

ForumIAS

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## Prelims Marathon

July, 2021

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*HISTORY*  
*ECONOMICS*  
*POLITY*  
*SCIENCE AND TECHNOLOGY*  
*GEOGRAPHY AND ENVIRONMENT*

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## *Structure and Relief: Physiographic Divisions of India*

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**Q.1)** “Pichavaram mangrove” forest is located in which of the following state?

- a) Odisha
- b) Karnataka
- c) Tamil Nadu
- d) Andhra Pradesh

**ANS: C**

**Explanation:** Pichavaram mangrove is one of the largest mangrove in India, situated at Pichavaram near Chidambaram in Tamil Nadu.

Pichavaram ranks among the one of the most exquisite scenic spot in Tamil Nadu and home of many species of Aquatic birds.

Source: ICSE – Total Geography and The Hindu

**Q.2)** Consider the following statements regarding “Palani Mountain Range”:

- 1. It is part of Eastern Ghats.
- 2. Kodaikanal hill station located in the Palani range.

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

**ANS: B**

**Explanation:** Palni Hills, range of hills, an eastward extension of the Western Ghats, in southwestern Tamil Nadu state, southern India.

- The range is a continuation of the Anaimalai Hills in Kerala state. The Palnis are about 45 miles (70 km) wide and 15 miles (23 km) long.
- In the south the hills terminate abruptly in steep slopes. The upper Palnis, in the west, consist of rolling hills covered with coarse grasses; dense forests grow in the valleys.
- Peaks include Vandaravu, 8,376 feet (2,553 metres); Vembadi Shola, 8,221 feet (2,505 metres); and Karunmakadu, 8,042 feet (2,451 metres).
- The town of Kodaikanal is located in a high basin about 7,000 feet (2,150 metres) above sea level.
- Potatoes, beans, root crops, pears, and peaches are cultivated in and around the hill villages.

Source: NCERT XI India Physical Environment

**Q.3)** Which of the following is/are consists of present day “Gondwana land”?

- 1. Africa
- 2. Latin America
- 3. Arabian Peninsula
- 4. European Continent
- 5. North American Continent

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** Gondwanaland or “Gondwana” is the name for the southern half of the Pangaeian supercontinent that existed some 300 million years ago.

- Gondwanaland is composed of the major continental blocks of South America, Africa, Arabia, Madagascar, Sri Lanka, India, Antarctica, and Australia.
- The name “Gondwana” is derived from a tribe in India (Gonds) and “wana” meaning “land of.”
- Gondwanaland is superficially divided into a western half (Africa and South America) and an eastern half (India, Sri Lanka, Madagascar, Antarctica, and Australia).

Source: NCERT XI India Physical Environment

**Q.4)** Consider the following statements with respect to “Barail Range”:

1. It is the highest hill range in Arunachal Pradesh.
2. The Barail Range is the watershed between the Brahmaputra and Manas rivers.

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

**ANS: D**

**Explanation:** The Barail is the highest hill range in Assam. It includes the North Cachar Hill Reserve Forest (RF) of Cachar district, Barail RF of Cachar and North Cachar Hills districts and the unclassified forests stretching from the Simleng river valley in the west to Laike in the east (in North Cachar Hills district).

The Barail Range is the watershed between the Brahmaputra and Barak rivers. The terrain ranges from flat and undulating in the river valleys, to mountainous with steep slopes.

Source: NCERT XI India Physical Environment

**Q.5)** “Parasnath hills” is located in which of the following state?

- a) Madhya Pradesh
- b) Jharkhand
- c) Gujarat
- d) Maharashtra

**ANS: B**

**Explanation:** Parasnath Hills are a range of hills located in Giridih district of Jharkhand. The highest peak is 1350 metres. It is one of the most important pilgrimage centres for Jains. They call it Sammed Sikhar.

- The hill is named after Parasnath, the 23rd Tirthankara. Twenty of the twenty-four Jain Tirthankaras attained salvation on this hill.
- According to some, nine Tirthakaras attained salvation on this hill. For each of them there is a shrine (gumti or tuk) on the hill. Some of the temples on the hill are believed to be more than 2,000 years old.

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- However, although the place is habited from ancient times, the temples may be of more recent origin.
- The Santhals call it Marang Buru, the hill of the deity. They celebrate a hunting festival on the full moon day in Baisakh (mid April).

Source: NCERT XI India Physical Environment

**Q.6)** Consider the following statements regarding “Satpura range”:

1. It stretches through Maharashtra, Madhya Pradesh and Andhra Pradesh.
2. It forms the watershed between the Narmada and Godavari rivers.

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

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

**ANS: C**

**Explanation:** Satpura Range, range of hills, part of the Deccan plateau, western India.

- The hills stretch for some 560 miles (900 km) across the widest part of peninsular India, through Maharashtra, Madhya Pradesh, and Gujarat and Chhattisgarh states.
- The range, the name of which means “Seven Folds,” forms the watershed between the Narmada (north) and Tapti (south) rivers.

Source: NCERT XI India Physical Environment

**Q.7)** “Taptapani hot spring” is located in which of the following state?

- a) Odisha
- b) Andhra Pradesh
- c) Assam
- d) Telangana

**ANS: A**

**Explanation:** Taptapani hot spring famous for a perennial hot spring of “Medicinal Sulfuric Water” which is located on the State Highways that connects Berhampur with Western Odisha.

Source: ForumIAS Factly

**Q.8)** The “Kalsubai peak” is located in which of the following state?

- a) Andhra Pradesh
- b) Maharashtra
- c) Madhya Pradesh
- d) Kerala

**ANS: B**

**Explanation:** Kalsubai Peak is located in Akole taluka of Ahmednagar district.

- The Kaslubai temple is situated at the topmost peak of Sahyadri mountain range of Maharashtra, its commands a beautiful view. The natural peak of Kalsubai is located 10 km away from Bhandardara dam.
- Kalsubai height is of 1646 meters and is known as one of the highest peaks in Maharashtra state.

Source: NCERT XI India Physical Environment

**Q.9)** The term “rohi” is related to which of the following?

- a) Fertile tracts
- b) kind of jhum cultivation
- c) Tribal festival
- d) Tea Cultivation

**ANS: A**

**Explanation:** The Rajasthan Bagar region (Bagar refers to the semi-desert area which is west of Aravallis.

- Bagar has a thin layer of sand. It is drained by Luni in the south whereas the northern section has a number of salt lakes) have a number of short seasonal streams which originate from the Aravallis.
- These streams support agriculture in some fertile patches called Rohi.

Source: ICSE Total Geography

**Q.10)** Consider the following statements regarding the Majuli Island:

1. It covers an area of around 1500 sq km.
2. It is inhabited by Mising tribes, Deori and Sonowal Kachri tribes.

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

**ANS: B**

**Explanation:** The World Records has declared Majuli in Assam as the largest river island in the world. It has toppled Marajo in Brazil to clinch the record. The beautiful river island is situated on the Brahmaputra River.

- It is formed by Brahmaputra River in the south and Kherkutia Xuti, an anabranch of the Brahmaputra, joined by the Subansiri River in the north.
- The island is inhabited by Mising tribes, Deori and Sonowal Kachri tribes.
- The people of the island speak Mising, Assamese and Deori language.
- It covers an area of around 880 sq km.
- Due to the frequent flooding of the Brahmaputra River, Majuli suffers heavy erosion. In the last 30-40 years it is estimated that it has lost about one third of its area.

Source: ICSE Total Geography and The Hindu

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## *Drainage System in India*

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**Q.1)** Arrange the following rivers from west to east:

1. Ken
2. Betwa
3. Son
4. Sabarmati

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The correct order from east to west is son, ken, betwa and Sabarmati.

- River son is a tributary of Ganga, while ken and betwa are tributaries of Yamuna.
- River Sabarmati is a west flowing river in state of Gujarat.

Source: NCERT – XI Indian Physical Environment

**Q.2)** Which of the following pair (s) is/are correctly matched?

- | Dam                    | : | River    |
|------------------------|---|----------|
| 1. Krishna Raja Sagara | : | Ganga    |
| 2. Hirakud             | : | Mahanadi |
| 3. Nagarjuna sagar     | : | Krishna  |

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:**



Source: ICSE – Total Geography and NCERT – XI Indian Physical Environment

**Q.3)** Consider the following statements regarding “Peninsular Drainage System”:

1. It is characterized by the broad, largely-graded shallow valleys, and the maturity of the rivers.

2. Narmada and Tapi rivers flow from east to west.

Which of the statements above given is/are correct?

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

**ANS: C**

**Explanation:** The Peninsular drainage system is older than the Himalayan one. This is evident from the broad, largely-graded shallow valleys, and the maturity of the rivers.

- The Western Ghats running close to the western coast act as the water divide between the major Peninsular Rivers, discharging their water in the Bay of Bengal and as small rivulets joining the Arabian Sea.
- Most of the major Peninsular Rivers except Narmada and Tapi flow from west to east. The Chambal, the Sind, the Betwa, the Ken, the Son, originating in the northern part of the Peninsula belong to the Ganga river system.
- The other major river systems of the peninsular drainage are – the Mahanadi the Godavari, the Krishna and the Kaveri.

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- Peninsular rivers are characterised by fixed course, absence of meanders and non-perennial flow of water. The Narmada and the Tapi which flow through the rift valley are, however, exceptions.

Source: NCERT – XI Indian Physical Environment

**Q.4)** Consider the following statements regarding “River Godavari”:

1. It originates from Trimbakeshwar, Nasik District in Western Ghats.
2. The biggest city on the river banks of the Godavari is Vijayawada.
3. Kaleshwaram project was built on Godavari River in the state of Andhra Pradesh.

Which of the statements given above is/are correct?

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

**ANS: B**

**Explanation:** The River Godavari is an important stream in central India, rising in the Western Ghats Mountain Range.

- The name of the origin is Trimbakeshwar and it is situated in the Nashik District or Subdivision in the state of Maharashtra and runs towards the east over the Deccan terrain through the Maharashtra state. The river is also named as Southern Ganges or Dakshin Ganga.
- The river moves into Andhra Pradesh at Kandhakurthi in Nizamabad district of Andhra Pradesh, moves past the Deccan terrain and subsequently bends to run according to a southeasterly course till it pours into the Bay of Bengal via two mouths.
- An important place of attraction on the riverbanks is Basara in Adilabad District.
- It houses a popular place of worship for Goddess Saraswati. It is also the second oldest temple for the deity in India.
- The biggest city on the riverbanks of the Godavari is Rajahmundry.
- In this place, the river has the maximum breadth (about 5 km from Rajahmundry to the other bank at Kovvur).
- The Kaleshwaram Lift Irrigation Project or KLIP is a multi-purpose irrigation project on the Godavari River in Kaleshwaram, Bhoopalpally, Telangana, India.

Source: NCERT – XI Indian Physical Environment and The Hindu

**Q.5)** Consider the following statements regarding “Cauvery River Basin”:

1. The basin lies in the States Tamil Nadu, Karnataka and Kerala and Andhra Pradesh.
2. Cauvery basin consists of about 3% of the cultivable area of the country.

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

**ANS: B**

**Explanation:** Cauvery basin extends over an area of 87,900 sq. km. which is nearly 2.7% of the total geographical area of the country.

- It is bounded by the Western Ghats on the west, by the Eastern Ghats on the east and south and by the ridges separating it from Krishna basin and Pennar basin on the north.



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- The basin lies in the States Tamil Nadu, Karnataka and Kerala. Physiographically, the basin can be divided into three parts—the Western Ghats, the Plateau of Mysore and the Delta. The delta area is the most fertile tract in the basin.
- The principal soil types found in the basin are black soils, red soils, lateritic, alluvial soils, forest soils and mixed soils. Red soils occupy large areas in the basin.
- Alluvial soils are found in the delta areas. The cultivable area of the basin is about 5.8 Mha which about 3% of the cultivable area of the country.

Source: NCERT – XI Indian Physical Environment and The Hindu

**Q.6)** Consider the following statements regarding “Mahi river basin”:

1. Mahi River drains into Gulf of Kutch.
2. The basin lies in the States of Madhya Pradesh, Rajasthan and Gujarat.

Which of the statements above given is/are correct?

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

**ANS: B**

**Explanation:** Mahi River is one of the major west flowing inter-state rivers of India, draining into the Gulf of Khambhat.

- The basin is bounded on the North and the North-West by Aravalli hills, on the East by the ridge separating it from the Chambal Basin, on the South by the Vindhyas and on the West by the Gulf of Khambhat.
- The basin has a maximum width of about 250km. Mahi river originates on the Northern slope of Vindhyas near the village of Sardarpur in the Dhar district of Madhya Pradesh at an elevation of 500m above mean sea level.
- It has a total length of 583 km and it traverses through the states of Madhya Pradesh, Rajasthan and Gujarat. The total drainage area of Mahi is 34,842 sq. km.
- The principal tributaries of the Mahi River are Som, Jakham, Moran, Anas, and the Bhadar. Major projects are Jakham Reservoir, Panam Dam, Mahi Bajaj Sagar Project and Kadana Project.

Source: ICSE – Total Geography and NCERT – XI Indian Physical Environment

**Q.7)** Which of the following is/are tributaries of “Brahmaputra River”?

1. Teesta River
2. Sankosh River
3. Manas River
4. Subansiri River

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Primary Tributaries of the Brahmaputra River are:

- The Dhansiri River.
- The Dibang River.
- The Subansiri River.
- The Kameng River.

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- The Manas River.
- The Sankosh River.
- The Teesta River.

Source: ICSE – Total Geography

**Q.8)** 'Charmanvati' is the ancient name of which of following River?

- a) Saraswati River
- b) Sabarmati River
- c) Kaveri River
- d) Chambal River

**ANS: D**

**Explanation:** The Chambal River, called Charmanvati in ancient times, is the largest of the rivers flowing through and Rajasthan State.

This is a major tributary of Yamuna which is 960 km long. Located in Central India, the river comprises a significant portion of the Greater Gangetic Drainage System.

Source: The Hindu

**Q.9)** The Pakal Dul Hydro Electric Project is often seen in news is proposed on which of the following river?

- a) Marusudar River
- b) Beas River
- c) Chenab River
- d) Alaknanda River

**ANS: A**

**Explanation:** The Pakal Dul Hydro Electric Project (1,000 MW) is proposed on the Marusudar river, a tributary of the Chenab river, in Kishtwar district in Jammu and Kashmir.

Source: ICSE Total Geography

**Q.10)** Consider the following pairs:

Famous place	:	River
1. Patna	:	Ganga
2. Jabalpur	:	Yamuna
3. Ferozpur	:	Chambal

Which of the pair/pairs given above is/are correctly matched?

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

**ANS: A**

**Explanation:**

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S.No.	River	Originates From	Falls into	Major Indian Cities on The Banks
1	Ganges	Gangotri Glacier	Bay of Bengal	Varanasi, Allahabad, Haridwar, Patna
2	Brahmaputra	Angsi Glacier (Tibet)	Bay of Bengal	Guwahati, Dibrugarh
3	Indus	Tibet, Kailash Range	Arabian Sea	Leh, Kargil
4	Godavari	Triambakeshwar, Maharashtra	Bay of Bengal	Trimbakeshwar, Nashik, Rajahmundry
5	Narmada	Amarkantak, Madhya Pradesh	Arabian Sea	Jabalpur, Harda, Bharuch
6	Krishna	Near Mahabaleswar, Maharashtra	Bay of Bengal	Sangli, Vijayawada
7	Yamuna	Yamunotri Glacier	Ganges River	Delhi, Agra, Mathura
8	Mahanadi	Hills of Southeastern Chhattisgarh	Bay of Bengal	Rajim, Sambalpur, Cuttack
9	Kaveri	Talakaveri, Karnataka	Bay of Bengal	Tiruchirapalli, Erode
10	Tapti (Tapi)	Satpura Range near Multai, Madhya Pradesh	Arabian Sea	Burhanpur, Bhusawal, Surat
11	Sutlej	Lake Rakshastal in Tibet	Indus River	Ferozpur, Rupnagar
12	Chambal	Vindhya Range Near Mhow, Madhya Pradesh	Yamuna River	Kota, Gwalior
13	Beas	Beas Kund, Himachal Pradesh	Sutlej River	Mandi, Kullu, Amritsar
14	Tungabhadra	Koodli (where Tunga and Bhadra rivers meet), Karnataka	Krishna River	Harihara, Hospet, Hampi, Kurnool
15	Sabarmati	Aravali Hills Near Udaipur, Rajasthan	Arabian Sea	Ahmedabad, Gandhinagar

Source: Central Water Commission

## *Weather, Climate and Seasons of India*

**Q.1)** “Rainfall occurs in winter from the retreating monsoon and summer is dry” - above statement best describes which of the following regions?

- a) North East
- b) Konkan coast
- c) Lakshadweep Islands
- d) Coromandel Coast

**ANS: D**

**Explanation:** The Ganga delta and the coastal plains of Orissa are hit by strong rain-bearing storms almost every third or fifth day in July and August while the Coromandal coast, a thousand km to the south, goes generally dry during these months.

Most parts of the country get rainfall during June-September, but on the coastal areas of Tamil Nadu, it rains in the beginning of the winter season.

Source: NCERT – India Physical Environment

**Q.2)** It is a belt around the Earth extending approximately five degrees north and south of the equator also known as?

- a) ITCZ
- b) Polar Westerlies
- c) Polar Jet streams
- d) Horse Latitudes

**ANS: A**

**Explanation:** Known to sailors around the world as the doldrums, the Inter-Tropical Convergence Zone, (ITCZ pronounced and sometimes referred to as the “itch”), is a belt around the Earth extending approximately five degrees north and south of the equator.

- Here, the prevailing trade winds of the northern hemisphere blow to the southwest and collide with the southern hemisphere’s driving northeast trade winds.
- Due to intense solar heating near the equator, the warm, moist air is forced up into the atmosphere like a hot air balloon. As the air rises, it cools, causing persistent bands of showers and storms around the Earth’s midsection.
- The rising air mass finally subsides in what is known as the horse latitudes, where the air moves downward toward Earth’s surface.
- Because the air circulates in an upward direction, there is often little surface wind in the ITCZ.
- That is why sailors well know that the area can be calm sailing ships for weeks. And that’s why they call it the doldrums.

Source: NOAA

**Q.3)** With reference to the Inter-Tropical Convergence Zone (ITCZ), which of the following statements is/are correct?

1. In July, it shifts southwards and becomes a reason for Southwest monsoon.
2. It is a low pressure zone located at equator where trade winds converge.

Select the correct answer using the codes given below:

- a) 1 only

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

**ANS: B**

**Explanation:** The Inter Tropical Convergence Zone (ITCZ) is a low pressure zone located at the equator where trade winds converge, and so, it is a zone where air tends to ascend.

- In July, the ITCZ is located around 20°N-25°N latitudes (over the Gangetic plain), sometimes called the monsoon trough.
- This monsoon trough encourages the development of thermal low over north and northwest India.
- Due to the shift of ITCZ, the trade winds of the southern hemisphere cross the equator between 40° and 60°E longitudes and start blowing from southwest to northeast due to the Coriolis force.
- It becomes southwest monsoon. In winter, the ITCZ moves southward, and so the reversal of winds from northeast to south and southwest, takes place. They are called northeast monsoons.

Source: NCERT – India Physical Environment

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

1. The temperature in mesosphere increases with increase in altitude.
2. Ozone layer is present in stratosphere.
3. Radio waves transmitted from the earth are reflected back to the earth by ionosphere.

Which of the statements above given is/are correct?

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

**ANS: B**

**Explanation:** The atmosphere consists of different layers with varying density and temperature. Density is highest near the surface of the earth and decreases with increasing altitude.

- The column of atmosphere is divided into five different layers depending upon the temperature condition. They are: troposphere, stratosphere, mesosphere, thermosphere and exosphere.
- The troposphere is the lowermost layer of the atmosphere. Its average height is 13 km and extends roughly to a height of 8 km near the poles and about 18 km at the equator.
- The stratosphere is found above the tropopause and extends up to a height of 50 km.
- One important feature of the stratosphere is that it contains the ozone layer. This layer absorbs ultra-violet radiation and shields life on the earth from intense, harmful form of energy.
- The mesosphere lies above the stratosphere, which extends up to a height of 80 km.
- In this layer, once again, temperature starts decreasing with the increase in altitude and reaches up to minus 100°C at the height of 80 km.
- The upper limit of mesosphere is known as the mesopause.
- The ionosphere is located between 80 and 400 km above the mesopause. It contains electrically charged particles known as ions, and hence, it is known as ionosphere.

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- Radio waves transmitted from the earth are reflected back to the earth by this layer. Temperature here starts increasing with height.
- The uppermost layer of the atmosphere above the thermosphere is known as the exosphere. This is the highest layer but very little is known about it.

