

Q.1) Consider the statements with respect to Legal Tender Money:

1. The money which is tendered in court of law to defray the fee of legal cases.
2. Any form of payment recognized by a government that is used to pay debts or financial obligations.
3. A person who refuses to accept this money may face legal action.

Which of the statements given above is/are correct?

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

Q.1) Solution (c)

Explanation:

- The term legal tender does not represent the money itself, rather it is a kind of status which can be bestowed on certain types of money. Legal tender can only be issued by the authorized body. (In India it is RBI) So it is not tendered in courts of law. **(Hence statement 1 is incorrect)**
- Any form of payment recognized by a government that is used to pay debts or financial obligations, such as tax payments, is considered legal tender. **(Hence statement 2 is correct)**
- While all denominations of circulating paper money are usually legal tender, the denomination and amount of coins acceptable as legal tender vary by country.
- **Limited Legal Tender Money**
 - This is a type of money that can be used to pay off a debt up to a certain amount, after which a person can refuse to accept the payment and no legal action can be taken against them.
 - In India, coins are only legal tender in limited quantities.
- **Unlimited Legal Tender Money**
 - In this form of money, it is possible to pay off any amount of debt.
 - A person who refuses to accept this money may face legal action. **(Hence statement 3 is correct)**
 - In India, paper notes/currency are unlimited legal tender.

Q.2) Consider the following statements:

1. The money which have High intrinsic value is known as Fiat money.
2. High powered money includes Currency of both Notes and Coins.

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)

Explanation:

- Fiat money is a currency that has government backing and is declared by it to be legal tender. It is not backed by a physical commodity and thus **doesn't have any intrinsic value. (Hence statement 1 is incorrect)**
- High-powered money is the total liability of the monetary authority of the country. This is also called the monetary base and is created by the RBI. High-powered money **includes currency (notes and coins)**, deposits of the government, and reserves of commercial banks with RBI. **(Hence statement 2 is correct)**
- So, to sum up, high-powered money is $H = C + R$ Where
 - H – High-powered money
 - C – Currency
 - R – Cash Reserves of commercial banks

Q.3) Consider the following statements regarding Marginal Standing Facility (MSF):

1. Under MSF banks can borrow overnight funds from RBI.
2. The banks can avail up to 5% of their respective Net Demand and Time Liabilities (NDTL)
3. The banks can use the securities under the SLR quota as it is an emergency situation.
4. Generally the MSF rate is lower than the repo rate.

Which of the statements given above are correct?

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

Q.3) Solution (a)

Explanation:

- Marginal Standing Facility (MSF) refers to the rate at which banks can borrow overnight funds from the RBI. **(Hence statement 1 is correct)**
- This was introduced by the RBI in its credit policy of May 2011.
- The banks have to exchange the securities with the RBI to avail of the overnight credit through MSF.
- The maximum credit a bank can **avail through MSF is 3% of its total deposits (NDTL)**. **(Hence statement 2 is incorrect)**
- The banks can use the securities under the SLR quota without paying a penalty as it is an emergency situation. **(Hence statement 3 is correct)**
- This will shield the banks from the volatility of overnight inter-bank interest rates.
- Generally, the MSF is **higher than the repo rate**, and MSF in February 2023 it is 6.75% and Repo rate is 6.50% Usually there is 25 basepoints difference between MSF and Repo rate. **(Hence statement 4 is incorrect)**

Q.4) Consider the statements with respect to Monetary Policy Measures:

1. RBI uses contractionary monetary policy to control the money supply in the economy.
2. During the post Pandemic period, RBI used expansionary monetary policy to increase the money supply in the economy.
3. To reduce money supply in the economy, RBI reduces the rates like CRR, SLR, Repo Rate and Reverse Repo Rate.

Which of the statements given above is/are correct?

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

Q.4) Solution (d)

Explanation:

- There is a close link between the money supply and inflation, therefore, money supply can be controlled with the help of monetary policy.

