

Q.1) With reference to the MUDRA Loans, Consider the following statements:

1. MUDRA is a subsidiary of SIDBI.
2. There are no hidden charges associated with MUDRA loans.
3. To be eligible for MUDRA loans, the enterprise must fall under the non-corporate and non-farm category.

Which of the statements given above are correct?

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

Q.1) Solution (d)

Explanation:

Structure of MUDRA

The organizational framework of MUDRA consists of it being a subsidiary of SIDBI, with complete ownership by the Small Industries Development Bank of India. It possesses an authorized capital of Rs. 1000 crores and a paid-up capital of Rs. 750 crores. MUDRA's primary role is to foster the growth and financing of micro-enterprises. **(Hence statement 1 is correct)**

Prioritizing Micro Finance can serve as a catalyst for economic development by not only providing loans but also addressing other crucial aspects such as financial literacy, job creation, and social assistance to the most marginalized segments of society. This approach offers abundant opportunities for sustainable livelihoods.

Benefits of MUDRA Loan

- MUDRA loans cater specifically to micro and small enterprises, which serve as sources of income generation.

- One noteworthy aspect of this loan program is that borrowers are not obligated to provide any collateral as a requirement for obtaining a Mudra Loan.
- Furthermore, there are no hidden charges associated with these loans. **(Hence statement 2 is correct)**
- MUDRA loans are divided into two categories, funded and non-funded, which offer flexibility in the utilization of funds.

MUDRA Loan Details

The categories in which the MUDRA loans have been divided includes the Shishu, Kishor and Tarun loans and the name of the type of loan facilities is suggestive of the developmental phases of an enterprise.

- Sishu: This category of loan is meant for the entrepreneurs looking to start a new business or are already in the process of establishing a new one. The maximum loan sanctioned under this category is only Rs.50000.
- Kishor: This category of loan is targeted towards entrepreneurs who are looking to expand the business but are still not very big with the help of fresh funds with loans sanctioned in the range of Rs.50001 to Rs.5 lakhs.
- Tarun: The third type of loan under PMMY has requirements that are more stringent than the other two loans, and involves the disbursement of the highest amounts, i.e. in the range of Rs.500001 to Rs.10 lakhs. This category is for entrepreneurs who are well to do and have already established themselves in the business. They need this loan in order for further growth or diversification.

Eligibility for MUDRA Loan Application

Entities must be able to meet the following requirements in order to be eligible for the MUDRA loan facility:

- The Enterprise must be non-corporate as well as non-farm. **(Hence statement 3 is correct)**
- They must be income generators through various methods such as manufacturing, trading and services.
- The requirement of credit must be below Rs.10 lakhs.
- In order to prevent scams, the enterprise must be engaged in allied agriculture services from 1st April 2016.

Q.2) Consider the following statements with respect to Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA):

1. This scheme aims to enhance agricultural productivity, reduce the cost of cultivation, and to boost the income of the farmers
2. Ministry of Agriculture would be responsible for taking up Price Support Scheme operations in states and districts under this scheme.
3. Under this scheme private agencies shall procure the produce or the commodity at a Minimum Support Price.

Which of the statements given above are correct?

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

Q.2) Solution (b)

Explanation:

Pradhan Mantri Annadata Aay SanraksHan Abhiyan (PM-AASHA)

The Pradhan Mantri Annadata Aay SanraksHan Abhiyan or PM-AASHA is an umbrella scheme introduced by the Government of India to ensure remunerative prices for the produce of the farmers. **This scheme aims to enhance agricultural productivity, reduce the cost of cultivation,** and to boost and secure the income of the farmers. **(Hence statement 1 is correct)**

It includes the following three components:

Price Support Scheme (PSS)

- Under the PSS, Central Nodal Agencies will be responsible for the physical procurement of pulses, oilseeds, and Copra, along with a proactive role played by the state governments.

- The Food Corporation of India (FCI) would be responsible for taking up PSS operations in states and districts. **(Hence statement 2 is incorrect)**
- The Central Government will carry the procurement expenditure and the losses due to procurement, as per the norms.

Price Deficiency Payment Scheme (PDPS)

- Under the PDPS, the farmers shall be paid the difference between the Minimum Support Price (MSP) for selected crops and their actual market price.
- This scheme applies to farmers who have registered beforehand and sell their produce in the notified markets.

Pilot of Private Procurement and Stockist Scheme (PPPS)

- Under the PPPS, **private agencies** shall procure the produce or the commodity at a Minimum Support Price (MSP), in the prescribed markets, during the notified period, from the registered farmers. **(Hence statement 3 is correct)**
- The private agency can procure the commodity when the prices in the market fall below the notified MSP.
- The respective state government authorises the private agency to enter the market.

Q.3) Which of the following statement(s) is/are correct with reference to 'Vittiya Saksharta Abhiyan'?