Source: ICSE – Total Geography

**Q.5)** In the context of Indian climate, what is the reason of ‘October Heat’?

- a) Low temperature and rainy conditions
- b) High temperature and rainy conditions
- c) High temperature and humidity
- d) Low temperature and humidity

**ANS: C**

**Explanation:** The retreating southwest monsoon season is marked by clear skies and rise in temperature. The land is still moist.

- Owing to the conditions of high temperature and humidity, the weather becomes rather oppressive. This is commonly known as the ‘October heat’.
- In the second half of October, the mercury begins to fall rapidly, particularly in northern India.
- The weather in the retreating monsoon is dry in north India but it is associated with rain in the eastern part of the Peninsula. Here, October and November are the rainiest months of the year.

Source: NCERT – India Physical Environment

**Q.6)** Consider the following statements regarding south-west monsoon:

1. Peninsular shape of India divides the southwest monsoons into two branches - Arabian Sea branch and Bay of Bengal branch.
2. Arabian Sea branch of southwest monsoons causes heavy rains on the western slopes of the Western Ghats.

Which of statements above given is/are NOT correct?

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

**ANS: D**

**Explanation:** The peninsular shape of India divides these Southwest monsoons into two branches - Arabian Sea branch and Bay of Bengal branch.

- Arabian Sea branch of Southwest monsoons strikes the western coast of India and causes heavy rains on the western slopes of the Western Ghats.
- After crossing the Western Ghats, these winds cause less rainfall on the eastern slopes as they gain temperature while descending. This area is, therefore, known as rain shadow zone.
- The Bay of Bengal branch is divided into two sub branches after striking eastern Himalayas. One branch moves towards the east northeast direction and causes heavy rains in Brahmaputra valley and northeast hills of India.
- The other branch moves towards northwest along the Ganga valley and the Himalayan ranges causing heavy and widespread rains over vast areas.
- In this region, the amount of rainfall decreases from east to west owing to the progressive decrease in humidity of these winds.

Source: NCERT – India Physical Environment

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**Q.7)** Consider the following pairs:

- |                      |   |                     |
|----------------------|---|---------------------|
| Cyclone              | : | Region              |
| 1. Hurricanes        | : | Caribbean           |
| 2. Willy-willies     | : | China               |
| 3. Tropical Cyclones | : | Indian Ocean region |

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** In low latitudes, an intense depression with a low pressure centre is known as a Tropical cyclone in the Indian Ocean area, as hurricanes in the Caribbean, typhoons in China and Willy-willies in Australia.

Source: ICSE – Total Geography

**Q.8)** Which of the following are hot local winds?

- 1. Chinook
- 2. Santa Ana
- 3. Northers
- 4. Mistral

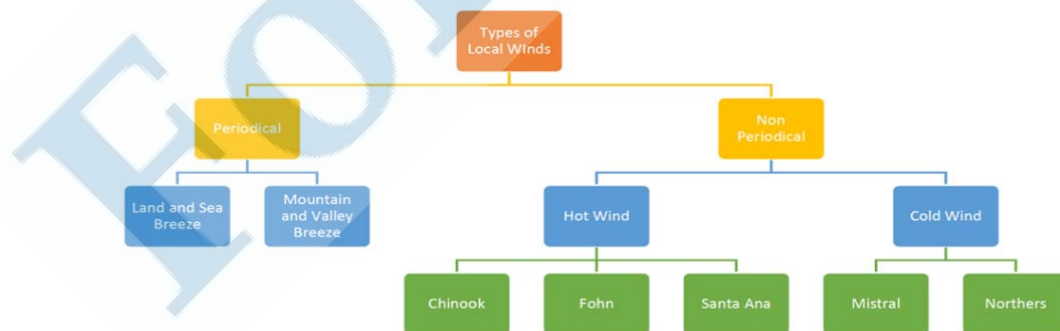
Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Local Winds are produced due to local variability in temperature and pressure conditions. Thus, they are more localized in their extent and cover limited horizontal and vertical dimensions and confined to the lower levels of the troposphere.

Types of Local Winds



Source: ICSE – Total Geography and NOAA

**Q.9)** With reference to the impact of Himalayas on Indian climate, which of the following statements is/are correct?

- 1. They act as an effective physical barrier for rain bearing south-west monsoon winds.
- 2. They protect India from cold and dry air masses of Central Asia.

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Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** The Himalayas act as a climatic divide between India and Central Asia.

- During winter, Himalayas protect India from cold and dry air masses of Central Asia.
- During monsoon months these mountain ranges act as an effective physical barrier for rain bearing south-west monsoon winds.
- Himalayas divide the Bay of Bengal branch of monsoon winds into two branches – one branch flowing along the plain regions towards north-west India and the other towards South-East Asia.
- If the Himalayas were not present, the monsoon winds would simply move into China and most of the north India would have been a desert.

Source: NCERT – India Physical Environment

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

1. The South Indian coastal areas are under the influence of hot dry wind called 'loo'.
2. Mawsynram and Cherrapunji in Meghalaya receive around 1,000 cm of annual rainfall from south west monsoon.

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

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

**ANS: A**

**Explanation:** India's climate closely resembles the climate that of a tropical country although it's northern part (north of tropic of cancer) is situated in the temperate belt.

- Indian subcontinent is separated from the rest of Asia by the lofty Himalayan ranges which block the cold air masses moving southwards from Central Asia.
- As a result, during winters, the northern half of India is warmer by 3°C to 8°C than other areas located on same latitudes.
- During summer, due to over the head position of the sun, the climate in the southern parts resemble equatorial dry climate.
- The north Indian plains are under the influence of hot dry wind called 'loo' blowing from the Thar, Baloch and Iranian Deserts, increasing the temperatures to a level comparable to that of the southern parts of the country.
- The climate in most of the regions is characterized by distinct wet and dry seasons.
- Some places like Thar desert, Ladakh have no wet season. Mean annual rainfall varies substantially from region to region.
- Mawsynram and Cherrapunji in Meghalaya receive around 1,000 cm of annual rainfall while at Jaisalmer the annual rainfall rarely exceeds 12 cm.

Source: NCERT – India Physical Environment



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## *Soils and its distribution in India*

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**Q.1)** With reference to the alluvium deposits in India, which of the following statements is/are correct?

1. Most of the northern plains are formed by alluvial deposits brought by rivers.
2. The terai belt consists of marshy and swampy conditions.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** The northern plains are formed by the alluvial deposits brought by the rivers – the Indus, the Ganga and the Brahmaputra.

- These plains extend approximately 3,200 km from the east to the west. The average width of these plains varies between 150 - 300 km.
- The maximum depth of alluvium deposits varies between 1,000-2,000 m. From the north to the south, these can be divided into three major zones: the Bhabar, the Tarai and the alluvial plains.
- The alluvial plains can be further divided into the Khadar and the Bhangar. Bhabar is a narrow belt ranging between 8-10 km parallel to the Shiwalik foothills at the break-up of the slope.
- As a result of this, the streams and rivers coming from the mountains deposit heavy materials of rocks and boulders, and at times, disappear in this zone.
- South of the Bhabar is the Tarai belt, with an approximate width of 10-20 km where most of the streams and rivers re-emerge without having any properly demarcated channel, thereby, creating marshy and swampy conditions known as the Tarai.

Source: NCERT XI – India Physical Environment

**Q.2)** Which of the following are factors of soil formation?

1. Topography
2. Parent Material
3. Climate
4. Flora and Fauna

Choose the correct code from below given options:

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

**ANS: D**

**Explanation:** Factors of soil formation:

**Parent material:** Few soils weather directly from the underlying rocks. These “residual” soils have the same general chemistry as the original rocks. More commonly, soils form in materials that have moved in from elsewhere.

- Materials may have moved many miles or only a few feet. Windblown “loess” is common in the Midwest. It buries “glacial till” in many areas. Glacial till is material

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ground up and moved by a glacier. The material in which soils form is called “parent material.”

- In the lower part of the soils, these materials may be relatively unchanged from when they were deposited by moving water, ice, or wind.

**Climate:** Soils vary, depending on the climate. Temperature and moisture amounts cause different patterns of weathering and leaching.

- Wind redistributes sand and other particles especially in arid regions. The amount, intensity, timing, and kind of precipitation influence soil formation.
- Seasonal and daily changes in temperature affect moisture effectiveness, biological activity, rates of chemical reactions, and kinds of vegetation.

**Topography:** Slope and aspect affect the moisture and temperature of soil. Steep slopes facing the sun are warmer, just like the south-facing side of a house. Steep soils may be eroded and lose their topsoil as they form.

Thus, they may be thinner than the more nearly level soils that receive deposits from areas upslope. Deeper, darker colored soils may be expected on the bottom land.

**Biological factors:** Plants, animals, micro-organisms, and humans affect soil formation. Animals and micro-organisms mix soils and form burrows and pores.

- Plant roots open channels in the soils. Different types of roots have different effects on soils. Grass roots are “fibrous” near the soil surface and easily decompose, adding organic matter.
- Taproots open pathways through dense layers. Micro-organisms affect chemical exchanges between roots and soil.
- Humans can mix the soil so extensively that the soil material is again considered parent material.
- The native vegetation depends on climate, topography, and biological factors plus many soil factors such as soil density, depth, chemistry, temperature, and moisture. Leaves from plants fall to the surface and decompose on the soil.
- Organisms decompose these leaves and mix them with the upper part of the soil. Trees and shrubs have large roots that may grow to considerable depths.

**Time:** Time for all these factors to interact with the soil is also a factor. Over time, soils exhibit features that reflect the other forming factors.

- Soil formation processes are continuous. Recently deposited material, such as the deposition from a flood, exhibits no features from soil development activities.
- The previous soil surface and underlying horizons become buried. The time clock resets for these soils.
- Terraces above the active floodplain, while genetically similar to the floodplain, are older land surfaces and exhibit more development features.

Source: NCERT XI – India Physical Environment and <https://www.nrcs.usda.gov/wps/portal/nrcs/detail/soils>

**Q.3)** Which of the following statements is/are correct regarding “Red soils” in India?

1. It is formed as a result of weathering of sedimentary rocks.
2. It is predominantly found in northern plains area.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Red soil is formed as a result of weathering of metamorphic and igneous rocks. The red color of the soil comes from the high percentage of iron content.

- The soil's texture varies from being sandy to clayey, but it is mainly loamy. Red soil is rich in potash content but lacks phosphate, humus and nitrogen content.
- The red soil is found in regions such as Tamil Nadu, Madhya Pradesh, Jharkhand, Odisha, some parts of Karnataka and southeast Maharashtra.

Source: NCERT XI – India Physical Environment

**Q.4)** Which of the following Soils is/are zonal Soil?

1. Desert Soils
2. Red Soils
3. Laterite Soils

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The Soils can be classified on the basis of dominating factors:

Zonal Soil – These soils occur in broad geographical areas or zones.

- They are influenced more by the climate and vegetation of the area rather than the rock-type.
- They are mature, as a result of stable conditions over a long period of time.
- For example – red soils, black soils, laterite soils, desert soils etc.

Azonal Soil – It is that soil which has been developed by the process of deposition by the agents of erosion.

- It means that it has been made by the fine rocky particles transported from the far-off regions.
- These are immature soils and lack well-developed soil profiles.
- This may be due to the non-availability of sufficient time for them to develop fully or due to the location on very steep slopes which prohibits profile development.
- For Example – alluvial and loess soils.

Source: G C Leong

**Q.5)** The calcareous soil is an example of?

- a) Intrazonal Soil
- b) Zonal Soil
- c) Azonal Soil
- d) Both B & C

**ANS: A**

**Explanation:** Intrazonal Soil – These soils occur within other zonal soils.

- It is a well-developed soil reflecting the influence of some local factor of relief, parent material, or age rather than of climate and vegetation.
- For example, calcareous soil (soils which develop from limestone), peat soil.

Source: G C Leong

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

1. Saline Soils are also known as Usara soils.
2. Fertile soils are known as Urvara soils.

Which of the statements above given is/are correct?

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

**ANS: C**

**Explanation:** India has varied relief features, landforms, climatic realms and vegetation types. These have contributed in the development of various types of soils in India.

- In ancient times, soils used to be classified into two main groups – Urvara and Usara, which were fertile and sterile, respectively.
- Saline Soils are also known as Usara soils. Saline soils contain a larger proportion of sodium, potassium and magnesium, and thus, they are infertile, and do not support any vegetative growth.
- They have more salts, largely because of dry climate and poor drainage. They occur in arid and semi-arid regions, and in waterlogged and swampy areas.
- Their structure ranges from sandy to loamy. They lack in nitrogen and calcium. Saline soils are more widespread in western Gujarat, deltas of
- The eastern coast and in Sunderban areas of West Bengal. In the Rann of Kutch, the Southwest Monsoon brings salt particles and deposits there as a crust. Seawater intrusions in the deltas promote the occurrence of saline soils.

Source: NCERT XI – India Physical Environment

**Q.7)** With reference to the soil health card scheme, which of the following statements is/are correct?

1. It was launched by Ministry of Earth Sciences in 2015.
2. It is a field-specific detailed report of soil fertility status and other important soil parameters that affect crop productivity.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The Ministry of Agriculture and Farmers' Welfare introduced the soil health card scheme on December 5, 2015.

- Soil Health Card (SHC) is a printed report which contains nutrient status of soil with respect to 12 nutrients: pH, Electrical Conductivity (EC), Organic Carbon (OC), Nitrogen (N), Phosphorus (P), Potassium (K), Sulphur (S), Zinc (Zn), Boron (B), Iron (Fe), Manganese (Mn) and Copper (Cu) of farm holdings.
- SHC is provided to all farmers in the country at an interval of 3 years to enable the farmers to apply recommended doses of nutrients based on soil test values to realize improved and sustainable soil health and fertility, low costs and higher profits. Farmers can track their soil samples and also obtain their Soil Health Card report.
- It is a field-specific detailed report of soil fertility status and other important soil parameters that affect crop productivity.

Source: Press Information Bureau

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**Q.8)** Which of the following soil is also called as “regur soil”?

- a) Alluvial soil
- b) Saline soil
- c) Laterite soil
- d) Black soil

**ANS: D**

**Explanation:** Black cotton soil which is also called as Regur soil is derivative of trapped lava.

- These soils are rich in calcium carbonate, magnesium carbonate, potash and lime.
- Regur soil has high water retention capacity.
- It cracks in summer and hence oxygen reaches to the deeper layers of soil.
- Cotton is well grown in this soil and hence is also called as black cotton soil.

Source: NCERT XI – India Physical Environment

**Q.9)** Which of the following soil has least proportion of distribution in India?

- a) Alluvial Soils
- b) Black soils
- c) Red Soils
- d) Both B & C

**ANS: B**

**Explanation:** Alluvial is the mostly available soil in India (about 43%) which covers an area of 143 sq.km.

- Alluvial soil [43%]
- Red soil [18.5%]
- Black / regur soil [15%]
- Arid / desert soil
- Laterite soil

Source: NCERT XI – India Physical Environment

**Q.10)** With reference to the Karewa Soils in India, which of the following statements is/are NOT correct?

1. It consists of fine silt, clay, and boulder gravels.
2. It is mainly devoted to the cultivation of Cotton, Wheat and Maize.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** Karewa soils are the lacustrine deposits in the Kashmir valleys and Bhadarwah valley. The fine silt, clay, and boulder gravels are the composition of Karewa soil.

They are characterized with the fossils. These soils are mainly devoted to the cultivation of saffron, almonds, apple, walnut, etc.

Source: NCERT XI – India Physical Environment

## *Indian Flora and Fauna*

**Q.1)** Consider the following statements with regarding tropical thorn forest:

1. These occur in areas with rainfall more than 100 cm.
2. These forests spread through semi-arid areas of south west Punjab, Haryana, Rajasthan, Gujarat, Madhya Pradesh and Uttar Pradesh.

Which of the statements above given is/are correct?

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

**ANS: B**

**Explanation:** Tropical thorn forests occur in the areas which receive rainfall less than 50 cm.

- These consist of a variety of grasses and shrubs. It includes semi-arid areas of south west Punjab, Haryana, Rajasthan, Gujarat, Madhya Pradesh and Uttar Pradesh.
- In these forests, plants remain leafless for most part of the year and give an expression of scrub vegetation.
- Important species found are babool, ber, and wild date palm, khair, neem, khejri, palas, etc. Tussocky grass grows upto a height of 2 m as the under growth.

Source: NCERT XI – India Physical Environment

**Q.2)** Consider the following statements regarding “Eastern Ghats”:

1. It is spread across Tamil Nadu, Kerala and Karnataka.
2. Highest percentage of geographical spread of Eastern Ghats is located in Andhra Pradesh.

Which of the following codes below given is/are correct?

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

**ANS: B**

**Explanation:** Despite being older than the Himalayas and the Western Ghats, the Eastern Ghats, an ancient discontinuous low mountain range that spreads along the East coast of the Indian Peninsula, never got its due.

- The geographical extent of the Eastern Ghats is about 75,000 kilometres, spread over the states of Odisha (25 %), Andhra Pradesh (40%), Telangana (5%), Karnataka (5%) and Tamil Nadu (25%).
- Though it is bestowed with rich bio-diversity and is home to different tribal communities, there has never been a clear policy in place for its conservation.

Source: <https://www.thehindu.com/society/k-thulsi-rao-n-sai-bhaskar-reddy-and-c-umamaheshwar-reddy-on-their-book-eastern-ghats-environment-outlook-and-the-movement-to-serve-eastern-ghats/article32032242.ece>

**Q.3)** Consider the following statements regarding characteristics of “Tropical Evergreen Forests”:

1. They are located at more than 200cm rainfall.
2. There is a definite time for trees to shed their leaves in these forests.
3. The trees reach great heights up to 60 metres or even above.

Which of the following codes below given is/are correct?

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

**ANS: C**

**Explanation:** Tropical Evergreen forests are restricted to heavy rainfall areas of the Western Ghats and the island groups of Lakshadweep, Andaman and Nicobar, upper parts of Assam and Tamil Nadu coast.

- They are at their best in areas having more than 200 cm of rainfall with a short dry season. The trees reach great heights up to 60 metres or even above.
- Since the region is warm and wet throughout the year, it has a luxuriant vegetation of all kinds — trees, shrubs and creepers giving it a multilayered structure.
- There is no definite time for trees to shed their leaves. As such, these forests appear green all the year round.

Source: NCERT XI – India Physical Environment

**Q.4)** With reference to the moist deciduous forests, which of the following statements is/are correct?

1. These are more pronounced in the regions which record rainfall of 50 - 100 cm.
2. These forests are found in the northeastern states along the foothills of Himalayas and eastern slopes of the Western Ghats.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The Moist deciduous forests are more pronounced in the regions which record rainfall of 100-200 cm.

- These forests are found in the northeastern states along the foothills of Himalayas, eastern slopes of the Western Ghats and Odisha.
- Teak, sal, shisham, hurra, mahua, amla, semul, kusum, and sandalwood etc. are the main species of these forests.

Source: NCERT XI – India Physical Environment

**Q.5)** Tendu, palas, amaltas, bel, khair, axlewood, etc. are the common trees of which of the following forests?

- a) Montane forests
- b) Tropical evergreen
- c) Temperate grasslands
- d) Tropical dry deciduous forests

**ANS: D**

**Explanation:** Tendu, palas, amaltas, bel, khair, axlewood, etc. are the common trees of tropical dry deciduous forests.

Source: NCERT XI – India Physical Environment

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

1. The Himalayan ranges show a succession of vegetation from the tropical to the tundra, which change in with the altitude.
2. Deciduous forests are found in the foothills of the Himalayas.

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

**ANS: C**

**Explanation:** The Himalayan ranges show a succession of vegetation from the tropical to the tundra, which change in with the altitude.

- Deciduous forests are found in the foothills of the Himalayas.
- It is succeeded by the wet temperate type of forests between an altitude of 1,000-2,000 m.

Source: NCERT XI – India Physical Environment

**Q.7)** The term “Sholas” is associated with region?

- a) Himalayas region
- b) Andaman & Nicobar region
- c) Temperate forest of South India
- d) Dandakaranya region

**ANS: C**

**Explanation:** The temperate forests are called Sholas in the Nilgiris, Anaimalai and Palani hills.

Source: NCERT XI – India Physical Environment

**Q.8)** Which of the following pair (s) is/are correctly matched?

- |                 |   |                  |
|-----------------|---|------------------|
| Lake/wet land   | : | Associated State |
| 1. Lonar Lake   | : | Maharashtra      |
| 2. Keetham Lake | : | Andhra Pradesh   |
| 3. Kabartal     | : | Assam            |

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** India has 41 wetlands, the highest in South Asia, with two more added to the list of recognised sites of international importance under the treaty of Ramsar Convention.

- The Lonar lake in Maharashtra and Sur Sarovar, also known as Keetham lake, in Agra, have been added to the list of recognised Ramsar sites.



