faults causes an earthquake.

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Source: <https://www.thehindu.com/news/national/other-states/mizoram-quake-zone-caught-between-two-geological-faults/article32060785.ece>

**Q.10) Consider the below statements about International Criminal Court:**

1. It is the primary judicial branch of the United Nations.
2. It is set up under the Rome statute.
3. It has the jurisdiction to prosecute individuals for the international crimes of genocide, crimes against humanity, and war crimes.

**Which of the statements given above is/are correct?**

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

**Q.10) Solution (b)**

International Criminal Court (ICC)

It is an intergovernmental organization and international tribunal that sits in The Hague in the Netherlands. (ICC is not part of the United Nations)

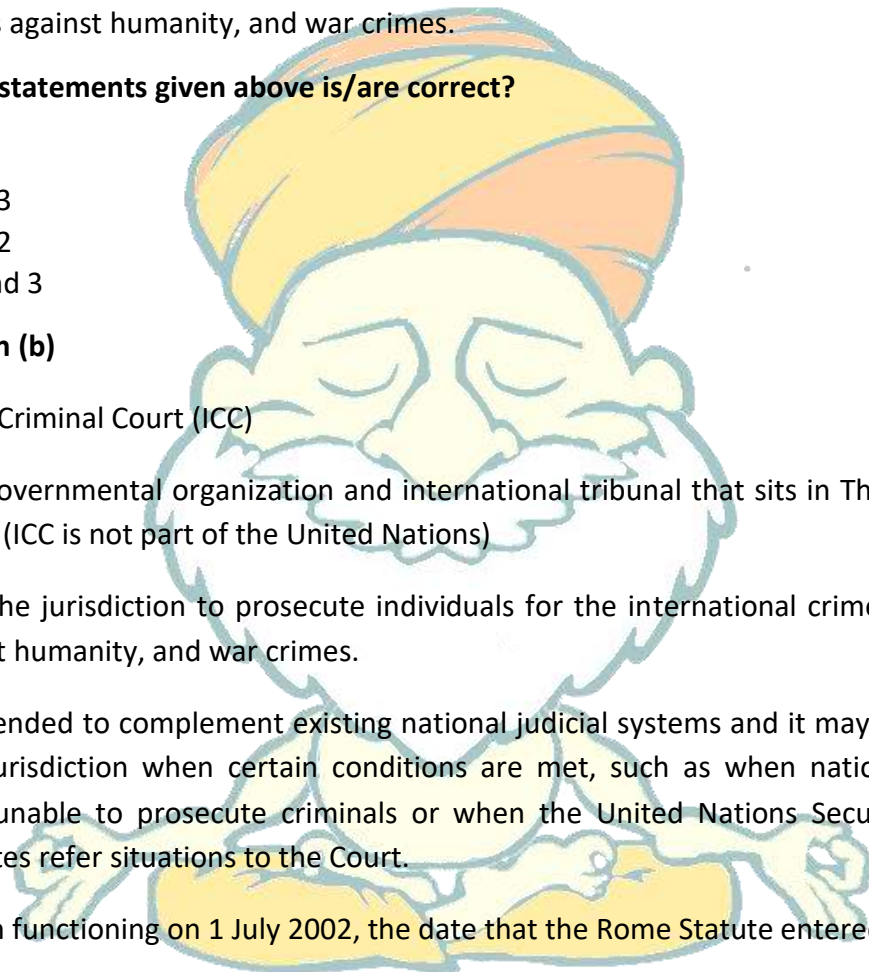
The ICC has the jurisdiction to prosecute individuals for the international crimes of genocide, crimes against humanity, and war crimes.

The ICC is intended to complement existing national judicial systems and it may therefore only exercise its jurisdiction when certain conditions are met, such as when national courts are unwilling or unable to prosecute criminals or when the United Nations Security Council or individual states refer situations to the Court.

The ICC began functioning on 1 July 2002, the date that the Rome Statute entered into force.

The Rome Statute is a multilateral treaty which serves as the ICC's foundational and governing document. States which become party to the Rome Statute, for example by ratifying it, become member states of the ICC.

Source: <https://indianexpress.com/article/explained/explained-srebrenica-massacre-the-ethnic-cleansing-of-bosnian-muslims-6502200/>





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**Q.11) Consider the following pairs:**

**(Places in news) :: (Associated Region)**

1. Mont Blanc :: Eastern Europe
2. Zahedan :: West Asia
3. Delaram :: South Asia

Which of the pairs given above is/are correct?

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

**Q.11) Solution (b)**

Correct pairs:

Mont Blanc :: Western Europe

Zahedan :: West Asia

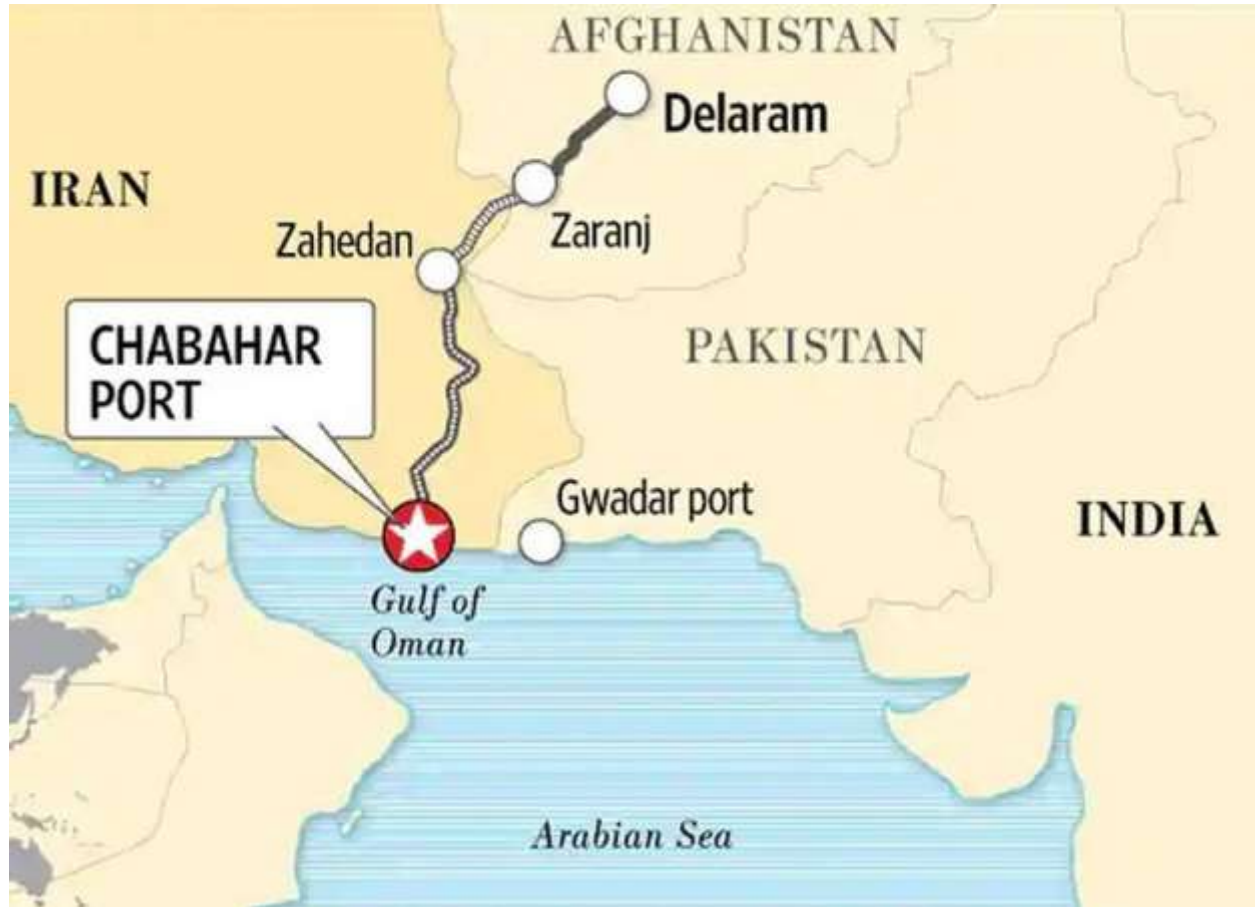
Delaram :: South Asia

Mont Blanc is the second-highest mountain in Europe after Mount Elbrus. It is the highest mountain in the Alps and Western Europe.

Zahedan is in Iran, a country in Western Asia.

Delaram is in Afghanistan, a country in South Asia.





Source: <https://www.thehindu.com/news/international/a-the-hindu-edition-from-1966-and-more-emerge-as-french-glacier-melts/article32071141.ece>

<https://www.thehindu.com/news/national/iran-drops-india-from-chabahar-rail-project-cites-funding-delay/article32072428.ece>

**Q.12) Consider the following statements about Bharatmala Pariyojana**

1. It is a centrally-sponsored and funded Road and Highways project of the Government of India.
2. It is component of Sagarmala Project, umbrella program to enhance the performance of the country's logistics sector.

**Select the correct statements**

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

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d) Neither 1 nor 2

### Q.12) Solution (a)

About Bharatmala Pariyojana

It is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country.

It bridges critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressways.

It is a centrally-sponsored and funded Road and Highways project of the Government of India.

It is both enabler and beneficiary of other key Government of India schemes, such as Sagarmala, Dedicated Freight Corridors, Industrial corridors, UDAN-RCS, BharatNet, Digital India and Make in India.

Source: <https://www.thehindu.com/news/national/tamil-nadu/satellite-town-ring-road-between-tn-karnataka-gets-expert-committee-nod/article32064523.ece>

### Q.13) Which among the following constitutes the provisions under Right to freedom of religion?

1. Right of minorities to establish and administer cultural and educational institutions.
2. Freedom to manage religious affairs
3. Freedom from payment of taxes for promotion of any religion
4. Protection of language, script and culture of religious minorities

Choose correct answer:

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

### Q.13) Solution (a)

The below are the provisions that comes under the category of Right to freedom of religion (Article 25–28)

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1. Freedom of conscience and free profession, practice and propagation of religion (Article 25).
2. Freedom to manage religious affairs (Article 26).
3. Freedom from payment of taxes for promotion of any religion (Article 27).
4. Freedom from attending religious instruction or worship in certain educational institutions (Article 28).

Cultural and educational rights (Articles 29–30) consists of –

1. Protection of language, script and culture of minorities (Article 29).
2. Right of minorities to establish and administer educational institutions (Article 30).

**Q.14) The term “Shebait” was in news often. It is associated with –**

- a) Name of the royal family of Travancore who oversee the administration of Shree Padmanabhaswamy Temple in Kerala.
- b) Pujaris who perform worship in Hindu temples.
- c) Solo performance depicting themes of love and relationships, mentioned in the Sanskrit text Natyasastra.
- d) Any person who has rights to manage properties like the temple or any other land or property which is vested with the deity.

**Q.14) Solution (d)**

About Shebait

A Shebait is any person who serves and supports the deity and works as a manager of the debuttar property.

The properties like the temple or any other land or property which is vested with the deity are managed by the Shebait.

Shebait is the only person who has the power to talk on behalf of the deity that is the god or goddess. He has the power to deal with all the affairs of the deity.

Source: <https://www.thehindu.com/news/national/sc-upholds-right-of-erstwhile-travancore-royal-family-in-administration-of-keralas-sree-padmanabhaswamy-temple/article32063310.ece>

**Q.15) Recently NEOWISE/C/2020 F3 was in news, which of the following accurately describes it –**

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- a) It is an asteroid that will fly past earth in July 2020
- b) It is a newly discovered planet that has very high temperature that iron boils on it
- c) It is a new Unmanned Aerial Vehicle developed by DRDO
- d) It is a retrograde comet with a near-parabolic orbit discovered on March 27, 2020

### Q.15) Solution (d)

C/2020 F3 comet aka NEOWISE was discovered on March 27.

Stargazers in India will be able to get a glimpse of the celestial event from July 14 onwards. The comet will be visible to the naked eye for 20 minutes every day for 20 days.

Source: <https://indianexpress.com/article/technology/science/neowise-comet-live-updates-streaming-6504971/>

### Q.16) 'Agenda for Action 2020' is concerned with India and

- a) African Union
- b) BIMSTEC
- c) G-20
- d) European Union

### Q.16) Solution (d)

India-EU Agenda for Action 2020 – the roadmap for bilateral cooperation endorsed during the 13th India-EU Summit.

Source: [http://www.mea.gov.in/Images/attach/EU\\_India\\_Agenda\\_for\\_Action\\_post\\_VC.pdf](http://www.mea.gov.in/Images/attach/EU_India_Agenda_for_Action_post_VC.pdf)  
<https://www.thehindu.com/news/national/india-and-eu-push-trade-talks-discuss-china-pakistan-and-the-coronavirus-pandemic/article32092238.ece>

### Q.17) Consider the following with regard to National Green Tribunal (NGT):

1. NGT is bound by procedure laid down under the Code of Civil Procedure, 1908
2. The tribunal has Original as well as Appellate jurisdiction
3. Tribunal is competent to hear cases for several acts such as Forest Right Act, Biological Diversity Act, Environment (Protection) Act, Water & Air (Prevention & control of Pollution) Acts

Which of the statements given above is/are correct?

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

### Q.17) Solution (a)

National Green Tribunal Act, 2010 provides for establishment of NGT for the effective and expeditious disposal of cases relating to environment protection and conservation of forests and other natural resources.

The Tribunal is not bounded by the procedure laid down under the Code of Civil Procedure, 1908, but shall be guided by principles of natural justice.

The Tribunal has Original Jurisdiction on matters of “substantial question relating to environment” (i.e. a community at large is affected, damage to public health at broader level) & “damage to environment due to specific activity” (such as pollution).

NGT deals with all environmental laws relating to air and water pollution, the Environment Protection Act, the Forest Conservation Act and the Biodiversity Act as have been set out in Schedule I of the NGT Act.

NOTE: Wildlife Protection comes under the ambit of Green bench of Supreme Court and not under NGT.

Source: <https://www.thehindu.com/news/cities/Kochi/brahmapuram-fiasco-pcb-told-to-recover-compensation-or-face-action/article32084798.ece>

### Q.18) Which of the following treaties provided for the creation of European Union (EU)?

- a) Maastricht Treaty
- b) Marrakesh treaty
- c) Brussels treaty
- d) Basel convention

### Q.18) Solution (a)

European Union (EU), is an international organization comprising 28 European countries and governing common economic, social, and security policies.

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The EU was created by the Maastricht Treaty, which entered into force on November 1, 1993.

The treaty was designed to enhance European political and economic integration by creating a single currency (the euro), a unified foreign and security policy, and common citizenship rights and by advancing cooperation in the areas of immigration, asylum, and judicial affairs.

Source: <https://www.thehindu.com/business/Economy/eu-india-summit-to-launch-talks-on-resuming-fta-negotiations/article32082576.ece>

**Q.19) Which of the statements given below is/are correct about Solid Waste Management Rules, 2016 (SWM Rules, 2016)?**

1. Waste generators would have to segregate waste into six streams before handing it over to the collector.
2. It has given powers to the local bodies across India to decide the user fees for collection, disposal and processing from bulk generators.

