

Q.1) Recently 15th Finance Commission submitted its interim report for 2020-2021, consider the following statements:

1. It has recommended maintaining the vertical devolution at 41%.
2. For horizontal devolution, it has suggested 2.5% weightage to forest and ecology.
3. In vertical devolution, it has allocated 1% allocation for all UTs.

Which of the following statements is/are correct?

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

Q.1) Solution (a)

Vertical Devolution:

- Recommended maintaining the vertical devolution at **41%** - the same as in its interim report for 2020-21.
- Allocated **1%** to the changed status of the erstwhile State of Jammu and Kashmir into the new Union Territories of Ladakh and Jammu and Kashmir.

Horizontal Devolution

- For horizontal devolution, it has suggested **12.5% weightage** to demographic performance, **45%** to income, 15% each to population and area, **10% to forest and ecology** and 2.5% to tax and fiscal efforts.

Q.2) Which among the following is correct with respect to central theme of Union Budget 2020-21 of India?

- a) Ease of living for all citizens
- b) Gaon, Garib and Kisan
- c) Faster, More Inclusive and Sustainable Growth
- d) Towards faster and more inclusive growth

Q.2) Solution (a)

The Union Budget 2020-21 in the Parliament is based on the central theme of the Budget- "**Ease**

of living for all citizens” was based on three prominent themes: Aspirational India, Economic Development for all, Caring Society.

Q.3) Which of the component is NOT the part of Capital Budget?

- a) The money earned by selling assets (or disinvestment)
- b) The money received in the form of borrowings or repayment of loans by states
- c) The money earned by the government through tax
- d) The long-term investments by the government on creating assets

Q.3) Solution (c)

Capital Budget: consist of two parts Capital Receipts and Capital Expenditure.

- Capital Receipts indicate the receipts which lead to a decrease in assets or an increase in liabilities of the government. It consists of: (i) the money earned by selling assets (or disinvestment) such as shares of public enterprises, and (ii) the money received in the form of borrowings or repayment of loans by states.
- Capital expenditure is used to create assets or to reduce liabilities. It consists of: (i) the long-term investments by the government on creating assets such as roads and hospitals, and (ii) the money given by the government in the form of loans to states or repayment of its borrowings.

Statement (c) is part of **revenue budget** – money earned by the government through tax.

Q.4) Consider the following statements with reference to the Railways' share in overall budget and identify the correct statement:

- a) It has steadily increased since FY18 and in FY22 it saw a marginal increase.
- b) It has steadily increased since FY18 and in FY22 it suffered a marginal decline.
- c) It has steadily decreased since FY18 and in FY22 it saw a marginal increase.
- d) It has steadily decreased since FY18 and in FY22 it suffered a marginal decline.

Q.4) Solution (b)

The Railways' share in overall budget has steadily increased since FY18. However, in FY22 it suffered a marginal decline, accounting for nearly 3.16% of the overall Budget.

THE HINDU

OUTSIDE SUPPORT

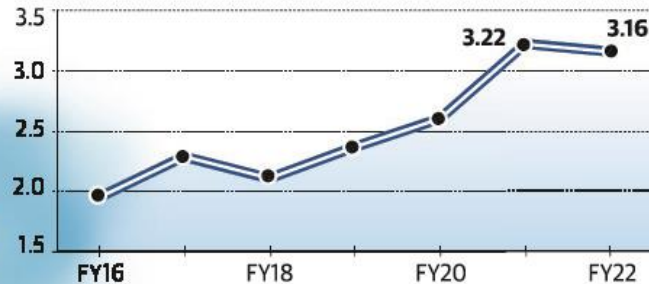
The internal revenue generated by the Railways has consistently fallen in the recent years, increasing its dependence on extra-budgetary resources

₹96.15

the amount the Railways is estimated to spend to earn ₹100 in FY22

HOLDING STEADY

The Railways' share in overall budget has steadily increased since FY18. However, in FY22 it suffered a marginal decline, accounting for nearly 3.16% of the overall Budget