- Using contractionary monetary policy, the money supply in the economy can be decreased. This leads to decrease in aggregate demand in the market and thereby reduces inflation. **(Hence statement 1 is correct)**
- Using expansionary monetary policy, the money supply in the economy can be increased. This leads to increase in aggregate demand in the market and thereby increases inflation.
- During the period May 2020 to March 2022, when the repo rate was kept at 4 per cent, the year-on-year growth in bank credit was an average of 6.4 per cent. By April 2022, this had grown to 10.1 per cent which means RBI following expansionary monetary policy. **(Hence statement 2 is correct)**
- Decrease in supply of money → rate of interest increases → Investment decreases → Aggregate demand decreases → prices decline → rate of inflation is lower
- Similar process follows when CRR, SLR, Repo Rates are increased and decreased.
- Rates like CRR, SLR, Repo Rate and Reverse Repo Rate are **increased** to impact the money supply in the economy by the RBI to control inflation. **(Hence statement 3 is incorrect)**

Q.5) Consider the following statements with respect to Open Market Operations (OMO):

1. It refers to the sale and purchase of government securities and treasury bills by RBI.
2. When the RBI wants to increase the money supply in the market, it will sell the securities in the market.
3. RBI deals with the public directly to carry out Open Market Operations.

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

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

Q.5) Solution (d)

Explanation:

- Open market operations refer to the selling and purchasing of the treasury bills and government securities by the central bank of any country in order to regulate money supply in the economy. **(Hence statement 1 is correct)**
- It is one of the most important ways of monetary control that is exercised by the central banks. Under this system, the central bank sells securities in the market when it wants to reduce the money supply in the market. It is done to increase interest rates. This policy is also known as the contractionary monetary policy.

- Similarly, when the central bank wants to increase the money supply in the market, **it will purchase securities from the market**. This step is taken to reduce the rate of interest and also to help in the economic growth of the country. This policy is known as the expansionary monetary policy. **(Hence statement 2 is incorrect)**
- Open market operations are carried out by the central bank in association with the commercial banks. For conducting such operations, there is **no involvement of the public**. **(Hence statement 3 is incorrect)**

Q.6) Consider the following statements about NPAs of banks in India:

1. It is an asset which ceases to generate income for the bank and becomes overdue for more than 90 days.
2. It places a financial burden on the lender.
3. Public Sector banks have lower NPAs in comparison Private Sector Banks.
4. Droughts are the major causes of rising NPAs in India.

Which of the statements given above are correct?

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

Q.6) Solution (a)

Explanation:

- NPA stands for Non-Performing Asset: It is an asset which ceases to generate income for the bank and becomes overdue for more than 90 days. **(Hence statement 1 is correct)**
- It places a financial burden on the lender. **(Hence statement 2 is correct)**
- It was also found that If NPAs are reduced then the Public sector banks could have a higher profitability. The magnitude of **NPA is comparatively higher in public sectors banks than private sector banks**. To improve the efficiency and profitability of banks the NPA need to be reduced and controlled. **(Hence statement 3 is incorrect)**
- Drought alone cannot because of rising NPAs The other causes of non-performing assets which can be attributed as internal causes are faulty and incomplete documentation, absence of regular follow ups, credit appraisal system is poor, lending process was defective, deficiencies of the managers. **(Hence statement 4 is incorrect)**

Q.7) Consider the following pairs:

1. **Bearer cheque** - Presented after 6 months of issue.
2. **Crossed cheque** - It cannot be en-cashed at cash counter, it can only be paid in the drawee's account.

Which of the above pairs are correctly matched?

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

Q.7) Solution (b)

Explanation:

- **A bearer cheque** is the one in which the payment is made to the person bearing or carrying the cheque. These cheques are transferable by delivery, that is, if you are carrying the cheque to the bank, you can be issued the payment. **(Hence pair 1 is not correctly matched).**
- **A crossed cheque** is any check that is crossed with two parallel lines, either across the whole check or through the top left-hand corner of the check. This double-line notation signifies that the check may only be deposited directly into a bank account. **(Hence pair 2 is correctly matched).**

Q.8) Consider the following statements with reference to the difference between NBFCs and Banks as per the RBI:

1. NBFCs are incorporated under the Companies Act, 1956, whereas Banks are incorporated under Banking Regulations Act, 1949.
2. Banks can accept demand deposits but NBFCs cannot accept demand deposits.
3. A NBFC can issue cheques payable to itself but a Bank cannot issue cheques payable to itself.

Which of the statements given above are correct?