**Choose correct answers:**

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

**Q.19) Solution (b)**

Solid Waste Management Rules (SWM), 2016 replaced the Municipal Solid Wastes (Management and Handling) Rules, 2000, which have been in place for the past 16 years.

SWM Rules, 2016 mandated the source segregation of waste in order to channelise the waste to wealth by recovery, reuse and recycle. Waste generators would now have to now segregate waste into three streams- Biodegradables, Dry (Plastic, Paper, metal, Wood, etc.) and Domestic Hazardous waste (diapers, napkins, mosquito repellants, cleaning agents etc.) before handing it over to the collector.

The SWM Rules have given power to the local bodies across India to decide the user fees. Municipal authorities will levy user fees for collection, disposal and processing from bulk generators.

Source: <https://www.thehindu.com/news/cities/Kochi/brahmapuram-fiasco-pcb-told-to-recover-compensation-or-face-action/article32084798.ece>

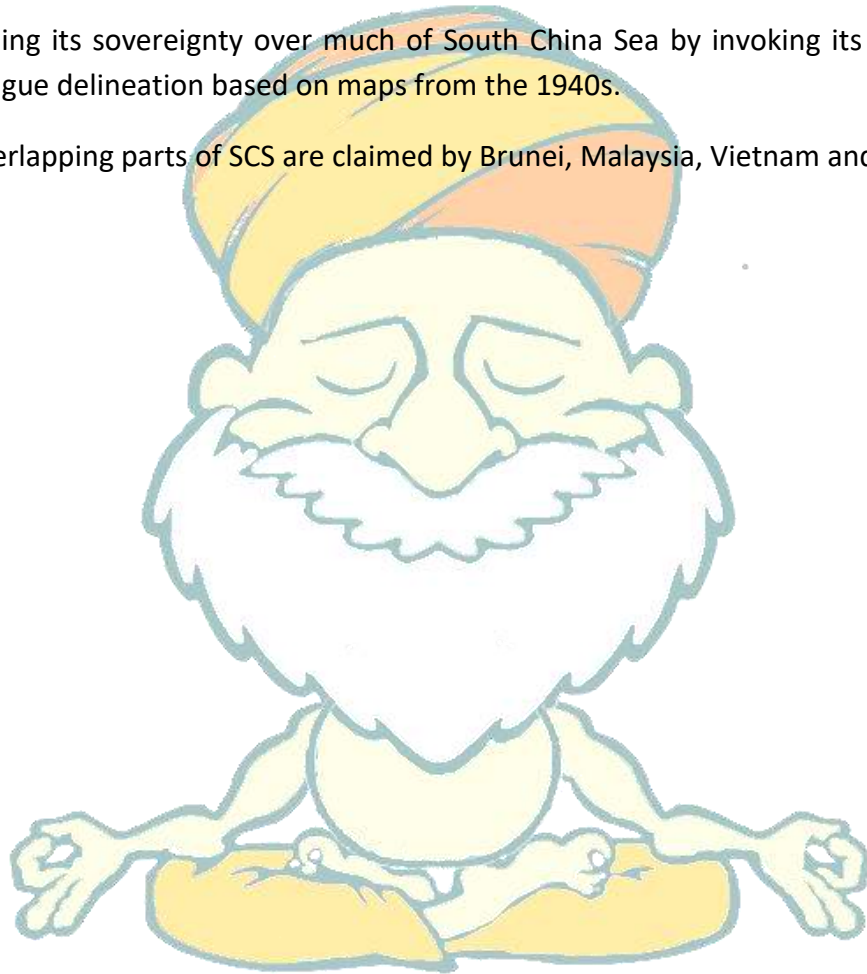
**Q.20) Nine-dash line often seen in news is related to which of the following?**

- a) Border of North Korea & South Korea
- b) Israel-Palestine Conflict
- c) South China Sea
- d) India-China LAC stand-off

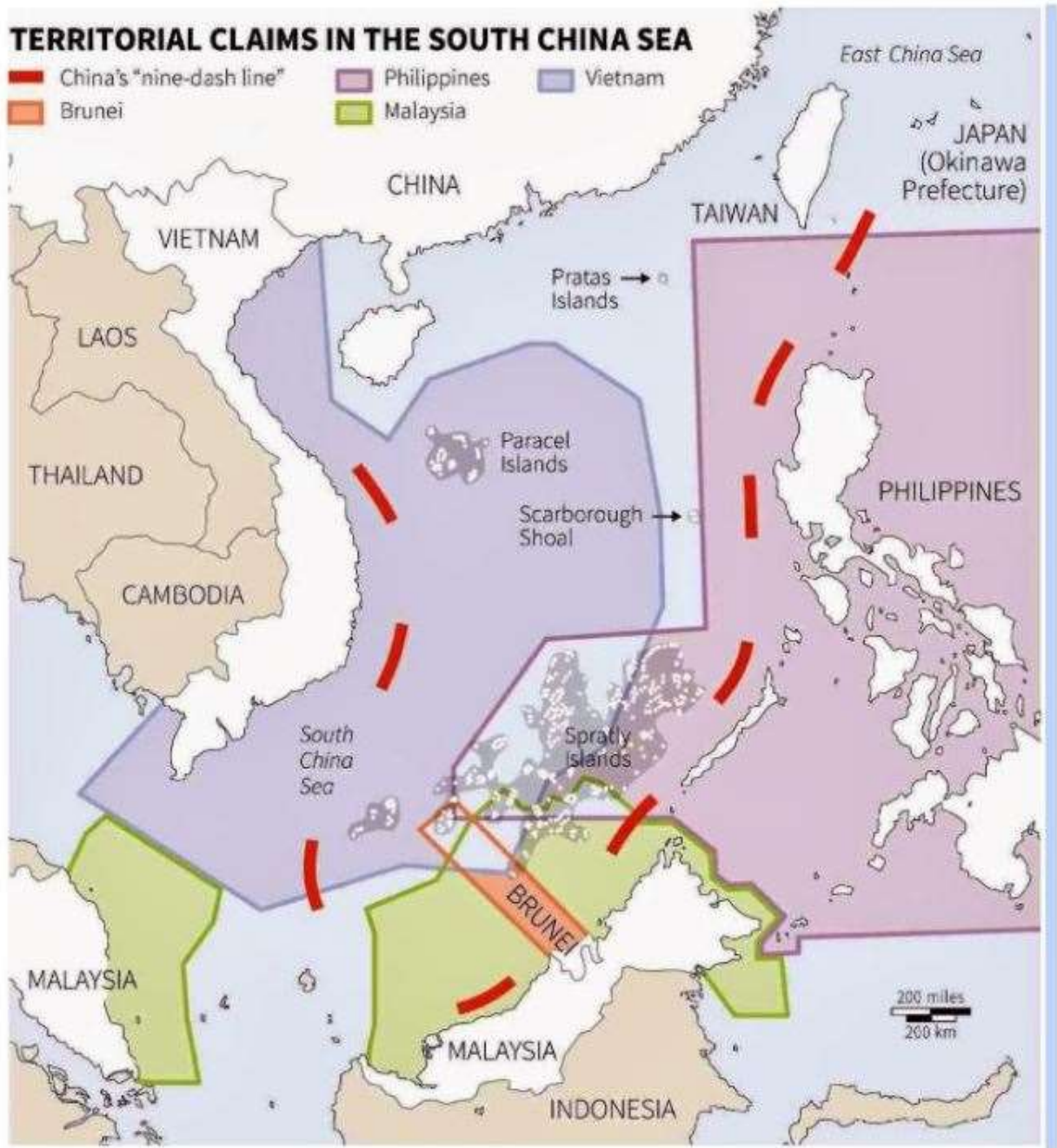
**Q.20) Solution (c)**

China is claiming its sovereignty over much of South China Sea by invoking its so-called nine-dash line, a vague delineation based on maps from the 1940s.

Its claim is overlapping parts of SCS are claimed by Brunei, Malaysia, Vietnam and Philippines.







**Q.21) Consider the following statements with reference to China Study Group (CSG), often seen in news?**

1. It is a government body, headed by National Security Advisor.
2. It was set up recently in the wake of heightened border tensions with China.

**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.21) Solution (a)

China Study Group (CSG) is a government body, headed by National Security Advisor Ajit Doval, which has the cabinet secretary, secretaries of home, external affairs, defence, and representatives of the Army as the members.

The CSG was set up in 1976 by the Cabinet Committee on Security (CCS) to advise on policy issues relating to China.

In the wake of heightened road and track construction work undertaken by China along India's Northern and Eastern frontiers in 1997, CSG was constituted to study the requirement of road communication along the China border for fast and smooth movement of troops in case of any aggression.

At the end of the study, the CSG identified 73 strategically important roads along the China border for Indo-China Border Roads (ICBRs) to be built.

Source: <https://iasbaba.com/2020/07/role-of-china-study-group-csg/>

<https://www.thehindu.com/todays-paper/govt-reviews-progress-of-disengagement-talks-at-lac/article32096747.ece>

### Q.22) Consider the below statements about Border Roads Organisation (BRO):

1. It is under the Ministry of Defence.
2. It maintains operations in many states of India as well as some of its neighboring countries.
3. It is the sole entity responsible for constructing India-China Border Roads (ICBR) project.

Which of the statements given above are correct?

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

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### Q.22) Solution (a)

The Border Roads Organisation (BRO) develops and maintains road networks in India's border areas and friendly neighboring countries. BRO maintains operations in twenty-one states, one UT (Andaman and Nicobar Islands), and neighboring countries such as Afghanistan, Bhutan, Myanmar, and Sri Lanka.

In a bid to boost border connectivity, the Border Roads Organisation has been entirely brought under the Ministry of Defence. Earlier it received funds from the Ministry of Road Transport and Highways.

India-China Border Roads (ICBR) project is a Government of India project which aims to develop the infrastructure along the Sino-Indian border by constructing "strategic roads". Several entities are responsible for constructing ICBR, including Border Roads Organisation (BRO) which handles the bulk of the ICBR road construction work, NHAI, MoDNER, Central Public Works Department (CPWD), National Projects Construction Corporation (NPCC), PWDs of respective states and others.

### Q.23) With reference to Asian Development Bank (ADB), consider the following statements:

1. ADB has more than 60 member nations.
2. India is the second largest shareholder in ADB.
3. ADB is an official United Nations Observer.

Which of the statements given above is/are correct?

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

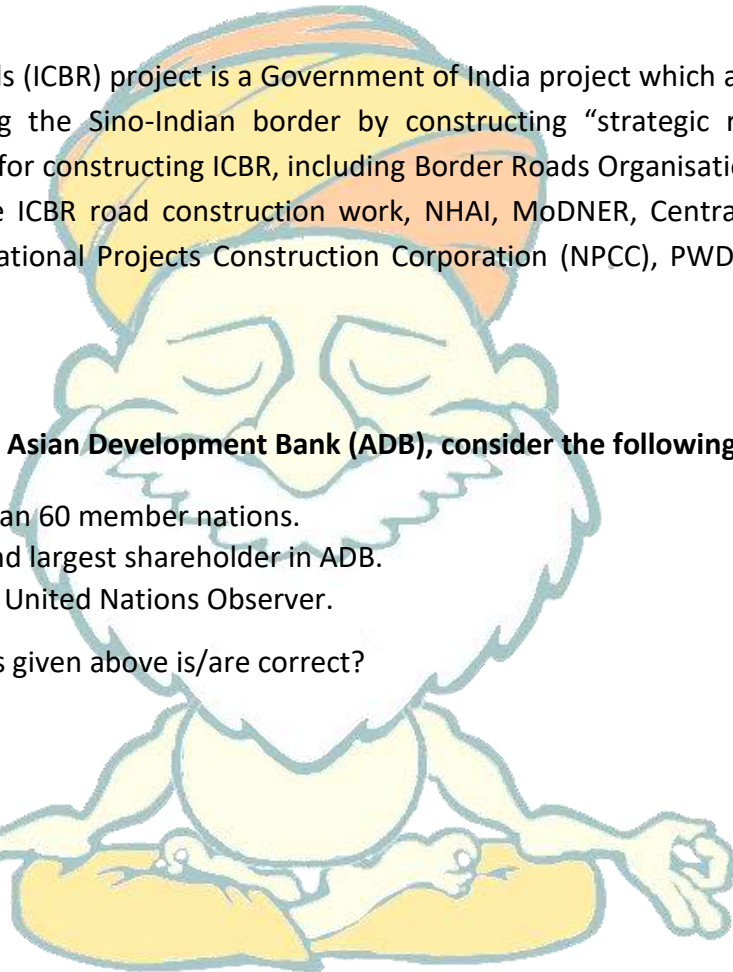
### Q.23) Solution (b)

About Asian Development Bank (ADB)

ADB is a regional development bank established on 19 December 1966, which is headquartered in Manila, Philippines.

From 31 members at its establishment, ADB now has 68 members.

ADB is an official United Nations Observer.



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India was a founding member of the Asian Development Bank (ADB) in 1966 and is now the bank's fourth largest shareholder and top borrower.

As of 31 December 2019, ADB's five largest shareholders are Japan and the United States (each with 15.6% of total shares), the People's Republic of China (6.4%), India (6.3%), and Australia (5.8%).

Source: <https://www.thehindu.com/news/national/adb-appoints-election-commissioner-ashok-lavasa-as-new-vice-president/article32089006.ece>

**Q.24) Which among the following cities marked the 160th anniversary of its founding on July 2020 and is literally known as 'Ruler of the East'?**

- a) Kaliningrad
- b) Bosnia and Herzegovina
- c) Vladivostok
- d) Istanbul

**Q.24) Solution (c)**

Vladivostok, the main city of the Russian Far East, marked the 160th anniversary of its founding on July 2, 2020.

Vladivostok is literally known as 'Ruler of the East', 'Rule the East', 'Lord of the East', or 'Expansion to the East'.