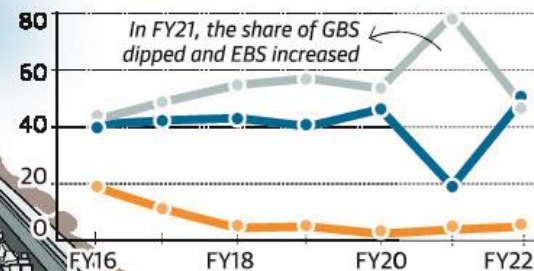


300 km new lines to be constructed in FY22

DELAYED

SEEKING ASSISTANCE | Having consistently failed to meet the expected internal revenue, the Railways' reliance on extra-budgetary resources (EBS) such as LIC funds and market borrowings significantly increased in the last five years. The outlay from Gross Budgetary Support (GBS) is estimated to increase in FY22 to match that of EBS

■ GBS ■ Internal resources ■ EBS



The graph shows the % of the Railways' capital expenditure by source

SOURCE: BUDGET DOCUMENTS

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Q.5) In order to improve agricultural infrastructure in the country, Finance Minister recently announced an Agriculture Infrastructure and Development Cess (AIDC) on which of the following items?

1. Petrol

2. Diesel
3. Apples
4. Alcohol

Choose correct answer:

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

Q.5) Solution (d)

Union Finance Minister proposed the imposition of Agriculture Infrastructure and Development Cess (AIDC) during her Union Budget 2021 Presentation in the Parliament on February 1, 2021.

The Finance Minister announced Agriculture Infrastructure & Development Cess of Rs 2.5 per litre on petrol and Rs 4 per litre on diesel. The cess is not uniform and will vary from product to product.

The AIDC cess will be levied on other items including alcoholic beverages, Gold & silver Dore bars, Crude palm oil, crude soyabean oil, peas, kabuli chana, apples and Bengal gram etc.

All these items are mostly those that would not have a major impact on a huge part of the population.

Q.6) With reference to Pigovian tax, consider the following statements:

1. A Pigovian tax is intended to tax the producer of goods or services that create adverse side effects for society.
2. A carbon emissions tax is example of Pigovian taxes.

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.6) Solution (c)

A Pigovian tax is intended to tax the producer of goods or services that create adverse side effects for society.

The purpose of the Pigovian tax is to redistribute the cost back to the producer or user of the negative externality. A **carbon emissions** tax or a tax on **plastic bags** are examples of Pigovian taxes.

Q.7) Consider the following statements with reference to Corporate Tax in India:

1. Corporate tax is an expense of a business levied by the government.
2. Recently in India the corporate tax rate reduced from 30% to 22% for all companies.
3. It is a direct tax.

Which of the following statement is/are correct?

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

Q.7) Solution (d)

Corporate tax is an expense of a business levied by the government. It is a **direct tax**.

Recently, the government has reduced the corporate tax rate from **30% to 22%** for existing companies, and from **25% to 15%** for new manufacturing companies for the Financial Year 2020-21.

Q.8) Consider the following statements about Property Tax and identify the correct statement:

- a) Property tax is assessed by central government and collected by state government.
- b) The tax amount is fixed in the state and does not depend on the area of the property.
- c) Property tax comprises taxes like lighting tax, water tax, and drainage tax.
- d) Even the vacant plots of land without an adjoining construction are liable to be taxed.

Q.8) Solution (c)

Property tax in India

Property tax is the annual amount paid by a land owner to the local government or the municipal corporation of his area. The property includes all tangible real estate property, his house, office building and the property he has rented to others.

In India, the municipal corporation of a particular area assesses and imposes the property tax annually or semi-annually. The tax amount is based on the area, construction, property size, building etc. so tax amount can differ within states or within municipal corporations too.

The collected amount is mainly used for public services like repairing roads, construction schools; buildings, sanitation.

Central government properties and vacant property are generally exempt. Property tax comprises taxes like lighting tax, water tax and drainage tax.

Usually, vacant plots of land without an adjoining construction are not liable to be taxed.

Q.9) Recently the term 'Escape clause' of Fiscal Responsibility and Budget Management (FRBM) Act in was in news. Consider the following statements with regard to it:

1. Escape clause refers to the situation under which the central government can flexibly follow fiscal deficit target during special circumstances
2. The clause allows the government to relax the fiscal deficit target for up to 100 basis points

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.9) Solution (a)

Escape clause refers to the situation under which the central government can **flexibly** follow fiscal deficit target during special circumstances. This terminology was innovated by the N.K.Singh Committee on FRBM Act. The clause allows the government to relax the fiscal deficit target for up to **50 basis points**.