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

Q.8) Solution (d)

Explanation:

Banks as per the RBI	NBFCs
Incorporated under Banking Regulations Act, 1949	Incorporated under the Companies Act, 1956
Is a government-authorized organization	Doesn't need a bank license to operate
Can issue Demand Draft	Can not issue Demand Draft
Creates credit	Does not create credit
Provides transaction services	Does not provide transaction services
Can accept demand deposits	Cannot accept demand deposits
Form part of the payment and settlement system	Does not form part of the payment and settlement system
Can make cheques payable to itself	Cannot make cheques payable to itself
Depositors can use the Deposit Insurance and Credit Guarantee Corporation's deposit insurance facility	Depositors cannot use the Deposit Insurance and Credit Guarantee Corporation's deposit insurance facility

Q.9) Consider the following statements with reference to RRBs:

1. RRBs are established for specifically target the group of small and marginal farmers, landless laborers, rural artisans, and others through the Integrated Rural Development Programme.
2. RRBs are completely owned by Central Government.
3. According to the RBI, RRBs are required to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 9%.

Which of the statements given above is/are correct?

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

Q.9) Solution (c)

Explanation:

- Regional Rural Banks were established in accordance with the provisions of an Ordinance promulgated on September 26, 1975, and the RRB Act, 1976, with the goal of ensuring adequate institutional credit for agriculture and other rural sectors.

- RRBs are **jointly owned by Central Government, the State Governments, and Sponsor Banks**; the issued capital of an RRB is divided among the owners in the proportions of 50%, 15%, and 35%, respectively. **(Hence statement 2 is incorrect)**
- They also specifically target the group of **small and marginal farmers, landless laborers, rural artisans**, and others through the Integrated Rural Development Programme by extending credit to the poorest of the poor in rural areas. **(Hence statement 1 is correct)**
- The Regional Rural Banks has a Priority Sector Lending (PSL) target of 75% where loans are lent to agricultural activities and vulnerable sectors.
- According to the RBI, regional rural banks (RRBs) are required to maintain a minimum Capital to Risk-weighted Assets Ratio (CRAR) of 9% on an ongoing basis. **(Hence statement 3 is correct)**
- CRAR is also known as Capital Adequacy Ratio (CAR), which is the ratio of bank's capital to its risk.

Q.10) Which of the following statement describes the term 'Core Banking Solutions'?

- a) It is a network of a bank's branches which enables customers to operate their accounts from any branch of the bank on its network regardless of where they open their accounts.
- b) It is an effort to increase RBI's control over commercial banks through computerization.
- c) It is a detailed procedure by which a bank with huge non-performing assets is taken over by another bank.
- d) It is a process of lending money to people who are having difficulty getting loans, usually at a higher rate than a bank would charge.

Q.10) Solution (a)

Explanation:

Core Banking Solution (CBS) is the networking of bank branches, which allows customers to manage their accounts, and use various banking facilities from any part of the world. In simple terms, there is no need to visit your own branch to do banking transactions. **(Hence option a) is correct)**

Q.11) Consider the following statements regarding 'PM Jan Dhan Yojna':

1. It is a national mission for financial inclusion to ensure access to financial services.
2. No minimum balance is required to be maintained in the account.
3. Overdraft facility of up to 10000/- is available to the account holder in that up to Rs 5000 is allowed without any conditions under this scheme.
4. The scheme was launched to solve the problems which arose due to demonetization.

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

- a) 1, 2 and 3 only
- b) 3 and 4 only
- c) 4 only
- d) None of the above

Q.11) Solution (b)

Explanation:

- Pradhan Mantri Jan-Dhan Yojana (PMJDY) is National Mission for Financial Inclusion to ensure access to financial services, namely, Banking/ Savings & Deposit Accounts, Remittance, Credit, Insurance, Pension in an affordable manner. **(Hence statement 1 is correct)**
- There is no requirement to maintain any minimum balance in PMJDY accounts. Interest is earned on the deposit in PMJDY accounts. Rupay Debit card is provided to PMJDY account holder. **(Hence statement 2 is correct)**
- The scheme provides Basic savings bank accounts with an overdraft facility of Rs. 10,000 to every eligible adult. The Upper age limit for OD has been increased from 60 to 65 years. Overdraft up to **Rs 2000** is allowed without any conditions. **(Hence statement 3 is incorrect)**
- Pradhan Mantri Jan Dhan Yojana (PMJDY), the biggest financial inclusion initiative in the world, was announced by the Hon'ble Prime Minister Shri Narendra Modi on 15th August 2014 from the ramparts of the Red Fort and launched by him on **28th August 2014** across the country. But Demonetization was initiated on **8th November 2016**, Hence PMJDY was not launched to solve the problems of demonetization. **(Hence statement 4 is incorrect).**

Q.12) Consider the following statements with respect to merging of the banks:

1. The merger will lead to increased operational efficiency that will help these banks lower their costs, thus enabling them to lower their lending rates.
2. One business entity takes ownership control over another by paying for the ownership privileges in the form of stocks only.
3. Recently the Union Bank of India was merged with the Andhra Bank.