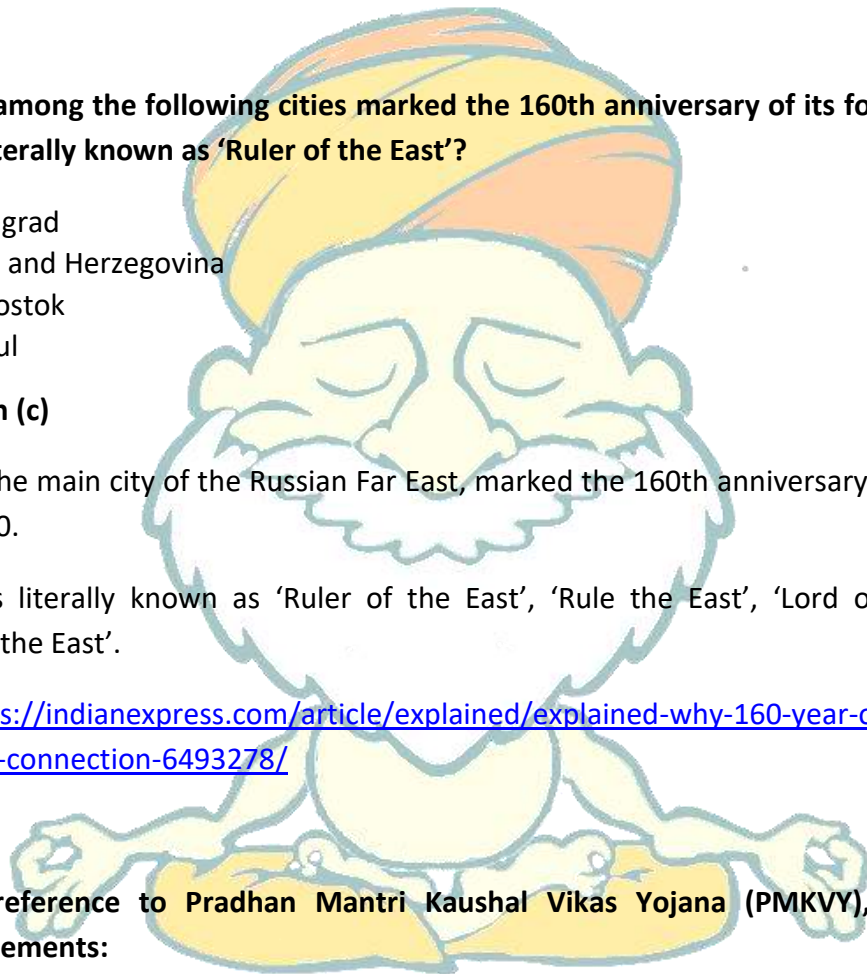
Source: <https://indianexpress.com/article/explained/explained-why-160-year-old-vladivostok-has-a-chinese-connection-6493278/>

**Q.25) With reference to Pradhan Mantri Kaushal Vikas Yojana (PMKVY), consider the following statements:**

1. PMKVY is a flagship scheme under Ministry of Skill Development and Entrepreneurship.
2. It was implemented by National Skill Development Corporation.
3. Skill training would be done based on the National Skill Qualification Framework (NSQF) and industry led standards.

**Which of the statements given above is/are correct?**

- a) 1 only
- b) 1 and 3



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

### Q.25) Solution (d)

Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) implemented by National Skill Development Corporation.

The objective of this Skill Certification Scheme is to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood. Individuals with prior learning experience or skills will also be assessed and certified under Recognition of Prior Learning (RPL).

The scheme will cover 10 million youth during the period 2016 -2020.

Under this Scheme, Training and Assessment fees are completely paid by the Government.

Skill training would be done based on the National Skill Qualification Framework (NSQF) and industry led standards.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1638794>

### Q.26) Consider the following statements

1. The presiding officer of a House is empowered to make rules to give effect to the provisions of the Tenth Schedule.
2. Any question regarding disqualification arising out of defection is to be decided by the presiding officer of the House.

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 (c)

Tenth Schedule lays down the process by which legislators may be disqualified on grounds of defection by the Presiding Officer of a legislature based on a petition by any other member of the House.

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Deciding Authority – Any question regarding disqualification arising out of defection is to be decided by the presiding officer of the House.

Rule-Making Power – The presiding officer of a House is empowered to make rules to give effect to the provisions of the Tenth Schedule. All such rules must be placed before the House for 30 days. The House may approve or modify or disapprove them. Further, he may direct that any willful contravention by any member of such rules may be dealt with in the same manner as a breach of privilege of the House.

Article reference: <https://www.thehindu.com/todays-paper/rebel-rajasthan-mlas-move-hc-against-speakers-notices/article32108097.ece>

**Q.27) Consider the following statements:**

1. A legislator is deemed to have defected if he either voluntarily gives up the membership of his party or disobeys the directives of the party whip on a vote.
2. The office of 'whip' is mentioned in the Rules of the House nor in a Parliamentary Statute.

**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

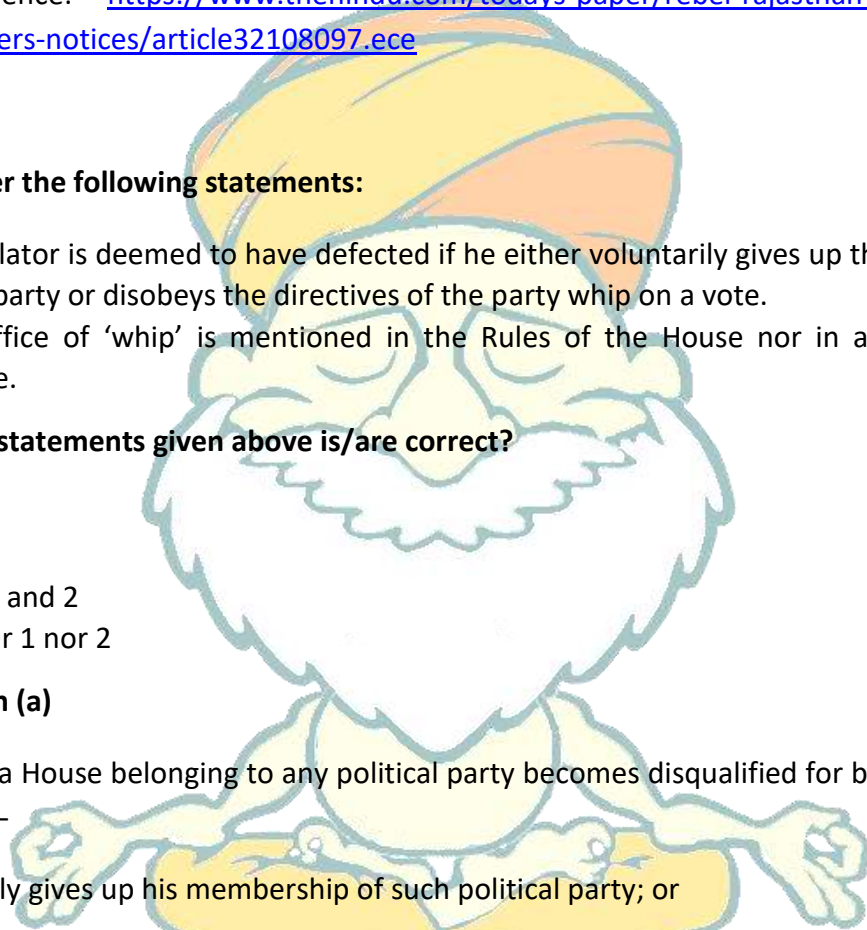
**Q.27) Solution (a)**

A member of a House belonging to any political party becomes disqualified for being a member of the House –

if he voluntarily gives up his membership of such political party; or

if he votes or abstains from voting in such House contrary to any direction issued by his party whip without obtaining prior permission of such party and such act has not been condoned by the party within 15 days.

The office of 'whip' is mentioned neither in the Constitution of India nor in the Rules of the House nor in a Parliamentary Statute. It is based on the conventions of the parliamentary government.



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Every political party, whether ruling or Opposition has its own whip in the Parliament. He is appointed by the political party to serve as an assistant floor leader.

**Q.28) Which one of the following is an international treaty that defines a framework for consular relations between sovereign states?**

- a) Marrakesh Treaty
- b) Vienna Convention
- c) Law of the Sea Convention
- d) Stockholm Convention

**Q.28) Solution (b)**

The Vienna Convention on Consular Relations is an international treaty that defines a framework for consular relations between sovereign states. It codifies many consular practices that originated from state custom and various bilateral agreements between states.

Vienna Convention on Consular Relations, 1963, provides for information to consulate, consular protection and consultation upon arrest, detention and during trial in a foreign country including entitlement to travel documents.

Article reference: <https://www.thehindu.com/todays-paper/pakistan-did-not-allow-free-consular-access-to-kulbhushan-jadhav-india/article32108099.ece>

**Q.29) Consider the following statements:**

1. Animal Welfare Board of India is established under the Prevention of Cruelty to Animals Act.
2. Prevention of cruelty to animals and Protection of wild animals and birds are part of items under Central Subject List (Seventh Schedule).

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.29) Solution (a)**

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The Animal Welfare Board of India is a statutory advisory body on Animal Welfare Laws and promotes animal welfare in the country.

Established in 1962 under Section 4 of the Prevention of Cruelty to Animals Act, 1960, the Animal Welfare Board of India was started under the stewardship of Late Smt. Rukmini Devi Arundale, well known humanitarian.

The Concurrent List or List-III (Seventh Schedule) is a list of 52 items and includes the following items –

17. Prevention of cruelty to animals.

17-A. Forests.

17-B. Protection of wild animals and birds.

Article reference: <https://www.thehindu.com/todays-paper/tp-national/sc-to-examine-kerala-act-on-animal-bird-sacrifices/article32108028.ece>

**Q.30) Consider the following statements regarding James Webb Megatelescope:**

1. Once installed it will be the world's largest and most powerful terrestrial telescope.
2. The telescope will work in infrared spectrum.
3. It is a flagship program of NASA

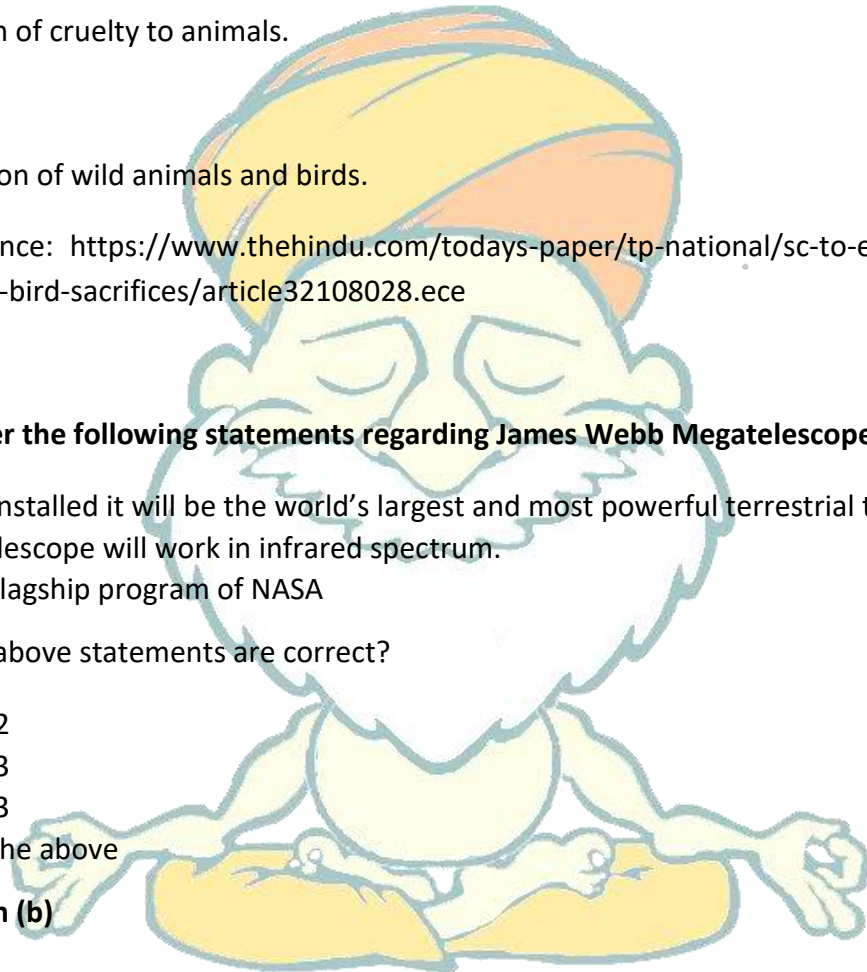
Which of the above statements are correct?

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

**Q.30) Solution (b)**

The James Webb Space Telescope (sometimes called JWST or Webb) will be a large infrared telescope with a 6.5-meter primary mirror. The telescope will be launched on an Ariane 5 rocket from French Guiana – scheduled to launch on Oct. 31, 2021.

JWST will be the premier observatory of the next decade, serving thousands of astronomers worldwide. It will study every phase in the history of our Universe, ranging from the first luminous glows after the Big Bang, to the formation of solar systems capable of supporting life on planets like Earth, to the evolution of our own Solar System.





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JWST was formerly known as the "Next Generation Space Telescope" (NGST); it was renamed in Sept. 2002 after a former NASA administrator, James Webb.

It will be the world's biggest and most powerful telescope, capable of peering back 200 million years after the Big Bang.

Note: It is not a terrestrial telescope. Hence statement 1 is incorrect.

Article reference: <https://www.thehindu.com/sci-tech/science/nasas-hubble-successor-delayed-again-by-virus-other-issues/article32114159.ece>

### STATIC QUIZ

**Q.1) Consider the following statements:**

1. The Non-debt Capital receipts include recovery of loans and disinvestment receipts.
2. Bharat Bond Exchange Traded Fund (ETF) is the first corporate Bond ETF in the country.

**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 (d)**

The Non-debt Capital receipts include recovery of loans and disinvestment receipts.

**Hence Statement 1 is correct.**

Bharat Bond Exchange Traded Fund (ETF) is the first corporate Bond ETF in the country.

Launch of Bharat Bond Exchange Traded Fund (ETF) is to create an additional source of funding for Central Public Sector Undertakings (CPSUs) Central Public Sector Enterprises (CPSEs), Central Public Financial Institutions (CPFIs) and other Government organizations.

**Hence Statement 2 is correct.**

**Q.2) Consider the following statements regarding Sabka Vishwas (Legacy Dispute Settlement) Scheme 2019:**

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1. The Scheme is a one-time measure for liquidation of disputes in current GST regime.
2. Any person who wants to make a voluntary disclosure can file a declaration under the scheme.

**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.2) Solution (b)**

The scheme is a one-time measure for liquidation of past disputes of Central Excise, Service Tax and 26 other indirect tax enactments.

**Hence Statement 1 is incorrect.**

Any person falling under the following categories is eligible, subject to other conditions, to file a declaration under the Scheme:

- (a) Who has a show cause notice (SCN) for demand of duty/tax or one or more pending appeals arising out of such notice where the final hearing has not taken place as on 30.06.2019.
- (b) Who has been issued SCN for penalty and late fee only and where the final hearing has not taken place as on 30.06.2019.
- (c) Who has recoverable arrears pending.
- (d) Who has cases under investigation and audit where the duty/tax involved has been quantified and communicated to him or admitted by him in a statement on or before 30th June, 2019.
- (e) Who wants to make a voluntary disclosure.

**Hence Statement 2 is correct.**

**Q.3) Consider the following statements**

1. GST is exempted upto 2050 on imports of specified defence goods not being manufactured indigenously.
2. GST is exempted on supply of goods and services to FIFA and other specified persons for organizing the Under-17 Women's Football World Cup in India.

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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 (b)

GST is exempted on imports of specified defence goods not being manufactured indigenously upto 2024.

Hence Statement 1 is incorrect.

GST is exempted on supply of goods and services to FIFA and other specified persons for organizing the Under-17 Women's Football World Cup in India.

Hence Statement 2 is correct.

### Q.4) Consider the following statements:

1. In the case of every individual, being a resident in India, who is of the age of 60 years or more but less than 80 years need not pay income tax if annual income is less than 5,00,00 Rupees.
2. In the case of every individual, being a resident in India, who is of the age of eighty years or more need not pay income tax if annual income is less than 7,50,000 Rupees.

