

Q.1) With reference to the Foreign exchange market, consider the following statements:

1. Depreciation in a currency can take place only if an economy follows the floating exchange rate system.
2. Devaluation in a currency can take place only if an economy follows the floating exchange rate system.
3. Revaluation in a currency can take place only if an economy follows the fixed exchange rate system.
4. Appreciation in a currency can take place only if an economy follows the fixed exchange rate system.

Which of the above given statements are correct?

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

Q.1) Solution (c)

Explanation:

- **Depreciation:** In the 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 1 is correct)**
- **Devaluation:** In the foreign exchange market, when the 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 which means the economy follows fixed exchange rate system. **(Hence statement 2 is incorrect)**
- **Revaluation:** A term used in a foreign exchange market which means a government increasing the exchange rate of its currency against any foreign currency. It is official appreciation, which means the economy follows fixed exchange rate system. **(Hence statement 3 is correct)**
- **Appreciation:** In the foreign exchange market, if a free-floating domestic currency increases its value against the value of a foreign currency, it is appreciation. In a domestic economy, if a fixed asset has seen an increase in its value, it is also known as appreciation.

Appreciation rates for different assets are **not fixed by any Government** as they depend upon many factors which are unseen. **(Hence statement 4 is incorrect)**

Q.2) Consider the following pairs with respect to currencies:

	Name of the currency	Meaning
1	Soft Currency	A term used in the foreign exchange market which denotes the currency that is easily available in any economy in its forex market.
2	Hard Currency	It is the international currency in which the highest faith is shown and is needed by every economy.
3	Heated Currency	A term used in the forex market to denote the domestic currency which is under enough pressure of depreciation due to a hard currency's high tendency of exiting the economy.

Which of the above given pairs are correct?

- 1 and 2 only
- 2 and 3 only
- 1 and 3 only
- 1, 2 and 3

Q.2) Solution (d)

Explanation:

- **Hard Currency** It is the international currency in which the highest faith is shown and is needed by every economy. The strongest currency of the world is one which has a high level of liquidity. **(Hence pair 2 is correctly matched)**
- **Soft Currency** A term used in the foreign exchange market which denotes the currency that is easily available in any economy in its forex market. For example, the rupee is a soft currency in the Indian forex market. It is basically the opposite term for the hard currency. **(Hence pair 1 is correctly matched)**
- **Hot currency** is a term of the forex market and is a temporary name for any hard currency. Due to certain reasons, if a hard currency is exiting in an economy at a fast pace for the time, the hard currency is known to be hot. As in the case of the SE Asian crisis, the US dollar had become hot.

- **Heated Currency** A term used in the forex market to denote the domestic currency which is under enough pressure (heat) of depreciation due to a hard currency's high tendency of exiting the economy (since it has become hot). It is also known as currency under heat or under hammering. **(Hence pair 3 is correctly matched)**

Q.3) Consider the following statements with respect to Current account in Balance of Payment (BoP):

1. All transactions are shown as either inflow or outflow at the end of the year in current account.
2. The positive one is known as a surplus current account, and the negative one is known as a deficit current account.
3. India never had current account surplus since independence.

Which of the above given statements is/are correct?

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

Q.3) Solution (a)

Explanation:

- Current transactions of an economy in foreign currency all over the world are export, import, interest payments, private remittances and transfers.
- All transactions are **shown as either inflow or outflow** (credit or debit). At the end of the year, the current account might be positive or negative. **The positive one is known as a surplus current account**, and the negative one is known as a deficit current account. **(Hence statement 1 and 2 are correct)**
- **India had surplus current accounts for three consecutive years (2001-04) - for the first time in Indian economic history. (Hence statement 3 is incorrect)**
- India had a current account deficit of 0.2 per cent of GDP (i.e., US\$ 3.1 billion) during 2021-22 (April-September) after witnessing a surplus in the same period the previous year. However, the deficit in current account remained much lower than the deficit of US\$ 22.6 billion recorded in the same period of in 2019-20 (the pre-pandemic level).