Which of the statements given above are correct?

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

Q.12) Solution (b)

Explanation:

- A merger is simply the combining of two business entities to form a larger one but with no explicit change in ownership.
- This is in contrast to an acquisition where one business entity takes ownership control over another by paying for the ownership privilege in cash, stock, or other means. **(Hence statement 2 is incorrect)**
- The merger will lead to increased operational efficiency that will help these banks lower their costs, thus enabling them to lower their lending rates. **(Hence statement 1 is correct)**
- **The Indian Government has decided to merge-**
 - The Indian Bank will be merged with Allahabad Bank (anchor bank – Indian Bank).
 - The Punjab National Bank will be merged with the Oriental Bank of Commerce and the United Bank (anchor bank -PNB).
 - The Union Bank of India will be merged with the Andhra Bank and Corporation Bank (anchor bank – Union Bank of India). **(Hence statement 3 is correct)**
 - The Canara Bank will be merged with the Syndicate Bank (anchor bank – Canara Bank).

Q.13) Consider the following statements about 'UPI123Pay':

1. Ministry of Finance has launched new UPI service for feature phones called UPI123Pay.
2. It is a three-step offline method to initiate and execute transactions that will work on simple feature phones.
3. The service does not need an internet connection for transactions.

Which of the statements given above are correct?

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

Q.13) Solution (d)

Explanation:

- **Reserve Bank of India has launched two initiatives related to digital payments. One is UPI123pay-** which provides a UPI payment facility on feature phones and the second is "DigiSaathi" which is a 24x7 Helpline for Digital Payments. **(Hence statement 1 is incorrect)**

- It is a three-step offline method to initiate and execute transactions that will work on simple feature phones. It has all features for undertaking transactions except scan and pay. **(Hence statement 2 is correct)**
- The service does not need an internet connection for transactions. **(Hence statement 3 is correct)**
- These four options are given below
 - **App-based Functionality-** An app would be installed on the feature phone through which several UPI functions, available on smartphones, will also be available on feature phones.
 - **Missed Call:** Under this facility users of feature phones can make payments at the merchant outlet by giving a missed call on the number displayed at the merchant outlet. The customer will receive an incoming call to authenticate the transaction by entering UPI PIN. The users can also access their bank account and perform routine transactions such as receiving, transferring funds, regular purchases, bill payments, etc., by giving a missed call.
 - **Inter-active Voice Response (IVR):** UPI payment through pre-defined IVR numbers would require users to initiate a secured call from their feature phones to a predetermined number and complete UPI on-boarding formalities to be able to start making financial transactions without internet connection.
 - **Proximity Sound-based Payments:** This uses sound waves to enable contactless, offline, and proximity data communication on any device....

Q.14) Consider the following statements with reference Insolvency and Bankruptcy Code (IBC):

1. The enactment of IBC has reduced the piled-up non-performing assets of the banks and protracted resolution of the debts.
2. Total amount recovered highest under IBC is more as compared to other channels such as Lok Adalat's, SARFAESI Act and DRTs (Debts Recovery Tribunals) in Financial year 2022.

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)

Explanation:

- Insolvency and Bankruptcy Code is one of the most important reforms implemented by the Parliament of India in November 2016. The Insolvency and Bankruptcy Code or IBC Code was introduced to harmonize India's scattered and divergent bankruptcy laws. The enactment of Insolvency and Bankruptcy Code was important to reduce the piled-up non-performing assets of the banks and protracted resolution of the debts. **(Hence statement 1 is correct)**
- Economic survey 2022-23 clearly mentioned that
 - CIRPs performing well: Since inception in 2016, around 6,000 Corporate Insolvency Resolution Processes (CIRPs) had commenced of which **67% of the cases have been resolved.**
 - 69% of the distressed assets were rescued and helped via IB process to achieve a realization value around 178% of the liquidation value.
 - Total amount recovered highest under IBC as compared to other channels such as Lok Adalat's, SARFAESI Act and DRTs in FY22. **(Hence statement 2 is correct)**
- **The SARFAESI Act** allows banks and other financial institutions for auctioning commercial or residential properties to recover a loan when a borrower fails to repay the loan amount.