Q.10) With reference to Financial Stability and Development Council, consider the following

statements:

1. It is a non-statutory apex council under the Ministry of Finance
2. It aim to enhancing inter-regulatory coordination in India
3. It is chaired by Governor of Reserve Bank of India

Which of the following statements is/are incorrect?

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

Q.10) Solution (b)

The Financial Stability and Development Council (FSDC) is a non-statutory apex council under the Ministry of Finance constituted by the Executive Order in 2010.

It is **chaired by the Finance Minister not RBI governor.**

The objective of FSDC is to strengthen and institutionalize the mechanism for maintaining financial stability, enhancing inter-regulatory coordination and promoting financial sector development.

Q.11) Which of the following can be the key adverse effects on the economy due to persistent trade deficit?

1. It forces a country to constantly look to foreign investors to make up the gap between its export earnings and its import payouts.
2. It leads to a steadily weakening home currency.
3. It weakens domestic industries and decreases job opportunities.

Choose correct answer:

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

Q.11) Solution (d)

Basic information:

A trade deficit is an economic condition that occurs when a country is importing more goods than it is exporting.

The trade deficit is calculated by taking the value of goods being imported and subtracting it by the value of goods being exported.

Explanation:

Running a persistent trade deficit can have **adverse effects** on the economy -

1. The country's demand for dollars (foreign exchange) is usually greater than the supply. This leads to a steadily weakening home currency.
2. A high trade deficit also forces a country to constantly look to foreign investors to make up the gap between its export earnings and its import payouts.
3. In a slow-growing world, a rising trade deficit could be an indication that domestically produced goods are unable to compete against imports. If local factories shut down, that leads to job losses.

Q.12) In the context of economic recession, which of the following actions can be considered a part of the "fiscal stimulus" package?

1. Lowering interest rates
2. Cutting tax rates
3. Increasing Govt. spending
4. Abolishing the subsidies

Select the correct answer using the codes given below

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

Q.12) Solution (b)

Economic stimulus consists of attempts by governments or government agencies to financially stimulate an economy. An economic stimulus is the use of monetary or fiscal policy changes to kick start growth during a recession. Governments can accomplish this by using tactics such as

lowering interest rates, increasing government spending and quantitative easing, to name a few.

Do you know?

Over the course of a normal business cycle, governments may try to influence the pace and composition of economic growth using various tools at their disposal. Central government may utilize fiscal and monetary policy tools to stimulate growth. Similarly, state and local governments can also engage in stimulus spending by initiating projects or enacting policies that encourage private sector investment.

Q.13) Which of the following statements is/are correct regarding fiscal deficit?

1. It leads to crowding-out of private investment.
2. It leads to inflation in economy.
3. It leads to increase in primary deficit.

Select the correct answer using the code given below:

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

Q.13) Solution (d)

Fiscal deficit means Government need to borrow from the market which leads to crowding-out of funding for private players.

Fiscal deficit is inflationary and not deflationary as it leads to borrowing of money without any asset created for that.

Fiscal deficit adds to borrowings of the government and hence leads to increase in interest liabilities and thus adds to primary deficit.

Q.14) Consider the following statements about Equalization levy or Google tax:

1. It was introduced in India with the intention of taxing the digital transactions i.e. the income accruing to foreign e-commerce companies from India.
2. It is aimed at taxing (B2B) business to business transactions.

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.14) Solution (c)

About Equalization levy or Google tax:

- It was introduced in India with the intention of taxing the digital transactions i.e. the income accruing to foreign e-commerce companies from India.
- It is aimed at taxing (B2B) business to business transactions.
- It is levied at 6% on payments made to offshore platforms hosting online advertisements, it will be taxed only at 2% on e-commerce transactions.

Equalisation Levy 2.0: The Equalisation Levy introduced by the Finance Act 2016, was charged at 6% on certain online advertising and related services.

Q.15) Consider the following statements about taxes levied on imported goods

1. Countervailing duty is levied on goods that are sold below the prices in exporting country.
2. Anti-dumping duty is levied to counterbalance the subsidies provided by the government of exporting country.