- From a historical perspective, India can sustain a current account deficit of 2.5-3.0 per cent of GDP without getting into an external sector crisis, as per the Economic Survey 2021-22 (which has quoted the RBI Bulletin of December, 2021).

Q.4) With reference to the recent FDI limit among the sectors, consider the following statements:

1. Construction and real estate brokerage are open to receive 100 per cent FDI under automatic route.
2. Upper limit of FDI was increased to 74 per cent from existing 49 per cent in the insurance sector
3. FDI limits in the defense sector has been increased to 74 per cent from the existing 49 per cent under automatic route.

Which of the above given statements are correct?

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

Q.4) Solution (d)

Explanation:

- The 'single brand retail trading' (SBRT) is now open for 100 per cent FDI under automatic route.
- The '**construction**' and '**real estate brokerage**' are open to receive **100 per cent FDI** under automatic route. **(Hence statement 1 is correct)**
- Aviation' sector is allowed to receive 49 per cent FDI under automatic route (it includes the public sector aviation company Air India).
- Foreign institutional investments (FIIs)/FPIS have been allowed in 'power distribution' over and above the FDI limit of 49 per cent under automatic route. Earlier, it used to be allowed but under the overall FDI limit.
- The marketplace-based model of the e-Commerce sector has been allowed to receive 100 per cent FDI under the automatic route. But this ease came with rider-sales of any vendor through them or its group companies limited to 25 per cent of the total sales of such vendor.

- In the case of FDI in the 'pharma sector', the reference to Drugs and Cosmetics Act has been dropped-making things easier for the investors.
- In the wake of the COVID-19 pandemic, the Government gave an emphatic call for self-reliance (under the newly launched campaign, the Atmanirbhar Bharat Abhiyan) and raised the **FDI limits in the defence sector to 74 per cent (from the existing 49 per cent) under automatic route**. India already allows 100 per cent FDI in the sector on a case-by-case basis. **(Hence statement 3 is correct)**
- Upper limit of FDI was increased to 74 per cent (from 49 per cent) in the insurance sector by the Union Budget 2021-22, which was a long-awaited demand from the capital-starved industry. **(Hence statement 2 is correct)**

Q.5) Which one of the following are components of India's foreign exchange reserves?

1. Foreign currency assets.
2. Special Drawing Rights (SDRs).
3. Loans from foreign countries.
4. Gold holdings of the RBI.
5. Loans from the World Bank.

Select the correct answer using the code given below:

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

Q.5) Solution (b)

Explanation:

- Foreign exchange reserves are the reserves held by a country that consist of primarily **foreign currencies and other reserve assets** which can be used to balance the international payments of a country.
- Forex reserves in the Indian context consist of **foreign currencies, holdings of gold by the RBI and Special Drawing Rights with the International Monetary Fund** which are foreign exchange reserve assets created and maintained by the RBI. **(Hence option b) is correct)**

- India's foreign reserves also constitute a Reverse Tranche Position with the IMF. This is that required quota of currency that each IMF member has to provide. These funds can be accessed at any time by that member country.

Q.6) Which of the following measures are taken by RBI to control the rupee depreciation?

1. By selling the foreign exchange reserves.
2. Boost the capital inflows in NRI accounts.
3. Buying or selling swap.

Select the answer using the code given below:

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

Q.6) Solution (d)

Explanation:

What can RBI do to stop further rupee depreciation?

We import crude oil in billions. Hence, the depreciation of the local currency is harmful to the economy. RBI has to intervene to stop the sharp depreciation. Below are some ways RBI can stop the rupee depreciation:

- **Sell forex reserves:** RBI can sell (it is already doing it) a part of its foreign forex reserves to control the falling rupee. In 2021, India's foreign exchange reserves stood at \$642 billion. The latest data (September last week) show that the forex reserves have fallen to \$545 billion. It had prevented a sharp fall in the Indian rupee, unlike other currencies. **(Hence statement 1 is correct)**
- Not everyone is happy about the depleting foreign forex reserves, but the purpose of having high forex reserves was to use them in situations like these, right? It is important to note that this measure is only to counter volatility and cannot be RBI's policy.
- **Boost capital inflows in NRI accounts:** The RBI can take measures to encourage capital flows in NRI deposits. When the NRIs start to deposit money in India, they would be selling dollars to convert it to a rupee, which will help the cause. RBI can reach out to banks so

banks can offer non-residents higher interest rates on deposits and short-term bonds. **(Hence statement 2 is correct)**