1. It is an awareness campaign for promoting cashless transactions by the Ministry of Finance.
2. It helps to improve the taxation system by easing the scrutiny process by making the transactions digital.

Select the correct answer by using the code below:

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

Q.3) Solution (b)

Explanation:

Vittiya Saksharta Abhiyan', or VISAKA is an awareness campaign for cashless transactions by the **Ministry of Human Resource Development**. It is done by workforce and students of higher education organizations among the individuals who are not aware of digital transactions. The reason for VISAKA is to effectively draw in the students of Higher Education Institutions to support and inspire all payers and payees to use digital cashless methods for payments. **(Hence statement 1 is incorrect)**

Objectives of Vittiya Saksharta Abhiyan:

- To turn the economy of the country into a cashless economy
- To enable the residents of the country to use cashless transactions in their everyday life.
- To make India a solid digital economy and put India in digitally developed and driving nations in the world.
- To curb the black money by infusing all transactions to Digital mode.
- To improve the taxation system by easing the scrutiny process by making the transactions digital.

(Hence statement 2 is correct)

Q.4) With reference to the Pradhan Mantri Shram Yogi Maandhan pension scheme (PM-SYM), Consider the following statements:

1. PM-SYM is a Central Sector Scheme that is administered by the Ministry of Labour and Employment and implemented.
2. To be eligible for this scheme the individual should be working in organized sector.
3. The entry age for beneficiaries must be between 18 to 60 years.
4. After reaching the age of 60, each subscriber will receive a minimum assured pension of Rs 3000 per month.

Which of the statements given above are correct?

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

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

Q.4) Solution (b)

Explanation:

Pradhan Mantri Shram Yogi Maandhan pension scheme

- PM-SYM is a Central Sector Scheme that is administered by the **Ministry of Labour and Employment and implemented** through the Life Insurance Corporation of India (LIC) and Community Service Centers (CSCs). **(Hence statement 1 is correct)**
- The responsibility for pension payments lies with the Pension Fund Manager, LIC (Life Insurance Corporation).

Eligibility:

- Should be an **Unorganized Worker(UW)** **(Hence statement 2 is incorrect)**
- A monthly income of Rs 15000 or below
- The entry age must be between **18 and 40 years** **(Hence statement 3 is incorrect)**
- A mobile phone, a savings account, and an Aadhaar number are necessary.
- Should not be covered by the New Pension Scheme (NPS), Employees' State Insurance Corporation (ESIC), or Employees' Provident Fund Organisation (EPFO) schemes (EPFO).
- The person should not be an income taxpayer.

Features:

- **Minimum Assured Pension:** After reaching the age of 60, each subscriber will receive a minimum assured pension of Rs 3000 per month. **(Hence statement 4 is correct)**
- **Pension for Families:** If the subscriber dies while receiving a pension, the beneficiary's spouse is entitled to 50% of the beneficiary's income as a family pension. Only spouses are eligible for a family pension.

- If a beneficiary made regular contributions and died before reaching the age of 60, his or her spouse will be able to join and continue the scheme by making monthly contributions or depart the scheme according to the exit and withdrawal provisions.
- Contribution: Contributions will be made via the 'auto-debit' facility from the subscriber's savings bank account/ Jan-Dhan account.
- PM-SYM operates on a 50:50 basis, with the beneficiary making a prescribed age-specific contribution and the Central Government matching that contribution

Q.5) Consider the following statements with respect to the differences between hedge Funds and Mutual Funds:

1. Mutual funds are riskier than Hedge funds.
2. Only "accredited" investors are allowed to make investments in hedge funds whereas Mutual funds are readily accessible to all investors.
3. Hedge funds focus on achieving short-term gains, while mutual funds are primarily oriented towards long-term earnings.

Which of the statements given above is/are correct?

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

Q.5) Solution (c)

Explanation:

Difference between Hedge Funds and Mutual Funds

- Hedge funds are riskier than mutual funds since they are managed considerably more aggressively. on the other hand Mutual funds, are not allowed to hold excessively leveraged positions and, as a result, are often safer. **(Hence statement 1 is incorrect)**

- Hedge funds can only accept investments from "accredited" investors. Every investor has easy access to mutual funds. **(Hence statement 2 is correct)**
- Hedge funds are interested in making short-term gains. Long-term earnings are the objective of mutual funds. **(Hence statement 3 is correct)**

Q.6) With reference to the 'Sovereign Gold Bonds', Consider the following statements:

1. These are issued by the Reserve Bank of India (RBI) on behalf of the Indian government.
2. These bonds have an eight-year maturity duration, with the option to sell them after the first five years.

Which of the statements given above is/are correct?

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

Q.6) Solution (c)

Explanation:

Sovereign Gold Bonds

The SGB scheme was introduced in November 2015 to reduce physical gold demand and direct a portion of domestic savings previously used for gold purchases towards financial savings.