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.15) Solution (d)

Countervailing duty is levied on the imported goods to counterbalance (Countervail) the subsidies provided by the exporting country's Government. Many of the governments provide subsidies either during production or during exports to create price advantage for their products, this can be harmful to the products of the importing country, so Countervailing duties

are levied to equalize the advantage.

Anti-dumping Duties are levied on the goods that are either sold either, below the cost of production or below the prices in the home country. This is considered predatory as it tries to drive-out the products of importing country and create a monopoly. To prevent this from happening, anti-dumping duty is levied.

Q.16) Which of the following can be possible effect when the RBI slashes policy interest rates aggressively?

- a) It may bring changes in liquidity in the market
- b) Central Bank is following a tight money policy
- c) Less liquidity in the market
- d) Market will be flooded with an unprecedented amount of liquidity

Q.16) Solution (d)

Reduction in any type of rate (CRR, SLR, Bank Rate etc.) by the RBI will lead to the increase in liquidity in the market. Here change in the liquidity is not a correct option because change can be negative/ positive both. So option (d) is more appropriate.

Q.17) Which of the following are treated as Revenue expenditure of the Centre?

- 1. Making interest payments on debt
- 2. Subsidies
- 3. Grants in aid
- 4. All grants given to the State Governments/UTs

Choose correct answer:

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

Q.17) Solution (d)

Revenue expenditure includes expenses incurred in the normal running of Government departments and for rendering of various services, making interest payments on debt, subsidies, grants in aid, etc. All grants given to the State Governments/UTs and others are also treated as revenue expenditure.

Q.18) Which of the following statements best denote the term “primary deficit”?

- a) It is obtained by knowing the difference between revenue receipts and revenue expenditure.
- b) It is calculated by excluding the grants given by the Centre to States and Union Territories for creation of capital assets.
- c) It is obtained by deducting the interest payments on previous borrowings from the fiscal deficit.
- d) It denotes the extent to which the Centre will have to borrow in the fiscal year to meet the revenue shortfall.

Q.18) Solution (c)

The Budget mentions four types of deficits. The fiscal deficit, revenue deficit, effective revenue deficit and primary deficit.

Fiscal deficit – It is the difference between total receipts (excluding borrowing) and total expenditure. This number captures the essence of the Centre’s finances; the extent to which the required expenses are being met by the available income.

The fiscal deficit also denotes the extent to which the Centre will have to borrow in the fiscal year to meet the revenue shortfall.

Revenue deficit – It is the difference between revenue receipts and revenue expenditure and shows if the government is being run within the means available.

Effective revenue deficit – It is calculated by excluding the grants given by the Centre to States and Union Territories for creation of capital assets.

Primary deficit – It is obtained by deducting the interest payments on previous borrowings from the fiscal deficit.

Q.19) Recent Budget has finally proposed the setting up of a bad bank. Which of the following statements best denote the term “bad bank”?

- a) It is a bank that buys the bad loans of other lenders and financial institutions to help clear their balance sheets.
- b) They are banks with poor balance sheet and the Centre has finally laid down a roadmap for privatisation of such banks.
- c) It is a term for the collection of non-bank financial intermediaries that provide services similar to traditional commercial banks but outside normal banking regulations.
- d) It is a bank that is blacklisted by the Public Sector Asset Rehabilitation Agency (PARA) due to its rising bad loans or NPAs.

Q.19) Solution (a)

A 'bad bank' simply put is a bank that purchases the bad loans of other lenders and financial institutions at market price. Next, the bad bank resolves these bad assets over a period of time. The banks in the process though would be forced to go for write-downs and will be free from the fetters of NPA and can draw a fresh approach toward fresh lending.

Q.20) Which of the following are considered as the strategic sectors under the recently unveiled Strategic Disinvestment Policy?

- 1. Transport and Telecommunications
- 2. Atomic energy, Space and Defence
- 3. Banking, Insurance and financial services
- 4. Petroleum, Coal and other minerals

Choose correct option:

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

Q.20) Solution (d)

Finance Minister recently unveiled the Disinvestment/Strategic Disinvestment Policy and said four sectors — Atomic energy, Space and Defence; Transport and Telecommunications; Power, Petroleum, Coal and other minerals; and Banking, Insurance and financial services — would be strategic sectors.

In strategic sectors, there will be bare minimum presence of the public sector enterprises.