- **Buy/sell swap:** In a buy/sell swap, the Indian currency is injected into the banking system, while taking out dollars. The swap will help the RBI keep the currency rates in check, although, in a limited way. **(Hence statement 3 is correct)**

Q.7) Consider the following statements with respect to Comprehensive Economic Partnership Agreement (CEPA) and Comprehensive Economic Cooperation Agreement (CECA):

1. CECA is mainly concerned with tariff reductions and the elimination of tariffs.
2. CECA is considered as the first step or a stepping stone to accomplish CEPA.
3. CEPA is much broader and more complicated compared to CECA.

Which of the above given statements are correct?

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

Q.7) Solution (d)

Explanation:

- CECA is mainly concerned with tariff reductions and the elimination of all items that are considered to be listed tariff rate quota items. On the other hand, CEPA has the same components of CECA with an additional focus and options in the terms of trade investments and services. In looking at the big picture, **CEPA is much broader and more complicated** compared to CECA. **(Hence statements 1 and 3 are correct)**
- In a comparable economic standing, **CECA is considered as the first step or a stepping stone** to accomplish **CEPA**. If negotiations can still be conducted between countries, and both parties are open to discussion and have a good economic relationship with each other, CECA can evolve into CEPA. This makes CEPA a result of on-going efforts and negotiations of two countries that started from CECA. **(Hence statement 2 is correct)**

Q.8) With reference to the Purchasing Power Parity (PPP), consider the following statements:

1. PPP is an economic theory that compares different countries' currencies through a "basket of goods" approach.
2. Every three years, the World Bank releases a report that compares various countries, in terms of PPP and U.S. dollars.
3. India has the 2nd highest Purchasing Power Parity in the World.

Which of the above given statements are correct?

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

Q.8) Solution (a)

Explanation:

What Is Purchasing Power Parity-PPP?

- One popular macroeconomic analysis metric to compare economic productivity and standards of living between countries is purchasing power parity (PPP). PPP is an economic theory that **compares different countries' currencies through a "basket of goods" approach. (Hence statement 1 is correct)**
- **Every three years, the World Bank releases a report that compares various countries, in terms of PPP and U.S. dollars.** Both the International Monetary Fund (IMF) and the Organization for Economic Cooperation and Development (OECD) use weights based on PPP metrics to make predictions and recommend economic policy. The recommended economic policies can have an immediate markets short-term impact on financial. **(Hence statement 2 is correct)**
- Nations with the Highest Purchasing Power Parity-PPP There are five nations that have the highest GDP in market exchange terms. The list is as follows: **(Hence statement 3 is incorrect)**
 - 1) China
 - 2) USA
 - 3) India
 - 4) Japan
 - 5) Germany

Q.9) With reference to the devaluation of domestic currency, consider the following statements:

1. Devaluation means that more local currency is needed to purchase imports
2. Volume of exports might increase.

Which of the above given statements is/are correct?

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

Q.9) Solution (c)

Explanation:

- A devaluation means that more local currency is needed to purchase imports and exporters get more local currency when they convert the export proceeds (the foreign exchange that they get for their exports). In other words: imports become more expensive; importers lose money while exporters earn more money. **(Hence statement 1 is correct)**
- This is supposed to discourage imports – and to encourage exports and, in turn, to reduce trade deficits.
- Assume that India is the exporting country and America as the importing country. India exports apples to America. Assume that India devalued India rupee from Rs.50 = 1 dollar to Rs.100 = 1 dollar. The cost of an apple in India before and after rupee devaluation is Rs.50. Now analyse what will happen.
- Before rupee devaluation: Americans will get only 1 apple for 1 dollar.
- After rupee devaluation: Now Americans will get 2 apples for 1 dollar.
- Think from the American perspective. For them earlier with 1\$, they used to get only 1 apple. Now after falling in Indian rupee, they get 2 apples.
- So importing from India has become really cheaper for America and they will use this case to their maximum advantage.
- This case will favor exporters in India in two ways:
 - They can now sell more apples (volume effect), trade volume will increase. **(Hence statement 2 is correct)**
 - Indian currency they get when converted is now higher than before. (It was Rs.50 before, now it is Rs.100 – for 1 US\$ received)

- Thus, every time there is a fall in rupee against US dollar, exporters from India are benefited. (Eg: Software companies, seafood exporters etc.)

Q.10) With reference to the FEMA, consider the following statements:

1. FEMA is equally applicable to the offices and agencies which are located outside India which are owned by Indian Citizens.
2. FEMA is applicable to any overseas company that is owned 60% or more by an NRI.

Which of the above given statements is/are correct?

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

Q.10) Solution (c)

Explanation:

Applicability of Foreign Exchange Management Act, 1999:

As per Section 1(2) of FCRA Foreign Contribution (regulation) Act, 2010, Foreign Exchange Management Act, 1999 is applicable to the following entities and transactions:

- FEMA is applicable to all parts of India.
- It is also equally applicable to the offices and agencies which are located outside India however is managed or owned by an Indian Citizen. **(Hence statement 1 is correct)**
- Any citizen of India, residing in the country or outside (NRI) **(Hence statement 2 is correct)**
- Any overseas company that is owned 60% or more by an NRI (Non-Resident Indian)
- Any Associate Branches or subsidiaries, outside India, of companies or bodies corporate, registered or incorporated in India
- Exports of any goods and services from India, foreign currency, that is any currency other than Indian currency, foreign exchange, foreign security,
- Imports of goods and services from outside India to India,
- Banking, financial and insurance services provided outside India,
- Cross-border sale, purchase and exchange of any kind (i.e. Transfer).

Q.11) With reference to the appreciation of rupee, consider the following statements:

1. If the Indian Rupee (INR) appreciates, Indian goods will become cheaper in international market.
2. Imports will become more expensive in the domestic market.

Which of the above given statements is/are correct?

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

Q.11) Solution (d)

Explanation:

Effects of currency appreciation

- **Export costs rise:** If the Indian Rupee (INR) appreciates, foreigners will find **Indian goods more expensive because they have to spend more for those goods in INR**. That means that with the higher price, the number of Indian goods being exported will likely drop. This eventually leads to a reduction in gross domestic product (GDP). **(Hence statement 1 is incorrect)**
- **Cheaper imports:** If Indian goods become more expensive on the foreign market; foreign goods, or imports, will become cheaper in India. The length to which 1 INR will stretch will go further, meaning one can buy more goods imported from abroad. That leads to a benefit of lower prices, leading to lower overall inflation. **(Hence statement 2 is incorrect)**

Q.12) Recently Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles launched the 'Foreign Trade Policy 2023'. The policy is based on 4 pillars, which of the following is not a pillar among them?

- a) Incentive to Remission.
- b) Export promotion through collaboration.
- c) Devaluation of rupee.
- d) Ease of doing business, reduction in transaction cost and e-initiatives.

Q.12) Solution (c)

Explanation:

- Union Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Shri Piyush Goyal launched the Foreign Trade Policy 2023 saying that it is dynamic and has been kept open ended to accommodate the emerging needs of the time.
- The Key Approach to the policy is based on these 4 pillars: **(i) Incentive to Remission, (ii) Export promotion through collaboration - Exporters, States, Districts, Indian Missions, (iii) Ease of doing business, reduction in transaction cost and e-initiatives and (iv) Emerging Areas – E-Commerce Developing Districts as Export Hubs and streamlining SCOMET policy. (Hence option (c) is correct answer)**

Q.13) External Commercial Borrowings are included in:

- a) Current Account.
- b) Capital Account.
- c) Balance of Invisibles.
- d) Balance of Trade.