Issued by:

- Under the Government Securities (GS) Act, 2006, the Gold Bonds are issued as Government of India Stock.
- The **Reserve Bank of India (RBI)** issues these on behalf of the Indian government. **(Hence statement 1 is correct)**

- Bonds are offered directly or through agents through commercial banks, the Stock Holding Corporation of India Limited (SHCIL), designated post offices, and recognised stock exchanges such as the National Stock Exchange of India Limited and the Bombay Stock Exchange.

Eligibility:

Residents, Hindu Undivided Families (HUFs), trusts, universities, and charitable organizations are the only ones who can buy the bonds.

Features of SGB

- Gold bond prices are tied to the 999 purity (24 carats) gold price announced by the India Bullion and Jewelers Association (IBJA) in Mumbai.
- Gold bonds can be purchased in multiples of one unit up to threshold levels for different investors.
- The maximum amount of retail (individual) investors and HUFs each financial year is 4 kilos (4,000 units). A maximum of 20 kg per financial year applies to trusts and similar organisations.
- The minimum amount of gold that can be invested in one gram.
- Term: The gold bonds have an **eight-year maturity duration, with the option to sell them after the first five years. (Hence statement 2 is correct)**
- Interest Rate: The scheme has a set rate of 2.5 percent per year, payable semi-annually.
- The interest on Gold Bonds is taxable according to the Income Tax Act of 1961.

Benefits of SGB

- They can be used as collateral in the event of taking a loan.
- The capital gains tax on SGB redemptions to individuals has been eliminated.
- The act of an issuer repurchasing a bond at or before maturity is known as redemption.
- The profit earned on the sale of an asset such as stocks, bonds, or real estate is known as a capital gain. It occurs when the asset's selling price exceeds its purchasing price.

Q.7) Which of the following statement(s) is/are correct about E-way bill system:

1. E-way bill is related to post-payment of goods and services
2. It is mandatory for transporters to carry this document for any consignment exceeding Rs 25,000 in value

Select the correct answer by using the code below:

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

Q.7) Solution (a)

Explanation:

- **E-WAY BILL:** It is based on the idea "One Nation One Tax - One Market - One e- Way Bill"
- E-way bill is related to Post-payment of goods and services. **(Hence statement 1 is correct)**
- The e-Way Bill System is a document that gives details regarding the movement of goods and has to be carried by transporters for any consignment **exceeding Rs 50,000. (Hence statement 2 is incorrect)**
- The complete e-Way Bill System, which includes the development of web-based IT Applications, hosting IT infrastructure (which includes network, computing, and security), and operation & management of the system is the responsibility of the National Informatics Centre (NIC).
- It provides multiple modes of e-way Bill generation including Web, Bulk Upload, SMS, Mobile App, and API for Large Taxpayers/ GST Suvidha Providers (GSPs).

Q.8) With reference to the National Anti-Profitteering Agency, Consider the following statements:

1. It is a statutory body established under the Central GST Act, 2017.
2. It ensures that any reductions in tax rates or benefits related to input tax credit are transferred to the recipient in the form of price reductions.

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.8) Solution (c)

Explanation:

National Anti-Profiteering Agency

- The National Anti-Profiteering Agency is a **statutory body established under Section 171 of the Central GST Act, 2017** to ensure that the benefit of the input tax credit or the reduction in the rate of tax is passed on to the recipient in the form of a price reduction. **(Hence both statements are correct)**
- Profiteering, in the context of the GST, means that when the GST Council lowers the tax rates on goods and services, traders do not lower their prices.
- Traders have a significant inclination to swiftly increase the price of a commodity whose tax rate has been raised.
- On the other hand, they might put off the price decrease of a commodity whose tax rate has been reduced by the government.
- Price reductions that are delayed or postponed help businesses make more money. While consumers lose in this scenario.
- As a result, the National Anti-Profiteering Authority was established under Section 171 of the Central Goods and Services Tax Act, 2017 to ensure that any tax rate reductions or input tax credit benefits are passed on to the recipient in the form of a price reduction.
- The Authority's primary responsibility is to ensure that the benefits of the GST Council's reductions in GST rates on goods and services, as well as the proportional change in the Input tax credit, are passed on to ultimate consumers and recipients, respectively, through price reductions by suppliers.

Q.9) Which of the following constitute Capital Receipts of the Government?

1. Borrowing from the Reserve Bank.
2. Loans received from foreign governments.
3. Recoveries of loans granted by the Central Government.
4. Dividends and profits on investments made by the Government.