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

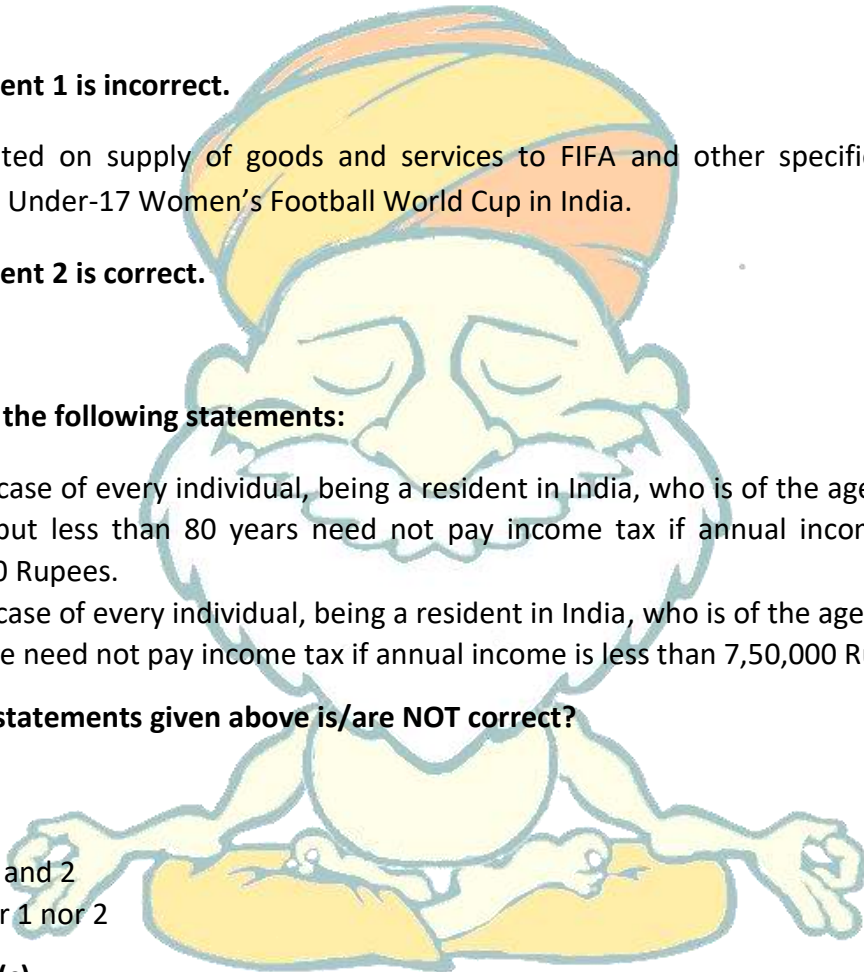
- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

### Q.4) Solution (c)

In the case of every individual, being a resident in India, who is of the age of sixty years or more but less than eighty years need not pay income tax if annual income is less than 3,00,00 Rupees.

Hence Statement 1 is incorrect.

In the case of every individual, being a resident in India, who is of the age of eighty years or more need not pay income tax if annual income is less than 5,00,000 Rupees.



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Hence Statement 2 is incorrect.

**Q.5) Consider the following statements regarding Budget 2020-21**

1. Borrowings and other liabilities constitutes the highest percentage of Central Government's income.
2. States Share of Taxes and Duties constitutes the highest percentage of Central Government's expenditure.

**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 (c)**

Borrowings and other liabilities constitutes the highest percentage (20%) of Central Government's income. It is followed by income from GST (18%) and Corporation Tax (18%).

**Hence Statement 1 is correct.**

States Share of Taxes and Duties constitutes the highest percentage (20%) of Central Government's expenditure. It is followed by expenditure on Interest Payments (18%).

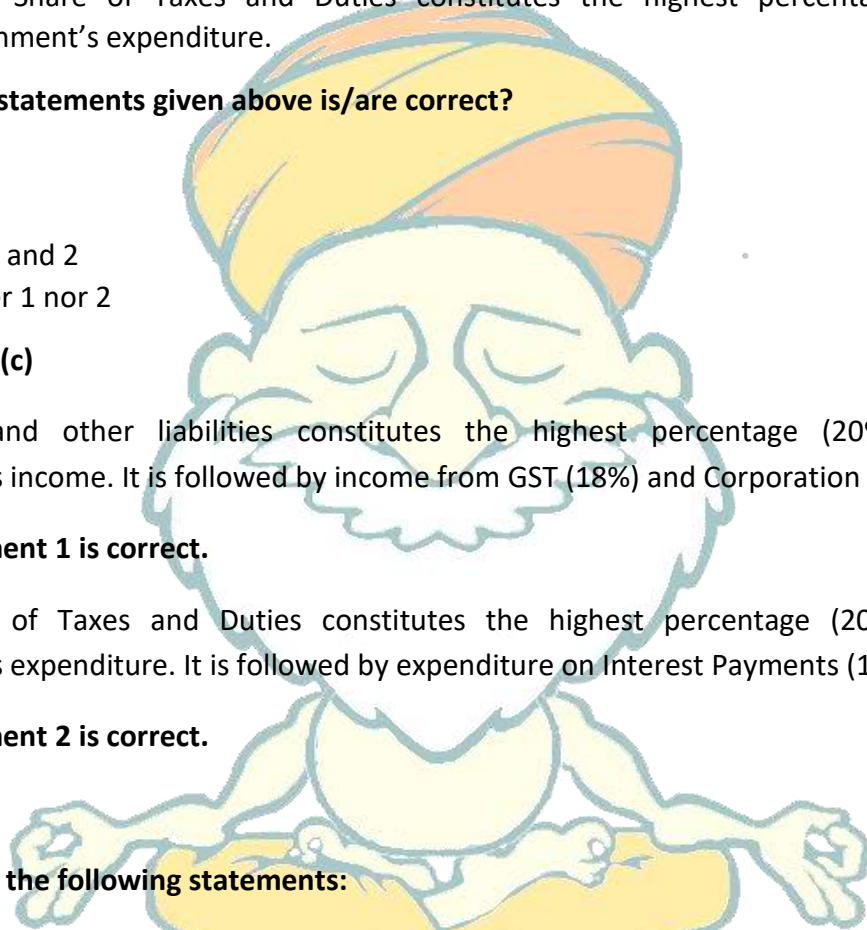
**Hence Statement 2 is correct.**

**Q.6) Consider the following statements:**

1. Krishi Udaan scheme is launched by Ministry of Agriculture and Farmers Welfare.
2. Nikshay Poshan Yojana is a scheme related to providing nutrition for school children.

**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



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### Q.6) Solution (d)

Krishi Udaan scheme is launched by Ministry of Civil Aviation.

**Hence Statement 1 is incorrect.**

Nikshay Poshan Yojana is a scheme related to providing nutritional support to Tuberculosis patients.

**Hence Statement 2 is incorrect.**

### Q.7) Consider the following statements with reference to Fiscal Deficit

1. Fiscal Deficit = Total Expenditure – Total Receipts including borrowings.
2. Fiscal deficit indicates the total borrowing requirements of the government.

**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.7) Solution (b)

Fiscal Deficit = Total Expenditure – Total Receipts excluding borrowings.

The extent of fiscal deficit is an indication of how far the government is spending beyond its means.

**Hence Statement 1 is incorrect**

Fiscal deficit indicates the total borrowing requirements of the government. Borrowings not only involve repayment of principal amount, but also require payment of interest.

**Hence Statement 2 is correct**

### Q.8) Consider the following statements about revenue receipts and capital receipts.

1. Interest receipts, dividends and profits are parts of revenue receipts.
2. Article 112 of the constitution mandates expenditure is shown in revenue and other categories.

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3. Disinvestment proceeds are part of capital receipts.

**Which of the above statements is/are correct?**

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

**Q.8) Solution (d)**

Interest receipts, dividends and profits are parts of revenue receipts.

**Hence Statement 1 is correct.**

Article 112 of the constitution mandates expenditure is shown in revenue and other categories.

**Hence Statement 2 is correct.**

Disinvestment proceeds are part of capital receipts.

**Hence Statement 3 is correct.**

**Q.9) Which of the following comes under capital account?**

- 1. Purchase of stocks in the USA.
- 2. Reserve Account with the Central Bank
- 3. External Borrowings such as ECB.

**Select the correct answer using the codes given below.**

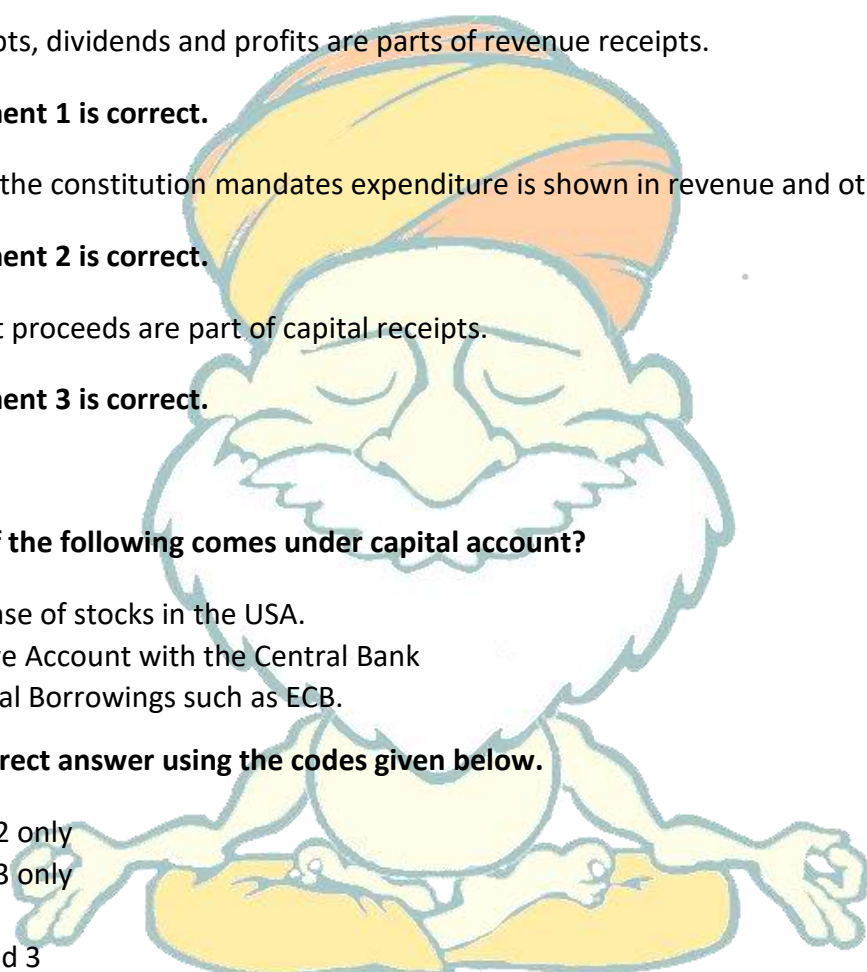
- a) 1 and 2 only
- b) 2 and 3 only
- c) 3 only
- d) 1, 2 and 3

**Q.9) Solution (d)**

Capital Account – It deal with capital transactions i.e. those transactions which create assets or liabilities. It reflects the net changes in the ownership of national assets.

For instance, if you buy a stocks or property in US, it will be a capital account transaction and it will be debit on capital account as you have to pay to US to buy the asset.

Components of Capital Account



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- Foreign Direct Investment (FDI)
- Foreign Portfolio Investment (FPI)
- External Borrowings such as ECB
- Reserve Account with the Central Bank

### Q.10) Consider the following statements:

1. Current Account reflects the nation's net income.
2. The grants are a component of capital account.
3. There are only three components of Current Account such as Goods, Services and Investment income.

### Which of the above statements are INCORRECT?

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

### Q.10) Solution (b)

Current Account – It deals with current, ongoing, short term transactions like trade in goods, services (invisible) etc. It reflects the nation's net income.

#### Hence Statement 1 is correct

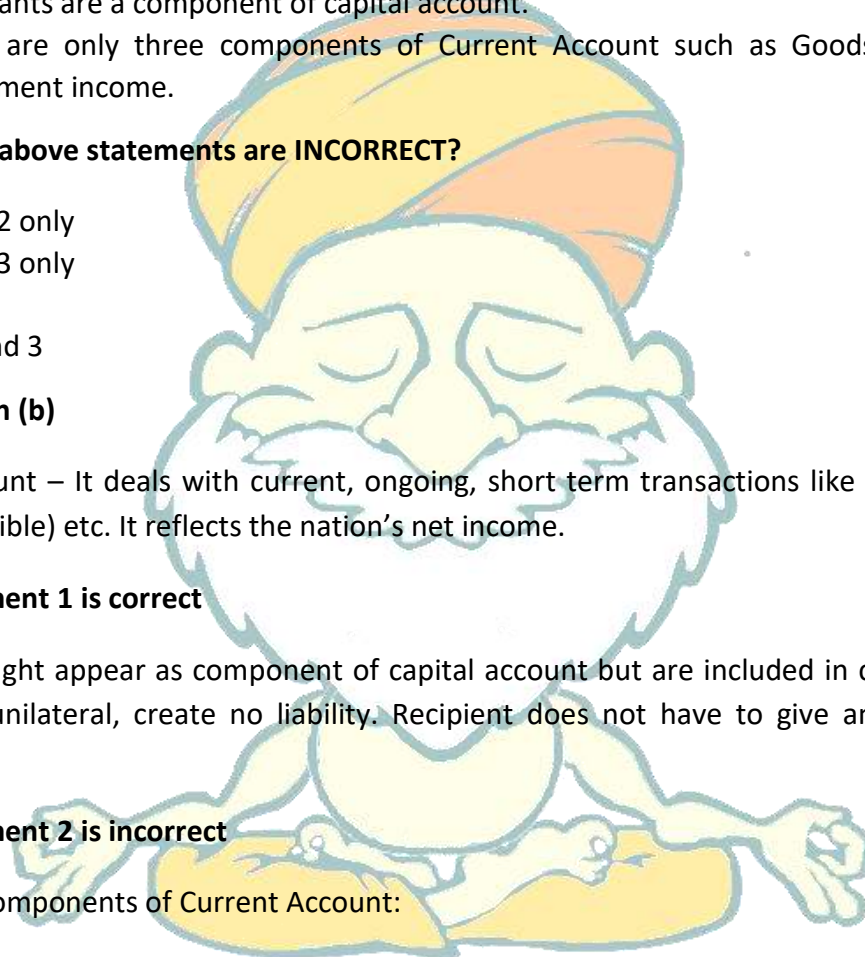
The grants might appear as component of capital account but are included in current account as they are unilateral, create no liability. Recipient does not have to give anything back in return.

#### Hence Statement 2 is incorrect

There are 4 components of Current Account:

- Goods – trade in goods
- Services (invisible) – trade in services e.g. tourism
- Income – investment income
- Current unilateral transfers – donations, gifts, grants, remittances.