The remaining CPSEs in the strategic sectors will be privatised or merged or subsidiarised with other CPSEs or closed. In non-strategic sectors, CPSEs will be privatised, otherwise shall be closed.

Q.21) The G-7 is a bloc of industrialized democracies. Which of the following countries are members of G-7?

1. United States
2. Germany
3. Russia
4. Italy
5. Japan

Select the correct answer using the code given below:

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

Q.21) Solution (b)

- **G-7 is a bloc of industrialized democracies i.e. France, Germany, Italy, the United Kingdom, Japan, the United States, and Canada.**
- Russia belonged to the forum from 1998 through 2014, when the bloc was known as the Group of Eight (G8), but was suspended following its annexation of Crimea.
- It is an intergovernmental organisation that was formed in 1975. The bloc meets annually to discuss issues of common interest like global economic governance, international security and energy policy.
- The United Kingdom has invited India, Australia and South Korea as a guest to attend the 47th G7 summit that is scheduled to be held in June 2021.

Q.22) Which of the following are the most likely places to find the Caracal, a medium-sized wild cat in its natural habitat?

1. Sariska Tiger Reserve

2. Simlipal Tiger Reserve
3. Ranthambhore Tiger Reserve
4. Buxa Tiger Reserve

Select the correct answer using the code given below:

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

Q.22) Solution (c)

- The **caracal** is a medium-sized wild cat native to Africa, the Middle East, Central Asia, and India.
- It is typically nocturnal and lives mainly alone or in pairs.
- The caracal is a carnivore and is highly secretive and difficult to observe
- IUCN Red List: Least Concern since 2002.
- CITES status: (1) African caracal populations - Appendix II; (2) Asian populations - Appendix I.
- The caracal could be earlier found in arid and semi-arid scrub forest and ravines in Rajasthan, Delhi, Haryana, Punjab, Gujarat, Madhya Pradesh, Uttar Pradesh, Maharashtra, Andhra Pradesh, Telangana, Odisha, Jharkhand, and Chhattisgarh. Today, its presence is restricted to Rajasthan, Kutch, and parts of MP.
- In **Sariska Tiger Reserve and Ranthambhore Tiger Reserve** of Rajasthan one can find caracal.

Q.23) Consider the following statements:

1. The cost of issuing green bonds in India has generally remained lower than other bonds.
2. Green bonds constituted about 10 percent of all the bonds issued in India since 2018.
3. Most of the green bonds in India are issued by the public sector units or corporates with better financial health.

Which of the statements given above is/are correct as per recent Reserve Bank of India (RBI) study?

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

Q.23) Solution (c)

Statement 1	Statement 2	Statement 3
Incorrect	Incorrect	Correct
As per a recent study by the Reserve Bank of India (RBI), the cost of issuing green bonds has generally remained higher than other bonds in India, largely due to asymmetric information.	Green bonds constituted only 0.7% of all the bonds issued in India since 2018.	Most of the green bonds in India are issued by the public sector units or corporates with better financial health.

Q.24) Risa is a customary handwoven cloth worn by tribal women of which of the following State?

- a) Assam
- b) Tripura
- c) Manipur
- d) Mizoram

Q.24) Solution (b)

- Tripura State Government is now eyeing to promote Risa as the signature textile of Tripura nationally.
- **Risa is a customary handwoven cloth used by Tripura's indigenous tribal communities.**
- It is used as a head gear, stole, female upper cloth or presented to honour a distinguished recipient.
- Risa is one of the three parts of customary Tripuri female attire, the other two being the Rignai and Rikutu.

Q.25) Consider the following statements:

1. National Atomic Timescale is the authorized body to realize and maintain the Indian Standard Time.
2. The National Environmental Standards Laboratory measures the performance of various air ambient and emission pollution monitoring equipment.

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 (b)

Statement 1	Statement 2
Incorrect	Correct
CSIR - National Physical Laboratory (NPL) is the National Measurement Institute of India and authorized (by an act of Parliament) to realize and maintain the Indian Standard Time (IST). The National Atomic Timescale generates Indian Standard Time with an accuracy of 2.8 nanoseconds.	In order to develop requisite testing and calibration facility for air pollution monitoring equipment, CSIR-NPL is establishing a state of art ' National Environmental Standard Laboratory ' for measuring the performance of various air ambient & emission pollution monitoring equipment like Online Continuous Emission Monitoring Equipment (OCEMS), Continuous Ambient Air Quality Monitoring System (CAAQMS) etc. with the financial assistance provided by the MoEF&CC.