Q.13) Solution (b)

Explanation:

- Capital inflows into the capital account can be divided into two categories: debt-creating and non-debt-creating.
- Foreign investment (both direct and portfolio) is a non-debt creating capital inflow, whereas external assistance (concessional loans from abroad), **external commercial borrowing (ECB)**, and nonresident deposits are debt-creating capital inflows. **(Hence option (b) is correct)**

Q.14) Which of the following components are recorded under the Current Account of a country?

1. Net earnings on cross-border investments.
2. Net trade in services.
3. Net transfer payments.

Select the correct answer using code given below:

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

Q.14) Solution (d)

Explanation:

- The Current Account records a nation's transactions with the rest of the world- specifically its **net trade in goods and services, its net earnings on cross-border investments, and its net transfer payments over a defined period of time**, such as a year or a quarter. **(Hence option d) is correct)**
- The Current Account represents a country's imports and exports of goods and services, payments made to foreign investors, and transfers, such as foreign aid.
- The Current Account may be positive (a surplus) or negative (a deficit). Positive means the country is a net exporter of goods and services, and negative means it is a net importer of goods and services.

Q.15) Consider the following statements regarding Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER):

1. NEER is a multilateral rate representing the price of a representative basket of foreign currencies.
2. The Real Effective Exchange Rate (REER) is calculated as the weighted average of the real exchange rates of a country's major trade partners

Which of the above given statements is/are correct?

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

Q.15) Solution (c)

Explanation:**Nominal Effective Exchange Rate (NEER)**

- This is calculated as the Nominal Effective Exchange Rate (NEER) which a multilateral rate is **representing the price of a representative basket of foreign currencies**, each weighted by its importance to the domestic country in international trade (the average of export and import shares is taken as an indicator of this). **(Hence statement 1 is correct)**
- The Real Effective Exchange Rate (REER) is calculated as the weighted average of the real exchange rates of all its trade partners, the weights being the shares of the respective countries in its foreign trade. It is interpreted as the number of domestic goods required to purchase one unit of a given basket of foreign goods **(Hence, statement 2 is correct)**.

Q.16) Arrange the following sectors in descending order with respect to FDI Equity Inflows in India:

1. Computer Software & Hardware.
2. Automobile Industry.
3. Financial, banking and other services.
4. Non-Conventional Energy.

Select the correct answer using code given below:

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

Q.16) Solution (a)

Explanation:

STATEMENT ON SECTOR WISE FDI EQUITY INFLOWS FROM APRIL 2021 TO NOVEMBER 2021	
Sector	FDI in US\$ million
METALLURGICAL INDUSTRIES	1,350.77
MINING	104.32
POWER	473.47
NON-CONVENTIONAL ENERGY	1,100.15

PETROLEUM & NATURAL GAS	44.09
ELECTRICAL EQUIPMENTS	436.59
COMPUTER SOFTWARE & HARDWARE	9,063.56
TELECOMMUNICATIONS	547.04
AUTOMOBILE INDUSTRY	5,849.63
SERVICE SECTOR	4948.00
DRUGS & PHARMACEUTICALS	1,104.50

Q.17) With reference to the deficit Balance of Payment (BoP), consider the following statements:

1. Expenditure-reducing policies helps to reduce BoP deficit
2. Deficit BoP can be solved by expenditure switching policies.

Which of the above given statements is/are correct?

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

Q.17) Solution (c)

Explanation:

- Expenditure-reducing policies aim to reduce demand in the economy, so spending on imports fall, Hence it helps reduce deficit. **(Hence statement 1 is correct)**
- Expenditure-switching policies aim to switch consumer spending towards **domestic goods**, and away from imports. **(Hence statement 2 is correct)**
- Reducing the growth of the supply of money in an economy can be expenditure- reducing or expenditure-switching.

Q.18) In the Balance of Payment, gifts from foreigners are considered as:

- a) Import of goods.
- b) Capital inflow.
- c) Unrequited receipts.

d) Unrequited payments.