Select the correct answer using the code given below:

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

Q.9) Solution (c)

Explanation:

Capital receipts refer to the inflow of funds that create a liability or reduce assets of the government. Some of the important capital receipts of the government are:

- Borrowings from the market or international organizations
- Borrowing from the Reserve Bank
- Loans received from foreign governments
- Sale of shares or disinvestment of public sector enterprises
- Recoveries of loans granted by the Central Government
- Capital receipts from states and union territories
- Small savings and provident funds
- Asset sales, such as land and buildings
- Grants received from foreign countries or international organizations for capital expenditure
- Other capital receipts, such as deposits, advances, and security deposits received by the government.

(Hence statement 1, 2 and 3 are correct)

It is important to note that capital receipts are generally non-recurring in nature and are used to finance capital expenditure and repay past borrowings.

Dividends and profits on investments made by the government, is a revenue receipt. **(Hence statement 4 is incorrect)**

Q.10) Firms are said to be in perfect competition when which of the following conditions occur?

1. Many firms are producing identical products.
2. Sellers and buyers have all relevant information to make rational decisions about the product being bought and sold.
3. Firms can enter and leave the market without any restrictions.

Which of the statements given above are correct?

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

Q.10) Solution (d)

Explanation:

Perfect competition was theorised as a market structure where both consumers and firms were price takers.

Feature of Perfect Competition:

- Large number of sellers and buyers – As against monopoly market, a competitive market has large number of sellers selling the commodity to a large number of buyers.
- Homogeneous product: Under perfect competition only a single product is sold. This means all the sellers sell the same type of product to buyers. So the product is a perfect substitute.

- Free entry and exit: Under perfect competition there is no bar on any new firm or producer to enter the market to sell or produce the product. Similarly if any existing seller wants to exit then he is free to do so.
- Every seller wants to earn maximum profit.
- The government's role is to provide protection to sellers and do not interfere in business.
- Knowledge about the product: Under perfect competition sellers and buyers have perfect knowledge about the product.
- There is no bar on factors of production such as labour etc. to move from one production unit to another to do work.

(Hence all the statements are correct)

Q.11) Consider the following statements:

1. Devaluation of currency reduces the cost of a country's exports, rendering them less competitive in the global market.
2. Devaluation of currency increases the cost of imports strengthening domestic businesses.

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.11) Solution (b)

Explanation:

- In foreign exchange market, depreciation of currency 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. It makes exports more competitive in the global market. **(Hence statement 1 is incorrect)**

- Currency devaluations can be used by countries to achieve economic policy. Having a weaker currency relative to the rest of the world can help boost exports, shrink trade deficits and reduce the cost of interest payments on its outstanding government debts. **(Hence statement 2 is correct)**

Q.12) Consider the following statements about Money Market and Capital Market:

1. Capital Market deals with securities like treasury bills and commercial paper.
2. The participants in Money Market are Stock brokers, under writers, mutual funds, individual investors.
3. Money Market is regulated by RBI & Capital Market by SEBI.

Which of the above statements is/are **not** correct?

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

Q.12) Solution (c)

Explanation:

- Capital Market deals with securities like stocks, bonds, debentures, and long-term debt instruments. Money Market deals with short-term debt instruments like treasury bills, commercial paper, and certificates of deposit. **(Hence statement 1 is incorrect)**
- The participants in the Money Market are banks, financial institutions, mutual funds, corporate treasuries, and other large institutional investors. Individual investors and stockbrokers do not typically participate in the Money Market. **(Hence statement 2 is incorrect)**
- Money Market is regulated by the Reserve Bank of India (RBI), whereas Capital Market is regulated by the Securities and Exchange Board of India (SEBI). **(Hence statement 3 is correct)**

Q.13) Which of the following conditions is/are likely to happen after Deficit Financing?

1. Increase in the government borrowing.
2. Decrease in level of investment.
3. It may lead to deflation.

Select the correct answer using the code given below:

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

Q.13) Solution (a)

Explanation:

- The term deficit financing means the direct addition to gross national expenditure through budget deficits whether the budget deficits are on revenue or on capital account. This policy implies that the government is spending in excess of the revenue it receives in the form of taxes, surplus from public enterprises, loans borrowing from central bank of the country, which leads to the creation of money. **(Hence statement 1 is correct)**
- Deficit financing affects investment adversely when there is inflation in the economy trade unions make demand for higher wages for that they go for strikes and lock outs which decreases the efficiency of Labour and creates uncertainty in the business which a decreases the level of investment of the country and cost of production. **(Hence statement 2 is correct)**
- Due to deficit financing money supply increases & the purchasing power of the people also increase which increases the aggregate demand and the prices also increases. So it leads to inflation. **(Hence statement 3 is incorrect)**

Q.14) Consider the following statements about the Monetary Policy Committee (MPC):

1. It comes under Finance Ministry and headed by Finance Secretary.

2. RBI and Central government both have equal representation in MPC.
3. It is non-statutory in nature.
4. It is responsible for price stability and inflation targeting.

Which of the above statements are correct?