Q.26) Who among the following acts as Chairperson of the National Startup Advisory Council?

- a) Prime Minister of India
- b) Union Minister for Commerce & Industry
- c) CEO of NITI Aayog
- d) None of the above

Q.26) Solution (b)

The Government has set up a **National Startup Advisory Council** to advise the Centre on measures needed to build a strong ecosystem for nurturing innovation and start-ups in the country.

Composition of the National Startup Advisory Council:

- **Chairman: Minister for Commerce & Industry.**
- Convener of the Council: Joint Secretary, Department for Promotion of Industry and Internal Trade.
- Ex-officio Members: Nominees of the concerned Ministries/Departments/ Organisations not below the rank of Joint Secretary.
- Non-official members, to be nominated by the Central Government, from various categories like founders of successful startups, veterans who have grown and scaled companies in India, persons capable of representing the interests of investors into startups, etc. The term of the non-official members will be for a period of two years.

Q.27) With reference to International Energy Agency (IEA), consider the following statements:

1. It is a specialized agency of the United Nations (UN).
2. It was established in the wake of the 1973 oil crisis.
3. India is not a member of IEA.

Which of the statements given above is/are correct?

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

Q.27) Solution (c)

Statement 1	Statement 2	Statement 3
Incorrect	Correct	Correct

<p>The International Energy Agency (IEA) is a Paris-based autonomous intergovernmental organisation. IEA is not a specialized agency of UN. IEA mainly focuses on its energy policies which include economic development, energy security and environmental protection.</p>	<p>It was established in the framework of the Organisation for Economic Co-operation and Development (OECD) in 1974 in the wake of the 1973 oil crisis.</p>	<p>The IEA is made up of 30 member countries. Also, the IEA family includes eight association countries which include Brazil, China, and India. India became an Associate member of IEA in March 2017 and recently, India has inked a Strategic Partnership Agreement with the IEA.</p>
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Q.28) The Ratle Hydro Electric Project is located on which of the following rivers?

- a) Jhelum
- b) Chenab
- c) Ravi
- d) Rapti

Q.28) Solution (b)

- The Union Cabinet has given its approval for the investment of Rs.5281.94 crore for 850 MW **Ratle Hydro Electric (HE) Project.**
- It will be **located on river Chenab**, in Kishtwar district of Union Territory of Jammu and Kashmir.
- It will be implemented by a new Joint Venture Company (JVC) to be incorporated between National Hydroelectric Power Corporation (NHPC) and Jammu & Kashmir State Power Development Corporation Ltd (JKSPDC) with equity contribution of 51% and 49% respectively.

Q.29) The Longitudinal Ageing Study of India (LASI) Wave-1, India Report was recently released by which of the following Ministry?

- a) Ministry of Home Affairs
- b) Ministry of Social Justice and Empowerment
- c) Ministry of Health and Family Welfare

d) Ministry of Statistics and Programme Implementation

Q.29) Solution (c)

- **Longitudinal Ageing Study of India (LASI) Wave-1, India Report was recently released by Ministry of Health and Family Welfare.**
- LASI will provide an evidence base for national and state level programmes and policies for elderly population.
- A unique feature of LASI is the coverage of comprehensive biomarkers. No other survey in India collects detailed data on health and biomarkers together with information on family and social network, income, assets, and consumption.
- LASI is a full-scale national survey of scientific investigation of the health, economic, and social determinants and consequences of population ageing in India.
- The LASI, Wave 1 covered a baseline sample of 72,250 individuals aged 45 and above and their spouses including 31,464 elderly persons aged 60 and above and 6,749 oldest-old persons aged 75 and above from all States and Union Territories (UTs) of India (excluding Sikkim).
- It is India's first and the world's largest ever survey that provides a longitudinal database for designing policies and programmes for the older population.
- The evidence from LASI will be used to further strengthen and broaden the scope of National Programme for Health Care of the Elderly.

Q.30) Recently, the Ministry of Environment has released the Report on Management Effectiveness Evaluation (MEE) for Protected Areas. In this context consider the following statements:

1. MEE is assessment of how well National Park and Wildlife Sanctuaries are being managed.
2. The assessment process was adopted from UNEP framework of MEE.
3. The present MEE exercise evaluated 903 Protected Areas of India.