Q.18) Solution (c)

Explanation:

- **Capital inflows** are defined as net purchases (difference between purchases and sales) of domestic assets by non-residents. Capital outflows equal net purchases of foreign assets by domestic agents excluding the central bank.
- **Unrequited receipts:** These refer to those receipts and payments, which take place **without any service in return**. Receipt of unilateral transfers from rest of the world is shown on the credit side and unilateral transfers to rest of the world on the debit side. **(Hence option (c) is correct)**
- **Unrequited payment** means they are not made with an expectation that goods or services shall be given in return to the person making the payment.

Q.19) Which of the following institution can help a country with a negative Balance of Payment?

- a) World Bank.
- b) World Trade Organization.
- c) International Monetary Fund.
- d) Asian Development Bank.

Q.19) Solution (c)

Explanation:

The International Monetary Fund (IMF) is an organization of 190 countries, working to foster global monetary cooperation, secure financial stability, facilitate international trade, promote high employment and sustainable economic growth, and reduce poverty around the world. It will help a country with a negative Balance of Payment **(Hence option (c) is correct)**.

Q.20) Consider the following statements regarding Nominal Effective Exchange Rate (NEER) and Real Effective Exchange Rate (REER):

1. The EXIM bank compiles and disseminates indices of NEER and REER of the Indian rupee
2. The latest series for NEER and REER indices is being constructed with the base year 2004-05.

Which of the above given statements is/are correct?

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

Q.20) Solution (b)

Explanation:

The **Reserve Bank** compiles and disseminates indices of NEER and REER of the Indian rupee (both trade- and export-weighted), the latest series is constructed with the **base year 2004-05. (Hence statement 1 is incorrect and statement 2 is correct)**

Q.21) With reference to 'Lithium', consider the following statements

1. It is the lightest of all the solid elements and reacts vigorously with water
2. It occurs freely in nature but is found combined in small amounts in igneous rocks and in the waters of many mineral springs
3. China contains more than 75% of the world's lithium deposits

Choose the correct answer using the code given below

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

Q.21) Solution (a)

Explanation:

- Lithium has the lowest density of all metals. It is the **lightest of the solid elements**. It **reacts vigorously with water**. Hence **statement 1 is correct**.
- It **never occurs freely in nature** but is found **combined** in small amounts in nearly all igneous rocks and in the waters of many mineral springs. Spodumene, petalite, lepidolite, and amblygonite are the more important minerals containing lithium. Hence **statement 2 is not correct**.
- Lithium reserves are concentrated in the **lithium triangle** in South America –Argentina, Bolivia & Chile, with 50% of the deposits concentrated in these regions. Hence **statement 3 is not correct**.

Source: [CLICK HERE](#)

Q.22) Consider the following statements about Atmospheric Rivers

1. They are long powerful streams of moisture in the sky.
2. They transport most of the water vapour outside of the tropics.
3. When they make landfall, they often release water vapour in the form of rain or snow.

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

- a) 2 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) None

Q.22) Solution (d)

Explanation:

- They are **relatively long, narrow regions in the atmosphere, like rivers in the sky**. Hence **statement 1 is correct**.
- **They transport most of the water vapour outside of the tropics**. Hence **statement 2 is correct**.
- These columns of vapour move with the weather, carrying an amount of water vapour roughly equivalent to the average flow of water at the mouth of the Mississippi River.

- **When the atmospheric rivers make landfall, they often release this water vapour in the form of rain or snow. Hence statement 3 is correct.**
- Although atmospheric rivers come in many shapes and sizes, those that contain the largest amounts of water vapour and the strongest winds can create extreme rainfall and floods, often by stalling over watersheds vulnerable to flooding.