#### Hence Statement 3 is incorrect



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**Q.11) Consider the following statements regarding SEBI:**

1. SEBI deals with the registration and regulation of working of Mutual Funds.
2. For the protection of investors, SEBI can prohibit any company from issuing advertisement soliciting money from the public for the issue of securities.

**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.11) Solution (d)**

SEBI deals with the registration and regulation of working of Mutual Funds.

**Hence Statement 1 is correct.**

For the protection of investors SEBI can prohibit any company from issuing prospectus, any offer document, or advertisement soliciting money from the public for the issue of securities.

**Hence Statement 2 is correct.**

**Q.12) Consider the following statements regarding Pension Fund Regulatory and Development Authority (PFRDA):**

1. PFRDA Act shall apply to all pension schemes which are not regulated by any other enactment.
2. The provisions of PFRDA Act shall not apply to the schemes under Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

**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 (c)**

PFRDA Act shall apply to all pension schemes which are not regulated by any other enactment.



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**Hence Statement 1 is correct.**

The provisions of PFRDA Act shall not apply to the schemes under Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

**Hence Statement 2 is correct.**

**Q.13) Consider the following statements**

1. Treasury bills are those Government Securities which usually have a maturity period of one year or more.
2. Government Securities (G-Secs) are called risk-free gilt-edged instruments.

**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)**

Treasury bills are those Government Securities which usually have a maturity period of less than one year.

**Hence Statement 1 is incorrect.**

Government Securities (G-Secs) carry practically no risk of default and, hence, are called risk-free gilt-edged instruments.

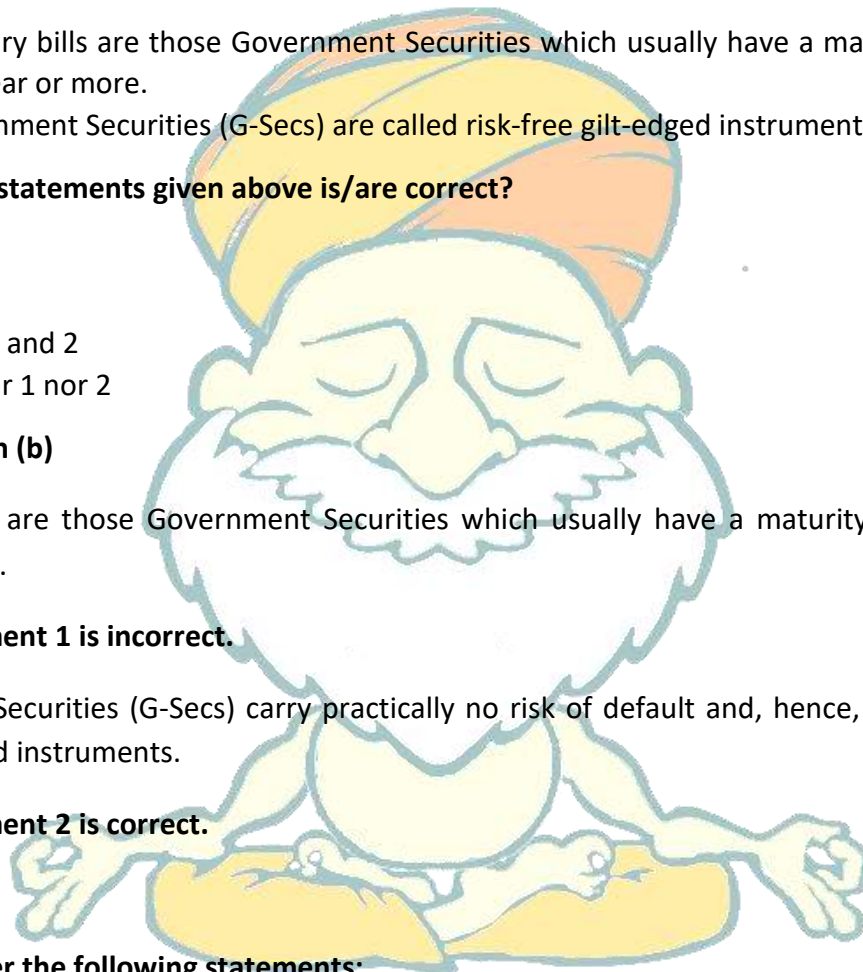
**Hence Statement 2 is correct.**

**Q.14) Consider the following statements:**

1. Treasury bills are issued at a discount and redeemed at the face value at maturity.
2. Cash Management Bills (CMBs) are generally issued for maturities less than 91 days.

**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.14) Solution (d)

Treasury bills are zero coupon securities and pay no interest. Instead, they are issued at a discount and redeemed at the face value at maturity.

**Hence Statement 1 is correct.**

The CMBs have the generic character of T-bills but are issued for maturities less than 91 days.

**Hence Statement 2 is correct.**

### Q.15) Consider the following statements:

1. The Public Debt Office (PDO) of the Reserve Bank of India acts as the depository of G-Secs.
2. Most Government bonds in India are issued as fixed rate bonds.

**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 (c)

The Public Debt Office (PDO) of the Reserve Bank of India acts as the registry / depository of G-Secs and deals with the issue, interest payment and repayment of principal at maturity. Most of the dated securities are fixed coupon securities.

**Hence Statement 1 is correct.**

Most Government bonds in India are issued as fixed rate bonds. Fixed Rate Bonds are bonds on which the coupon rate is fixed for the entire life (i.e. till maturity) of the bond.

**Hence Statement 2 is correct.**

### Q.16) Which among are a part of internal debt of Central Government?

1. Market Loans

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2. Treasury Bills
3. Securities against Small Savings.

**Select the correct code:**

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

**Q.16) Solution (d)**

Market Loans, Treasury Bills, Securities against Small Savings. Cash Management Bills, Ways & Means Advances etc are included in Internal debt of Central Government.

**Q.17) Consider the following statements:**

1. FPIs are permitted to invest in Dated Government Securities.
2. Investment by any FPI, including investments by related FPIs, shall not exceed 25% of any issue of a corporate bond.

**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.17) Solution (a)**

FPIs are permitted to invest in Dated Government Securities.

**Hence Statement 1 is correct**

Investment by any FPI, including investments by related FPIs, shall not exceed 50% of any issue of a corporate bond.

**Hence Statement 2 is incorrect**

**Q.18) Consider the following statements:**

1. The nodal point for FII registrations is SEBI and hence all FIIs must register themselves with SEBI.
2. FIIs are entities established or incorporated outside India and make proposals for investments in India.

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**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.18) Solution (c)**

The nodal point for FII registrations is SEBI and hence all FIIs must register themselves with SEBI and should also comply with the exchange control regulations of the central bank.

**Hence Statement 1 is correct.**

Foreign Institutional investors (FIIs) are entities established or incorporated outside India and make proposals for investments in India.

**Hence Statement 2 is correct.**

**Q.19) Consider the following statements:**

1. NSE (National Stock Exchange) has launched India INX, India's 1st international exchange, located at GIFT CITY IFSC in Ahmedabad.
2. Indian Clearing Corporation Limited (ICCL) has been accorded Qualified Central Counterparty (QCCP) status by the NSE (National Stock Exchange)

**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

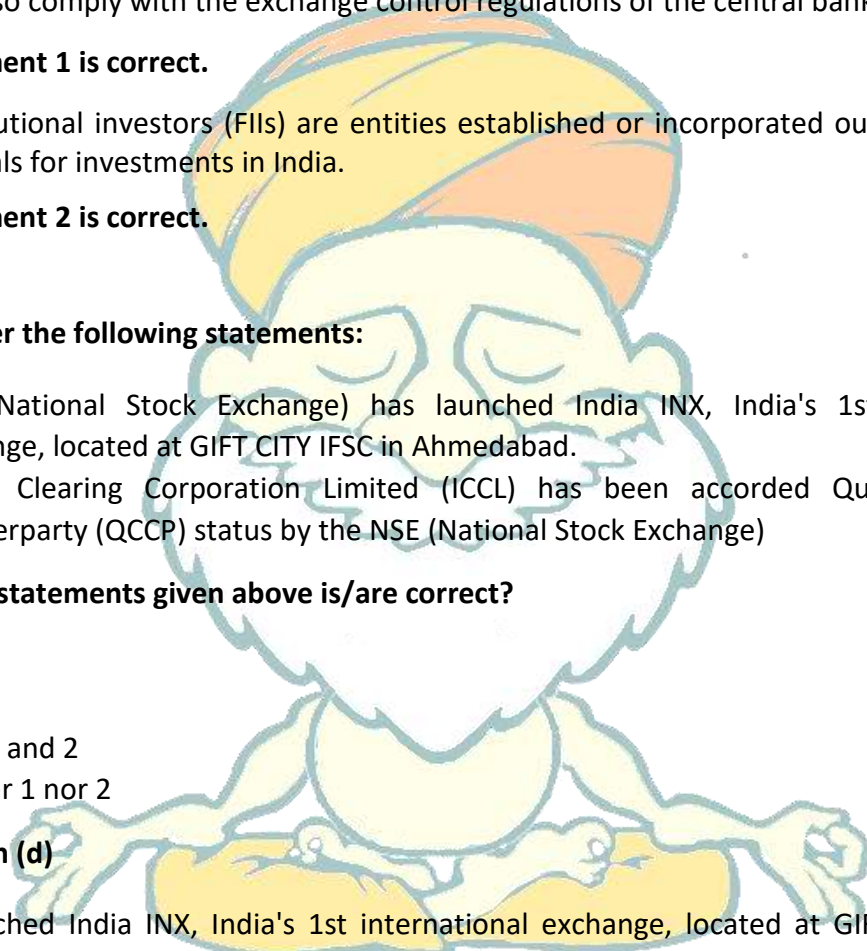
**Q.19) Solution (d)**

BSE has launched India INX, India's 1st international exchange, located at GIFT CITY IFSC in Ahmedabad.

**Hence Statement 1 is incorrect.**

ICCL has been accorded Qualified Central Counterparty ("QCCP") status by the Securities and Exchange Board of India ("SEBI")

**Hence Statement 2 is incorrect.**



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**Q.20) Match List I with List II and select the correct answer by using the codes given below the lists:**

List I

(Five Year Plans)

A. First FYP

B. Second FYP

C. Third FYP

D. Fourth FYP

E. Fifth FYP

List II

(Highest priority/emphasis given)

1. establishment of a socialistic pattern of society in India

2. agriculture including irrigation and power projects

3. Promotion of equity

4. Promotion of equality

5. achieve self-reliance, measures for poverty alleviation

**A-B-C-D-E**

a) 1-5-3-4-2

b) 1-2-5-3-4

c) 2-1-4-3-5

d) 2-1-5-4-3

**Q.20) Solution (c)**

First FYP      agriculture including irrigation and power projects

Second FYP    led to establishment of a socialistic pattern of society in India and also emphasized on rapid industrialization and development of basic and heavy industries.

Third FYP      Promotion of equality

Fourth FYP    Promotion of equity

Fifth FYP      achieve self-reliance, direct measures for poverty alleviation (Garibi Hatao)

**Q.21) Consider the following statements:**

1. Inflation Indexed Bonds (IIBs) are bonds, the principal of which is linked to an accepted index of inflation with a view to protecting the Principal amount of the investors from inflation.
2. Capital Indexed Bonds are bonds wherein both coupon flows and Principal amounts are protected against inflation

**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.21) Solution (c)

Capital Indexed Bonds are bonds, the principal of which is linked to an accepted index of inflation with a view to protecting the Principal amount of the investors from inflation.

**Hence Statement 1 is incorrect.**

Inflation Indexed Bonds (IIBs) are bonds wherein both coupon flows and Principal amounts are protected against inflation

**Hence Statement 2 is incorrect.**

### Q.22) Consider the following statements:

1. An Indian Depository Receipt (IDR) is an instrument denominated in Indian Rupees.
2. The IDRs are required to be listed in at least one stock exchange in India having nationwide terminals.

**Which of the statements given above is/are correct?**

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

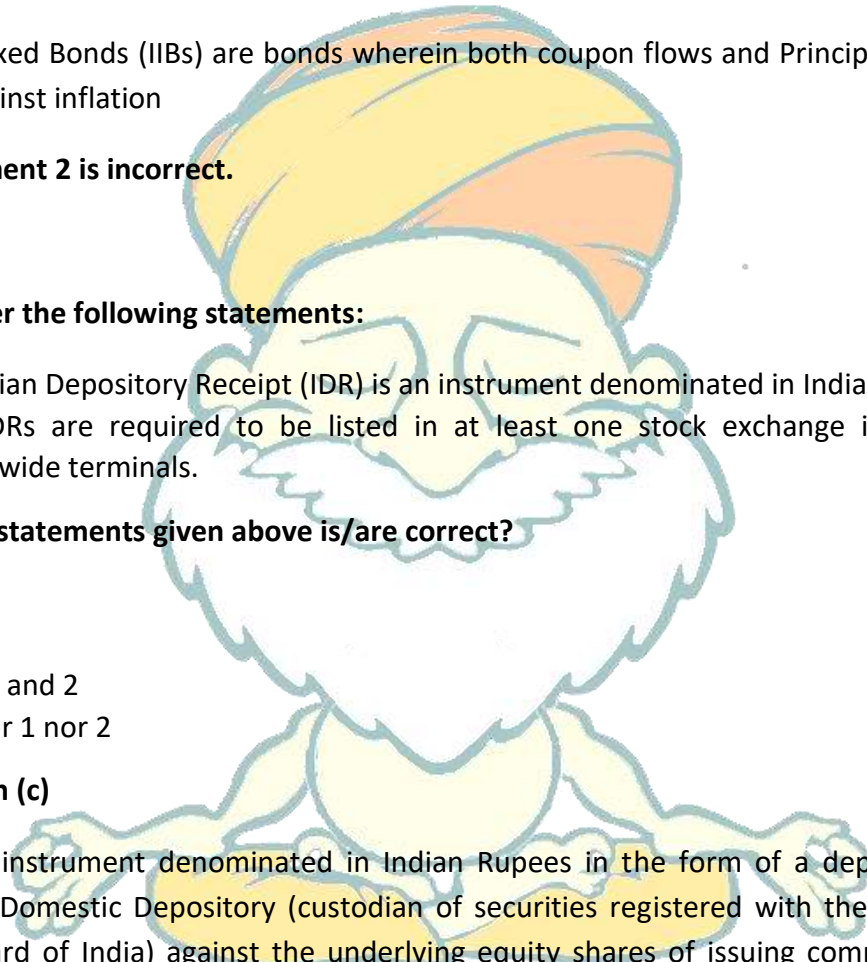
### Q.22) Solution (c)

An IDR is an instrument denominated in Indian Rupees in the form of a depository receipt created by a Domestic Depository (custodian of securities registered with the Securities and Exchange Board of India) against the underlying equity shares of issuing company to enable foreign companies to raise funds from the Indian securities Markets.

**Hence Statement 1 is correct.**

The IDRs are required to be listed in at least one stock exchange in India having nationwide terminals.