Which of the statements given above is/are correct?

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

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

Q.30) Solution (a)

Statement 1	Statement 2	Statement 3
Correct	Incorrect	Incorrect
MEE is assessment of how well National Park and Wildlife Sanctuaries (NP&WLS) are being managed—primarily, whether they are protecting their values and achieving the goals and objectives agreed upon.	Assessment process of India's MEE for Protected Areas was adopted from IUCN World Commission on Protected Areas (WCPA) framework of MEE.	India has a network of 903 Protected Areas. The present MEE exercise included 146 National Parks and Wildlife Sanctuaries in five regions viz Northern, Southern, Eastern, Western and North-eastern, covering 29 states and Union Territories of India.

Read the following two passages and answer the items that follow. Your answer to these items should be based on the passages only.

Passage 1

Aggression is any behavior that is directed toward injuring, harming, or inflicting pain on another living being or group of beings. Generally, the victims of aggression must wish to avoid such behavior in order for it to be considered true aggression. Aggression is also categorized according to its ultimate intent. Hostile aggression is an aggressive act that results from anger, and is intended to inflict pain or injury because of that anger. Instrumental aggression is an aggressive act that is regarded as a means to an end other than pain or injury. For example, an enemy combatant may be subjected to torture in order to extract useful intelligence, though those inflicting the torture may have no real feelings of anger or animosity toward their subject. The concept of aggression is very broad, and includes many categories of behavior (e.g., verbal aggression, street crime, child abuse, spouse abuse, group conflict, war, etc.). A number of theories and models of aggression have arisen to explain these diverse forms of behavior, and these theories/models tend to be categorized according to their specific focus. The most common system of categorization groups the various approaches to aggression into three separate areas, based upon the three key variables that are present whenever any aggressive act or set of acts is committed. The first variable is the aggressor him/herself. The second is the social situation or circumstance in which the aggressive acts occur. The third variable is the

target or victim of aggression.

Regarding theories and research on the aggressor, the fundamental focus is on the factors that lead an individual (or group) to commit aggressive acts. At the most basic level, some argue that aggressive urges and actions are the result of inborn, biological factors. Sigmund Freud (1930) proposed that all individuals are born with a death instinct that predisposes us to a variety of aggressive behaviours, including suicide (self-directed aggression) and mental illness (possibly due to an unhealthy or unnatural suppression of aggressive urges). Other influential perspectives supporting a biological basis for aggression conclude that humans evolved with an abnormally low neural inhibition of aggressive impulses (in comparison to other species), and that humans possess a powerful instinct for property accumulation and territorialism. It is proposed that this instinct accounts for hostile behaviours ranging from minor street crime to world wars. Hormonal factors also appear to play a significant role in fostering aggressive tendencies. For example, the hormone testosterone has been shown to increase aggressive behaviours when injected into animals. Men and women convicted of violent crimes also possess significantly higher levels of testosterone than men and women convicted of non-violent crimes. Numerous studies comparing different age groups, racial/ethnic groups, and cultures also indicate that men, overall, are more likely to engage in a variety of aggressive behaviours (e.g., sexual assault, aggravated assault, etc.) than women. One explanation for higher levels of aggression in men is based on the assumption that, on average, men have higher levels of testosterone than women.

Q.31) “An enemy combatant may be subjected to torture in order to extract useful intelligence, though those inflicting the torture may have no real feelings of anger or animosity toward their subject.” Which one of the following best explicates the larger point being made by the author here?

- a) In certain kinds of aggression, inflicting pain is not the objective, and is no more than a utilitarian means to achieve another end.
- b) When an enemy combatant refuses to reveal information, the use of torture can sometimes involve real feelings of hostility.
- c) Information revealed by subjecting an enemy combatant to torture is not always reliable because of the animosity involved.
- d) The use of torture to extract information is most effective when the torturer is not emotionally involved in the torture.

Q.31) Solution (a)

As the line indicates, torturing an enemy combatant for intelligence may be just a means to an end.