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- Lonar lake in Maharashtra, the only crater lake of country, and Sur Sarovar, also known as Keetham lake, in Agra.
- "Wetlands are the world's natural water filters and one of the most productive ecosystem on the planet".
- Recently, Kabartal in Bihar's Begusarai district was recognised as a wetland of international importance, the first such wetland in the state, under the Ramsar Convention, according to the Union Environment Ministry.

Source: Outlook India (<https://www.outlookindia.com/newscroll/2-more-wetlands-in-india-added-to-list-of-recognised-sites-under-ramsar-convention/1976470>)

**Q.9)** Which of the following has classified the social forestry into three categories - urban forestry, rural forestry and farm forestry?

- a) Indian Forest Act, 1927
- b) National Forest Policy, 1988
- c) Forest Conservation Act, 1980
- d) National Commission on Agriculture 1976

**ANS: D**

**Explanation:** The National Commission on Agriculture (1976) has classified social forestry into three categories. These are Urban forestry, Rural forestry and Farm forestry.

Source: NCERT XI – India Physical Environment

**Q.10)** The “Project Snow Leopard” – was launched in which year to protect the tigers?

- a) 1983
- b) 2001
- c) 2009
- d) 2012

**ANS: C**

**Explanation:** Project Snow Leopard (PSL) was launched in 2009 to promote an inclusive and participatory approach to conserve snow leopards and their habitat.

Source: NCERT XI – India Physical Environment

## *Economic Geography of the World*

**Q.1)** The truck farming is associated with which of the following?

- Shrimp growing practices
- Vegetables cultivation
- Sericulture practices
- Plantations

**ANS: B**

**Explanation:** The regions where farmers specialize in vegetables only, the farming is known as truck farming.

The distance of truck farms from the market is governed by the distance that a truck can cover overnight, hence the name truck farming.

Source: NCERT – XII Fundamental of Human Geography

**Q.2)** Which of the following animal (s) is/are examples of pack animal (s)?

- Donkeys
- llamas
- Bullocks

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** A pack animal is a type of animal used by humans to carry heavy loads. These animals carry goods and supplies upon their backs across long distances or difficult terrain.

- They are not to be confused with draft animals, which pull weight on a cart or sled. The use of animals to carry cargo dates as far back as 3500 BC.
- Historical evidence suggests that donkeys have served as pack animals for longer than any other species. Other types of common pack animals include camels, yaks, horses, llamas, oxen, and water buffalos.
- Mules are preferred in the mountainous regions; while camels are used for caravan movement in deserts. In India, bullocks are used for pulling carts.

Source: NCERT – XII Fundamental of Human Geography

**Q.3)** Consider the following statements regarding the agro-based industries in India:

- The first successful textile mill was established in Madras.
- The first jute mill was set up near Kolkata.

Which of the statements given above is/are correct?

- 1 only
- 2 only
- Both 1 and 2
- Neither 1 nor 2

**ANS: B**

**Explanation:** In ancient India, cotton textiles were produced with hand spinning and handloom weaving techniques.

- After the 18th century, power-looms came into use. Our traditional industries suffered a setback during the colonial period because they could not compete with the mill-made cloth from England.
- The first successful textile mill was established in Mumbai in 1854. The two world wars were fought in Europe, India was a British colony.
- There was a demand for cloth in U.K. hence; they gave a boost to the development of the cotton textile industry.
- The first jute mill was set up near Kolkata in 1859 at Rishra.
- After Partition in 1947, the jute mills remained in India but three-fourth of the jute producing area went to Bangladesh (erstwhile East Pakistan).

Source: NCERT – XII Fundamental of Human Geography

**Q.4)** “Environmental Determinism” theory was proposed by which of the following?

- Ellen C. Semple
- Paul Vidal de la Blache
- Fredrick Ratzel
- Griffith Taylor

**ANS: C**

**Explanation:** Environmental determinism rose to prominence in the late 19th century and early 20th century, partly through the work of human geographer Friedrich Ratzel.

- Ratzel collapsed society into nature through the concept of Lebensraum.
- Thus he argued that the concept of state was a natural link between people and environment.

Source: NCERT – XII Fundamental of Human Geography

**Q.5)** Which of the following regions is/are associated with Pastoral nomadism?

1. Island of Madagascar
2. North Africa
3. South Western Australia

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** Pastoral nomadism is associated with three important regions.

- The core region extends from the Atlantic shores of North Africa eastwards across the Arabian peninsula into Mongolia and Central China.
- The second region extends over the tundra region of Eurasia.
- In the southern hemisphere there are small areas in South-West Africa and on the island of Madagascar.

Source: NCERT – XII Fundamental of Human Geography

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**Q.6)** The term “ranching” is associated with which of the following?

- a) Conservation Agriculture Practices
- b) Social forestry
- c) Plantation methods
- d) Rearing animals

**ANS: D**

**Explanation:** Rearing of animals in ranching is organized on a scientific basis. The main emphasis is on breeding, genetic improvement, disease control and health care of the animals.

New Zealand, Australia, Argentina, Uruguay and United States of America are important countries where commercial livestock rearing is practiced.

Source: NCERT – XII Fundamental of Human Geography

**Q.7)** The shifting cultivation practices like Milpa and Ladang are practiced in which of the following areas?

- a) Central America & Indonesia
- b) Central America & Mexico
- c) Australia & Mexico
- d) Indonesia & Germany

**ANS: A**

**Explanation:** The vegetation is usually cleared by fire, and the ashes add to the fertility of the soil.

- Shifting cultivation is thus, also called slash and burn agriculture.
- It is prevalent in tropical region in different names, e.g. Jhuming in North eastern states of India, Milpa in Central America and Mexico and Ladang in Indonesia and Malaysia.

Source: NCERT – XII Fundamental of Human Geography

**Q.8)** Viticulture is a specialty of which of the following region?

- a) Tundra region
- b) Mediterranean region
- c) Polar region
- d) Northern Plains

**ANS: B**

**Explanation:** Viticulture or grape cultivation is a specialty of the Mediterranean region.

- Best quality wines in the world with distinctive flavors are produced from high quality grapes in various countries of this region.
- The inferior grapes are dried into raisins and currants. This region also produces olives and figs.
- The advantage of Mediterranean agriculture is that more valuable crops such as fruits and vegetables are grown in winters when there is great demand in European and North American markets.

Source: NCERT – XII Fundamental of Human Geography

**Q.9)** The Ruhr coal field is associated with which of the following?

- a) Italy
- b) Germany
- c) Australia

d) United States of America

**ANS: B**

**Explanation:** The Ruhr Coal-field, Germany has been one of the major industrial regions of Europe for a long time.

- Coal and iron and steel formed the basis of the economy, but as the demand for coal declined, the industry started shrinking.
- Even after the iron ore was exhausted, the industry remained, using imported ore brought by waterways to the Ruhr.
- The Ruhr region is responsible for 80 per cent of Germany's total steel production.

Source: NCERT – XII Fundamental of Human Geography

**Q.10)** Which of the following sector is an example of tertiary sector?

- a) Coal Fields
- b) Car production
- c) Agriculture extension practices
- d) Tourism

**ANS: D**

**Explanation:** Tourism is travel undertaken for purposes of recreation rather than business.

- It has become the world's single largest tertiary activity in total registered jobs (250 million) and total revenue (40 per cent of the total GDP).
- Besides, many local persons are employed to provide services like accommodation, meals, transport, entertainment and special shops serving the tourists.

Source: NCERT – XII Fundamental of Human Geography

## Revision

**Q.1)** The “Abdul Kalam Island” is often seen in news is located in which of the following state/Island?

- a) Kerala
- b) Andhra Pradesh
- c) Andaman Islands
- d) Odisha

**ANS: D**

**Explanation:** Abdul Kalam Island, formerly known as Wheeler Island, is an island off the coast of Odisha, India, approximately 150 kilometers (93 mi) from the state capital Bhubaneswar.

- The Integrated Test Range missile testing facility is located on the island. The island was originally named after English commandant Lieutenant Wheeler.
- On 4 September 2015, the island was renamed to honour the late Indian president - Abdul kalam.
- Abdul Kalam Island is located in the Bay of Bengal approximately 10 kilometres (6.2 mi) off the eastern coast of India and about 70 kilometres (43 mi) south of Chandipur in Balasore district, Odisha.
- The island is about 2 kilometres (1.2 mi) in length and 390 acres (1.6 km<sup>2</sup>) in area.

Source: <https://www.thehindu.com/news/national/shaurya-successfully-test-fired/article32759394.ece>

**Q.2)** The process of moving from plain areas to pastures on mountains during summers and again from mountain pastures to plain areas during winters is known as?

- a) Migration
- b) Exodus
- c) Diaspora
- d) Transhumance

**ANS: D**

**Explanation:** Movement in search of pastures is undertaken either over vast horizontal distances or vertically from one elevation to another in the mountainous regions.

- The process of migration from plain areas to pastures on mountains during summers and again from mountain pastures to plain areas during winters is known as transhumance.

Source: NCERT – XII Fundamentals of Human Geography

**Q.3)** Consider the following statements regarding the “oil refineries in India”:

1. India’s oldest refinery located in Assam.
2. Barauni Oil refinery in Bihar was built in collaboration with France.

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

**ANS: A**

**Explanation:** Digboi Refinery is India's oldest refinery. It was established in 1901. It gets crude oil from Moran and Naharkatiya fields.

- Barauni petrochemicals plant is in the country the second oil refinery in the public sector and forms an important part of the Indian petrochemical industry.
- It belongs to the Indian oil corporation limited (IOCL). It was built in partnership with Romania and USSR.
- The plant of Barauni petrochemicals is located from Patna at a distance of 125 kilometers. In 1964 it was commissioned and had a 1 mmtpa refining capacity.

Source: NCERT – XII Fundamentals of Human Geography

**Q.4)** The “Sheffield, Essen and Lipetsk” are famous areas for which of the following?

- a) Dairy production centres
- b) Iron and steel industry centres
- c) Wheat producing centres
- d) Automobile manufacturing centres

**ANS: B**

**Explanation:** Iron & Steel Industry: The industry is one of the most complex and capital-intensive industries and is concentrated in the advanced countries of North America, Europe and Asia.

- Pittsburg area is now losing ground. It has now become the “rust bowl” of U.S.A.
- In Europe, U.K., Germany, France, Belgium, Luxembourg, the Netherlands and Russia are the leading producers.
- The important steel centres are Scun Thorpe, Port Talbot, Birmingham and Sheffield in the U.K.;
- Duisburg, Dortmund, Dusseldorf and Essen in Germany; Le Creusot and St. Ettienne in France;
- And Moscow, St. Petersburg, Lipetsk, Tula, in Russia and Krivoi Rog, and Donetsk in Ukraine.

Source: NCERT – XII Fundamentals of Human Geography

**Q.5)** Which degree channel separates “Minicoy Island from Maldives”?

- a) Six degree channel
- b) Eighth degree channel
- c) Nine degree channel
- d) Ten degree channel

**ANS: B**

**Explanation:** 8 Degree Channel (8 degrees north latitude) separates islands of Minicoy and Maldives.

Source: NCERT XI – India Physical Environment

**Q.6)** Arrange the following hills of North-east India from north to south:

1. Patkai bum
2. Mishmi hills
3. Lushai hills
4. Mikir hills

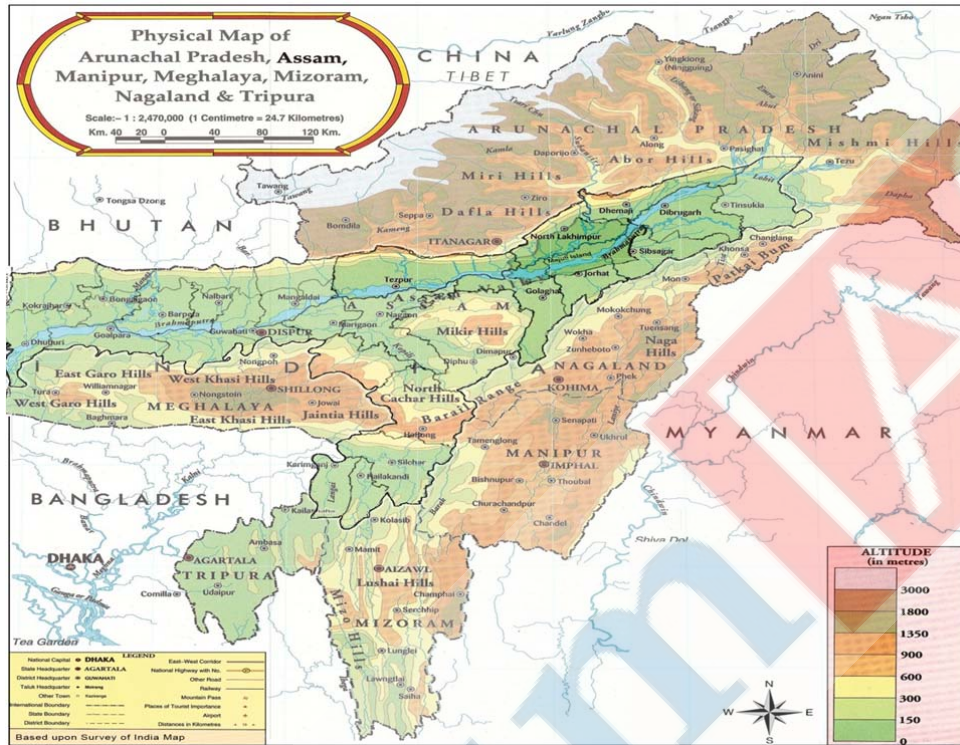
Select the correct answer using the code given below:

- a) 4 – 3 – 2 – 1
- b) 3 – 4 – 1 – 2

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

**ANS: D**

**Explanation:**



Source: Oriental Blackswan

**Q.7)** Arrange the following rivers of Arunachal Pradesh from east to west:

1. Dibang River
2. Kameng River
3. Lohit River
4. Subansiri River

Select the correct answer using the code given below:

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

**ANS: C**

**Explanation:**



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Source: Maps of India

**Q.8)** Consider the following statements regarding the “Indian Ocean Dipole”:

1. It is also known as Indian Nino.
2. It affects the strength of monsoons over the Indian subcontinent.

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

**ANS: C**

**Explanation:** The Indian Ocean Dipole (IOD), also known as the Indian Niño, is an irregular oscillation of sea-surface temperatures in which the western Indian Ocean becomes alternately warmer (positive phase) and then colder (negative phase) than the eastern part of the ocean.

- The IOD involves a periodic oscillation of sea-surface temperatures (SST), between "positive", "neutral" and "negative" phases.
- The IOD also affects the strength of monsoons over the Indian subcontinent.
- The IOD is one aspect of the general cycle of global climate, interacting with similar phenomena like the El Niño-Southern Oscillation (ENSO) in the Pacific Ocean.

Source: G C Leong and The Hindu

**Q.9)** With reference to the “Brahmaputra River”, which of the following statements is/are NOT correct?

1. It is also known as Yarlung Tsangpo.
2. It hosts National Parks like the Khangchendzonga National Park and Manas.
3. It forms a Grand Canyon, flowing first Eastward, then takes a horse shoe bend westward near Namche Barwa.

Select the correct answer using the code given below:

- a) 1 only

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

**ANS: B**

**Explanation:** Yarlung Tsangpo or Brahmaputra, the only male river that literally translates as 'Son of Brahma', is revered by Hindus, Jains and Buddhists.

- Buddhists believe that long ago the Chang Thang Plateau was a great lake.
- Yarlung Tsangpo, known as the 'Cradle of Tibetan Civilisation' rises in the Chemayungdung Glacier in the Kailash Range in Tibet.
- It descends rapidly from Tibet, forming a grand canyon, flowing 1,000 km first Eastward, then takes a horse shoe bend westward near Namche Barwa in Sadiya in the State of Arunachal Pradesh in the Pemakop region.
- Here the river is christened as Siang.
- Namche Barwa (7,782m.) and Giyala Peri (7,294m.) are two distinct peaks that mark the Eastern end of the Himalaya where Brahmaputra takes this unapproachable bend.
- The rich rainforests of this basin is home to many species of flora and fauna and is dotted with several settlements. It hosts National Parks like the Kaziranga and Manas.

Source: NCERT – XI India Physical Environment and The Hindu

**Q.10)** "Rushikulya River" is often seen in news is flows through which of the following state?

- a) Kerala
- b) Karnataka
- c) Odisha
- d) Andhra Pradesh

**ANS: C**

**Explanation:** The Rushikulya River is one of the major rivers in the state of Odisha and covers entire catchment area in the districts of Kandhamal and Ganjam of Odisha.

- The Rushikulya originates at an elevation of about 1000 metres from Daringbadi hills of the Eastern Ghats range.
- The place from where the river originates, Daringbadi is called the ' Kashmir of Odisha '. The river meets the Bay of Bengal at Puruna Bandha in Ganjam.
- Its tributaries are the Baghua, the Dhanei, Badanadi etc. It has no delta as such at its mouth.
- Gahirmatha marine sanctuary and Rushikulya rookery coast in Ganjam district are main Olive Ridley Nesting sites in Odisha.

Source: <https://www.thehindu.com/news/national/other-states/odisha-villagers-create-river-mouth/article32884061.ece>

## Natural Resources and Mineral Resources

**Q.1)** With reference to the land use changes in India, which of the following statements is/are correct?

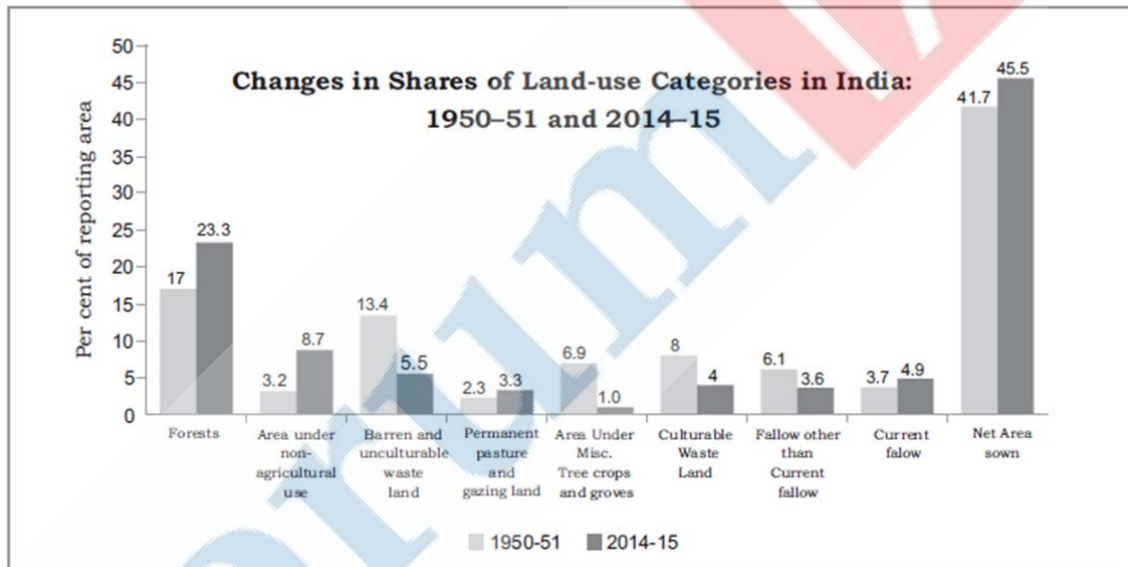
1. The net area sown was increased from 1950 – 51 to 2014 – 15.
2. The cultivable waste land was decreased form 1950 – 51 to 2014 – 15.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:**



Source: NCERT – XII India People and Economy

**Q.2)** The relationship between Gross Cropped Area (GCA) and Net Sown Area (NSA) is also known as?

- a) Cropping Intensity
- b) Crop Rotation
- c) Inter Cropping
- d) Crop maximization

**ANS: A**

**Explanation:**

The ***cropping intensity (CI)*** is calculated as follows :

$$\text{Cropping Intensity in percentage} = \frac{\text{GCA}}{\text{NSA}} \times 100$$

Source: NCERT – XII India People and Economy

**Q.3)** The project Haryali is related to which of the following?

- a) Forest conservation practices
- b) Women employment scheme
- c) Watershed development
- d) Organic agriculture practices

**ANS: C**

**Explanation:** Haryali is a watershed development project sponsored by the Central Government which aims at enabling the rural population to conserve water for drinking, irrigation, fisheries and afforestation.

The Project is being executed by Gram Panchayats with people's participation.

Source: NCERT – XII India People and Economy

**Q.4)** The “Sundergarh, Mayurbhanj and Jhar” are famous areas for which of the following?

- a) Dairy production centres
- b) Iron ore mining centres
- c) Wheat producing centres
- d) Coal mining centres

**ANS: B**

**Explanation:** About 95 per cent of total reserves of iron ore are located in the States of Odisha, Jharkhand, Chhattisgarh, Karnataka, Goa, Telangana, Andhra Pradesh and Tamil Nadu.