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

Q.14) Solution (b)

Explanation:

- The Monetary Policy Committee (MPC) is the body of the RBI, headed by the Governor, responsible for taking the important monetary policy decision about setting the repo rate. Repo rate is 'the policy instrument' in monetary policy that helps to realize the set inflation target by the RBI (at present 4%). **(Hence statement 1 is incorrect)**
- The Monetary Policy Committee (MPC) is formed under the RBI with six members. Three of the members are from the RBI while the other three members are appointed by the government. Members from the RBI are the Governor who is the chairman of the MPC, a Deputy Governor and one officer of the RBI. **(Hence statement 2 is correct)**
- The Monetary Policy Committee (MPC) is a committee of the Central Bank in India (RBI), headed by its Governor. The Reserve Bank of India Act, 1934 (RBI Act) was amended by the Finance Act, 2016, to provide for a statutory and institutionalized framework for a MPC, for maintaining price stability, while keeping in mind the objective of growth. **(Hence statement 3 is incorrect)**
- The main responsibility of the MPC will be to keep the inflation targets set by the RBI. The MPC decides the changes to be made to the policy rate (repo rate) to contain inflation within the target (based on CPI) level set under India's inflation targeting regime. **(Hence statement 4 is correct)**

Q.15) Which of the following is/are the part of Capital Account?

1. External Commercial Borrowing.
2. Foreign Portfolio investment.
3. Invisible Trade.
4. Remittances.
5. Foreign Exchange Reserves.
6. Foreign Aid.

Select the correct answer using the code given below:

- a) 1, 3 and 4 only
- b) 1, 2, and 5 only
- c) 2, 4, 5 and 6 only
- d) 1, 2, 3, 4, 5 and 6

Q.15) Solution (b)

Explanation:

The capital account is a component of the balance of payments (BoP) that records all transactions between a country's residents and the rest of the world involving capital assets and financial investments.

Some of the major components of the capital account are:

- Foreign direct investment (FDI).
- Foreign investment.
- Portfolio investment, including foreign institutional investment (FII) and foreign portfolio investment (FPI).
- External commercial borrowing (ECB)
- Foreign Exchange Reserves.
- External Assistance: India receives external assistance from various multilateral agencies such as the World Bank Group, Asian Development Bank, European Investment Bank, New Development Bank, etc.

(Hence statement 1, 2 and 5 are correct)

The major components of the Current Account includes net income through exports/imports, invisible trade such as interest and dividends, transfers, remittances, foreign aid etc. **(Hence statement 3, 4 and 6 are incorrect)**

Q.16) With respect to Balance of Payment (BoP), consider the following statements:

1. Balance of Trade is the part of Balance of current account.
2. Balance on current account covers all receipts on account of earning as well as borrowing.
3. Interest paid and received is covered under the Capital account of BOP.

Which of the above statements is/are **not** correct?

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

Q.16) Solution (c)

Explanation:

- The balance of payments (BOP) also known as balance of international payments, summarizes all transactions that a country's individuals, companies and government bodies complete with individuals, companies and government bodies outside the country. These transactions consist of imports and exports of goods, services and capital, as well as transfer payments such as foreign aid and remittances.
- Balance of payment has two parts balance of current account and balance of capital account.
(Hence statement 1 is correct)
- Balance of current account consist balance of trade, balance of services and balance of unrequited transfers. It covers all receipts on account of earning like Interests, profits, royalties paid and

received. But receipts on account of all types of lending/borrowing are covered under capital account. **(Hence statement 2 and 3 are incorrect)**

Q.17) Which of the following is/are likely to happen if a government goes for 'devaluation'?

1. Fall in the value of currency as compared to international currencies.
2. There will be boost in export.
3. Drastic increase in import.
4. It will lead to decrease in trade deficit.

Select the correct answer using the code given below:

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

Q.17) Solution (b)

Explanation:

- Devaluation in modern monetary policy is a reduction in the value of a currency with respect to those goods, services or other monetary units with which that currency can be exchanged. Lowering of the value of a currency of a country tends to raise its exports by making its goods cheaper for foreigners. **(Hence statements 1 and 2 are correct)**
- Devaluation or depreciation makes the imports from abroad expensive in terms of domestic currency (rupees in case of India) and therefore the imports tend to fall. **(Hence statement 3 is incorrect)**
- With exports increasing and imports declining, it is expected that devaluation (depreciation) will reduce a country's trade deficit. **(Hence statement 4 is correct)**

Q.18) Which of the following pairs are correctly matched?

Types of Inflation	Meaning
1. Creeping Inflation -	A kind of mild inflation that boosts demand.
2. Galloping Inflation -	When inflation rises from 3 to 7 percent.
3. Hyperinflation -	A very high rate of inflation which leads to a rapid increase in prices.
4. Stagflation -	A situation where there is a high rate of inflation along with stagnant economic growth.