Q.32) All of the following statements can be seen as logically implied by the arguments of the passage except

- a) Freud's theory of aggression proposes that aggression results from the suppression of aggressive urges.
- b) The Freudian theory of suicide as self-inflicted aggression implies that an aggressive act need not be sought to be avoided in order for it to be considered aggression.
- c) A common theory of aggression is that it is the result of an abnormally low neural regulation of testosterone.
- d) If the alleged aggressive act is not sought to be avoided, it cannot really be considered aggression.

Q.32) Solution (c)

The passage states that an abnormally low neural regulation of aggressive impulses (not testosterone) in humans accounts for hostile behaviours.

Other statements are implied from the line "Sigmund Freud (1930) proposed that all individuals are born with a death instinct that predisposes us to a variety of aggressive behaviours, including suicide (self-directed aggression)..."

Passage 2

174 incidents of piracy were reported to the International Maritime Bureau last year, with Somali pirates responsible for only three. The rest ranged from the discreet theft of coils of rope in the Yellow Sea to the notoriously ferocious Nigerian gunmen attacking and hijacking oil tankers in the Gulf of Guinea, as well as armed robbery off Singapore and the Venezuelan coast and kidnapping in the Sundarbans in the Bay of Bengal. For [Dr. Peter] Lehr, an expert on modern-day piracy, the phenomenon's history should be a source of instruction rather than entertainment, piracy past offering lessons for piracy present.

But, where does piracy begin or end? According to St Augustine, a corsair captain once told Alexander the Great that in the forceful acquisition of power and wealth at sea, the difference between an emperor and a pirate was simply one of scale. By this logic, European empire-builders were the most successful pirates of all time. A more eclectic history might have included the conquistadors, Vasco da Gama and the East India Company. But Lehr sticks to the disorganised small fry, making comparisons with the renegades of today possible. The main motive for piracy has always been a combination of need and greed. Why toil away as a starving peasant in the 16th century when a successful pirate made up to £4,000 on each raid? Anyone could turn to freebooting if the rewards were worth the risk.

Increased globalisation has done more to encourage piracy than suppress it. European colonialism weakened delicate balances of power, leading to an influx of opportunists on the high seas. A rise in global shipping has meant rich pickings for freebooters. Lehr writes: "It quickly becomes clear that in those parts of the world that have not profited from globalisation and modernisation, and where abject poverty and the daily struggle for survival are still a reality, the root causes of piracy are still the same as they were a couple of hundred years ago."

Q.33) "A more eclectic history might have included the conquistadors, Vasco da Gama and the East India Company. But Lehr sticks to the disorganised small fry." From this statement we can infer that the author believes that:

- a) Colonialism should be considered an organised form of piracy.
- b) The disorganised piracy of today is no match for the organised piracy of the past.
- c) Lehr does not assign adequate blame to empire builders for their past deeds.
- d) Vasco da Gama and the East India Company laid the ground for modern piracy.

Q.33) Solution (a)

Note the context in which the given statement is made. In paragraph 2, the author asks where piracy begins or ends and says "European empire-builders were the most successful pirates of all time". So, the author believes Colonialism should be considered an organised form of piracy.

Hence, option 'a' is correct.

Q.34) "Why toil away as a starving peasant in the 16th century when a successful pirate made up to £4,000 on each raid?" In this sentence, the author's tone can best be described as being:

- a) Facetious, about the hardships of peasant life in medieval England.
- b) Ironic, about the reasons why so many took to piracy in medieval times.
- c) Analytical, to explain the contrasts between peasant and pirate life in medieval England.
- d) Indignant, at the scale of wealth successful pirates could amass in medieval times.

Q.34) Solution (b)

Clearly, the author's tone here is sardonic/ironic; highlighting how much more rewarding it was to engage in piracy than toiling away as a peasant in medieval times.

Q.35) In a certain code language,

'3a, 2b, 7c' means 'Truth is Eternal';

'7c, 9a, 8b, 3a' means 'Enmity is not Eternal'

'9a, 4d, 2b, 8b' means 'Truth does not perish'.

Which of the following means 'enmity' in that language?

- a) 3a
- b) 7c
- c) 8b
- d) 9a

Q.35) Solution (c)

In the second and third statements, the common code is '9a' and the common word is 'not'.

So, '9a' means 'not'.

In the first and second statements, the common codes are '7c' and '3a' and the common words are 'is' and 'Eternal'.

So, in the second statement, '8b' means 'enmity'.