- In Odisha, iron ore occurs in a series of hill ranges in Sundergarh, Mayurbhanj and Jhar.
- The important mines are Gurumahisani, Sulaipet, Badampahar (Mayurbhaj), Kiruburu (Kendujhar) and Bonai (Sundergarh).

Source: NCERT – XII India People and Economy

**Q.5)** With reference to the bauxite ore, which of the following statements is/are NOT correct?

1. It is used in manufacturing of copper.
2. It is found only in the coastal areas.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Bauxite is the ore, which is used in manufacturing of aluminium.

Bauxite is found mainly in tertiary deposits and is associated with laterite rocks occurring extensively either on the plateau or hill ranges of peninsular India and also in the coastal tracts of the country.

Source: NCERT – XII India People and Economy

**Q.6)** Which of the following statements is/are correct about “coal reserves” in India?

1. Anthracite coal has highest calorific value.
2. Lignite coal gives low moisture content.
3. Talcher coalfield is located in Karnataka and Andhra Pradesh.

Select the correct answer using the code given below:

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

**ANS: A**

**Explanation:** Anthracite is the best quality of coal which carries 80 to 95 per cent carbon content. It ignites slowly with a blue flame. It has the highest calorific value. It is found in small quantity in Jammu and Kashmir.

- Lignite is often brown in colour. It carries 40 to 55 per cent carbon content. It is an intermediate stage which happens during the alteration of woody matter into coal.
- It has high moisture content so it gives smoke when burnt. It is found in Rajasthan, Lakhimpur (Assam), and Tamil Nadu.
- Odisha has the second largest coal reserves in the country and it carries more than 24 per cent of the total coal reserves. It produces about 15 per cent of the total coal production of India.
- Most of the coal deposits of the state are found in Sambalpur, Dhenkanal, and Sundargarh districts.
- Talchar coalfield of Odisha stretch over Dhenkanal and Sambalpur districts covers an area of about 500 sq km.

Source: NCERT – XII India People and Economy and Indian Express

**Q.7)** Arrange the following reservoirs of water on earth’s surface in ascending order of their percentage?

1. Oceans
2. Ice caps
3. Atmosphere
4. Streams and Rivers

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** About 71 per cent of the planetary water is found in the oceans. The remaining is held as freshwater in glaciers and icecaps, groundwater sources, lakes, soil moisture, atmosphere, streams and within life.

**Table 13.1 : Water on the Earth's surface**

<i>Reservoir</i>	<i>Volume (Million Cubic km)</i>	<i>Percentage of the Total</i>
Oceans	1,370	97.25
Ice Caps and Glaciers	29	2.05
Groundwater	9.5	0.68
Lakes	0.125	0.01
Soil Moisture	0.065	0.005
Atmosphere	0.013	0.001
Streams and Rivers	0.0017	0.0001
Biosphere	0.0006	0.00004

Source: NCERT – XI Fundamentals of Physical Geography

**Q.8)** The Rakha mines, Chapri-Sidheswar mines and Malanjkhanda mines are recently in news is related to which of the following?

- a) Iron ore
- b) Bauxite ore
- c) Uranium ore
- d) Copper ore

**ANS: D**

**Explanation:** Hindustan Copper is focusing on re-opening its closed mines and expand existing ones in its quest to increase ore production five times from the current level of 4.1 million tonne (MT) by 2025.

- The Miniratna Company will be reopening the Rakha mine in Jharkhand during this financial year which was closed in 2002 owing to operational reasons. It will also start operations at the Chapri-Sidheswar mines in the same state.
- For the Malanjkhanda project in Madhya Pradesh, which holds proven reserves of 245.66 MT and estimated resources of 331.59 MT, the company is expanding the production capacity from the present 2 MT to 8 MT by developing an underground mine below the existing open cast mine at an investment of Rs 2,900 crore. It is the copper producer's largest project.

Source: NCERT – XII India People and Economy and The Hindu

**Q.9)** Consider the following statements regarding the sugarcane:

1. About 80% of sugar is obtained from sugarcane.
2. Sugarcane productivity of the tropical states of India is higher than sub-tropical states.

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

**ANS: C**

**Explanation:** Sugarcane is a tropical plant and grown as cash crop in the world. Sugarcane is the main source of sugar (80%) globally and holds a prominent position as a cash crop.

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- It is one of the main crops of earning foreign exchange. The sugar juice is used for making white sugar, brown sugar (khandsari) and jaggery (gur).
- There are two distinct agro-climatic regions of sugarcane cultivation in India, viz., tropical and subtropical.
- Tropical region has about 45% area and contributes 55% of the total sugarcane production in the country.
- Thus, sub-tropical region accounts for 55% area and shares 45% of total production of sugarcane. The average sugarcane yield in the country is about 69.4 t/ha.
- In world, sugarcane is grown, between the latitude 36.7° N and 31.0° S of the equator extending from tropical to subtropical zones.
- There is no country where sugar is not being used and produced by sugarcane or sugar beet crops only.
- About 80% of sugar is obtained from sugarcane and the remaining 20% is produced through sugar beet. An average person consumes about 24 kg of sugar every year.

Source: NCERT – XII India People and Economy

**Q.10)** Consider the following statements regarding the Lead mineral resources in India:

1. The main ore of lead is galena and it is found in the sedimentary rocks of limestone and sandstone.
2. Zawar area of Rajasthan is famous for the production of Lead.

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

**ANS: C**

**Explanation:** The main ore of lead is galena. It is found in the sedimentary rocks of limestone and sandstone.

- Rajasthan is the richest state in terms of availability and variety of minerals in the country and produces about 57 different minerals.
- Rajasthan is the sole producer of lead & zinc ores, selenite and wollastonite.
- The Zawar area (Udaipur) of Rajasthan is famous for the production of Lead.

Source: NCERT – XII India People and Economy

## *World Population, Distribution and Density*

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

1. According to United Nations, most of the countries sex ratio is favourable to males.
2. Asian continent has a low sex ratio.

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

**ANS: B**

**Explanation:** The world pattern of sex ratio does not exhibit variations in the developed regions of the world.

- The sex ratio is favorable for females in 139 countries of the world and un-favorable for them in the remaining 72 countries listed by the United Nations.
- In general, Asia has a low sex ratio. Countries like China, India, Saudi Arabia, Pakistan, and Afghanistan have a lower sex ratio.

Source: NCERT – XII Fundamentals of Human Geography

**Q.2)** A large size of population in the age group of 15 - 59 indicates which of the following?

- a) Working population
- b) Dependent population
- c) Aged population
- d) Low Sex ratio

**ANS: A**

**Explanation:** Age structure represents the number of people of different age groups.

- This is an important indicator of population composition, since a large size of population in the age group of 15- 59 indicates a large working population.
- A greater proportion of population above 60 years represents an ageing population which requires more expenditure on health care facilities.
- Similarly high proportion of young population would mean that the region has a high birth rate and the population is youthful.

Source: NCERT – XII Fundamentals of Human Geography

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

1. The age-sex structure of a population refers to the number of females and males in different age groups.
2. A population pyramid is used to show the age-sex structure of the population.

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

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



**ANS: D**

**Explanation:** The age-sex structure of a population refers to the number of females and males in different age groups.

- A population pyramid is used to show the age-sex structure of the population.
- The population growth in developed countries is usually zero or negative.

Source: NCERT – XII Fundamentals of Human Geography

**Q.4)** Arrange the following most populous countries of the world in descending order:

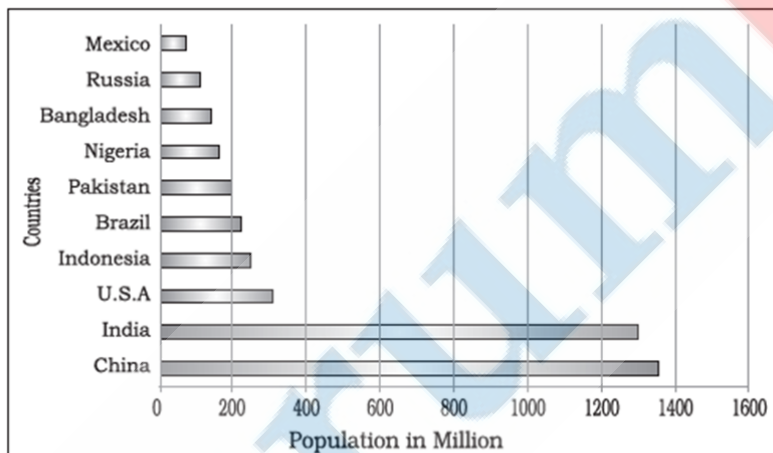
1. Russia
2. Bangladesh
3. Brazil
4. United States of America

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:**



**Fig. 2.1: Most Populous Countries**

Source: NCERT – XII Fundamentals of Human Geography

**Q.5)** Arrange the following continents in ascending order with respect to population density:

1. Asia
2. Europe
3. North America
4. Latin America

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:**

**Table 2.1: Region wise Density of Population**

Region	Population (2018)	Land Area (Km <sup>2</sup> )	Density (P/Km <sup>2</sup> )	World Share (in percentage)
Asia	4,545,133,094	31,033,131	146	59.5%
Africa	1,287,920,518	29,648,481	43	16.9%
Europe	742,648,010	22,134,900	34	9.7%
Latin America and the Caribbean	652,012,001	20,139,378	32	8.5%
Northern America	363,844,490	18,651,660	20	4.8%
Oceania	41,261,212	8,486,460	5	0.5%

Source: NCERT – XII Fundamentals of Human Geography

**Q.6)** Which of the following is/are the push factors for migration?

1. Better job opportunities
2. Unpleasant Climate
3. Epidemics

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** People migrate for a better economic and social life.

The Push factors make the place of origin seem less attractive for reasons like unemployment, poor living conditions, political turmoil, unpleasant climate, natural disasters, epidemics and socio-economic backwardness.

Source: NCERT – XII Fundamentals of Human Geography

**Q.7)** In how many years the world population increased from 5 billion to 6 billion?

- a) 10 years
- b) 12 years
- c) 18 years
- d) 24 years

**ANS: B**

**Explanation:** It took more than a million years for the human population to attain the one billion mark. But it took only 12 years for it to rise from 5 billion to 6 billion.

Source: NCERT – XII Fundamentals of Human Geography

**Q.8)** Which of the following region (s) population is/are increased from 1990 – 95 to 2010 – 15?

1. Africa
2. Europe
3. Asia

Select the correct answer using the codes given below:

- a) 1 only
- b) 2 only

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

**ANS: A**

**Explanation:**

**Table 2.3: Growth of Population 2010-15 over 1990-95**

Region	Growth Rate	
	1990-95	2010-15
World	1.6	1.2
Africa	2.4	2.6
Europe	0.2	0.1
North America	1.4	0.8
Latin America & Caribbean	1.7	1.1
Asia	1.6	1.0
Oceania (Australia, New Zealand and Fiji)	1.5	1.5

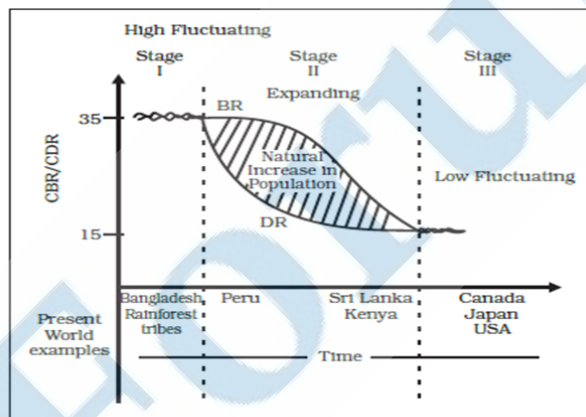
Source: NCERT – XII Fundamentals of Human Geography

**Q.9)** With reference to the Demographic Transition theory, In which stage the low fluctuating population growth takes place?

- a) Stage I and II
- b) Stage II
- c) Stage III
- d) Both Stage II and III

**ANS: C**

**Explanation:**



**Fig. 2.3: Demographic Transition Theory**

Source: NCERT – XII Fundamentals of Human Geography

**Q.10)** Who among the following stated that the number of people would increase faster than the food supply?

- a) Adam Smith
- b) John Marshall
- c) David Ricardo
- d) Thomas Malthus

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**ANS: D**

**Explanation:** Thomas Malthus in his theory (1798) stated that the number of people would increase faster than the food supply.

- Any further increase would result in a population crash caused by famine, disease and war.
- The preventive checks are better than the physical checks.
- For the sustainability of our resources, the world will have to control the rapid population increase.

Source: NCERT – XII Fundamentals of Human Geography

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## *Races & Tribes, Settlement and Migration*

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**Q.1)** According to census of India, minimum population to declare an area as urban settlement?

- a) 1000
- b) 3000
- c) 5000
- d) 10000

**ANS: C**

**Explanation:** The census of India, 1991 defines urban settlements as “All places which have municipality, corporation, and cantonment board or notified town area committee and have a minimum population of 5000 persons.

Source: NCERT – XII Fundamentals of Human Geography

**Q.2)** “It is a new trend of people moving away from congested urban areas to cleaner areas outside the city in search of a better quality of living” – describes which of the following?

- a) Sub Urbanization
- b) Ghettos
- c) Country side
- d) Metropolitan

**ANS: A**

**Explanation:** It is a new trend of people moving away from congested urban areas to cleaner areas outside the city in search of a better quality of living.

Important suburbs develop around major cities and everyday thousands of people commute from their homes in the suburbs to their work places in the city.

Source: NCERT – XII Fundamentals of Human Geography

**Q.3)** Which of the following factors are affecting the location of a rural settlement?

1. Land
2. Building Material
3. Upland

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Rural settlements are most closely and directly related to land. They are dominated by primary activities such as agriculture, animal husbandry, fishing etc. The settlements size is relatively small. Some factors affecting the location of rural settlements are:

- Water supply
- Land
- Upland

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- Defense
- Building material

Source: NCERT – XII Fundamentals of Human Geography

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

1. The first urban settlement to reach a population of one million was the city of London.
2. At present less than 50% of the world's population lives in urban settlements.

Which of the statements above given is/are correct?

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

**ANS: A**

**Explanation:** Rapid urban growth is a recent phenomenon. Until recent times, few settlements reached the population size of more than a few thousand inhabitants.

- The first urban settlement to reach a population of one million was the city of London by around. A.D. 1810.
- By 1982 approximately 175 cities in the world had crossed the one million population mark.
- Presently 54 per cent of the world's population lives in urban settlements compared to only 3 per cent in the year 1800.

Source: NCERT – XII Fundamentals of Human Geography

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

1. Developed countries experienced rapid urbanization during the first half of 20<sup>th</sup> century.
2. Developing countries experienced rapid urbanization during the second half of the 20<sup>th</sup> century.

Which of the statements above given is/are correct?

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

**ANS: B**

**Explanation:** Urbanization means the increase in the proportion population of a country who live in urban areas.

- The most important cause of urbanization is rural-urban migration. During the late 1990s some 20 to 30 million people were leaving the countryside every year and moving into towns and cities.
- Developed countries experienced rapid urbanization during the nineteenth century.
- Developing countries experienced rapid urbanization during the second half of the twentieth century.

Source: NCERT – XII Fundamentals of Human Geography

**Q.6)** The term “Megalopolis” was popularized by which of the following personality?

- a) Lewis Mumford
- b) Walter Burley Griffin
- c) Jean Gottman
- d) Thommas Jefferson

**ANS: C**

**Explanation:** “Megalopolis” is a Greek word meaning “great city”, was popularized by Jean Gottman (1957) and signifies ‘super- metropolitan’ region extending, as union of conurbations.

The urban landscape stretching from Boston in the north to south of Washington in U.S.A. is the best known example of a megalopolis.

Source: NCERT – XII Fundamentals of Human Geography

**Q.7)** The minimum population needed to term a settlement as mega city?

- a) 1 million
- b) 10 million
- c) 50 million
- d) 100 million

**ANS: B**

**Explanation:** A mega city or megalopolis is a general term for cities together with their suburbs with a population of more than 10 million people.

Source: NCERT – XII Fundamentals of Human Geography

**Q.8)** Consider the following statements:

1. Tokyo was the first to attain the status of a mega city.
2. The number of mega cities has increased in the developing countries during the last 50 years.

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

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

**ANS: A**

**Explanation:** New York was the first to attain the status of a mega city by 1950 with a total population of about 12.5 million.

The number of mega cities is now 31. The number of mega cities has increased in the developing countries during the last 50 years vis-à-vis the developed countries.

Source: NCERT – XII Fundamentals of Human Geography

**Q.9)** The term “Conurbation” was coined by?

- a) Walter Burley Griffin
- b) Patrick Geddes
- c) Thommas Jefferson
- d) Le Corbusier

**ANS: B**

**Explanation:** The term conurbation was coined by Patrick Geddes in 1915 and applied to a large area of urban development that resulted from the merging of originally separate towns or cities.

Greater London, Manchester, Chicago and Tokyo are examples.

Source: NCERT – XII Fundamentals of Human Geography

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

**Q.10)** Which of the following transport industry releases highest CO<sub>2</sub> emitted per km travelled by a passenger?

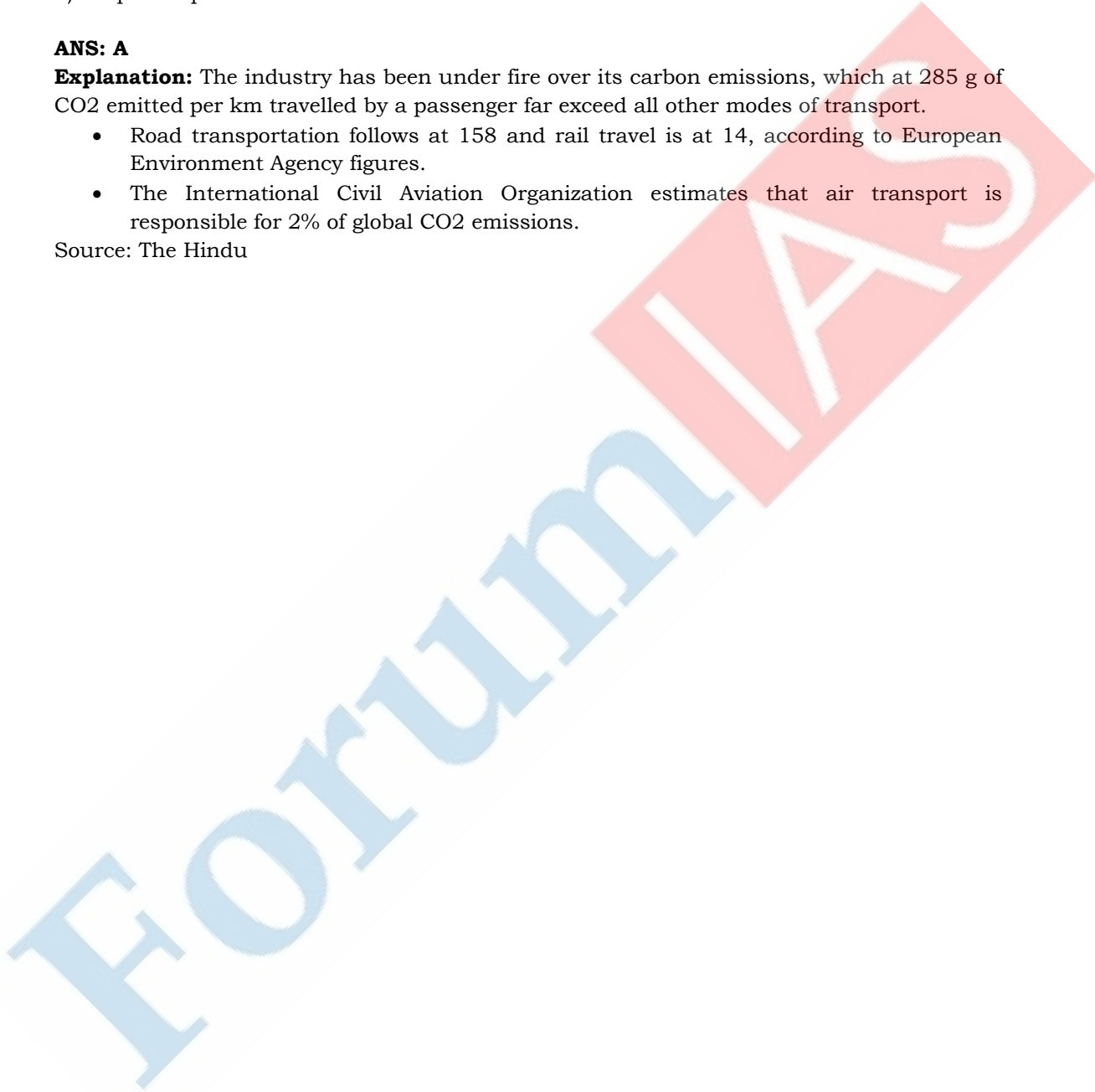
- a) Air transport
- b) Rail transport
- c) Road transport
- d) Ship transport

**ANS: A**

**Explanation:** The industry has been under fire over its carbon emissions, which at 285 g of CO<sub>2</sub> emitted per km travelled by a passenger far exceed all other modes of transport.