Select the correct answer using the code given below:

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

Q.18) Solution (c)

Explanation:

- Creeping Inflation - A kind of mild inflation that boosts demand.
- Galloping Inflation - When inflation rises to 10 percent or more.
- Hyperinflation - A very high rate of inflation which leads to a rapid increase in prices.
- Stagflation - A situation where there is a high rate of inflation along with stagnant economic growth.

Q.19) Gross Domestic Product (GDP) is the:

- 1. Monetary value of all the finished goods and services produced within a country's borders.
- 2. Measure of welfare or happiness.
- 3. Measure of Disposable Personal Income.

Which of the above statements is/are correct?

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

Q.19) Solution (a)

Explanation:

- Gross domestic product (GDP) is the monetary value of all the finished goods and services produced within a country's borders in a specific time period. **(Hence statement 1 is correct)**
- GDP includes all private and public consumption, government outlays, investments, private inventories, paid in construction costs and the foreign balance of trade (exports are added, imports are subtracted). Put simply, GDP is a broad measurement of a nation's overall economic activity
- GDP is commonly used as an indicator of the economic health of a country, as well as a gauge of a country's standard of living. Since the mode of measuring GDP is uniform from country to country, GDP can be used to compare the productivity of various countries with a high degree of accuracy.
- But the rise in GDP doesn't guarantee the welfare of the masses. Gross National Happiness (also known by the acronym: GNH) is a developing philosophy as well as an "index" which is used to measure the collective happiness in any specific nation. **(Hence statement 2 is incorrect)**
- This is because the rise in GDP may be concentrated in the hands of very few individuals or firms. For the rest, the income may in fact have fallen. In such a case the welfare of the entire country cannot be said to have increased.
- Disposable income, also known as disposable personal income (DPI), is the amount of money that households have available for spending and saving after deduction of income taxes. **(Hence statement 3 is incorrect)**

Disposable Income = Personal Income - Personal Income Taxes Payments.

Q.20) Which of the following pairs is/are correctly matched?

1. Tarapore Committee - Capital Account Convertibility
2. Tendulkar Committee – Poverty Estimation
3. Urijit Patel Committee - Monetary Policy Reforms
4. Kelkar Committee – tax reform

Select the correct answer using the code given below:

1. 1 only
2. 3 and 4 only
3. 2 and 4 only
4. 1, 2, 3 and 4

Q.20) Solution (d)

Explanation:

- **Tarapore Committee:** In 1997, a committee on capital account convertibility was setup by the Reserve Bank of India (RBI) under the chairmanship of former RBI deputy governor S.S. Tarapore to “lay the road map” to capital account convertibility.
- **Tendulkar Committee:** A committee appointed by the Government of India in 2005 to review the methodology for estimating poverty in India and to update the poverty line.
- **Urijit Patel Committee:** It was appointed to examine the current monetary policy framework of the Reserve Bank of India. It was headed by Urjit Patel, Deputy Governor of the Reserve Bank of India to strengthened Monetary Policy Framework of RBI.
- **Kelkar Committee:** The Committee is also known as the Tax Reforms Committee, was set up by the Government of India in 2002 to suggest comprehensive tax reforms for the country. The committee was headed by Dr. Vijay Kelkar, an economist and former finance secretary of India.
- **(Hence all the statements are correct)**

Q.21) Consider the following statements about SATHI Portal

1. It is a Centralized Online System for seed traceability, authentication and inventory.
2. It was developed by National Informatics Centre (NIC) in collaboration with the Union Ministry of Agriculture and Farmers Welfare.

Choose the incorrect statements:

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

Q.21) Solution (d)

Explanation:

- It aims to ensure quality assurance system, identify the source of seed in the seed production chain.
- **It is a Centralized Online System for seed traceability, authentication. Hence statement 1 is correct.**
- It is also an inventory designed to deal with the challenges of seed production, quality seed identification and seed certification.
- There will be a **QR code** under this system, through which the seeds can be traced.
- Developed by - **National Informatics Centre (NIC) in collaboration with the Union Ministry of Agriculture and Farmers Welfare. Hence statement 2 is correct.**
- Theme - Uttam Beej – Samriddh Kisan (Choice of seeds in prosperous Agriculture).

Source: [CLICK HERE](#)

Q.22) Consider the following statements about United Nations Capital Development Fund (UNCDF)

1. It is the only UN agency mandated to focus primarily on the least developed countries (LDCs).
2. It provides investment capital and technical support to both the public and the private sectors.