Q.15) When there is an increase in demand of money and Supply of money remains the same, there will be:

1. A fall in the level of prices
2. An increase in the rate of interest
3. A decrease in the rate of interest

Which of the statements given above is/are correct?

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

Q.15) Solution (c)

Explanation:

- If the demand increase when the supply of money is same, there will be a shortage, it will lead to an **increase in prices**. Because the producer rises the price of the goods. **(Hence statement 1 is incorrect)**
- Similarly, when supply of money remains the same but the demand for it increases then the Lender will increase in interest rate. **(Hence statement 2 is correct)**

Q.16) Consider the following statements with respect to 'UPI-PAYNOW' Linkage:

1. The Unified Payments Interface (UPI) of India and PayNow of Malaysia are integrated to facilitate quicker and more affordable cross-border remittance transfers.
2. It supports both Person-to-Person (P2P) and Person-to-Merchant (P2M) payments and it also enables a user to send or receive money

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.16) Solution (b)

Explanation:

- The Unified Payments Interface (UPI) of India and PayNow of **Singapore** are integrated, to facilitate quicker and more affordable cross-border remittance transfers. On February 21 2023, cross-border connectivity would essentially be launched in front of Prime Ministers Lee Hsien Loong of Singapore and Narendra Modi of India. **(Hence statement 1 is incorrect)**
- The Reserve Bank of India's (RBI) Governor Shaktikanta Das and the Monetary Authority of Singapore's (MAS) Managing Director Ravi Menon will conduct the launch, according to the Prime Minister's Office.
- The action will ensure that UPI's advantages don't just apply to India but also to other nations.
- The use of UPI-PayNow will help workers who visit Singapore for a brief time and normally forgo roughly 10% of their earnings in bank fees for money transfers.
- UPI supports both Person-to-Person (P2P) and Person-to-Merchant (P2M) payments and it also enables a user to send or receive money. **(Hence statement 2 is correct)**

Q.17) Consider the following statements with respect to the NHB RESIDEX:

1. It is India's first-ever official residential price index.
2. It was prepared by National Housing Bank on behest of Ministry of Housing and Urban Affairs.
3. The index was formulated under the guidance of a Technical Advisory Committee comprising of stakeholders from the housing market.
4. The index can predict future trends of the housing market prices.

Which of the statements given above are correct?

- a) 1, 3 and 4 only

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

Q.17) Solution (a)

Explanation:

- NHB RESIDEX is India's first-ever official residential price index. NHB Residex from the National Housing Bank, designed by a technical advisory committee comprising Government representatives, lenders and property market players, is a set of benchmarks that aims to track housing price indicators across Indian cities. **(Hence statement 1 is correct)**
- NHB RESIDEX, India's first official housing price index, was an initiative of the National Housing Bank (NHB), undertaken at the behest of the Government of India, **Ministry of Finance (not the Ministry of Housing and Urban Affairs)**. **(Hence statement 2 is incorrect)**
- The index was formulated under the guidance of a Technical Advisory Committee (TAC) comprising of stakeholders from the housing market. **(Hence statement 3 is correct)**
- NHB RESIDEX will help recognize current trends in micro as well as macro markets and predict future behavior of the housing market. It will be use to banks, HFCs, developers, and home-buyers. **(Hence statement 4 is correct)**

Q.18) Consider the following statements with respect to Micro ATMs:

1. These can be easily transfer from one place to another.
2. These machines are not capable of keeping any cash.
3. Micro ATMs can provide money at any time.

Which of the statements given above is/are correct?

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

Q.18) Solution (b)

Explanation:

- Micro ATM is a mini version of ATM. Micro-ATMs are connected through GSM and are portable device, hence can be transported easily from one place to another. **(Hence statement 1 is correct)**
- These ATMs have been very beneficial in rural areas where conventional ATMs are generally available in lesser numbers. This machine contains card swipe facility and fingerprint scanner.
- These machines are handy and not capable of keeping any cash. The cash is carried by the bank representative along with him/her. The bank representative is responsible for collecting cash and depositing it in user account. **(Hence statement 2 is correct)**
- Therefore, Micro ATMs, unlike conventional ATMs, **cannot provide “anytime” or 24*7 money**, especially if the bank correspondent is unavailable or the shopkeeper in whose shop the micro-ATM is installed has shut his shop. **(Hence statement 3 is incorrect)**
- Micro ATMs can support all the transactions that can be normally conducted at regular bank ATMs. They can be even used for payment of utility bills such as electricity bill, water bill, etc.