- Road transportation follows at 158 and rail travel is at 14, according to European Environment Agency figures.
- The International Civil Aviation Organization estimates that air transport is responsible for 2% of global CO<sub>2</sub> emissions.

Source: The Hindu





## Agriculture and Animal Husbandry

**Q.1)** Which of the following is a rabi crop?

- a) Mustard
- b) Rice
- c) Cotton
- d) Bajra

**ANS: A**

**Explanation:**

**Table 5.2 : Cropping Seasons in India**

Cropping Season	Major Crops Cultivated	
	Northern States	Southern States
<b>Khariif</b> June-September	Rice, Cotton, Bajra, Maize, Jowar, Tur	Rice, Maize, Ragl, Jowar, Groundnut
<b>Rabi</b> October – March	Wheat, Gram, Rapeseeds and Mustard, Barley	Rice, Maize, Ragl, Groundnut, Jowar
<b>Zaid</b> April–June	Vegetables, Fruits, Fodder	Rice, Vegetables, Fodder

Source: NCERT – XII India People and Economy

**Q.2)** With reference to the wetland farming, which of the following statements is/are correct?

1. In wetland farming, the rainfall is less than soil moisture requirement of plants during rainy season.
2. These areas grow various water intensive crops such as rice, jute and sugarcane.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** In wetland farming, the rainfall is in excess of soil moisture requirement of plants during rainy season.

- Such regions may face flood and soil erosion hazards.
- These areas grow various water intensive crops such as rice, jute and sugarcane and practice aquaculture in the fresh water bodies.

Source: NCERT – XII India People and Economy

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

**Q.3)** In which of the following state farmers grow three crops of rice called 'aus', 'aman' and 'boro'?

- a) West Bengal
- b) Haryana
- c) Himachal Pradesh
- d) Punjab

**ANS: A**

**Explanation:** In southern states and West Bengal the climatic conditions allow the cultivation of two or three crops of rice in an agricultural year.

In West Bengal farmers grow three crops of rice called 'aus', 'aman' and 'boro'.

Source: NCERT – XII India People and Economy

**Q.4)** With reference to rice, which of the following statements is/are NOT correct?

- 1. It cannot grow more than 1000 meters altitude.
- 2. It is a staple food for the overwhelming majority of population in India.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Rice is a staple food for the overwhelming majority of population in India.

- Though, it is considered to be a crop of tropical humid areas, it has about 3,000 varieties which are grown in different agro-climatic regions.
- These are successfully grown from sea level to about 2,000 m altitude and from humid areas in eastern India to dry but irrigated areas of Punjab, Haryana, western U.P. and northern Rajasthan.

Source: NCERT – XII India People and Economy

**Q.5)** Which country is the largest producer of Wheat?

- a) China
- b) India
- c) United States of America
- d) Japan

**ANS: A**

**Explanation:** China is the top country by wheat production in the world. As of 2020, wheat production in China was 134,250 thousand tonnes that accounts for 20.65% of the world's wheat production.

- The top 5 countries (others are India, Russian Federation, the United States of America, and Canada) account for 63.43% of it.
- The world's total wheat production was estimated at 650,017 thousand tonnes in 2020.

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

		2020	2019	2018	2017	2016	2015	2014	2013	2012
1	China	134,250	133,590	131,430	134,334	133,271	132,639	128,321	123,710	122,540
2	India	107,860	103,600	99,870	98,510	87,000	86,527	95,850	93,506	94,882
3	Russia	85,354	73,610	71,685	85,167	72,529	61,044	59,080	52,091	37,720
4	United States	49,691	52,581	51,306	47,380	62,832	56,117	55,147	58,105	61,298
5	Canada	35,183	32,670	32,352	30,377	32,140	27,647	29,442	37,589	27,246
6	Australia	33,000	15,200	17,598	20,941	31,819	22,275	23,743	25,303	22,856
7	Ukraine	25,420	29,171	25,057	26,981	26,791	27,274	24,750	22,278	15,761
8	Pakistan	25,200	24,300	25,100	26,600	25,633	25,086	25,979	24,211	23,473
9	Turkey	18,250	17,500	19,000	21,000	17,250	19,500	15,250	18,750	16,000
10	Argentina	17,630	19,780	19,500	18,500	18,400	11,300	13,930	10,500	9,300
11	Iran	16,750	16,800	14,500	14,000	14,500	14,500	13,000	14,000	13,800
12	Kazakhstan	14,256	11,452	13,947	14,802	14,985	13,748	12,996	13,941	9,841
13	United Kingdom	9,658	15,600	13,455	14,444	14,383	-	-	-	-
14	Egypt	8,900	8,770	8,450	8,450	8,100	8,100	8,300	8,250	8,500
15	Uzbekistan	6,510	6,800	6,000	6,941	6,940	6,965	7,150	6,800	6,700
16	Brazil	6,250	5,200	5,428	4,264	6,730	5,540	6,000	5,300	4,380
17	Ethiopia	5,100	5,315	4,838	4,642	4,538	4,651	4,232	3,925	3,435
18	Afghanistan	5,010	5,000	3,600	4,281	5,100	5,000	5,025	5,000	5,050
19	Iraq	4,635	4,800	3,000	4,000	4,225	4,410	3,500	3,300	2,100
20	Syria	4,500	4,800	2,000	2,200	2,400	3,500	2,500	4,000	3,700

Source: <https://www.statista.com/statistics/255945/top-countries-of-destination-for-us-rice-exports-2011/>

**Q.6)** With reference to the wheat, which of the following statements is/are correct?

1. Almost 50 per cent of total area under this crop is concentrated in southern regions of the country.
  2. About 20 per cent of the total cropped area in the country is under wheat cultivation.
- Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** In India after rice. India produces about 12.3 per cent of total wheat production of world (2016).

- It is primarily a crop of temperate zone. Hence, its cultivation in India is done during winter i.e. rabi season.
- About 85 per cent of total area under this crop is concentrated in north and central regions of the country i.e. Indo- Gangetic Plain, Malwa Plateau and Himalayas up to 2,700 m altitude.
- About 14 per cent of the total cropped area in the country is under wheat cultivation.

Source: NCERT – XII India People and Economy

**Q.7)** With reference to the tea cultivation, which of the following statements is/are correct?

1. It is an indigenous crop of hills in Kerala and Tamil Nadu.
2. Tea leaves have rich content of caffeine and tannin.

Select the correct answer using the codes given below:

- a) 1 only
- b) 2 only

- c) Both 1 and 2
- d) Neither 1 nor 2

**ANS: B**

**Explanation:** Tea is a plantation crop used as beverage. Black tea leaves are fermented whereas green tea leaves are unfermented.

- Tea leaves have rich content of caffeine and tannin. It is an indigenous crop of hills in northern China.
- It is grown over undulating topography of hilly areas and well-drained soils in humid and sub-humid tropics and sub-tropics.

Source: NCERT – XII India People and Economy

**Q.8)** With reference to the coffee cultivation in India, which of the following statements is/are correct?

1. It is a tropical plantation crop.
2. India mostly grows superior quality coffee of arabica.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Coffee is a tropical plantation crop. Its seeds are roasted, ground and are used for preparing a beverage.

- There are three varieties of coffee i.e. arabica, robusta and liberica.
- India mostly grows superior quality coffee, arabica, which is in great demand in International market.

Source: NCERT – XII India People and Economy

**Q.9)** With reference to the 'rubber cultivation in India', which of the following statements is/are correct?

1. It grows well in places whose temperature does not go below 21 degrees centigrade.
2. Rainfall for rubber cultivation should not be less than 150cm.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Rubber grows well in places whose temperature does not go below 21 degrees centigrade, and where humidity and heat is quite high.

- It grows well in temperature conditions between 25 to 35 degrees centigrade.
- Rainfall should be between 200cm and 400cm. It should not be less than 152cm.
- Rainfall must be fairly evenly distributed throughout the year because strong seasonal rainfall is unsustainable.
- Long dry spell and low temperature are very harmful for the crop.

Source: NCERT – XII India People and Economy

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021**

**Q.10)** Which of the following crops is/are grown in 'kharif season'?

1. Rice
2. Maize
3. Ragi
4. Jawar

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The kharif crops are associated with the Southwest Monsoon.

- They are sown in the months of June and July and harvested in autumn months, i.e., in September and October.
- Important kharif crops are rice, jowar, bajra, ragi, maize, sugarcane, cotton and jute.

Source: NCERT – XII India People and Economy

## *Industries and Location and Transportation*

**Q.1)** “Bhatin, Narwapahar and Turamdih” are famous for which of the following?

- a) Copper mines
- b) limestone mines
- c) Thorium mines
- d) Uranium mines

**ANS: D**

**Explanation:** Jaduguda in Singhbhum Thrust Belt (in the state of Jharkhand, formerly part of Bihar) is the first uranium deposit to be discovered in the country in 1951.

- The discovery of uranium at Jaduguda in this belt paved the way for intensive exploration work and soon a few more deposits were brought to light in this area.
- Some of these deposits like Bhatin, Narwapahar and Turamdih are well known uranium mines of the country.

Source: NCERT – XII India People and Economy

**Q.2)** Which of the following port in India is known as twin dock systems?

- a) Vishakhapatnam Port
- b) Mangalore Port
- c) Tuticorin Port
- d) Kolkata Port

**ANS: D**

**Explanation:** Kolkata is the only riverine major port in India. Known for twin dock systems viz., Kolkata Dock System (KDS) on the eastern bank and Haldia Dock Complex (HDC) on the western bank of river Hooghly.

Vishakhapatnam is India’s deepest landlocked port handling crude oil and petroleum products.

Source: NCERT – XII India People and Economy

**Q.3)** Which of the following statements is/are correct about ‘Golden Quadrilateral’?

1. It is a network of highways connecting India’s top metropolitan cities, namely Delhi, Mumbai, Hyderabad, Chennai and Kolkata, thereby, forming a quadrilateral.
2. It was launched in 2004 as part of National Highways Development Project (NHDP).

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Golden Quadrilateral is a network of highways connecting India’s four top metropolitan cities, namely Delhi, Mumbai, Chennai and Kolkata, thereby, forming a quadrilateral.

The largest highway project in India, the Golden Quadrilateral project was launched in 2001 as part of National Highways Development Project (NHDP).

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

Source: NCERT – XII India People and Economy

**Q.4)** National Highway (NH) 65, often seen in news is connecting/drives through which of the following states?

- a) Andhra Pradesh & Odisha
- b) Tamil Nadu & Karnataka
- c) Maharashtra & Andhra Pradesh
- d) Kerala & Tamil Nadu

**ANS: C**

**Explanation:** National Highway 65, is a National Highway in India. It runs along the states of Maharashtra, Karnataka, Telangana and Andhra Pradesh.

It starts at Pune and ends at Machilipatnam. Major cities on this route are Pune, Solapur, Hyderabad, Suryapet, Vijayawada and Machilipatnam.

Source: <https://www.thehindu.com/news/national/telangana/national-highways-seeing-hundreds-of-fatalities/article30368542.ece>

**Q.5)** The National Highway 44 passes through which of the following states?

- 1. Uttar Pradesh
- 2. Madhya Pradesh
- 3. Andhra Pradesh
- 4. Tamil Nadu
- 5. Kerala

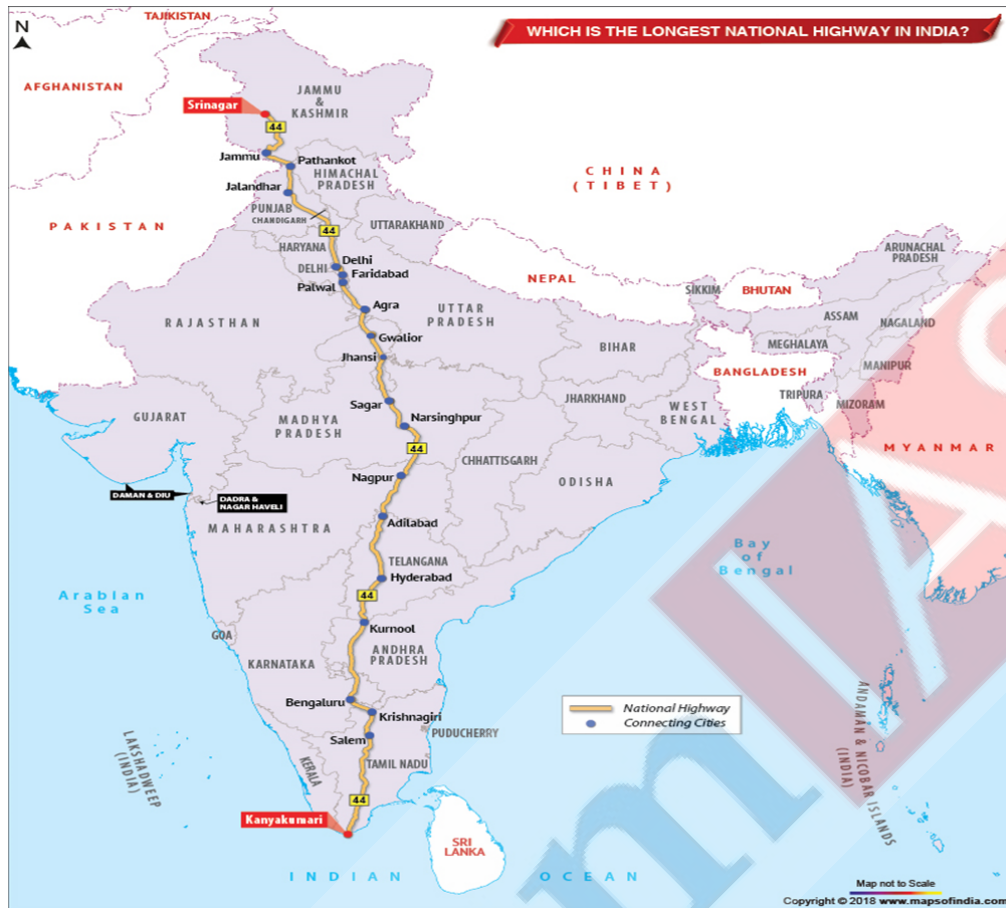
Select the correct answer using the code given below:

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

**ANS: A**

**Explanation:**

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**



Source: Maps of India

**Q.6)** The union cabinet approved a proposal to set up a major port at Vadhavan is located in which of the following state?

- a) West Bengal
- b) Tamil Nadu
- c) Maharashtra
- d) Karnataka

**ANS: C**

**Explanation:** The Union Cabinet approved a proposal to set up a major port at Vadhavan near Dahanu in Maharashtra with a total cost of ₹65,545 crore, including about ₹14,500 crore of GST.

This is part of the government's plan to develop infrastructure projects with a cost of ₹100-lakh crore over the next five years.

Source: The Hindu

**Q.7)** Consider the following statements regarding "Copper mineral" in India:

- 1. India is the largest producer of copper.
- 2. Balaghat mines of copper production are located in Odisha State.
- 3. Khetri mines in Rajasthan are famous for copper ores.

Which of the statements given above is/are correct?

- a) 1 only
- b) 1 and 3 only



- c) 2 only
- d) 3 only

**ANS: D**

**Explanation:** India is critically deficient in the reserve and production of copper.

- Being malleable, ductile and a good conductor, copper is mainly used in electrical cables, electronics and chemical industries.
- The Balaghat mines in Madhya Pradesh produce 52 per cent of India's copper.
- The Singbhum district of Jharkhand is also a leading producer of copper.
- The Khetri mines in Rajasthan are also famous.

**Q.8)** Koderma, Ajmer and Nellore areas are famous for which of the following?

- a) Copper
- b) Iron ore
- c) Mica
- d) Bauxite

**ANS: C**

**Explanation:** Mica is a mineral made up of a series of plates or leaves. It splits easily into thin sheets.

- These sheets can be so thin that a thousand can be layered into a mica sheet of a few centimeters high.
- Mica can be clear, black, green, red yellow or brown. Due to its excellent di-electric strength, low power loss factor, insulating properties and resistance to high voltage, mica is one of the most indispensable minerals used in electric and electronic industries.
- Mica deposits are found in the northern edge of the Chota Nagpur plateau. Koderma Gaya – Hazaribagh belt of Jharkhand is the leading producer.
- In Rajasthan, the major mica producing area is around Ajmer. Nellore mica belt of Andhra Pradesh is also an important producer in the country.

Source: NCERT – XII India People and Economy

**Q.9)** Which of the following state has largest resource of Bauxite in India?

- a) Gujarat
- b) Chattisgarh
- c) Odisha
- d) Maharashtra

**ANS: C**

**Explanation:** By States, Odisha alone accounts for 51% of country's resources of bauxite followed by Andhra Pradesh (16%), Gujarat (9%), Jharkhand (6%), Maharashtra (5%) and Madhya Pradesh & Chhattisgarh (4% each).

Major bauxite resources are concentrated in the East Coast bauxite deposits in Odisha and Andhra Pradesh.

Source: NCERT – XII India People and Economy

**Q.10)** "Bailadila Iron ore mine" is located in which of the following state?

- a) West Bengal
- b) Madhya Pradesh
- c) Chhattisgarh
- d) Maharashtra

**ANS: C**

**Explanation:** Durg-Bastar-Chandrapur belt lies in Chhattisgarh and Maharashtra.

- Very high grade hematites are found in the famous Bailadila range of hills in the Bastar district of Chattisgarh.
- The range of hills comprises of 14 deposits of super high grade hematite iron ore. It has the best physical properties needed for steel making.
- Iron ore from these mines is exported to Japan and South Korea via Vishakhapatnam port.

Source: NCERT – XII India People and Economy

ForumIAS

## *Map Based Questions from India & World*

**Q.1)** Arrange the following hill ranges from South to North:

1. Balaghat range
2. Harischandra range
3. Satpura range
4. Vindhya range

Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:**



Source: Oriental Black Swan Atlas

**Q.2)** Which of the following city is nearest city to 80° E longitude in India?

- a) Jabalpur
- b) Agra
- c) Madurai
- d) Hyderabad

**ANS: A**

**Explanation:** 80° E longitude passes near through Kanpur (UP), Jabalpur (MP), Nellore in Andhra Pradesh and Chennai in Tamil Nadu.



Source: Oxford Atlas

**Q.3)** “Galathea Bay Wildlife Sanctuary” is recently seen in news is located at?

- a) Andaman & Nicobar Islands
- b) Tamil Nadu
- c) Karnataka
- d) Lakshadweep

**ANS: A**

**Explanation:** Galathea National Park is a National Park located in the Union Territory of Andaman and Nicobar Islands, India.

- It is located on the island of Great Nicobar in the Nicobar Islands.
- The total area of this park is some 110 square kilometres, and it was gazetted as a National Park of India in 1992.
- Galathea forms part of what has been designated as the Great Nicobar Biosphere Reserve, which also includes the larger Campbell Bay National Park, separated from Galathea by a 12-km forest buffer zone.
- The Galathea National Park comprises the core area of the southern part of the Biosphere Reserve in Great Nicobar Island and consists of lowland forests which have the greatest abundance of endemic avifauna.

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**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

- It is the prime nesting habitat of the Nicobar Megapode and possibly the area of other endemic species too.

Source: <https://www.thehindu.com/sci-tech/energy-and-environment/niti-aayog-vision-for-great-nicobar-ignores-tribal-ecological-concerns/article34120093.ece>

**Q.4)** Which of the following national park is western most one?

- Kaziranga national park
- Nampdhapa national park
- Orang national park
- Keibul – Lamjao national park

**ANS: C**

**Explanation:**



Source: Oxford atlas

**Q.5)** Which of the following country is NOT sharing border with Caspian Sea?

- Russia
- Iran
- Turkmenistan
- Iraq

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021**

**ANS: D**

**Explanation:** Russia, Iran, Azerbaijan, Kazakhstan and Turkmenistan – all bordering the Caspian Sea - have agreed in principle on how to divide it up.



Source: <https://www.thehindu.com/news/international/russia-kicks-off-caspian-war-games/article32876098.ece>

**Q.6)** Arrange the following Himalayan ranges from south to north:

1. Pir Panjal Range
2. Ladakh Range
3. Zaskar Range
4. Karakoram Range

Select the correct answer using the code given below:

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

**ANS: C**

**Explanation:** The main geographic sections of the Kashmir Himalayan range are the Pir Panjal, Kashmir Valley, Zaskar, Ladakh and Karakoram.



Source: Oriental Black Swan Atlas

**Q.7)** Arrange the following rivers from east to west:

1. Parbati River
2. Son River
3. Betwa River
4. Banas River

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:**



Source: Oriental Black Swan Atlas

**Q.8)** Which of the following sea is/are NOT connected with Mediterranean Sea?

1. North Sea
2. White Sea
3. Tyrrhenian Sea

Select the correct answer using the codes given below:

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

ANS: D

Explanation:



Source: Oriental Black Swan Atlas

Q.9) Which of the following port city is also called as kamarajar port?