Source: [CLICK HERE](#)

Q.23) Consider the following statements about 'Just Energy Transition Partnership'

1. JETP is a mechanism for carbon trading by developed countries to support an energy transition in developing countries.
2. JETP was launched by G-7 countries at United Nations Climate Change Conference held in Sharm El Sheikh

Select the correct statement(s)

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

Q.23) Solution (d)

Explanation:

- JETP is a **mechanism for multilateral financing by developed countries to support an energy transition in developing countries**. It aims to **reduce emissions in the energy sector and accelerate the coal phase-out**. **Transition** describes the gradual movement towards lower carbon technologies, while 'Just' qualifies that this transition will not negatively impact society, jobs and livelihoods. **Hence statement 1 is not correct.**
- The **JETP was launched at the COP26 in Glasgow** with the support of the United Kingdom (UK), the United States (US), France, Germany, and the European Union (EU) Following that G7 has announced for a similar partnership in India, Indonesia, Senegal, and Vietnam. Hence statement 2 is not correct.

Source: [CLICK HERE](#)

Q.24) Consider the following statements with respect to 'Rail Vikas Kaushal Yojana'

1. It is a skill development scheme with a special focus on providing training for jobs that are relevant to the Railways under Pradhan Mantri Kaushal Vikas Yojana (PMKVY)
2. The training is provided free of cost to the candidates and there is a provision for providing employment under this scheme

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:

- Rail Kaushal Vikas Yojana is a **skill development scheme** with a **special focus on providing training for jobs that are relevant to the Railways**. It is a **sub scheme under Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**. **Hence statement 1 is correct.**
- The training is **provided free of cost to the candidates**. A dedicated website has been developed for monitoring RKVY. There is **no provision of providing employment under this scheme**. However, this scheme is a skill development programme for the unemployed youths of India to impart technical training in various trades to enhance their employability and entrepreneurship. **Hence statement 2 is not correct.**

Source: [CLICK HERE](#)

Q.25) Which one of the following statements best describes 'Data embassies'

- a) Embassy of a country which operates completely digitally without physical presence
- b) Platform where all the data with respect to citizens of foreign countries are stored
- c) Server resources owned by a nation-state outside its territorial boundaries
- d) Servers which store all the tax related and financial information for exchange between countries

Q.25) Solution (c)

Explanation:

A **data embassy** refers to server resources owned and maintained by a nation-state outside its territorial boundaries, according to its own laws. They are a set of servers that store one country's data and are under that country's jurisdiction while being located in another country. It is a physical data centre of trusted nations which enjoy diplomatic immunity from local laws.

Source: [CLICK HERE](#)

Q.26) There is a statement in the following question after which there are two conclusions i.e. 1 and 2. You have to assume that the two statements are true and then choose the conclusion(s) that logically follows these statements, regardless of whether they are commonly known statements.

Statement: Some birds are reptiles. Some insects are reptiles.

Conclusion 1: All insects being reptiles is a possibility.

Conclusion 2: Some reptiles are birds.

Which one of the following is correct?

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

Q.26) Solution (c)

Explanation:

The first statement explains that there are some birds that are also reptiles and the second one says that there are some insects that are reptiles. So, this leads us to the possibility of some birds also being reptiles and since some reptiles are birds it can also be inferred by reversing the 1st statement that there are some reptiles that are birds.

Q.27) Consider two statements and a Question:

Statement I: A child older than five years gets 5 chocolates.

Statement II: A child 5 years or younger in age gets 6 chocolates.

Question: A man distributed 43 chocolates to his children. How many of his children are more than five years old?

Which one of the following is correct in respect of the Statements and the Question?

- a) The Question can be answered with the help of Statement I alone
- b) The Question can be answered with the help of Statement II alone
- c) Both Statement I and Statement II are needed to answer the Question
- d) The Question cannot be answered even with the help of both the Statements

Q.27) Solution (c)

Explanation:

Try to see whether we can have a "UNIQUE/ABSOLUTE" answer to given question by applying statements with 3 possibilities.

If only 1st statement is taken into consideration.

If only 2nd statement is taken into consideration.

If both statements are taken into consideration

In given question with first possibility, we can't have a unique answer as there can be 3 cases. Children greater than 5 years, children equal to 5 years and children less than 5 years and with first possibility we know only that children greater than 5 years get 5 chocolates nothing about other two cases.