Q.19) Consider the following statements with respect to ‘Special Zero-Coupon Recapitalization Bonds’:

1. These are unique bonds issued by the central government to a specific institution.
2. These Bonds Neither tradable nor transferable.

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 (c)

Explanation:

Recapitalization of Banks is injecting additional capital into state-owned banks to bring them up to capital adequacy standards. The government injects capital into banks that are short on cash using a variety of instruments. All commercial banks have to meet certain capital adequacy requirements specified by the Reserve Bank of India (RBI) which are based on Basel norms.

Special Zero-Coupon Recapitalization Bonds

- These are unique bonds issued by the central government to a specific institution. **(Hence statement 1 is correct)**
- Nobody else, only those banks, who are designated, can invest in them.

- It is neither marketable nor transferable. It is restricted to a single bank and is only valid for a short time. **(Hence statement 2 is correct)**
- There is no coupon, it is a zero-coupon, it is issued at par, and it will be paid at the end of the term.
- The interest that an investor receives on a bond is known as a coupon.
- According to RBI requirements, it is held under the bank's Held-To-Maturity (HTM) category.
- HTM securities are purchased with the intention of holding them until they mature.
- These are products that are similar to recapitalization bonds but serve the same objective, and they are issued in accordance with RBI regulations.
- The issuing of these special bonds will have no impact on the fiscal deficit while also providing the bank with much-needed equity capital.
- For instance, Punjab & Sind Bank will be recapitalized by issuing Special Zero-Coupon Recapitalization Bonds worth Rs.5,500 crore.

Q.20) Consider the following statements with respect to Banks Board Bureau (BBB):

1. It is set up as a statutory body to improve the management of public sector banks.
2. RBI governor is the ex-officio Chairman of BBB.
3. It recommends the names for the selection of heads of Public Sector Banks.

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

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

Q.20) Solution (b)

Explanation:

- Banks Board Bureau is a **self-governing autonomous body** of the Central Government. It is an advisory authority comprising eminent professionals and officials to improve the management of public sector banks. **(Hence statement 1 is incorrect)**
- Banks Board Bureau comprises the Chairman, three ex-officio members (i.e Secretary, Department of Public Enterprises, Secretary of the Department of Financial Services and Deputy Governor of the Reserve Bank of India) and five expert members, two of them are from the private sector. **The Chairman is selected by the central government (Hence statement 2 is incorrect)**

- Banks Board Bureau **recommends for the selection of head for Public Sector Banks** and other key personnel if required. It also develops strategies for raising capital and improving performance of PSBs. **(Hence statement 3 is correct)**

Q.21) Consider the following statements with respect to 'Beti Bachao Beti Padhao scheme'

1. The scheme is a joint initiative of Ministry of Women and Child Development and Ministry of Panchayati Raj
2. The scheme also includes the skilling of girls in non-traditional livelihood (NTL) options
3. A national committee headed by the Secretary, Ministry of Women and Child Development will be the apex committee to review the implementation of the scheme.

Choose the correct statements:

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

Q.21) Solution (c)

Explanation:

- The scheme is a **joint initiative of the Ministry of Women and Child Development, Ministry of Health and Family Welfare and Ministry of Education**. Hence statement 1 is not correct.
- The Central government recently announced the **inclusion of skilling of girls in non-traditional livelihood (NTL) options in Beti Bachao Beti Padhao programme**. The scheme will now also focus on increasing the enrolment of girls in secondary education, particularly in STEM (Science, Technology, Engineering, Mathematics) subjects. **Hence statement 2 is correct.**
- **A national committee headed by the Secretary, Ministry of Women and Child Development will be the apex committee to review the implementation** of the scheme at regular intervals with State governments and Union Territory administrations. **Hence statement 3 is correct.**

Source: [CLICK HERE](#)

Q.22) Consider the following statements about National Informatics Centre

1. It was established in 1976 and works under the aegis of the Ministry of Science and technology.
2. It has developed digital governance platforms like MyGov and PM-Kisan.