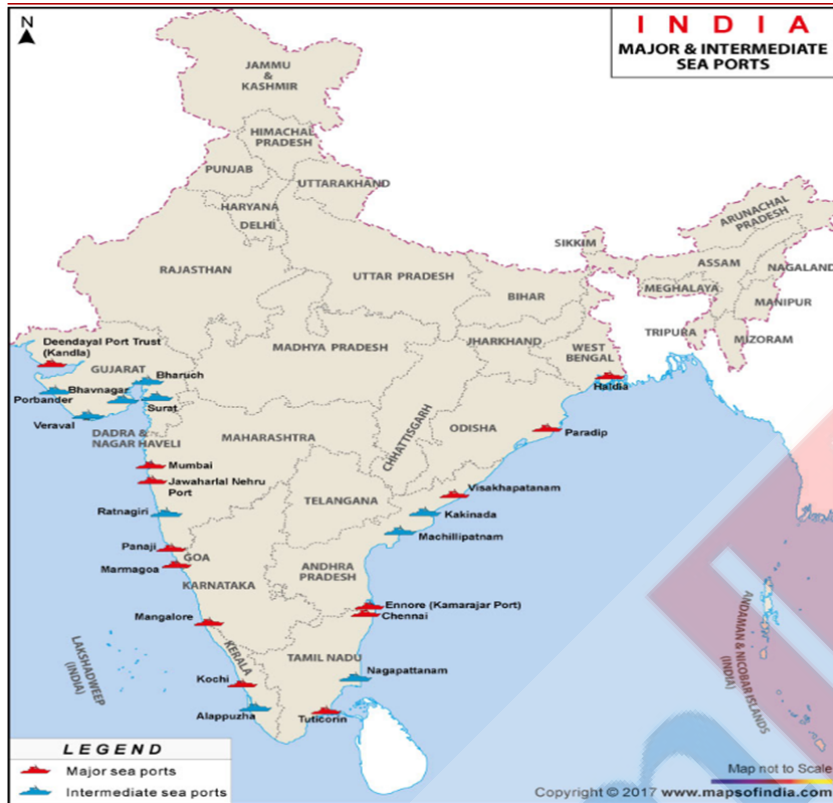
- a) Ennore
- b) Chennai
- c) Tuticorin
- d) Kochi

ANS: A

Explanation:



**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**



Source: Oxford Atlas

**Q.10)** Arrange the following hills from east to west direction:

1. Ramgarh hills
2. Gawilgarh hills
3. Mahadeo hills
4. Satmala hills

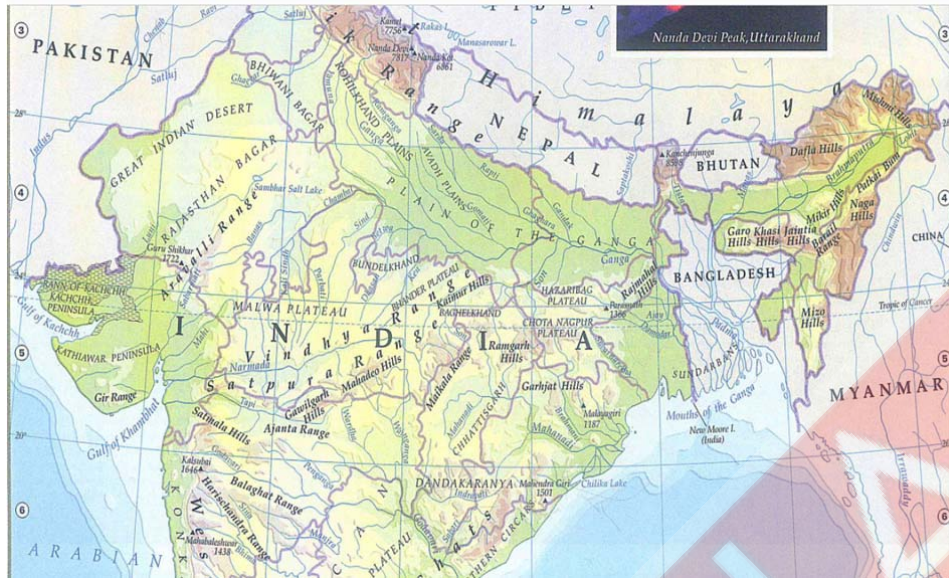
Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:**

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**



Source: Oxford atlas

## Revision

**Q.1)** Which of the following river (s) is/are NOT an antecedent origin?

1. Ganga
2. Satluj
3. Kosi

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** The drainage pattern was already present before a period of uplift and folding that formed the present structure.

- As the uplift took place, the rivers were able to cut down at approximately the same rate and so maintain their courses.
- This process is called antecedence and the drainage system thus developed is called antecedent drainage.
- Many of the Himalayan Rivers have antecedent origin i.e. these rivers existed even before the Himalayan ranges were uplifted.
- These rivers originate in the Tibetan side beyond the mountain ranges of Himalayas. The Indus, Satluj, Alaknanda, Gandak, Kosi, Brahmaputra all has an antecedent origin.
- Since these rivers are antecedent, they run transverse to the mountain ranges cutting deep V-shaped, steep-sided valleys (deep gorges).

Source: NCERT XI – India Physical Environment

**Q.2)** The Jog falls is located in which of the following state?

- a) Maharashtra
- b) Goa
- c) Kerala
- d) Karnataka

**ANS: D**

**Explanation:** Jog Falls, also called Gersoppa Falls, cataract of the Sharavati River, western Karnataka state, southwestern India.

The Jog Falls are located 18 miles (29 km) upstream from Honavar at the river's mouth on the Arabian Sea.

Source: NCERT – XI India Physical Environment

**Q.3)** Arrange the following tiger reserves from South to North:

1. Bhadra
2. Indravathi
3. Nagarjuna Sagar
4. Bor

Select the correct answer using the code given below:

- a) 3 – 1 – 4 – 2
- b) 1 – 3 – 4 – 2

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

**ANS: D**

**Explanation:**



Source: Oriental Black Swan Atlas

**Q.4)** Which of the following place (s) is/are manganese production centre (s) in India?

- 1. Guntur
- 2. Tumkur
- 3. Khetri

Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:** Manganese is not found as a free element in nature. It is often found in combination with iron. The most important manganese ore is pyrolusite. Manganese is primarily used in iron and steel industry.

- Andhra Pradesh: 13% of India's manganese production comes from this state. Cuddapah, Vijayanagaram and Guntur are other manganese producing districts.
- Karnataka: 6 per cent of India's manganese comes from this state. Uttara Kannada, Shimoga, Bellary, Chitradurg and Tumkur districts are manganese producing districts.
- Madhya Pradesh: It produces about 27.59 per cent of India's manganese ore. The main belt extends in Balaghat and Chhindwara districts. It is just an extension of the Nagpur Bhandara belt of Maharashtra.

Source: NCERT – XII India People and Economy

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**Q.5)** Which of the following are Buddhist Monasteries?

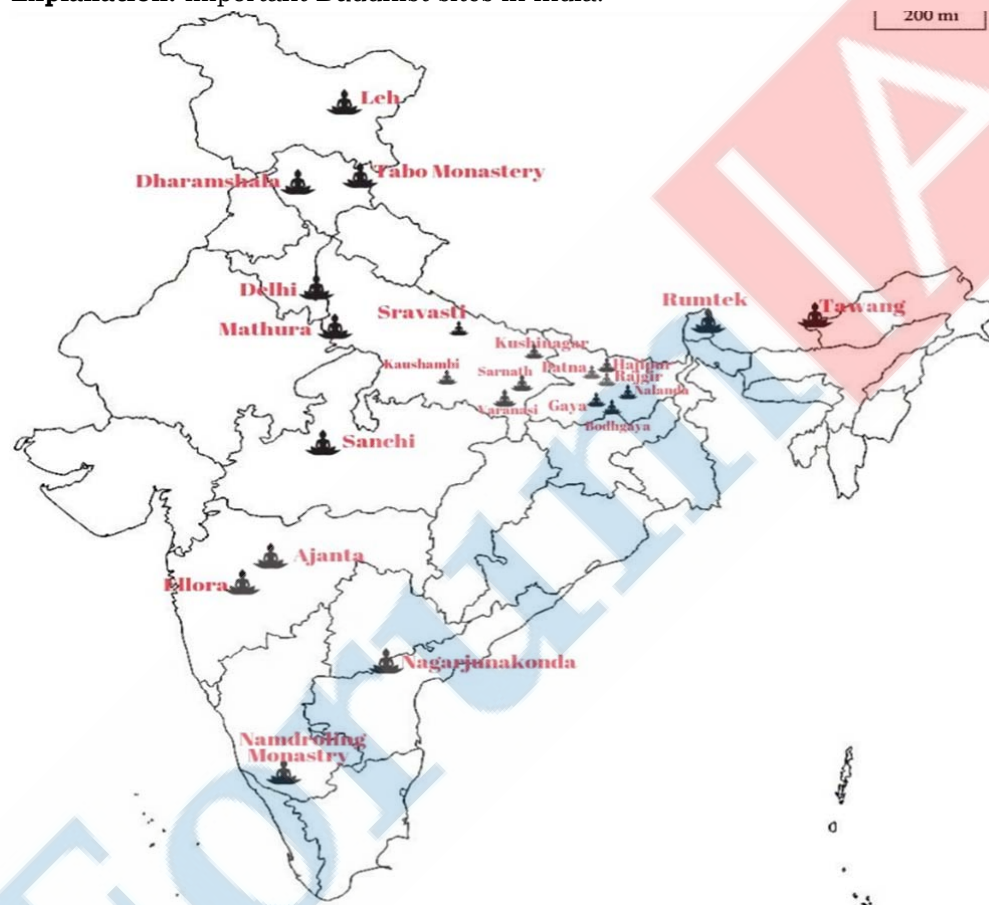
1. Kaushambi
2. Rumtek
3. Leh

Select the correct 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

**ANS: D**

**Explanation:** Important Buddhist sites in India.



Source: Maps of India

**Q.6)** Which of the following countries of Europe is/are landlocked?

1. Austria
2. Germany
3. Italy

Select the correct answer using the code given below:

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

**ANS: A**

**Explanation:** A landlocked country is a country which has no connection to a sea or ocean.

- There are 17 landlocked countries in Europe: Andorra, Armenia, Austria, Belarus, Kosovo,
- Czech Republic, Hungary, Liechtenstein, Luxembourg, Macedonia, Moldova, San Marino, Serbia, Slovakia, Switzerland and Vatican City.
- Liechtenstein is unique in Europe because it is doubly-landlocked meaning it is both landlocked and surrounded by countries which are also landlocked, a situation it only shares with Uzbekistan which is the second country in the world surrounded only by landlocked countries (Turkmenistan, Kazakhstan, Kirgizstan, Tajikistan and Afghanistan).

Source: Oxford Atlas

**Q.7)** Consider the following statements regarding the earthquake waves:

1. P-waves are similar to sound waves.
2. S waves travel through solid materials only.

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

**ANS: C**

**Explanation:**

Earthquake waves are basically of two types — body waves and surface waves. Body waves are generated due to the release of energy at the focus and move in all directions travelling through the body of the earth. Hence, the name body waves.

- The body waves interact with the surface rocks and generate new set of waves called surface waves. These waves move along the surface.
- The velocity of waves changes as they travel through materials with different densities. The denser the material, the higher is the velocity.
- Their direction also changes as they reflect or refract when coming across materials with different densities.
- There are two types of body waves. They are called P and S-waves. P-waves move faster and are the first to arrive at the surface. These are also called 'primary waves'.
- The P-waves are similar to sound waves. They travel through gaseous, liquid and solid materials.
- S-waves arrive at the surface with some time lag. These are called secondary waves. An important fact about S-waves is that they can travel only through solid materials.

Source: NCERT – XI Fundamentals of Physical Geography

**Q.8)** The "Sisseri River Bridge" is recently in news is located in which of the following state?

- a) Uttar Pradesh
- b) Arunachal Pradesh
- c) Andhra Pradesh
- d) Madhya Pradesh

**ANS: B**

**Explanation:** Union Minister Rajnath Singh inaugurated the Sisseri River Bridge at Lower Dibang Valley in Arunachal Pradesh and called for bolstering the border infrastructure, saying that national security is the topmost priority of the government.

The 200-metre long bridge between Jonai-Pasighat-Ranaghat-Roing roads will provide connectivity between Dibang Valley and Siang to meet the long-pending demand of the people of Arunachal Pradesh as it would cut down the travel time from Pasighat to Roing by about five hours.

Source: The Hindu

**Q.9)** It is the place where highest tides in the world occur and the tidal bulge is 15 – 16m is – describes which of the following?

- a) Bay of Fundy
- b) Gulf of Cambay
- c) Gulf of Aden
- d) Gulf of Florida

**ANS: A**

**Explanation:** The highest tides in the world occur in the Bay of Fundy in Nova Scotia, Canada.

- The tidal bulge is 15 - 16 m. Because there are two high tides and two low tides every day (roughly a 24 hour period); then a tide must come in within about a six hour period.
- As a rough estimate, the tide rises about 240 cm an hour (1,440 cm divided by 6 hours).

Source: NCERT – XI Fundamentals of Physical Geography

**Q.10)** Which of the following deserts is/are influenced by ocean currents?

1. Atacama Desert
2. Namib Desert
3. Gobi Desert

Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:** Namib Desert: the Namib Desert is a direct result of the Benguela Current.

- Seamounts near to the coastline beneath the Atlantic's surface cause the icy Benguela River to flow very close to the Namibian coast.
- This causes a harsh coastal climate with very little rainfall.

Atacama Desert: Cold ocean currents contribute to the formation of coastal deserts.

- Air blowing toward shore, chilled by contact with cold water, produces a layer of fog. This heavy fog drifts onto land.
- The Atacama Desert, on the Pacific shores of Chile, is a coastal desert.
- Some areas of the Atacama are often covered by fog. But the region can go decades without rainfall. In fact, the Atacama Desert is the driest place on Earth.

Gobi Desert: Interior deserts, which are found in the heart of continents, exist because no moisture-laden winds reach them.

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- By the time air masses from coastal areas reach the interior, they have lost all their moisture. Interior deserts are sometimes called inland deserts.
  - The Gobi Desert, in China and Mongolia, lays hundreds of kilometers from the ocean. Winds that reach the Gobi have long since lost their moisture.
  - The Gobi is also in the rain shadow of the Himalaya Mountains to the south.
- Source: National Geographic Channel

ForumIAS



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## *National Income Accounting*

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**Q.1)** “Let do/let go” approach is related to which of the following?

- a) Socialist market system
- b) Command market system
- c) Free market system
- d) China market system

**ANS: C**

**Explanation:** Scottish Enlightenment thinker Adam Smith introduced the concept Invisible hand in several of his writings, but it found this economic interpretation in his book An Inquiry into the Nature and Causes of the Wealth of Nations published in 1776.

- The invisible hand is part of laissez-faire, meaning "let do/let go," approach to the market.
- In other words, the approach holds that the market will find its equilibrium without government or other interventions forcing it into unnatural patterns.
- The invisible hand is a metaphor for the unseen forces that move the free market economy.
- Through individual self-interest and freedom of production as well as consumption, the best interest of society, as a whole, are fulfilled.
- The constant interplay of individual pressures on market supply and demand causes the natural movement of prices and the flow of trade.

Source: TMH Ramesh Singh

**Q.2)** Which of the following is/are characteristics of a Public good?

- 1. Non-excludability
- 2. Non rival Consumption
- 3. Non rejectable

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** Public goods are goods that can be consumed simultaneously by a large number of people without the consumption by one imposing an opportunity cost on others.

The characteristics of a public good:

- Non excludability i.e., the citizens can enjoy its benefits at no explicit financial cost.
- Non rival consumption i.e., the marginal cost of supplying this public good to an extra citizen is zero.
- Non Rejectable i.e., collective supply for all citizens means that it cannot be rejected.

Source: NCERT XII Macro Economics

**Q.3)** Consider the following statements regarding the Annual Survey of Industries (ASI):

- 1. It is conducted by Department for Promotion of Industry & Internal Trade.
- 2. It covers both formal and informal industries.

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Which of the statements given above is/are correct?

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

**ANS: D**

**Explanation:** Annual Survey of Industries (ASI) is conducted by National Sample Survey Office (NSSO). ASI is principal source of industrial statistics in India. It does not cover unorganized or unregistered or informal sector enterprises.

- ASI, an annual event, not only facilitates suitable data collection based on appropriate sampling techniques but also ensures timely dissemination of statistical information to assess and evaluates the dynamics in composition, growth and structure of organized manufacturing sector.
- The structure and function of the industrial sector is an important perspective of Indian Economy. It is imperative for industries to grow both qualitatively and quantitatively to boost the economy.
- The well-being of the industries depends truly on the formulation and promotion of industrial policies framed by the policy makers.
- To frame suitable industrial policies the policy makers need to be aware about the quantified aspect of the existing scenarios in the industries in the country.
- This is where the Annual Survey of Industries (ASI) is conducted by National Sample Survey Office, Government of India.

Source: TMH Ramesh Singh

**Q.4)** Which of the following statements is/are correct about “International Standards of Accounting and Reporting (ISAR)”?

1. It was established after the financial crisis of 2008.
2. United Nations Industrial Development Organization serves as ISAR’s secretariat.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** ISAR is the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, the United Nations focal point on accounting and corporate governance matters.

- It was established in 1982 by the United Nations Economic and Social Council (ECOSOC).
- Through its Division on Investment and Enterprise, the United Nations Conference on Trade and Development (UNCTAD) serves as ISAR’s secretariat, providing substantive and administrative inputs to its activities.

Source: The Hindu

**Q.5)** With reference to the Gross Domestic Product, which of the following statements is/are NOT correct?

1. It is the value of the all intermediate goods and services produced within the boundary of a nation during one year period.

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2. It is calculated by adding national private consumption, gross investment, government spending and trade balance.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Gross Domestic Product (GDP) is the value of the all final goods and services produced within the boundary of a nation during one year period.

It is also calculated by adding national private consumption, gross investment, government spending and trade balance (exports-minus-imports).

Source: TMH Ramesh Singh

**Q.6)** Which of the following ministry in India decides the rate of depreciation of a good?

- a) Ministry of Commerce
- b) Ministry of Finance
- c) Ministry of Agriculture
- d) Ministry of Home

**ANS: A**

**Explanation:** Every asset (except human beings) go for depreciation in the process of their uses, which means they 'wear and tear'.

The governments of the economies decide and announce the rates by which assets depreciate (done in India by the Ministry of Commerce and Industry) and a list is published, which is used by different sections of the economy to determine the real levels of depreciations in different assets.

Source: TMH Ramesh Singh

**Q.7)** Gross National Product (GNP) is the GDP of a country added with its 'income from abroad'. Which of the following is/are part of income from abroad in India?

- 1. Private Remittances
- 2. External grants
- 3. Interest on External loans

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Gross National Product (GNP) is the GDP of a country added with its 'income from abroad'. Here, the trans-boundary economic activities of an economy are also taken into account. The items which are counted in the segment 'Income from Abroad' is:

- Private Remittances
- Interest on external loans
- External grants

Source: TMH Ramesh Singh

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**Q.8)** With reference to the base year for national income accounting, which of the following statements is/are correct?

1. It was revised from 2004–05 to 2011 – 12.
2. It has been revised in line with the requirements of the System of National Accounts (SNA)-2008.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** The Central Statistics Office (CSO), in January 2015, released the new and revised data of National Accounts, effecting two changes:

- The Base Year was revised from 2004–05 to 2011–12. This was done in accordance with the recommendation of the National Statistical Commission (NSC), which had advised to revise the base year of all economic indices every five years.
- This time, the methodology of calculating the National Accounts has also been revised in line with the requirements of the System of National Accounts (SNA)-2008, an internationally accepted standard.

Source: TMH Ramesh Singh

**Q.9)** Consider the following statements:

1. 'Factory Price' is the 'input cost' the producer has to incur in the process of producing something.
2. 'Market cost' is derived after deducting the indirect taxes to the factor cost of the product.

Which of the statements above given is/are correct?

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

**ANS: A**

**Explanation:** Basically, 'factor cost' is the 'input cost' the producer has to incur in the process of producing something (such as cost of capital, i.e., interest on loans, raw materials, labour, rent, power, etc.).

- This is also termed as 'factory price' or 'production cost/price'. This is nothing but 'price' of the commodity from the producer's side.
- While the 'market cost' is derived after adding the indirect taxes to the factor cost of the product, it means the cost at which the goods reach the market, i.e., showrooms (these are the cenvat/central excise and the CST which are paid by the producers to the central government in India).

Source: TMH Ramesh Singh

**Q.10)** Consider the following statements regarding the Directorate General of Commercial Intelligence and Statistics (DGCI&S):

1. It compiles and releases yearly export & import data on merchandise trade.
2. It comes under Ministry of Commerce and Industry.