**Hence Statement 2 is correct.**



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### Q.23) Consider the following statements

1. Derivatives have no independent value.
2. Options Contract means a legally binding agreement to buy or sell the underlying security on a future date.

### 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 (a)

The term 'Derivative' indicates that it has no independent value, i.e. its value is entirely 'derived' from the value of the underlying asset.

**Hence Statement 1 is correct.**

Futures Contract means a legally binding agreement to buy or sell the underlying security on a future date.

**Hence Statement 2 is incorrect.**

### Q.24) Consider the following statements regarding various membership categories in the equity derivatives market:

1. Self-Clearing Members (SCM) are permitted to settle their own trades as well as the trades of the other non-clearing members.
2. A Trading Member is a member of the derivatives exchange and can trade on his own behalf, but cannot trade on behalf of others.

### 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.24) Solution (c)

Clearing Member (CM): These members are permitted to settle their own trades as well as the trades of the other non-clearing members known as Trading Members who have agreed to settle the trades through them.

Self-clearing Member (SCM) – A SCM are those clearing members who can clear and settle their own trades only.

**Hence Statement 1 is incorrect.**

A Trading Member is a member of the derivatives exchange and can trade on his own behalf and on behalf of his clients

**Hence Statement 2 is incorrect.**

### Q.25) Consider the following statements:

1. Qualified Foreign Investors (QFIs) do not include Foreign Institutional Investors (FIIs)
2. Currency future contracts allow investors to hedge against foreign exchange risk.

**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)

QFIs do not include FIIs/Sub accounts/ Foreign Venture Capital Investor.

**Hence Statement 1 is correct.**

Currency futures are contracts to buy or sell a specific underlying currency at a specific time in the future, for a specific price.

Currency future contracts allow investors to hedge against foreign exchange risk.

**Hence Statement 2 is correct.**

### Q.26) Which of the following is/are Money Market instrument?

1. Treasury Bills
2. Shares of a Company



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3. Certificate of Deposit
4. Commercial Papers

**Select the correct answer using the codes given below.**

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

**Q.26) Solution (b)**

- Money Market is a place for short term lending and Borrowing normally within a year.
- It deals in short term debt financing and investments.
- Investment in money market is done throughout money market instruments.
- Money market instrument meets short term necessities of the borrowers and provides liquidity to the lenders.

Money Market Instruments are as follows:

1. Treasury Bills (T-Bills)
2. Repurchase Agreements
3. Commercial Papers
4. Certificate of Deposit
5. Banker's Acceptance

Shares of a company are bought and sold in the capital markets which are instruments of long term capital.

**Q.27) Consider the following statements with reference to the Foreign Direct Investment (FDI):**

1. FDI inflows are more volatile and the capital can leave the country overnight.
2. FDI is preferable over debt financing as it does not create interest obligations.

**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.27) Solution (b)**

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FDI is more stable and less volatile in nature; in contrast the Foreign Portfolio Investments are highly volatile in nature. They are also called the Hot Money, as they can leave India overnight to invest in other markets.

**Hence Statement 1 is incorrect**

FDI being more stable in nature involves investments with long term profits in mind. They generate profits by locally producing the goods and services, as such are more preferable over the Debt financing as it creates interest obligations even when the business is not running well.

**Hence Statement 2 is correct**

**Q.28) Consider the following statements about Foreign Portfolio Investment (FPI)**

1. Returns in FPI are in the form of dividends and interest payments.
2. FPI is the passive holding of securities and other financial assets by a foreign firm.

**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.28) Solution (d)**

Foreign portfolio investment (FPI) is defined as an investment by individuals, firms, or a public body in foreign financial instruments, such as foreign stocks, government bonds, etc.

The returns in the case of FPI are generally in the form of non-voting dividends or interest payments.

**Hence Statement 1 is correct**

FPI is the passive holding of securities and other financial assets by a foreign firm, which does not entail management control of the issuing firm.

**Hence Statement 1 is correct**

**Q.29) Consider the following statements with reference to the Venture capitalists (VCs)**

1. They invest money collected from a pool of investors.
2. They provide the seed capital to start a business.
3. Investment by VCs can be either as debt or as equity.

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**Which of the following statements is/are correct?**

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

**Q.29) Solution (c)**

Venture capitalists are the mostly the Limited Liability Partnership firms/funds, which raises fund from different investors.

**Hence Statement 1 is correct**

Venture Capitals generally invests in Growth stage (Series A) and forward, when the company has some proven numbers.

**Hence Statement 2 is incorrect**

VC's investment can be either as equity or loan or a mix of both. If it is done by equity they demand a seat in the Board of the company.

**Hence Statement 3 is correct**

**Q.30) Which of the following are the characteristics of a Bull Market?**

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

**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.30) Solution (b)**

In a bull market, we see strong demand and weak supply for securities. In other words, many investors are wishing to buy securities while few are willing to sell. As a result, share prices will rise as investors compete to obtain available equity.

**Hence Statement 1 is incorrect.**

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In a bear market, the opposite is true as more people are looking to sell than buy. The demand is significantly lower than supply and, as a result, share prices drop.

**Q.31) Consider the following statements:**

1. Any entity raising INR denominated External Commercial Borrowing (ECB) is permitted to convert the liability arising out of INR ECB into foreign currency liability.
2. Transactions on account of External Commercial Borrowings (ECB) are governed by Reserve Bank of India Act, 1934.

**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 (c)**

Any entity raising INR denominated ECB is not permitted to convert the liability arising out of INR ECB into foreign currency liability in any manner.

**Hence Statement 1 is incorrect.**

Transactions on account of External Commercial Borrowings (ECB) and Trade Credit (TC) are governed by clause (d) of sub-section 3 of section 6 of the Foreign Exchange Management Act, 1999 (FEMA).

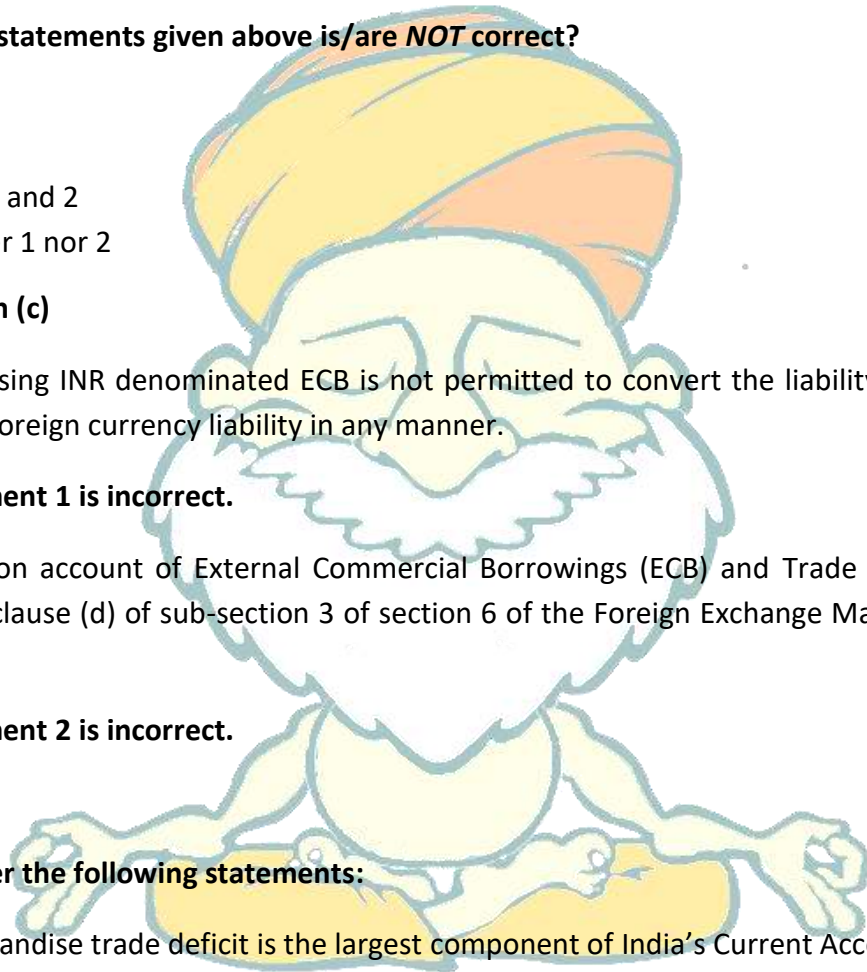
**Hence Statement 2 is incorrect.**

**Q.32) Consider the following statements:**

1. Merchandise trade deficit is the largest component of India's Current Account Deficit.
2. Net terms of trade (NTT) of a country is the ratio of unit value index of export to that of import.

**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



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### Q.32) Solution (c)

Merchandise trade deficit is the largest component of India's Current Account Deficit significantly impacting the BoP position.

**Hence Statement 1 is correct.**

Net terms of trade (NTT) of a country is the ratio of unit value index of export to that of import.

**Hence Statement 2 is correct.**

### Q.33) Consider the following statements

1. In terms of total trade, China account for the highest trade with India in 2018-19.
2. India has a trade surplus with USA in 2018-19.

**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.33) Solution (b)

In terms of total trade, USA account for the highest trade with India followed by China.

**Hence Statement 1 is incorrect.**

India has a trade surplus (total export value is greater than total import value) with USA and trade deficit with China in 2018-19.

**Hence Statement 2 is correct.**

### Q.34) Consider the following statements:

1. The appreciation in Real Effective Exchange Rate may lead to increase in imports.
2. Petroleum Products were the largest exported commodity from India during 2018-19, in terms of value.

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



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

### Q.34) Solution (d)

The appreciation in Real Effective Exchange Rate may lead to increase in imports.

An increase in REER implies that exports become more expensive and imports become cheaper.

**Hence Statement 1 is correct.**

Petroleum Products were the largest exported commodity from India during 2018-19, in terms of value.

**Hence Statement 2 is correct.**

### Q.35) Consider the following statements:

1. China is the largest exporter to India in 2018-19.
2. Software services constitute the highest share of service exports by India.

**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

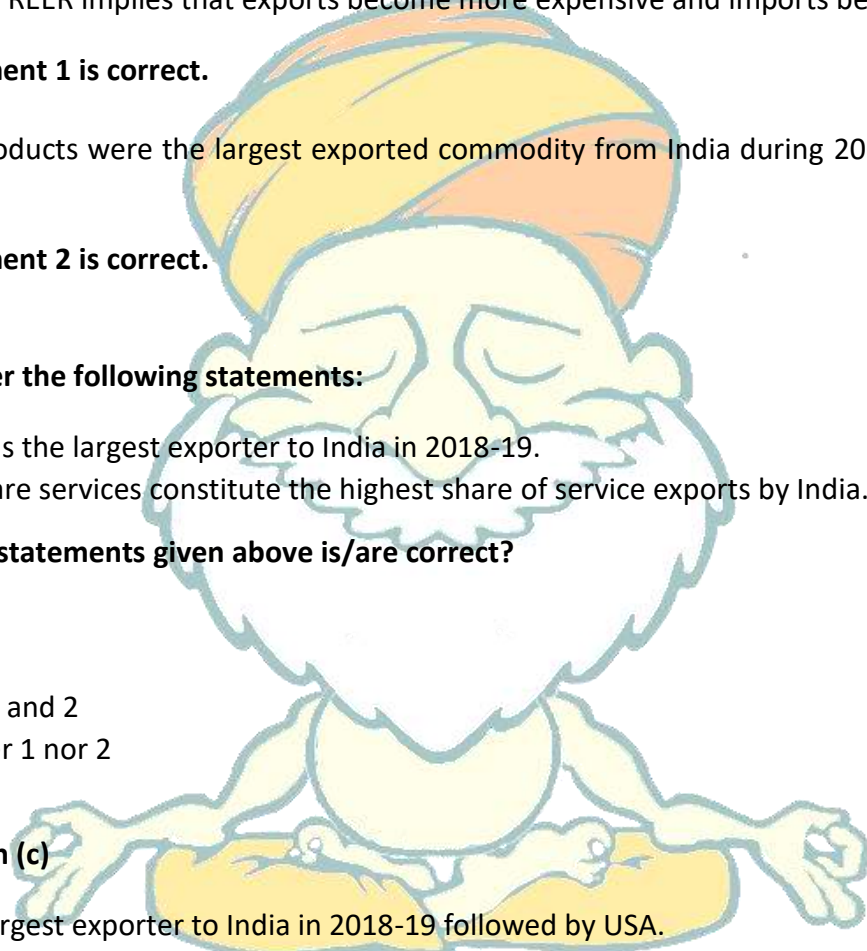
### Q.35) Solution (c)

China is the largest exporter to India in 2018-19 followed by USA.

**Hence Statement 1 is correct.**

Software services constitute the highest share (around 40-45%) of service exports by India, followed by business services at about 18-20 per cent, travel at 11-14 per cent and transportation at 9-11 per cent.

**Hence Statement 2 is correct.**



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**Q.36) Which of the following items is not a part of Current Account in a country's Balance of Payment?**

- a) Exports of Services
- b) Imports of Goods
- c) External commercial Borrowings
- d) Remittances

**Q.36) Solution (c)**

The current account on the balance of payments measures the inflow and outflow of goods, services and investment incomes.

The main components of the current account are:

- I. Trade in goods (visible balance): includes both export and import.
- II. Trade in services (invisible balance) e.g. insurance and services
- III. Investment incomes e.g. dividends, interest and migrants remittances from abroad
- IV. Net transfers – e.g. International aid

**Q.37) Consider the following statements with reference to depreciation of a currency**

- 1. It is a fall in the value of domestic currency with respect to other currencies
- 2. It is done by deliberate government intervention.

**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.37) Solution (a)**

Currency depreciation is the loss of value of a country's currency with respect to one or more foreign reference currencies, typically in a floating exchange rate system in which no official currency value is maintained.

In a floating exchange rate system, a currency's value goes up (or down) if the demand for it goes up more (or less) than the supply does.

On the other hand, when the government lowers the exchange rate of its currency, it is called Devaluation, it is intentional and is done to promote the exports of the country.

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**Q.38) Consider the following statements with reference to Free Trade Agreement (FTA):**

1. In FTAs, tariffs on items covering substantial bilateral trade are eliminated between the partner countries.
2. In an FTA there is a positive list on which duty can be increased.

**Which of the above statements is/are *INCORRECT*?**

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

**Q.38) Solution (b)**

In FTAs, tariffs on items covering substantial bilateral trade are eliminated between the partner countries; however each maintains individual tariff structure for non-members. India Sri Lanka FTA is an example.

**Hence Statement 1 is correct.**

In a PTA there is a positive list of products on which duty is to be reduced; in an FTA there is a negative list on which duty is not reduced or eliminated.

**Hence Statement 2 is incorrect.**

**Q.39) Consider the following statements regarding Purchasing Power Parity:**

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.
3. This is a popular method used by the IMF and World Bank in studying the living standards of people in different economies.

**Which of the following is/are correct?**

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

**Q.39) Solution (d)**

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.



**Q.40) Which of the following refers to Invisible balance in the context of BoP?**

- a) It refers to import of Capital Goods.
- b) It refers to services and other products that do not result in the transfer of physical object.
- c) It refers to the interest paid by importers if they have borrowed money for imports.
- d) It refers to the amount of goods imported in the country on lease.