Choose the incorrect statements:

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

Q.22) Solution (a)

Explanation:

- The National Informatics Centre (NIC) was established in **1976 and is located in New Delhi**
- It comes under the **Ministry of Electronics and Information Technology (MeitY)**. Hence **statement 1 is not correct.**
- Its main objective is to provide technology-driven solutions to the Central and State Governments.
- It has developed digital governance platforms including **MyGov, PM-Kisan, National Power Portal, and e-Shram.**
- It offers free services to state government entities and funded by the Central budget. Hence **statement 2 is correct.**

Source: [CLICK HERE](#)

Q.23) Consider the following statements with respect to 'Compressed Bio Gas'

1. It is produced naturally through a process of aerobic decomposition from waste / bio-mass sources
2. It is exactly similar to the commercially available natural gas in its composition and energy potential
3. Municipal solid waste, sugarcane press mud, distillery spent wash, cattle dung can be used to produce CBG

Choose the correct answer using the code given below

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

Q.23) Solution (b)

Explanation:

- Bio-gas is produced naturally (through a process of anaerobic decomposition) from waste / biomass sources like agriculture residue, cattle dung, sugarcane press mud, municipal solid waste, sewage treatment plant waste, etc. **After purification, it is compressed and called CBG, which has high methane content. Hence statement 1 is not correct.**
- Compressed Bio-Gas is **exactly similar to the commercially available natural gas in its composition and energy potential.** With similar calorific value and other properties similar to CNG, Compressed Bio-Gas can be used as an alternative, renewable automotive fuel. **Hence statement 2 is correct.**
- Compressed Bio-Gas can be **produced from various biomass/waste sources**, including agricultural residue, municipal solid waste, sugarcane press mud, distillery spent wash, cattle dung and sewage treatment plant waste.
- The other waste streams, that is, rotten potatoes from cold storages, rotten vegetables, dairy plants, chicken/poultry litter, food waste, horticulture waste, forestry residues and treated organic waste from industrial effluent treatment plants (ETPs) can be used to generate biogas. Hence statement 3 is correct.

Source: [CLICK HERE](#)

Q.24) Consider the following statements with respect to 'Reserve Bank Innovation Hub (RBIH)'

1. RBIH will provide the platform to anchor a shared vision among all financial ecosystem stakeholders
2. It is a joint initiative between Ministry of Finance and Reserve Bank of India

Select the correct statement(s)

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

Q.24) Solution (a)

Explanation:

- RBIH will provide the **platform to anchor a shared vision among all financial ecosystem stakeholders and aid them in crafting forward looking innovation strategies** while addressing the most pressing issues in the Indian financial sector. The organisation serves as a focal point to position India as a global innovation hub for a network of financial services providers, fintech

innovation hubs, policymakers, technologists, academia, and the investor community. **Hence statement 1 is correct.**

- The Reserve Bank Innovation Hub (RBIH) is a **wholly-owned subsidiary of the Reserve Bank of India (RBI)**. **Hence statement 2 is not correct.**

Source: [CLICK HERE](#)

Q.25) 'Sukapaika' a river seen in news is a distributary of

- a) Kosi
- b) Mahanadi
- c) Narmada
- d) Banas

Q.25) Solution (b)

Explanation:

Sukapaika is **one of the several distributaries of the mighty Mahanadi river in Odisha**. It branches away from the Mahanadi at Ayatpur village in Cuttack district and flows for about 40 kilometres (km) before rejoining its parent river at Tarapur in the same district.

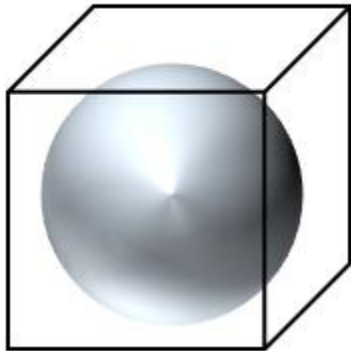
Source: [CLICK HERE](#)

Q.26) A spherical shaped sweet is placed inside a cube of side 5 cm such that the sweet just fits the cube. A fly is sitting on one of the vertices of the cube. What is the shortest distance the fly must travel to reach the sweet?