Which of the statements given above is/are correct?

- a) 1 only

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

**ANS: B**

**Explanation:** The chequered history of evolution, developments, transformations and coming of age of the Directorate General of Commercial Intelligence And Statistics (Ministry of Commerce and Industry) has been a mammoth exercise spread over a span of one hundred and forty years and carried out under the stewardship of capable and pragmatic visionaries.

- The Organization traces its origin to a statistical branch established in the Finance Department of the Government of India way back in 1862.
- Sir William W. Hunter was the first DG of the DGCI & S or the Director General of Statistics as he was designated, back in 1871.
- The DGCI&S compiles and releases monthly export & import data on merchandise trade.
- It also compiles and releases yearly data on inter-state movement of goods in India by river, rail & air; customs & excise revenue collections of the Indian union, inland coasting trade consignments of India and foreign coastal cargo movements of India.

Source: The Hindu

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## *Central Bank in India and its powers & Functions*

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**Q.1)** Which of the following statements regarding new monetary aggregates set by RBI is/are correct?

1. New monetary aggregates are recommended by Sukhamoy Chakraborty Committee.
2. Committee was recommended four monetary aggregates.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The RBI has started publishing a set of new monetary aggregates following the recommendations of the Working Group on Money Supply: Analytics and Methodology of Compilation (Chairman: Dr. Y.V. Reddy) which submitted its report in June 1998.

- The Working Group recommended compilation of four monetary aggregates on the basis of the balance sheet of the banking sector in conformity with the norms of progressive liquidity: M0 (monetary base), M1 (narrow money), M2 and M3 (broad money).
- In addition to the monetary aggregates, the Working Group had recommended compilation of three liquidity aggregates namely, L1, L2 and L3, which include select items of financial liabilities of non-depository financial corporations such as development financial institutions and non-banking financial companies accepting deposits from the public, apart from post office savings banks.

Source: TMH Ramesh Singh

**Q.2)** Which of the following provision (s) is/are covered under “Banking Regulations Act, 1949”?

1. Bank Rate
2. Statutory Liquidity Ratio
3. Cash Reserve Ratio

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Bank Rate: Under Section 49 of the Reserve Bank of India Act, 1934, the Bank Rate has been defined as “the standard rate at which the Reserve Bank is prepared to buy or re-discount bills of exchange or other commercial paper eligible for purchase under the Act.

- On introduction of LAF, discounting/rediscounting of bills of exchange by the Reserve Bank has been discontinued.
- As a result, the Bank Rate became dormant as an instrument of monetary management.

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- It is now aligned to MSF rate and used for calculating penalty on default in the cash reserve ratio (CRR) and the statutory liquidity ratio (SLR).

Statutory Liquidity Ratio: In terms of Section 24 of the Banking Regulations Act, 1949, scheduled commercial banks have to invest in unencumbered government and approved securities certain minimum amount as statutory liquidity ratio (SLR) on a daily basis.

Cash Reserve Ratio: According to Section 42 of the Reserve Bank of India Act, 1934, each scheduled commercial bank has to maintain a minimum cash balance with the Reserve Bank as cash reserve ratio (CRR) which is prescribed by the Reserve Bank from time to time as certain percentage of its net demand and time liabilities (NDTL) relating to the second preceding fortnight.

Source: RBI

**Q.3)** “LERMS” is related to which of the following?

- a) Banking sector
- b) Industries sector
- c) Exchange rate
- d) Infrastructure sector

**ANS: C**

**Explanation:** Liberalized Exchange Rate Management System (LERMS) was a new system of exchange rate management.

- According to this system, forty percent of the proceeds of exports and inward remittances were purchased at the official exchange rate by the (RBI) Reserve Bank of India for official use.
- Receipts and Payments on capital account continued to be subject to controls.

Source: TMH Ramesh Singh

**Q.4)** Which of the following “currencies” is/are considered for Reference rate of RBI?

1. US Dollar
2. Japan Yen
3. Renminbi
4. Britain Pound

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The Reserve Bank of India compiles on a daily basis and publishes reference rates for four major currencies i.e. USD, GBP, YEN and EUR.

- The rates are arrived at by averaging the mean of the bid/offer rates polled from a few select banks around 12 noon every week day (excluding Saturdays).
- The contributing banks are selected on the basis of their standing, market-share in the domestic foreign exchange market and representative character.
- The Reserve Bank periodically reviews the procedure for selecting the banks and the methodology of polling so as to ensure that the reference rate is a true reflection of the market activity.

Source: TMH Ramesh Singh

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**Q.5)** Consider the following statements with respect to “National Payments Corporation of India (NPCI)”:

1. It is an initiative of RBI and NITI Aayog.
2. It was created under the provisions of the Payment and Settlement Systems Act, 2007.

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

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

**ANS: B**

**Explanation:** National Payments Corporation of India (NPCI), an umbrella organization for operating retail payments and settlement systems in India, is an initiative of Reserve Bank of India (RBI) and Indian Banks’ Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007, for creating a robust Payment & Settlement Infrastructure in India.

- NPCI launched RuPay is an indigenously developed Payment System – designed to meet the expectation and needs of the Indian consumer, banks and merchant ecosystem.
- RuPay supports the issuance of debit, credit and prepaid cards by banks in India and thereby supporting the growth of retail electronic payments in India.

Source: NPCI

**Q.6)** Which of the following statements is/is are correct about “Flexible Inflation Targeting Framework” in India?

1. It was based on the recommendation of Raghuram Rajan committee.
2. It was given statutory basis by amending the Banking Regulation Act, 1949.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** In his first speech as RBI Governor, Raghuram Rajan (Reserve Bank of India, 2013) emphasized on the importance of inflation targeting and set up an Expert Committee under Deputy Governor Urjit Patel to assess the current monetary policy and give recommendations to strengthen it.

The RBI Act was amended on May 14, 2016 to give the key provisions in the Monetary Policy Framework Agreement (MPFA) a statutory basis.

Source: RBI

**Q.7)** Which of the following is/are type/types of External Benchmark Rates?

1. Repo rate
2. Statutory Liquidity Ratio.
3. Cash Reserve Ratio.

Select the correct answer using the code given below:

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



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**ANS: A**

**Explanation:** The RBI has made it compulsory for banks to link their new floating rate home, auto and MSME loans to an external benchmark so that the borrowers can enjoy lower rate of interest.

All new floating rate personal or retail loans (housing, auto, etc.) and floating rate loans to Micro and Small Enterprises extended by banks from October 01, 2019 shall be benchmarked to one of the following:

- Reserve Bank of India policy repo rate
- Government of India 3-Months Treasury Bill yield published by the Financial Benchmarks India Private Ltd (FBIL)
- Government of India 6-Months Treasury Bill yield published by the FBIL
- Any other benchmark market interest rate published by the FBIL.

Source: RBI

**Q.8)** Which of the following are instruments of Monetary Policy of Reserve Bank of India (RBI)?

1. Repo rate
2. Reverse Repo rate
3. Cash Reserve Ratio
4. Open Market Operations (OMOs)

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** There are several direct and indirect instruments that are used for implementing monetary policy.

- **Repo Rate:** The (fixed) interest rate at which the Reserve Bank provides overnight liquidity to banks against the collateral of government and other approved securities under the liquidity adjustment facility (LAF).
- **Reverse Repo Rate:** The (fixed) interest rate at which the Reserve Bank absorbs liquidity, on an overnight basis, from banks against the collateral of eligible government securities under the LAF.
- **Marginal Standing Facility (MSF):** A facility under which scheduled commercial banks can borrow additional amount of overnight money from the Reserve Bank by dipping into their Statutory Liquidity Ratio (SLR) portfolio up to a limit at a penal rate of interest. This provides a safety valve against unanticipated liquidity shocks to the banking system.
- **Corridor:** The MSF rate and reverse repo rate determine the corridor for the daily movement in the weighted average call money rate.
- **Bank Rate:** It is the rate at which the Reserve Bank is ready to buy or rediscount bills of exchange or other commercial papers. The Bank Rate is published under Section 49 of the Reserve Bank of India Act, 1934. This rate has been aligned to the MSF rate and, therefore, changes automatically as and when the MSF rate changes alongside policy repo rate changes.
- **Cash Reserve Ratio (CRR):** The average daily balance that a bank is required to maintain with the Reserve Bank as a share of such per cent of its Net demand and time liabilities (NDTL) that the Reserve Bank may notify from time to time in the Gazette of India.

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- Statutory Liquidity Ratio (SLR): The share of NDTL that a bank is required to maintain in safe and liquid assets, such as, unencumbered government securities, cash and gold. Changes in SLR often influence the availability of resources in the banking system for lending to the private sector.
- Open Market Operations (OMOs): These include both, outright purchase and sale of government securities, for injection and absorption of durable liquidity, respectively.
- Market Stabilization Scheme (MSS): This instrument for monetary management was introduced in 2004. Surplus liquidity of a more enduring nature arising from large capital inflows is absorbed through sale of short-dated government securities and treasury bills. The cash so mobilized is held in a separate government account with the Reserve Bank.

Source: RBI

**Q.9)** A facility under which scheduled commercial banks can borrow additional amount of overnight money from the Reserve Bank by dipping into their Statutory Liquidity Ratio (SLR) portfolio up to a limit at a penal rate of interest – is describes which of the following?

- a) Marginal Standing Facility
- b) Open Market Operations
- c) Cash Reserve Ratio
- d) Sterilization

**ANS: A**

**Explanation:** Marginal Standing Facility (MSF): A facility under which scheduled commercial banks can borrow additional amount of overnight money from the Reserve Bank by dipping into their Statutory Liquidity Ratio (SLR) portfolio up to a limit at a penal rate of interest.

This provides a safety valve against unanticipated liquidity shocks to the banking system.

Source: TMH Ramesh Singh

**Q.10)** Consider the following statements regarding the Economic Census:

1. It is conducted by Ministry of Statistics and Programme Implementation (MoSPI).
2. It covers all entrepreneurial units which involved in any economic activities of either agricultural or non-agricultural sector.

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

**ANS: C**

**Explanation:** The Economic Census is being conducted by Ministry of Statistics and Programme Implementation (MoSPI) to provide disaggregated information on various operational and structural aspects of all establishments in the country.

All entrepreneurial units in the country which are involved in any economic activities of either agricultural or non-agricultural sector which are engaged in production and/or distribution of goods and/or services not for the sole purpose of own consumption.

Source: TMH Ramesh Singh

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## *Money & Banking*

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**Q.1)** Which of the following suggested the government to create All India Development Banks (AIDBs)?

- a) Manmohan Singh
- b) Sukhamoy Chakraborty
- c) Montek Singh Ahluwalia
- d) Narasimhan

**ANS: D**

**Explanation:** The era of economic reforms had given the same option to the PSUs to tap new capital.

- As the AIFIs had more or less fixed rate of interest as compared to the banks which could mobilize cheaper deposits to lend cheaper—the AIFIs seemed to become irrelevant.
- The AIFIs witnessed a sharp decline in recent years. At this juncture the government decided to convert them into Development Banks (suggested by the Narasimhan Committee-I) to be known as the All India Development Banks (AIDBs).
- In 2000, the government allowed ICICI to go for a reverse merger (when an elder enterprise is merged with a younger one) with the ICICI Bank—the first AIDB emerged with no obligation of project financing—such entities in coming times will be known as the universal banks.

Source: TMH Ramesh Singh

**Q.2)** Consider the following statements regarding “Local Area Banks (LABs)”:

1. NRI contributions are not permitted in equity of Local Area Banks.
2. A family group can promote equity holding in Local Area Banks up to 40%.

Which of the statements above given is/are correct?

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

**ANS: B**

**Explanation:** In 1996 it was decided to allow the establishment of local banks in the private sector.

- These banks were expected to bridge the gaps in credit availability and enhance the institutional credit framework in the rural and semi-urban areas and provide efficient and competitive financial intermediation services in their area of operation.
- The minimum start-up capital of a LAB was fixed at Rs.5crore.
- The promoters of these banks were required to bring in the entire minimum share capital up-front.
- It was also decided that a family among the promoter group could hold equity not exceeding 40% of the capital.
- The NRI contributions to the equity of the bank were not to exceed 40% of the paid-up capital.

Source: TMH Ramesh Singh

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**Q.3)** Which of the following statements is/are correct about “small finance banks”?

1. Small finance banks are universal banks.
2. Small Finance Banks was recommended by the usha thorat committee.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Differentiated Banks (niche banks) are banks that serve the needs of a certain demographic segment of the population.

- Small Finance Banks and Payment Banks are examples of differentiated banks in India.
- Small Finance Banks was recommended by the Nachiket Mor committee on financial inclusion.

Source: Sriram’s Economy

**Q.4)** The Reserve Bank of India was set up P J Nayak Committee to review Governance of Boards of Banks in India and to establish which of the following?

- a) Banks Board Bureau
- b) Indian Banks Association
- c) Bad Banks
- d) Differentiated Banks

**ANS: A**

**Explanation:** The Banks Board Bureau owes its genesis to the recommendations in the Report of The Committee set up by the Reserve Bank of India to Review Governance of Boards of Banks in India (Chair: Dr P J Nayak; May 2014), which envisaged the Bureau as a precursor to a Company which would eventually hold the Government’s investments in PSBs.

Source: Sriram’s Economy

**Q.5)** Recently, the Reserve Bank of India released the Report on Trend and Progress of Banking in India 2018-19, a statutory publication in compliance with which of the act?

- a) Banking Regulation Act, 1949
- b) Reserve Bank of India Act, 1934
- c) Payment and Settlements Act, 2007
- d) The State Bank of India Act, 1955

**ANS: A**

**Explanation:** Recently, the Reserve Bank of India released the Report on Trend and Progress of Banking in India 2018-19, a statutory publication in compliance with Section 36 (2) of the Banking Regulation Act, 1949.

Source: The Hindu

**Q.6)** Which of the following are the pillars of the Basel Norms?

1. Capital adequacy requirements
2. Supervisory review
3. Market discipline
4. Government intervention

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:** In June 2004, Basel II guidelines were published by BCBS. The guidelines were based on three parameters, which the committee calls it as pillars.

- Capital Adequacy Requirements: Banks should maintain a minimum capital adequacy requirement of 8% of risk assets
- Supervisory Review: According to this, banks were needed to develop and use better risk management techniques in monitoring and managing all the three types of risks that a bank faces, viz. credit, market and operational risks
- Market Discipline: This need increased disclosure requirements. Banks need to mandatorily disclose their CAR, risk exposure, etc to the central bank. Basel II norms in India and overseas are yet to be fully implemented.

Source: TMH Ramesh Singh

**Q.7)** The Utkarsh 2022, sometimes seen in news is related to which of the following?

- a) Regulation and supervision of Central Bank
- b) Foreign exchange
- c) Banks amalgamation
- d) Doubling farmer's income

**ANS: A**

**Explanation:** The Reserve Bank of India (RBI) board finalized a three- year roadmap to improve regulation and supervision, among other functions of the central bank.

This medium term strategy — named Utkarsh 2022 — is in line with the global central banks' plan to strengthen the regulatory and supervisory mechanism.

Source: The Hindu

**Q.8)** Which of the following liquidity windows is/are allowed raising liquidity by regional rural banks?

1. Liquidity Adjustment Facility
2. Marginal Standing Facility
3. Call Money Market

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** RBI allowed RRBs to access the liquidity adjustment facility (LAF), marginal standing facility (MSF) and call or notice money market.

At present, RRBs are not permitted to access the liquidity windows of the RBI as well as the call or notice market.

Source: The Hindu

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**Q.9)** Which of the following financial institutions/banks are covered under deposit insurance of Deposit Insurance and Credit Guarantee Corporation (DICGC)?

1. Commercial Banks
2. Regional Rural Banks
3. Urban Cooperative Banks
4. Local Area Banks
5. Small Finance Banks

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** The functions of the DICGC are governed by the provisions of 'The Deposit Insurance and Credit Guarantee Corporation Act, 1961' (DICGC Act) and 'The Deposit Insurance and Credit Guarantee Corporation General Regulations, 1961' framed by the Reserve Bank of India in exercise of the powers conferred by sub-section (3) of Section 50 of the said Act.

Banks covered by Deposit Insurance Scheme are:

- All commercial banks including the branches of foreign banks functioning in India, Local Area Banks and Regional Rural Banks.
- Co-operative Banks - All eligible co-operative banks as defined in Section 2(gg) of the DICGC Act are covered by the Deposit Insurance Scheme.
- All State, Central and Primary co-operative banks functioning in the States/Union Territories which have amended their Co-operative Societies Act as required under the DICGC Act, 1961, empowering RBI to order the Registrar of Co-operative Societies of the respective States/Union Territories to wind up a co-operative bank or to supersede its committee of management and requiring the Registrar not to take any action for winding up, amalgamation or reconstruction of a co-operative bank without prior sanction in writing from the RBI, are treated as eligible banks.
- At present all Co-operative banks are covered by the Scheme. The Union Territories of Lakshadweep and Dadra and Nagar Haveli do not have Co-operative Banks.

## List of Insured Banks

S.No	Categories	Numbers
1	Public Sector Banks	12
2	Private Sector Banks	22
3	Foreign Banks	46
4	Small Finance Banks	10
5	Payment Banks	6
6	Regional Rural Banks	45
7	Local Area Banks	2
8	State Co-operative banks	33
9	District Central Co-op banks	351
10	Urban Co-op banks	1537

Source: TMH Ramesh Singh

**Q.10)** The term Economic Capital Framework is related to which of the following?

- a) Bad Bank
- b) Reserve Bank of India
- c) New Development Bank
- d) World Bank

**ANS: B**

**Explanation:** Bimal Jalan Committee was set up to review the economic capital framework of the RBI.

- Its mandate was to review global best practices followed by the central banks in making assessment and provisions.
- It has suggested that the framework may be periodically reviewed after every five years.
- The panel recommended aligning the central bank's accounting year with the financial year which could reduce the need for paying interim dividend.
- The panel also suggested a clearer distinction between the two components of economic capital — realized equity and revaluation balances — mainly because of the volatile nature of the revaluation balances.

Source: Sriram's Economy

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## *Banking Reforms since Independence*

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**Q.1)** A high level committee on Financial System (CFS) was set up on 14 August, 1991 to examine all aspects relating to structure, organization, function and procedures of the financial system was headed by?

- a) Chakravarthi Rangarajan
- b) Sukomoy Chakraborty
- c) Narasimham
- d) Parthasarathy shome

**ANS: C**

**Explanation:** The three decades after nationalization had seen a phenomenal expansion in the geographical coverage and financial spread of the banking system in the country.

- As certain weaknesses were found to have developed in the system during the late eighties, it was felt that these had to be addressed to enable the financial system to play its role ushering in a more efficient and competitive economy.
- Accordingly, a high level committee (Narasimham Committee) on Financial System (CFS) was set up on 14 August, 1991 to examine all aspects relating to structure, organization, function and procedures of the financial system—based on its recommendations, a comprehensive reform of the banking system was introduced in the fiscal 1992–93.

Source: TMH Ramesh Singh

**Q.2)** With reference to the Narasimham committee recommendations, which of the following statements is/are correct?

1. Cash Reserve Ratio (CRR) is fixed at 15%.
2. Statutory Liquidity Ratio is fixed at 40%.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The RBI was advised not to use the CRR as a principal instrument of monetary and credit control, in place it should rely on open market operations (OMOs) increasingly. Two proposals advised regarding the CRR:

- CRR should be progressively reduced from the present high level of 15 per cent to 3 to 5 per cent; and
- RBI should pay interest on the CRR of banks above the basic minimum at a rate of interest equal to the level of banks, one year deposit.

Concerning the SLR it was advised to cut it to the minimum level (i.e., 25 per cent) from the present high level of 38.5 per cent in the next 5 years (it was cut down to 25 per cent in October 1997). The government was also suggested to progressively move towards market-based borrowing programme so that banks get economic benefits on their SLR investments.

Source: TMH Ramesh Singh



**Q.3)** With reference to the Narasimham committee recommendations on Priority Sector Lending (PSL), which of the following statements is/are correct?

1. Directed credit programme should be phased out gradually.
2. The redefined PSL should be fixed at 10% of the aggregate bank credit.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Under this sub-title the suggestions revolved around the compulsion of priority sector lending (PSL) by the banks:

- Directed credit programme should be phased out gradually. As per the committee, agriculture and small scale industries (SSIs) had already grown to a mature stage and they did not require any special support; two decades of interest subsidy were enough. Therefore, concessional rates of interest could be dispensed with.
- Directed credit should not be a regular programme—it should be a case of extraordinary support to certain weak sections—besides, it should be temporary, not a permanent one.
- Concept of PSL should be redefined to include only the weakest sections of the rural community such as marginal farmers, rural artisans, village and cottage industries, tiny sector, etc.
- The “redefined PSL” should have 10 per cent fixed of the aggregate bank credit.
- The composition of the PSL should be reviewed after every 3 years.