Choose the incorrect statements:

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

Q.22) Solution (d)

Explanation:

- It is the **United Nations' flagship catalytic financing entity for the world's 46 Least Developed Countries (LDCs).**
- **It is an autonomous, voluntarily funded UN organization, affiliated with the UN Development Programme (UNDP).**
- **It is the only UN agency mandated to focus primarily on the least developed countries (LDCs). Hence statement 1 is correct.**
- It works to invest and catalyse capital to support to LDCs in achieving the sustainable growth and inclusiveness envisioned by the 2030 Agenda for Sustainable Development and the Doha Programme of Action for the least developed countries, 2022–2031.
- **It provides investment capital and technical support to both the public and the private sectors. Hence statement 2 is correct.**

Source: [CLICK HERE](#)

Q.23) Consider the following statements

1. Electromagnetic Ion Cyclotron (EMIC) waves are a form of plasma waves.
2. Killer electrons are the electrons trapped in Earth's outer radiation belt that can damage satellites.
3. EMIC waves are used to precipitate the killer electrons.

Chose the correct statements:

- a) 1, 2 and 3

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

Q.23) Solution (a)

Explanation:

- **Electromagnetic Ion Cyclotron (EMIC) waves - It is a form of plasma waves. Hence statement 1 is correct.**

Plasma Waves

- The waves that emanate from the sun having Low-density, ionized gases are called as plasmas.
- Plasma is a good electrical conductor with properties that are strongly affected by electric and magnetic fields.
- Waves in plasmas are an interconnected set of particles and fields which propagate in a periodically repeating fashion.

EMIC waves

- **EMIC waves play an important role in precipitation of killer electrons.**
- **Killer Electrons - Electrons having speed close to speed of light, which form the radiation belt of planet Earth.**
- Killer electrons are hazardous to our space-borne technology/instruments. **Hence statement 2 is correct.**
- EMIC waves are sensible electromagnetic emissions observed in the Earth's magnetosphere (the cavity in which the Earth lies and stays protected from the wrath of the Sun).
- They can resonate with electrons with a wide energy range --- from 500 keV to hundreds of MeV.
- **It make the electrons precipitate to high-latitude atmosphere. Hence statement 3 is correct.**
- Short-period modulation of EMIC wave events is common and dependent on EMIC wave frequency.
- The short period decreases with an increase in the peak frequency of the EMIC wave, and stronger
- EMIC wave events were likely to have a higher peak frequency.

- It is important to improve the understanding of EMIC wave modulation and how they interact with energetic particles that impact satellites and their communication.

Source: [CLICK HERE](#)

Q.24) Consider the following statements about Indian Wild Buffalo

1. Indian Wild Buffalo are mainly found in the alluvial grasslands and marshes.
2. Indian Wild Buffalo is the state animal of Jharkhand.
3. Indian Wild Buffalo's IUCN conservation status is Vulnerable.

Choose the correct statements:

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

Q.24) Solution (b)

Explanation:

- The Indian Wild Buffalo is a large species of bovine native to the Indian Sub-continent and South East Asia.
- Habitat: is mainly found in the alluvial grasslands, marshes, swamps and river valleys. **Hence statement 1 is correct.**
- In India, they are generally concentrated in North East India in Kaziranga National Park, Manas and Dibru-Saikhowa National Parks, Laokhowa Wildlife Sanctuary and Bura Chapori Wildlife Sanctuary, D'Ering Memorial Wildlife Sanctuary in Arunachal Pradesh.
- Indian Wild Buffalo is the state animal of Chhattisgarh. **Hence statement 2 is not correct.**

Conservation Status

- IUCN: Endangered. **Hence statement 3 is not correct.**

- Wild Life (Protection) Act, 1972: Schedule 1

Source: [CLICK HERE](#)

Q.25) Prosopis chilensis, recently seen in news is?

- a) An invasive plant from South America
- b) A gecko (lizard) found in Nilgiri hills
- c) A plant fungus infecting human beings
- d) A newly found bagworm moth species of Kerala

Q.25) Solution (a)

Explanation:

Prosopis Chilensis

- Prosopis chilensis is a drought-resistant plant.
- Prosopis chilensis is a species of tree in the genus Prosopis, belonging to the family Fabaceae.
- It is found in parts of central Chile, southern Peru, Bolivia, and Andean Argentina.
- Its common names include Chilean mesquite, cupesí, and Chilean Algarrobo.
- It is a trouble for Gulf of Mannar island groups.
- It is not only trouble for these islands but also Tuticorin, Vembar, Kilakkarai, and Mandapam groups.
- The coral reef has been destroyed in several places near these islands.

Source: [CLICK HERE](#)

Q.26) After 9 o'clock, at what time between 9 pm and 10 pm will be the hour and minute hand of a clock point at the opposite direction?

- a) 09:16:22
- b) 09:26:22

- c) 09:36:22
- d) 09:18:22

Q.26) Solution (a)

Explanation:

A minute hand travels 360° in one hour, i.e. $360/60 = 6^\circ$ in one minute. An hour hand travels 360° in twelve hours, i.e. 360° in $12 \times 60 = 720$ minutes, $360/720 = 0.5^\circ$ in one minute.