- a) cm
- b) $5(\sqrt{3} - 1)$ cm
- c) $5(\sqrt{2} - 1)$ cm
- d) $2.5(\sqrt{3} - 1)$ cm

Q.26) Solution (d)

Explanation:



$$\begin{aligned} \text{Distance} &= (\text{Diagonal of cube} - \text{Diameter of sphere})/2 \\ &= (5\sqrt{3} - 5)/2 \quad (\text{Since diagonal of the cube is given as } \sqrt{3} \times l) \\ &= 5(\sqrt{3} - 1)/2 \\ &= 2.5(\sqrt{3} - 1) \end{aligned}$$

Q.27) 2 cubes each of volume 64 cm^3 are joined end to end. Find the surface area of the resulting cuboids.

- a) 85 cm^2
- b) 115 cm^2
- c) 180 cm^2
- d) 160 cm^2

Q.27) Solution (d)

Explanation:

Given that,

$$\text{Volume of cubes} = 64 \text{ cm}^3$$

$$(\text{Edge})^3 = 64$$

$$\text{Edge} = 4 \text{ cm}$$

If cubes are joined end to end, the dimensions of the resulting cuboid will be 4 cm, 4 cm, 8 cm.

Therefore, the surface area of cuboid = $2(lb+bh+hl)$

$$\rightarrow 2(4*4+4*8+4*8)$$

$$\rightarrow 2(16+32+32)$$

Therefore, the surface area of cuboid = 160 cm^2

Q.28) Find the length of the longest pole that can be placed in a room which is 24m long, 16m broad and 18m high.

- a) 27 m
- b) 19 m
- c) 34 m
- d) 23 m

Q.28) Solution (c)

Explanation:

Given that, dimensions of room are 24m long, 16m broad and 18m high.

The longest rod that can be placed in a room has length equal to the diagonal of the room.

We know that diagonal of the cuboid = $\sqrt{(\text{length}^2) + (\text{breadth}^2) + (\text{height}^2)}$

$$\text{Length of the longest pole} = \sqrt{(24^2 + 16^2 + 18^2)} = \sqrt{576 + 256 + 324} = \sqrt{1156} = 34 \text{ m}$$

Q.29) A wire in the form of a circle of radius 3.5 m is bent in the form of a rectangle, whose length and breadth are in the ratio of 6:5. What is the area of the rectangle?

- a) 60 cm^2
- b) 30 cm^2
- c) 45 cm^2
- d) 15 cm^2

Q.29) Solution (b)

Explanation:

The circumference of the circle is equal to the perimeter of the rectangle.

$$\text{Let } l = 6x \text{ and } b = 5x \quad 2(6x + 5x) = 2 * \frac{22}{7} * 3.5$$

$$\Rightarrow x = 1$$

Therefore $l = 6 \text{ cm}$ and $b = 5 \text{ cm}$ Area of the rectangle = $6 * 5 = 30 \text{ cm}^2$

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

Passage 1

Nationalism, of course is a curious phenomenon which at a certain stage in a country's history gives life, growth and unity. But at the same time, it has a tendency to limit one because one thinks of one's country as something different from the rest of world. One's perceptive changes and one is continuously thinking of one's own struggles and virtues and failing to the exclusion of other thoughts. The result is that the same nationalism which is the symbol of growth for a people becomes a symbol of the cessation of that growth in mind. Nationalism, when it becomes successful sometimes goes on spreading in an aggressive way and becomes a danger internationally. Whatever line of thought you follow, you arrive at the conclusion that some kind of balance must be found. Otherwise something that was good can turn into evil. Culture which is essentially good becomes not only static but aggressive. It is something that breeds conflict and hatred when looked at from a wrong point of view. Apart from the political and economic problems of the age, perhaps, that is the greatest problem today because behind it there is tremendous search for something which it cannot found. We turn to economic theories because they have an undoubted importance. It is folly to talk of culture or even of god. When human beings starve and die. Before one can talk about anything else one must provide the normal essentials of life to human beings. That is where economies come in. Human beings today are not in mood to tolerate this suffering and starvation and inequality when they see that the burden is not equally shared. Others profit while they only bear the burden.

Q.30) The greatest problem in the middle of the passage refers to the question

- a) how to mitigate hardship to human beings
- b) how to contain the dangers of aggressive nationalism
- c) how to share the economic burden equally
- d) how to curb international hatred

Q.30) Solution (b)

Explanation:

Refer to, "Nationalism, when it becomes successful sometimes goes on spreading in an aggressive way and becomes a danger internationally. Whatever line of thought you follow, you arrive at the conclusion that some kind of balance must be found...."

Hence, option b is the correct answer.

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