**Q.40) Solution (b)**

The invisible balance or balance of trade on services is that part of the balance of trade that refers to services and other products that do not result in the transfer of physical objects. Examples include consulting services, shipping services, tourism, and patent license revenues. This figure is usually generated by tertiary industry. The term 'invisible balance' is especially common in the United Kingdom.

**Q.41) Consider the following statements:**

1. Export Promotion Capital Goods (EPCG) Scheme allows exporters to import capital goods for production at zero customs duty.
2. Deemed Exports refers to those transactions in which the goods supplied do not leave the country.

**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.41) Solution (d)**

Export Promotion Capital Goods (EPCG) Scheme: This Scheme allows exporters to import capital goods (except certain specified items under the Scheme) for pre-production, production and post-production at zero customs duty.

In return, the exporters are required to fulfill the export obligation to the tune of six times the import duties, taxes and cess saved amount on capital goods, to be fulfilled in six years from date of issue of the Authorization.

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**Hence Statement 1 is correct.**

Deemed Exports refers to those transactions in which the goods supplied do not leave the country and the payment for such supplies is received either in Indian rupees or in free foreign exchange.

**Hence Statement 2 is correct.**

**Q.42) Consider the following statements:**

1. An increase in net remittances improves the BoP position.
2. India is the top remittance recipient country in 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.42) Solution (c)**

An increase in net remittances improves the BoP position.

**Hence Statement 1 is correct.**

Further, as per the October 2019 report of World Bank, India remained the top remittance recipient country in 2018, followed by China, Mexico, the Philippines and Egypt.

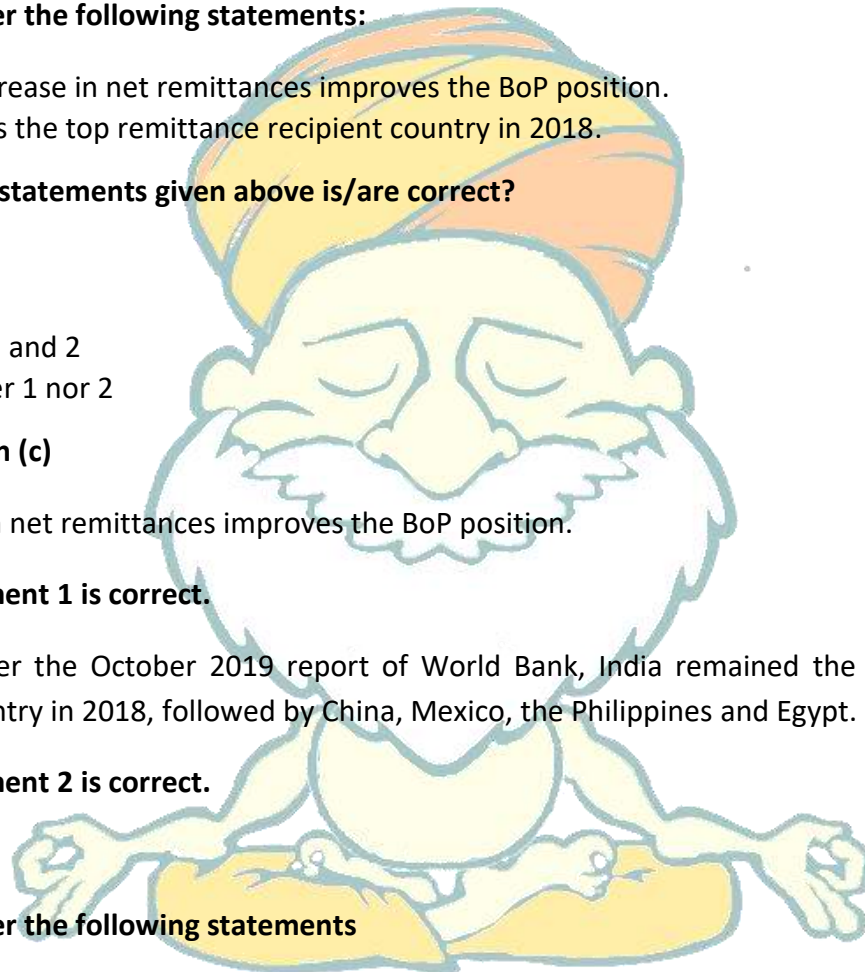
**Hence Statement 2 is correct.**

**Q.43) Consider the following statements**

1. Foreign Portfolio Investment (FPI) is often referred to as hot money.
2. Net International Investment Position (NIIP) measures the gap between a nation's stock of foreign assets and foreigner's stock of that nation's assets at a specific point in time.

**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.43) Solution (c)

FPI is often referred to as “hot money” because of its tendency to flee at the first signs of trouble in an economy or improvement in investment attractiveness elsewhere in the world.

**Hence Statement 1 is correct.**

Net International Investment Position (NIIP) measures the gap between a nation's stock of foreign assets and foreigner's stock of that nation's assets at a specific point in time.

**Hence Statement 2 is correct.**

### Q.44) Consider the following statements:

1. To facilitate faster clearances at the ports for imports Direct Port Entry (DPE) scheme is introduced.
2. Generally, an increase in net External Commercial Borrowings (ECBs) improves the BoP position.

**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.44) Solution (a)

Schemes like Direct Port Delivery (DPD) for imports and Direct Port Entry (DPE) for exports are facilitating faster clearances at the ports.

**Hence Statement 1 is incorrect.**

Generally, an increase in net External Commercial Borrowings (ECBs) improves the BoP position.

**Hence Statement 2 is correct.**

### Q.45) Consider the following statements:

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1. An inverted duty structure will reduce the cost of intermediate inputs imported for manufacturing of exports thereby making the country's exports more competitive.
2. An increase in imports of raw materials and intermediate goods leads to an increase in exports of finished goods from India.

**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 (b)**

A corrected duty structure will reduce the cost of intermediate inputs imported for manufacturing of exports thereby making the country's exports more competitive.

**Hence Statement 1 is incorrect.**

At an aggregate level, the import elasticity of exports is 1.1  
1 per cent increase in imports of raw materials and intermediate goods leads to 1.1 per cent increase in exports of finished goods from India.

**Hence Statement 2 is correct.**

**Q.46) Consider the following statements with reference to the Current Account Deficit.**

1. It is a measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.
2. If a current account deficit is financed through borrowing it is said to be more unsustainable.
3. A current account deficit may imply that you are relying on consumer spending, and are becoming uncompetitive.

**Which of the following statements is/are correct?**

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

**Q.46) Solution (d)**

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Current Account Deficit is a measurement of a country's trade in which the value of goods and services it imports exceeds the value of goods and services it exports.

**Hence Statement 1 is correct**

If a current account deficit is financed through borrowing it is said to be more unsustainable. This is because borrowing is unsustainable in the long term and countries will be burdened with high interest payments.

**Hence Statement 2 is correct**

A current account deficit may imply that you are relying on consumer spending, and are becoming uncompetitive.

**Hence Statement 3 is correct**

**Q.47) Which of the following constitutes the FOREX reserve of India?**

1. Foreign currency assets
2. Gold
3. SDRs
4. RBI's Reserve position with IMF.

**Select the correct answer from the code given below:**

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

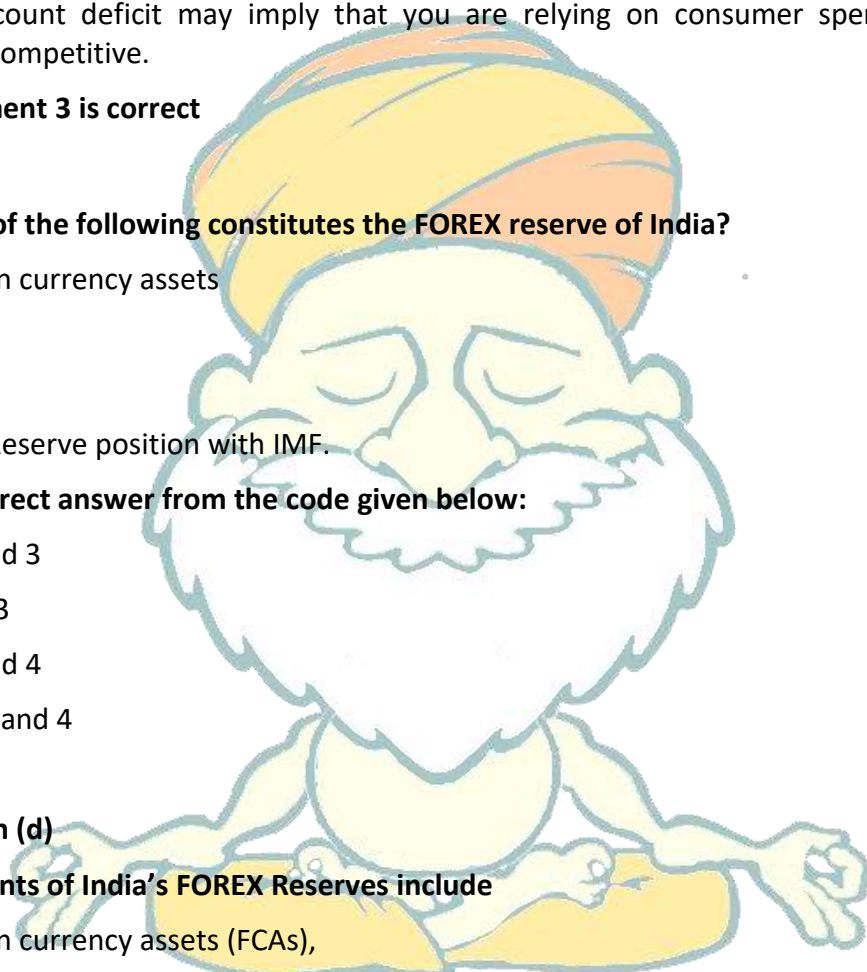
**Q.47) Solution (d)**

**The components of India's FOREX Reserves include**

1. Foreign currency assets (FCAs),
2. Gold Reserves,
3. Special Drawing Rights (SDRs) and
4. RBI's Reserve position with International Monetary Fund (IMF).

FCAs constitute largest component of Indian Forex Reserves and are expressed in US dollar terms.

**Q.48) Consider the following statements regarding FOREX reserves in India?**



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1. FOREX reserves in India are managed by SEBI.
2. Inflow of foreign currency and Gold in economy decreases the money supply.
3. Many countries in world, which are smaller economies, don't have any foreign exchange reserves.

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

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

**Q.48) Solution (d)**

The forex are reserve assets held by a central bank in foreign currencies.

The reserves are managed by the Reserve Bank of India for the Indian government.

**Hence Statement 1 is incorrect**

With inflow of Gold and Foreign Currency in economy RBI has to print currency. This increases the money supply in the market.

**Hence Statement 2 is incorrect**

Almost all countries in world, regardless of size of their economy, hold significant foreign exchange reserves.

**Hence Statement 3 is incorrect**

**Q.49) Consider the below statements with regard to Depreciation and Devaluation:**

1. Devaluation refers to a change in value of money that has its value set by the country's government.
2. Depreciation refers to a change in value of money that has its value determined by market forces generated in the open money market.

**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.49) Solution (c)**

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Devaluation: In the foreign exchange market when exchange rate of a domestic currency is cut down by its government against any foreign currency, it is called devaluation. It means official depreciation is devaluation.

**Hence Statement 1 is correct**

Depreciation: In foreign exchange market, it is a situation when domestic currency loses its value in front of a foreign currency if it is market-driven. It means depreciation in a currency can only take place if the economy follows the floating exchange rate system.

**Hence Statement 2 is correct**

**Q.50) consider the following statements about J-curve.**

1. A theory stating that a country's trade deficit will worsen initially after the depreciation of its currency because higher prices on foreign imports will be greater than the reduced volume of imports.
2. In private equity funds, the J-curve effect occurs when funds experience negative returns for the first several years.

**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.50) Solution (c)**

A theory stating that a country's trade deficit will worsen initially after the depreciation of its currency because higher prices on foreign imports will be greater than the reduced volume of imports.

**Hence Statement 1 is correct**

In private equity funds, the J-curve effect occurs when funds experience negative returns for the first several years.

**Hence Statement 2 is correct**

An example of the J-curve effect is seen in economics when a country's trade balance initially worsens following a devaluation or depreciation of its currency. The higher exchange rate will at first correspond to more costly imports and less valuable exports, leading to a bigger initial deficit or a smaller surplus. Due to the competitive, relatively low-priced exports, however, a country's exports will start to increase. Local consumers will also purchase less of the more expensive imports and focus on local goods. The trade balance eventually improves to better levels compared to before devaluation.

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**Q.51) Consider the following statements:**

1. Navratna Central Public Sector Enterprises (CPSEs) are more in number when compared to Maharatna CPSEs.
2. A CPSE which is already a Navratna CPSE would only be considered for granting Maharatna Status.

**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 (d)**

There are 14 Navratna CPSE's and 10 Maharatna CPSE's.

**Hence Statement 1 is correct.**

A CPSE which is already a Navratna CPSE would only be considered for granting Maharatna Status.

**Hence Statement 2 is correct.**

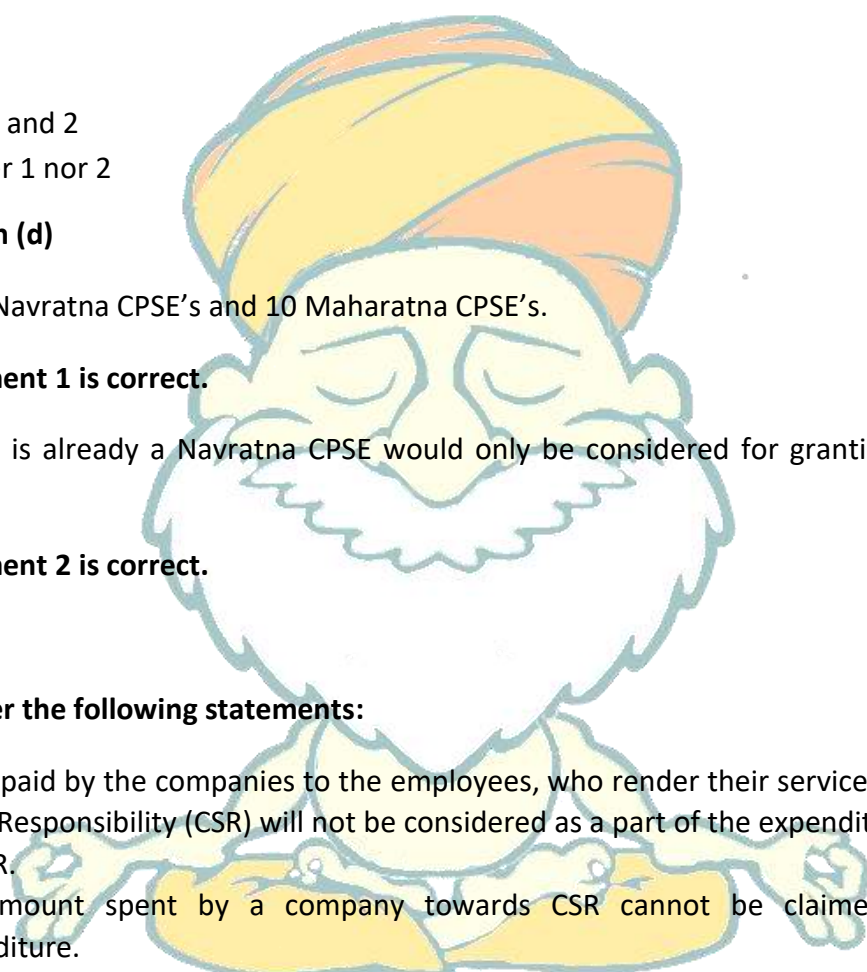
**Q.52) Consider the following statements:**

1. Salary paid by the companies to the employees, who render their services for Corporate Social Responsibility (CSR) will not be considered as a part of the expenditure earmarked for CSR.
2. The amount spent by a company towards CSR cannot be claimed as business expenditure.