At 09:00 angle between hour hand and minute hand is 90° . After one minute, minute hand has moved 6° clockwise and hour hand has moved 0.5° clockwise wise.

So the angle formed between hour hand and minute hand after one minute is $90+6-0.5= 95.5$ which is increase of 5.5° in one minute.

As it was 90° angle at 09:00, for hour hand and minute hand to be exactly in opposite position a further 90° have to be completed.

$90/5.5 = 16.364$ minutes, i.e. 16 minutes and 21.82 seconds. So at 09:16:22, hour hand and minute hand will be exactly in opposite position.

Q.27) Kodanda, while leaving for school looks at the clock in the mirror. Since the clock has no number indication, he makes a mistake in interpreting the time. Assuming the clock must be out of order, he cycles to school, where he arrives after twenty minutes. At that moment the clock at school shows a time that is four and a half hours later than the time that Kodanda saw on the clock at home. At what time did he reach school?

- a) 25 min past eight
- b) 15 min past seven
- c) 30 min past eight
- d) 45 min past six

Q.27) Solution (a)

Explanation:

The difference between the real time and the time of the mirror image is four hours and ten minutes (four and a half hours, minus the twenty minutes of cycling). Therefore, the original time on the clock at home that morning could only have been five minutes past eight 8:05 or 3:55 as a mirror image.

The difference between these clocks is exactly 4 hours and ten minutes

Conclusion: The boy reaches school at five minutes past eight plus twenty minutes of cycling, which is twenty-five minutes past eight.

Q.28) On 8th Dec, 2007 Saturday falls. What day of the week was it on 8th Dec, 2006?

- a) Sunday
- b) Friday
- c) Thursday
- d) Tuesday

Q.28) Solution (b)

Explanation:

The year 2006 is an ordinary year. So, it has 1 odd day.

So, the day on 8th Dec, 2007 will be 1 day beyond the day on 8th Dec, 2006.

But, 8th Dec, 2007 is Saturday.

∴ 8th Dec, 2006 is Friday.

Q.29) If a clock strikes once at 1 o'clock, twice at 2 o'clock and so on, how many times will it strike in a day?

- a) 156 times
- b) 186 times
- c) 300 times
- d) 240 times

Q.29) Solution (a)

Explanation:

There are 24 hours in a day and clock has 12 hours, therefore, there will be two rounds of clock per day. Let us write this as an arithmetic series because we have to find the number of times that the clock strikes in a day.

Thus, the A.P is 1, 2, 3, 4,.....12

We know that the sum of an arithmetic series with first term a and common difference d is

$$S_n = n/2 [2a+(n-1)d]$$

Now to find the sum of series, substitute $n = 12$, $a = 1$ and $d = 2-1 = 1$ in

$S_n = n/2 [2a+(n-1)d]$ as follows:

$$S_{12} = 12/2[(2 \times 1) + (12-1)1] = 6[2 + (11 \times 1)] = 6(2+11) = 6 \times 13 = 78$$

Therefore, it will strike 78 times in 12 hours.

Now to find the number of times it will strike in full day that is in 24 hours is $2 \times 78 = 156$.

Hence, the clock strikes 156 times in a day.

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

Passage 1

Getting a good night's sleep can help you cope with stress more effectively. But not getting enough sleep can cause more stress. Insomniacs have higher concentrations of stress hormones than others. Women are prone to sleep disturbances. Their sleep problems frequently interfere with their daily activities.

Experts believe that sleep, especially deep sleep, enables our nervous system to function well. Without it, we lose our ability to concentrate, remember or analyse. Some experts speculate that during deep sleep, cells manufacture more proteins, which are essential for cell growth and repair of damage from things like stress and ultraviolet rays. Scientists believe that activity in the area of the brain that controls emotions and social interactions lessens during sleep and that deep sleep may help people be emotionally and socially adept when awake.

Sleep may also help our brain to store a newly learned activity in its memory bank. In a study in Canada, students deprived of sleep after learning a complex logic game showed a 30% learning deficit when tested a week later compared with students not deprived of sleep.

Q.30) Which of the following statements are correct about sleep according to the author?

1. The activity in the area of the brain that controls emotions and social interactions lessens during sleep
2. Insomniacs have lower concentrations of stress hormones than others
3. In India men are more prone to sleep disturbances than women

Choose the correct code

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

Q.30) Solution (b)

Explanation:

The first paragraph tells that “Insomniacs have higher concentrations of stress hormones than others.” Hence, statement 2 is incorrect.

It is clear from the second paragraph that “activity in the area of the brain that controls emotions and social interactions lessens during sleep and that deep sleep may help people be emotionally and socially adept when awake”

Statement 3 is out of the context.

Hence, option b is correct.