With second possibility too, we can't find a unique answer as we can't say anything about children greater than 5 years

Now, with third possibility we are having a unique answer to given question because we have information about all children which are either greater than 5 years, lesser or equal to 5 years.

Children older than 5 years will be 5, children equal to 5 years are 2 and children younger than 5 years will be 1.

Directions for the following two questions: Each of the questions below starts with a few statements, followed by four conclusions numbered 1, 2, 3 and 4. You have to consider every given statement as true, even if it does not conform to the accepted facts. Read the conclusions carefully and then decide which of the conclusion(s) logically follow(s) from the given statements, disregarding commonly known facts.

Q.28) Statements:

I: Some boys are scholars

II: Some teachers are boys

III: All scholars are observers

Conclusions:

I: Some scholars are boys

II: Some scholars are not boys

III: Some observers are boys

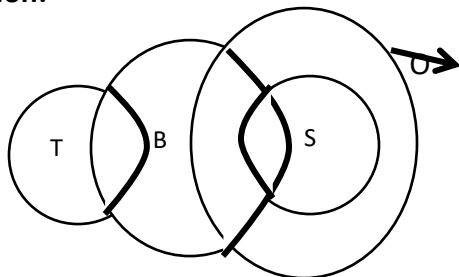
IV: Some teachers are scholars

Choose the correct code:

- a) Only conclusion I and conclusion III follow
- b) Either conclusion I or II and conclusion III follow
- c) Conclusions I, III, and IV follow
- d) None of the above

Q.28) Solution (a)

Explanation:



Since some boys are scholars, thus some scholars are boys too.

As all scholars are observers, thus some observers are boys too.

So, conclusions 1 and 3 follow

Q.29) Statements:

I: All teachers are professors

II: All professors are researchers

III: All researchers are consultants

Conclusions:

I: Some consultants are teachers

II: All professors are consultants

III: Some researchers are teachers

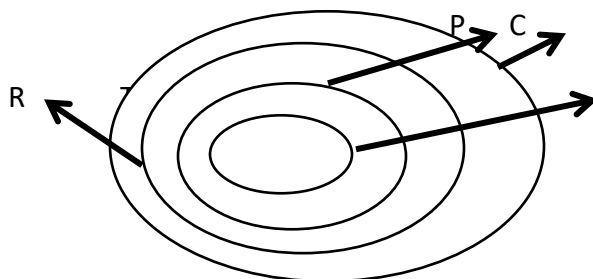
IV: All professors are teachers

Choose the correct code:

- a) Only conclusion I and conclusion II follow
- b) Either conclusion I or conclusion IV follow
- c) Only conclusion I and conclusion III follow
- d) None of the above

Q.29) Solution (d)

Explanation:



By visual observation, conclusions 1, 2 and 3 follow.

None of the answer option contains these 3 conclusions, thus option d is correct

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

Passage 1

Soft bodied animals like caterpillars often fall a prey to voracious hunters like birds or reptiles. Despite having no means to actively defend them with weapons like claws or jaws, they have nevertheless, evolved other equally effective deterrents. A particular species of the caterpillar lives at an altitude over 2.500 meters in the Himalayas. It uses prominent colour to inform would be predators of its in edibility. In the event that an inexperienced or adventurous bird did eat the caterpillar, it would probably vomit it soon after and subsequently desist from attacking similar species in future. Even though this wouldn't do any good to the unfortunate victim, the species benefits from it. This is a rare example of the martyr among animals.

Q.30) The expression "others equally effective deterrents" mean

- a) preventive weapons which have equal effect of others
- b) mechanism which scares everyone equally well
- c) preventive equipment which it is as effective as something that has been already mentioned in the passage
- d) deterrents that are as powerful as those the caterpillars have

Q.30) Solution (b)

Explanation:

Refer to

“Despite having no means to actively defend themselves, with weapons like claws or jaws, they have nevertheless, evolved other equally effective deterrents.”

This statement makes it clear that option b is the correct answer.