**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.52) Solution (b)**





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Salary paid by the companies to regular CSR staff as well as employees, who render their services for CSR will be part of Administrative overheads and should not exceed 5% of the total CSR expenditure as per rule 4(6) of CSR Policy, Rules 2014.

**Hence Statement 1 is incorrect.**

The amount spent by a company towards CSR cannot be claimed as business expenditure.

**Hence Statement 2 is correct.**

**Q.53) Consider the following statements**

1. A medium enterprise is the one, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.
2. A small enterprise is the one, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.

**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.53) Solution (a)**

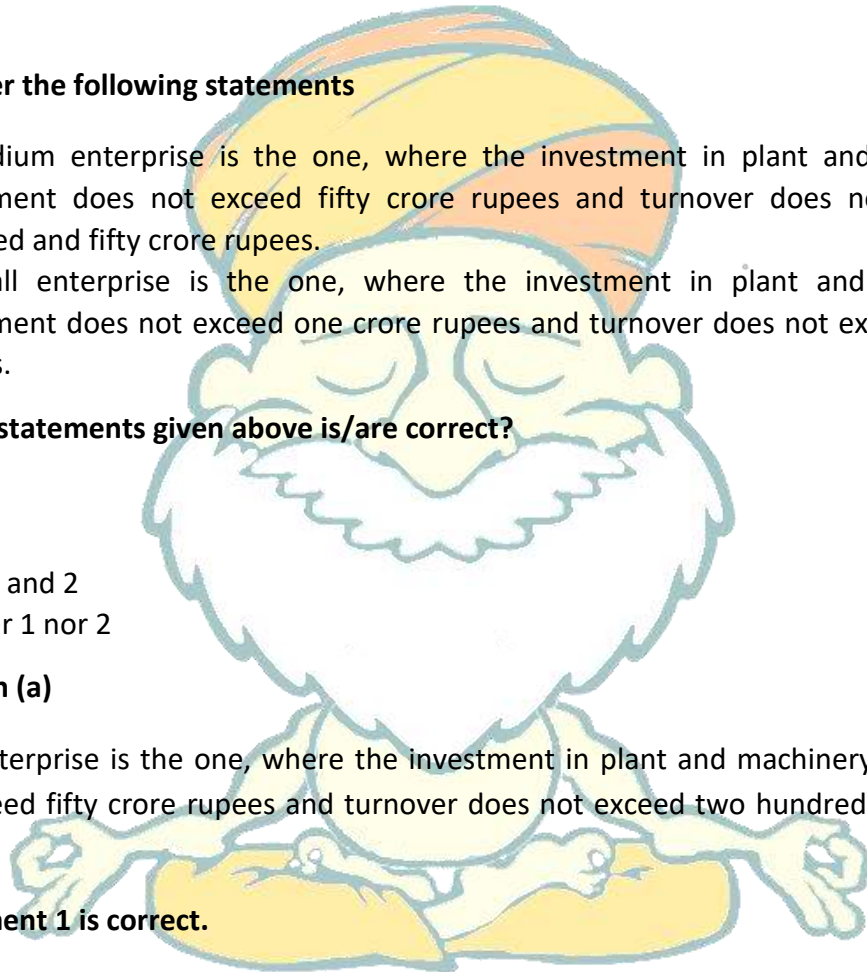
A medium enterprise is the one, where the investment in plant and machinery or equipment does not exceed fifty crore rupees and turnover does not exceed two hundred and fifty crore rupees.

**Hence Statement 1 is correct.**

A small enterprise is the one, where the investment in plant and machinery or equipment does not exceed ten crore rupees and turnover does not exceed fifty crore rupees.

A micro enterprise is the one, where the investment in plant and machinery or equipment does not exceed one crore rupees and turnover does not exceed five crore rupees.

**Hence Statement 2 is incorrect.**



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**Q.54) Consider the following statements:**

1. Co-operative Societies can register online using Udyam Registration Portal.
2. Contribution of any amount directly to any political party can be considered as a CSR activity.

**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 (c)**

Any person who intends to establish a micro, small or medium enterprise may file Udyam Registration online in the Udyam Registration portal.

**Hence Statement 1 is incorrect.**

Contribution of any amount directly or indirectly to any political party shall not be considered as a CSR activity.

**Hence Statement 2 is incorrect.**

**Q.55) Consider the following statements regarding Companies Act 2013:**

1. A company may be formed for any lawful purpose by two or more persons, where the company to be formed is to be a public company.
2. Under this Act, there is no provision that a company can be formed by a single person.

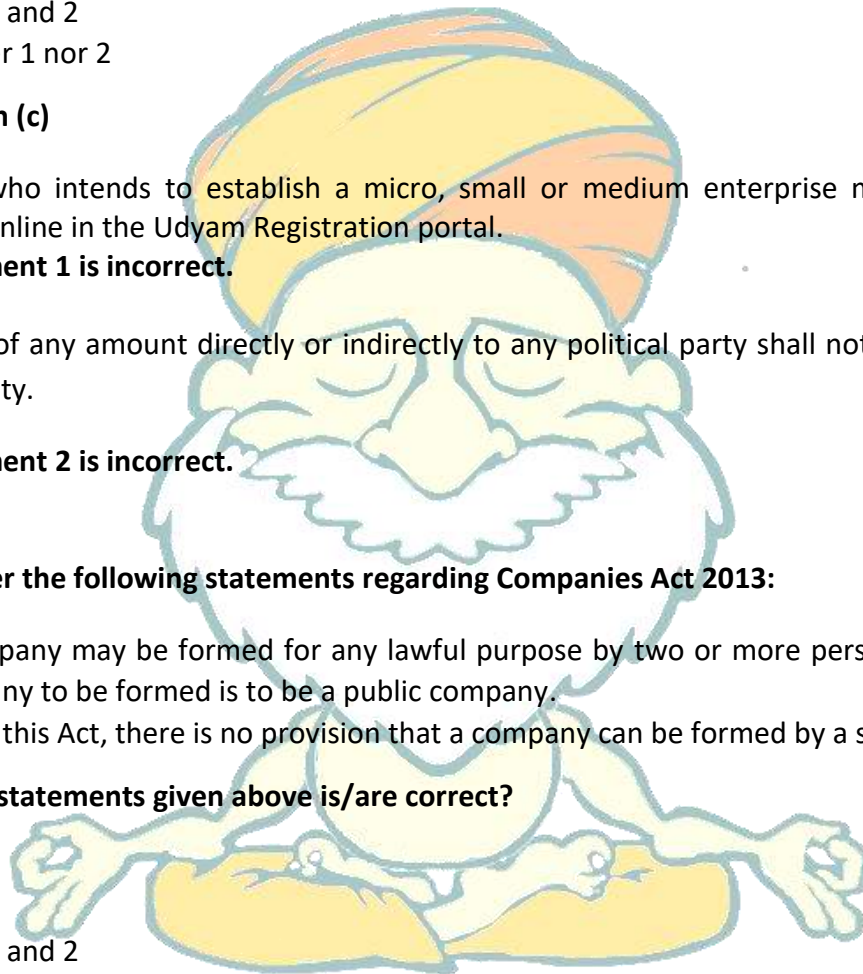
**Which of the statements given above is/are correct?**

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

**Q.55) Solution (d)**

A company may be formed for any lawful purpose by seven or more persons, where the company to be formed is to be a public company.

**Hence Statement 1 is incorrect.**



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A company may be formed for any lawful purpose by one person, where the company to be formed is to be One Person Company that is to say, a private company.

**Hence Statement 2 is incorrect.**

**Q.56) Consider the following statements with reference to the evolution of Public Sector Undertakings (PSU's) in India:**

1. PSU's were developed as an instrument for self-reliant economic growth.
2. Initially the PSU's were focused on manufacturing of Consumer Goods.
3. The second phase of PSU was confined to core and strategic industries.

**Which of the above statements is/are correct?**

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

**Q.56) Solution (b)**

Public Sector was developed as an instrument for self-reliant economic growth.

**Hence Statement 1 is correct**

Initially, the public sector was confined to core and strategic industries.

**Hence Statement 2 is incorrect**

The second phase witnessed nationalization of industries, takeover of sick units from the private sector, and entry of the public sector into new fields like manufacturing consumer goods, consultancy, contracting and transportation etc.

**Hence Statement 3 is incorrect**

**Q.57) Consider the following statements with reference to the Public Sector Undertakings (PSUs)?**

1. The government-owned corporations are termed as Public Sector Undertakings (PSUs) in India.
2. In a PSU, majority (51% or more) of the paid up share capital should be held only by Central Government.
3. In respect of government companies, CAG has the power to appoint the Auditor and to direct the manner in which the Auditor shall audit the company's accounts.

**Which of the above statements is/are correct?**

- a) 1 and 2 only

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

### **Q.57) Solution (c)**

The government-owned corporations are termed as Public Sector Undertakings (PSUs) in India.

**Hence Statement 1 is correct**

In a PSU majority (51% or more) of the paid up share capital is held by central government or by any state government or partly by the central governments and partly by one or more state governments.

**Hence Statement 2 is incorrect**

In respect of government companies, CAG has the power to appoint the Auditor and to direct the manner in which the Auditor shall audit the company's accounts.

**Hence Statement 3 is correct**

### **Q.58) Which of the following are Maharatnas?**

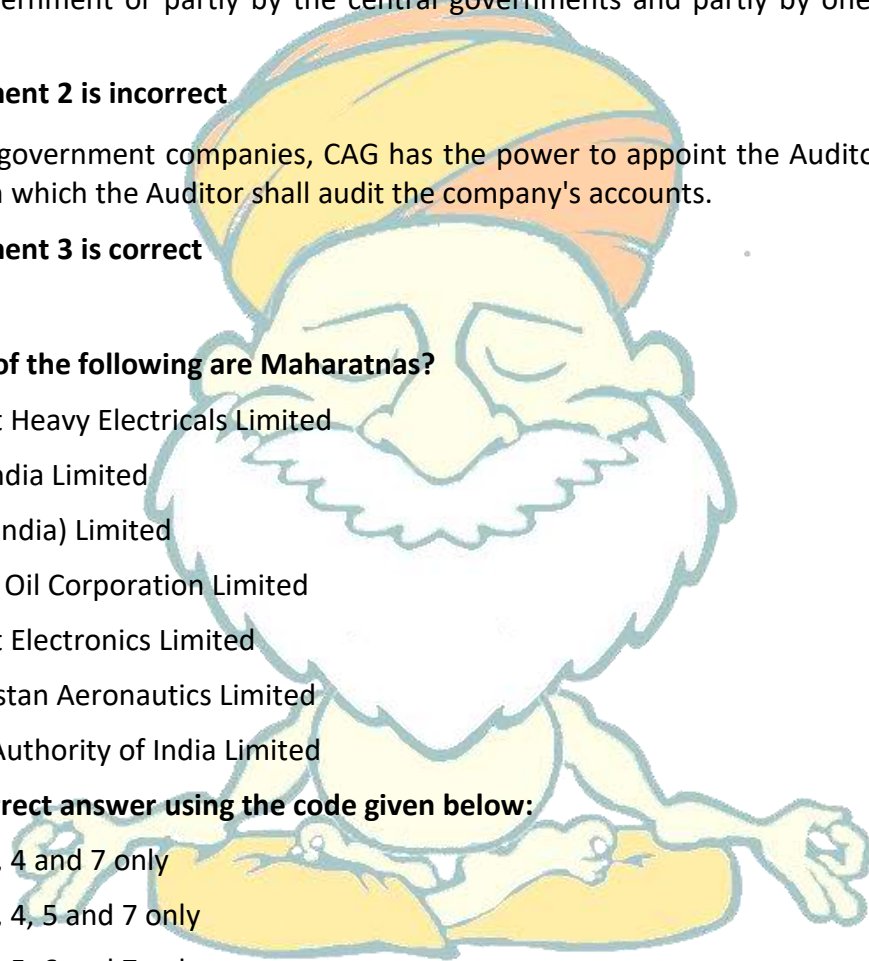
1. Bharat Heavy Electricals Limited
2. Coal India Limited
3. GAIL (India) Limited
4. Indian Oil Corporation Limited
5. Bharat Electronics Limited
6. Hindustan Aeronautics Limited
7. Steel Authority of India Limited

**Select the correct answer using the code given below:**

- a) 1, 2, 3, 4 and 7 only
- b) 1, 2, 3, 4, 5 and 7 only
- c) 1, 3, 4, 5, 6 and 7 only
- d) All of the above

### **Q.58) Solution (a)**

Bharat Electronics Limited, Hindustan Aeronautics Limited are Navratna CPSEs.



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**Q.59) Consider the following statements about the Criteria for grant of Maharatna status to PSUs:**

1. It should be listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations.
2. It should have an average annual turnover of more than Rs. 25,000 crore, during the last 3 years.
3. It should have significant global presence/international operations.

**Which of the above statements are correct?**

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

**Q.59) Solution (d)**

The CPSEs fulfilling the following criteria are eligible to be considered for grant of Maharatna status.

1. Having Navratna status.
2. Listed on Indian stock exchange with minimum prescribed public shareholding under SEBI regulations.
3. Average annual turnover of more than Rs. 25,000 crore, during the last 3 years.
4. Average annual net worth of more than Rs. 15,000 crore, during the last 3 years.
5. Average annual net profit after tax of more than Rs. 5,000 crore, during the last 3 years.
6. Should have significant global presence/international operations.

**Q.60) Consider the following statements about National Financial Reporting Authority:**

1. It can monitor but cannot enforce the compliance with accounting standards and auditing standards in such manner as may be prescribed.
2. It can make recommendations to the Central Government on the formulation and laying down of accounting and auditing policies and standards for adoption by companies.

**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.60) Solution (b)**

National Financial Reporting Authority shall monitor and enforce the compliance with accounting standards and auditing standards in such manner as may be prescribed.

**Hence Statement 1 is incorrect**

National Financial Reporting Authority shall make recommendations to the Central Government on the formulation and laying down of accounting and auditing policies and standards for adoption by companies or class of companies or their auditors.

**Hence Statement 2 is correct**