Source: TMH Ramesh Singh

**Q.4)** The differential rate of interest (DRI) is a lending programme launched by the government to lend 1 per cent of the total lending of the preceding year to ‘the poorest among the poor’ at an interest rate of 4 per cent per annum was launched in which five year plan?

- a) Fourth five year plan
- b) Sixth five year plan
- c) Eleventh five year plan
- d) Twelfth five year plan

**ANS: A**

**Explanation:** The differential rate of interest (DRI) is a lending programme launched by the government in April 1972 (Fourth five year plan) which makes it obligatory upon all the public sector banks in India to lend 1 per cent of the total lending of the preceding year to ‘the poorest among the poor’ at an interest rate of 4 per cent per annum.

Source: TMH Ramesh Singh

**Q.5)** The “sarfaesi act” often seen in news is related to which of the following?

- a) Recovery of loans
- b) Bad Bank
- c) Agricultural Lending
- d) Educational loans

**ANS: A**

**Explanation:** The Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act, 2002 allows banks and other financial institutions to seize and sell residential or commercial properties of the defaulters to recover loans.

Source: TMH Ramesh Singh

**Q.6)** “Asset Reconstruction Companies (ARCs)” is introduced by which of the following act?

- Reserve Bank of India Act, 1934
- The Banking Regulation Act, 1949
- Recovery of Debts Due to Banks and Financial Institutions Act, 1993
- Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

**ANS: D**

**Explanation:** ARCs were introduced to India under the SARFAESI Act (2002), as specialists to resolve the burden of NPAs.

- But the ARCs (most are privately-owned) finding it difficult to resolve the NPAs they purchased, are today only willing to purchase such loans at low prices.
- As a result, banks have been unwilling to sell them loans on a large scale.

Source: TMH Ramesh Singh

**Q.7)** “BASEL NORMS” is often seen in news is related to which of the following?

- Educational Reforms
- Banking provisions
- Waste Management
- Nuclear Weapons control

**ANS: B**

**Explanation:** The Basel Accords/Norms (i.e., Basel I, II and now III) are a set of agreements set by the Basel Committee on Bank Supervision (BCBS), which provides recommendations on banking regulations in regards to capital risk, market risk and operational risk.

- The purpose of the accords is to ensure that financial institutions have enough capital on account to meet obligations and absorb unexpected losses.
- They are of paramount importance to the banking world and are presently implemented by over 100 countries across the world.

Source: The Hindu

**Q.8)** Consider the following statements regarding Repo and Reverse Repo rate:

- RBI introduced reverse repo first time in 1992 and repo rate in 1996.
- Repo and Reverse Repo rate instruments used to raise short term funds.

Which of the statements above given is/are correct?

- 1 only
- 2 only
- Both 1 and 2
- Neither 1 nor 2

**ANS: B**

**Explanation:** Repos and Reverse Repos: In the era of economic reforms there developed two new instruments of money market-repo and reverse repo. Considered the most dynamic instruments of the Indian money market they have emerged the most favored route to raise short-term funds in India.

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- 'Repo' is basically an acronym of the rate of repurchase. The RBI in a span of four years, introduced these instruments-repo in December 1992 and reverse repo in November 1996.
- Repo allows the banks and other financial institutions to borrow money from the RBI for short-term (by selling government securities to the RBI).
- In reverse repo, the banks and financial institutions purchase government securities from the RBI (basically here the RBI is borrowing from the banks and the financial institutions).
- All government securities are dated and the interest for the repo or reverse repo transactions is announced by the RBI from time to time.
- The provision of repo and the reverse repo have been able to serve the liquidity evenness in the economy as the banks are able to get the required amount of funds out of it, and they can park surplus idle funds through it.
- These instruments have emerged as important tools in the management of the monetary and credit policy in recent years.

Source: Sriram's Economy

**Q.9)** "CAMELS" is a technique for evaluating and rating the operations and performance of which of the following?

- a) Banks performance measures
- b) Foreign trade
- c) Capital Market
- d) Defense production

**ANS: A**

**Explanation:** Acronym derived from the terms capital adequacy (C), asset quality (A), management (M), earnings (E), liquidity (L) and systems for control (S).

The acronym is used as a technique for evaluating and rating the operations and performance of banks all over the world.

Source: TMH Ramesh Singh

**Q.10)** Consider the following statements regarding "Debt Recovery Tribunal (DRT)":

1. DRTs were created to facilitate the speedy recovery of debt payable to banks and other financial institutions by their customers.
2. DRTs were set up after the passing of Recovery of Debts due to Banks and Financial Institutions Act (RDBBFI), 1993.

Which of the statements above given is/are correct?

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

**ANS: C**

**Explanation:** Debt Recovery Tribunals also known as DRTs were created to facilitate the speedy recovery of debt payable to banks and other financial institutions by their customers.

- The banks and financial institutions had been facing problems in recovery of loans advanced by them to individual people or business entities.
- Due to this, the banks and financial institutions started restraining themselves from advancing out loans.

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- There was a need to have an effective system to recover the money from the borrower.
- DRTs were set up after the passing of Recovery of Debts due to Banks and Financial Institutions Act (RDBFI), 1993.

Source: Sriram's Economy

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## *Capital Markets & Money Markets*

**Q.1)** With reference to the capital and money markets, which of the following statements is/are correct?

1. The money market fulfils the requirements of funds for the period up to 364 days.
2. The capital market fulfils the requirements of funds for the period above 364 days.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Financial markets in every economy are having two separate segments today, one catering to the requirements of short-term funds and the other to the requirements of long-term funds.

- The short-term financial market is known as the money market, while the long-term financial market is known as the capital market.
- The money market fulfils the requirements of funds for the period upto 364 days (i.e., short term) while the capital market does the same for the period above 364 days (i.e., long term).

Source: TMH Ramesh Singh

**Q.2)** In money market, trading is done on a rate known as discount rate which is determined by?

- a) Repo rate
- b) Open Market Operations
- c) Marginal Standing Facility
- d) Statutory liquidity ratio

**ANS: A**

**Explanation:** Money market is the short-term financial market of an economy.

- In this market, money is traded between individuals or groups (i.e., financial institutions, banks, government, companies, etc.), who are either cash-surplus or cash-scarce.
- Trading is done on a rate known as discount rate which is determined by the market and guided by the availability of and demand for the cash in the day-to-day trading.
- The 'repo rate' of the time (announced by the RBI) works as the guiding rate for the current 'discount rate'.

Source: TMH Ramesh Singh

**Q.3)** Which of the following committees underlined the need and laid foundations for money market development in India?

- a) Chakravarthy Committee & Vahul Committee
- b) Narasimhan Committee & Vahul Committee
- c) Narasimhan Committee & Chakravarthy Committee
- d) Narasimhan Committee & Shome Committee

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**ANS: A**

**Explanation:** The organised form of money market in India is just close to three decades old.

- However, its presence has been there, but restricted to the government only.
- It was the Chakravathy Committee (1985) which, for the first time, underlined the need of an organised money market in the country and the Vahul Committee (1987) laid the blue print for its development.

Source: TMH Ramesh Singh

**Q.4)** “Marwari Kayas and Chettiars” terms are associated with which of the following?

- a) Stock brokers
- b) Indigenous bankers
- c) Stock market protectors
- d) Mint production agents

**ANS: B**

**Explanation:** Indigenous bankers receive deposits and lend money in the capacity of an individual or private firm. There are, basically, four such bankers in the country functioning as non-homogenous groups:

- Gujarati Shroffs: They operate in Mumbai, Kolkata as well as in industrial, trading and port cities in the region.
- Multani or Shikarpuri Shroffs: They operate in Mumbai, Kolkata, Assam tea gardens and North Eastern India.
- Marwari Kayas: They operate mainly in Gujarat with a little bit of presence in Mumbai and Kolkata.
- Chettiars: They are active in Chennai and at the ports of southern India.

Source: TMH Ramesh Singh

**Q.5)** Which of the following treasury bills is/are discontinued from money market?

1. 14 day treasury bills
2. 91 day treasury bills
3. 182 day treasury bills

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Treasury Bills (TBs): This instrument of the money market though present since Independence got organised only in 1986. They are used by the Central Government to fulfill its short-term liquidity requirement up-to the period of 364 days. There developed five types of the TBs in due course of time:

- 14-day (Intermediate TBs)
- 14-day (Actionable TBs)
- 91-day TBs
- 182-day TBs
- 364-day TBs

Out of the above five variants of the TBs, at present only the 91-day TBs, 182-day TBs and the 364-day TBs are issued by the government. The other two variants were discontinued in 2001.

Source: TMH Ramesh Singh

**Q.6)** Which of the following statements is/are NOT correct about “Cash Management Bill (CMB)”?

1. It is a short-term instrument issued by government to meet the temporary cash flow mismatches.
2. These are issued for maturities less than 91 days.

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** The Government of India, in consultation with the RBI, decided to issue a new short-term instrument, known as Cash Management Bills, since August 2009 to meet the temporary cash flow mismatches of the government.

- The Cash Management Bills are non-standard and discounted instruments issued for maturities less than 91 days.
- The CMBs have the generic character of Treasury Bills (issued at discount to the face value); are tradable and qualify for ready forward facility; investment in it is considered as an eligible investment in government securities by banks for SLR.

Source: TMH Ramesh Singh

**Q.7)** The Herfindahl-Hirschman Index (HHI) is associated with which of the following?

- a) Market concentration
- b) Foreign trade
- c) Insurance Index
- d) Financial Institutions Performance

**ANS: A**

**Explanation:** The Herfindahl-Hirschman Index (HHI) is a common measure of market concentration and is used to determine market competitiveness, often pre- and post-Merger & Acquisition transactions.

- It is calculated by squaring the market share of each firm competing in a market and then summing the resulting numbers. It can range from close to zero to 10,000.
- Regulators use the HHI Index using the 50 largest companies in a particular industry to determine if that industry should be considered competitive or as close to being a monopoly.

Source: Investopedia

**Q.8)** Consider the following statements regarding the Currency Swap Arrangement:

1. The exchange of currencies is determined by market determined exchange rate not on market rate.
2. The disputes out of arrangement are settled within the countries.

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

**ANS: B**

**Explanation:** Currency Swap Arrangement is an arrangement, between two friendly countries, which have regular, substantial or increasing trade, to basically involve in trading in their own local currencies, where both pay for import and export trade, at the pre-determined rates of exchange, without bringing in third country currency like the US Dollar.

- In such arrangements no third country currency is involved, thereby eliminating the need to worry about exchange variations.
- The swap arrangement (in 2018) is an agreement between India and Japan to essentially exchange and re-exchange a maximum amount of USD 75 Billion for domestic currency, for the purpose of maintaining an appropriate level of balance of payments for meeting short-term deficiency in foreign exchange.

Source: The Hindu

**Q.9)** Recently, Reserve Bank of India (RBI) has slapped restrictions on withdrawal on Punjab and Maharashtra Cooperative Bank Ltd (PMC Bank), under which Act does the RBI has imposed restrictions?

- a) Reserve Bank of India Act, 1934
- b) Payment and Settlement Systems Act, 2007
- c) Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002
- d) Banking Regulation Act, 1949

**ANS: D**

**Explanation:** The RBI has slapped restrictions on Punjab and Maharashtra Cooperative Bank Ltd (PMC Bank). It has also appointed an administrator and superseded its board of directors.

- The PMC had been placed under 'directions' of the Reserve Bank of India (RBI) for six months, after irregularities had been found in lending.
- The RBI has issued directions in exercise of powers vested in it under sub section (1) of Section 35 A of the Banking Regulation Act, 1949, read with Section 56 of the Banking Regulation Act, 1949 (AACSB).

Source: The Hindu

**Q.10)** Consider the following statements regarding the Market Stabilization Scheme (MSS):

1. It is a tool used by commercial banks to reduce the liquidity and bringing the money market under control.
2. It was initiated by Raghuram Rajan after financial crisis of 2008.

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

**ANS: D**

**Explanation:** Market Stabilisation Scheme or MSS is a tool used by the Reserve Bank of India to suck out excess liquidity from the market through issue of securities like Treasury Bills, Dated Securities etc. on behalf of the government.

- The money raised under MSS is kept in a separate account called MSS Account and not parked in the government account or utilized to fund its expenditures.



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- The Reserve Bank under Governor YV Reddy initiated the MSS scheme in 2004, to control the surge of US dollars in the Indian market; RBI started buying US dollars while pumping in rupee.
- This eventually led to over-supply of the domestic currency raising inflationary expectations. MSS was introduced to mop up this excess liquidity.

Source: TMH Ramesh Singh

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## *Inflation & Unemployment*

**Q.1)** A graph showing the degree of inequality in income and wealth in a given population or an economy – describes which of the following?

- a) Laffer Curve
- b) Lorenz Curve
- c) Phillips Curve
- d) Kuznets Curve

**ANS: B**

**Explanation:** A graph showing the degree of inequality in income and wealth in a given population or an economy. It is a rigorous way to measure income inequality.

- In this method (for example), personal incomes in an economy are arranged in increasing order; the cumulative share of total income is then plotted against the cumulative share of the population.
- The curve's slope is thus proportional to per capita income at each point of the population distribution.
- In the case of complete equality of income, the Lorenz curve will be a straight line and with greater curvature the inequality rises proportionally—the Gini Coefficient measures this inequality.

Source: TMH Ramesh Singh

**Q.2)** Consider the following statements regarding the traits of “recession”:

1. General rise in demand.
2. Inflation remains higher and no signs of going down.
3. Employment rate falls.

Which of the statements above given is/are correct?

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

**ANS: C**

**Explanation:** Recession is somewhat similar to the phase of ‘depression’ — we may call it a mild form of depression — fatal for economies as this may lead to depression if not handled with care and in time.

- The financial crises which followed the US ‘sub-prime crisis’ in almost the whole Euro-American economies has basically brought in ‘severe recessionary’ trends there.

Major traits of recession, to a great extent, are similar to that of depression - ‘may be summed up as follows:

- There is a general fall in demand as economic activities take a downturn;
- Inflation remains lower or/and shows further signs of falling down;
- employment rate falls/unemployment rate grows;
- Industries resort to ‘price cuts’ to sustain their business.

Source: TMH Ramesh Singh

**Q.3)** The concept which shows relationship between inflation and the interest rate, expressed by an equation – formulated by which of the following?

- a) Adam Smith
- b) David Ricardo
- c) Irving Fischer
- d) Arthur Laffer

**ANS: C**

**Explanation:** A concept developed by Irving Fisher (1867–1947) which shows relationship between inflation and the interest rate, expressed by an equation popular as the Fisher equation, i.e., the nominal interest rate on a loan is the sum of the real interest rate and the rate of inflation expected over the duration of the loan:

$R = r + F$ ; where  $R$  = nominal interest rate,  $r$  = real interest rate and  $F$  = rate of annual inflation.

Source: TMH Ramesh Singh

**Q.4)** “A graphic curve which advocates a relationship between inflation and unemployment in an economy”- describes which of the following?

- a) Phillips curve
- b) Laffer Curve
- c) Lorenz curve
- d) Gini coefficient

**ANS: A**

**Explanation:** Phillips curve is a graphic curve which advocates a relationship between inflation and unemployment in an economy.

- As per the curve there is a ‘trade off’ between inflation and unemployment, i.e., an inverse relationship between them.
- The curve suggests that lower the inflation, higher the unemployment and higher the inflation, lower the unemployment.
- During the 1960s, this idea was among the most important theories of the modern economists.
- This concept is known after the economists who developed it—Alban William Housego Phillips (1914–75).

Source: TMH Ramesh Singh

**Q.5)** With reference to the “effects of inflation”, which of the following statements is/are correct?

1. Borrowers suffer and lenders benefit out of inflation.
2. Rising inflation indicates rising aggregate demand.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** There are multi-dimensional effects of inflation on an economy both at the micro and macro levels.

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- It redistributes income, distorts relative prices, destabilizes employment, tax, saving and investment policies, and finally it may bring in recession and depression in an economy.
- Inflation redistributes wealth from creditors to debtors, i.e., lenders suffer and borrowers benefit out of inflation.
- Rising inflation indicates rising aggregate demand and indicates comparatively lower supply and higher purchasing capacity among the consumers.

Source: TMH Ramesh Singh

**Q.6)** Which of the following pair (s) is/are correctly matched?

Index	:	Base Year
1. Wholesale price index	:	2014-15
2. Consumer price index	:	2004-05
3. Gross Domestic Product	:	2011-12

Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:** Consumer Price Index or CPI as it is commonly called is an index measuring retail inflation in the economy by collecting the change in prices of most common goods and services used by consumers. Base Year for CPI is 2012.

- Wholesale Price Index, or WPI, measures the changes in the prices of goods sold and traded in bulk by wholesale businesses to other businesses.
- With an aim to align the index with the base year of other important economic indicators such as GDP and IIP, the base year was updated to 2011-12 from 2004-05 for the new series of Wholesale Price Index (WPI), effective from April 2017.
- The present base year for gross domestic product is 2011-12.

Source: TMH Ramesh Singh

**Q.7)** The government of India in June 2019 set up a working group to revise the current series of Wholesale Price Index (WPI) and devise a new Producer Price Index (PPI). The group is headed by which of the following?

- a) Ramesh Chand
- b) B. N. Goldar
- c) Bimal Jalan
- d) Soumya Kanti Ghosh

**ANS: A**

**Explanation:** The government has set up a working group under Niti Aayog member Ramesh Chand to revise the current series of Wholesale Price Index (WPI) with base 2011-12 and devise a new Producer Price Index (PPI).

- The group will review the commodity basket of the current series of WPI, suggest changes in commodities in the light of structural changes in the economy witnessed since 2011-12 and decide on the computational methodology to be adopted for monthly WPI/PPI.
- The government had in 2014 constituted a committee under Professor BN Goldar to devise a PPI after the Reserve Bank of India began considering consumer price inflation as a better gauge of inflation than WPI.

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

Source: The Hindu

**Q.8)** Which one among the following items has least weight in wholesale price index (WPI)?

- a) Raw materials
- b) Fuel and power
- c) Food Items
- d) Manufactured products

**ANS: B**

**Explanation:** Wholesale Price Index (WPI) measures the average change in the prices of commodities for bulk sale at the level of early stage of transactions.

- The index basket of the WPI covers commodities falling under the three major groups namely Primary Articles, Fuel and Power and Manufactured products.
- The index basket of the present 2011-12 series has a total of 697 items including 117 items for Primary Articles, 16 items for Fuel & Power and 564 items for Manufactured Products.

Source: TMH Ramesh Singh

**Q.9)** Which of the following organization conducts the “Periodic Labour Force Surveys (PLFS)”?

- a) NITI Aayog
- b) Central Statistical Office
- c) National Sample Survey Office (NSSO)
- d) Ministry of Labour

**ANS: C**

**Explanation:** PLFS is an initiative aimed at generating estimates of various labour force indicators.

- The National Sample Survey Office (NSSO) under the Ministry of Statistics and Programme Implementation conducts the survey.
- Quarterly survey (For urban areas only) – Captures only the current weekly status (CWS) data.

Source: The Hindu

**Q.10)** “Fiscal Stimulus” is provided to different sectors of an economy to promote the growth. Which of the following measure (s) is/are constitutes fiscal stimulus?

- 1. Lowering interest rates
- 2. Tax rebates
- 3. Export subsidies

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** A stimulus package is a number of incentives and tax rebates offered by a government to boost spending in a bid to pull a country out of a recession or to prevent an economic slowdown.

- A stimulus package can either be in the form of a monetary stimulus or a fiscal stimulus.

## PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021

- A monetary stimulus involves cutting interest rates to stimulate the economy.
- When interest rates are cut, there is more incentive for people to borrow as the cost of borrowing is reduced.
- An increase in borrowing means there'll be more money in circulation, less incentive to save, and more incentive to spend.
- Lowering interest rates could also weaken the exchange rate of a country, thereby leading to a boost in exports.
- When exports are increased, more money enters the economy, encouraging spending and stirring up the economy.

Source: TMH Ramesh Singh

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## Revision

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**Q.1)** Consider the following statements regarding to tackle unemployment:

1. Adopting an employment-intensive sectoral planning.
2. Regulate technological change to protect and enhance employment.
3. Promote area planning for full unemployment.

Which of the statements given above is/are correct?

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

**ANS: D**

**Explanation:** Economic development in the sense of rise in real GNP and per capita real income is by itself of not much significance in India unless we remove unemployment and underemployment also.

The employment strategy of planned development will have to be directed

- To adopt an employment intensive sectoral planning
- To regulate technological change to protect and enhance employment.
- To promote area planning for full employment.

The focus should be to expand employment through labour absorbing technologies.

The expansion of infrastructural and social services i.e. road construction, rural electrification, water supply, rural schools and community health schemes besides irrigation and housing programmes will help to generate massive employment opportunities.

Source: TMH Ramesh Singh

**Q.2)** National Income refers to

- a) Current market value of all final goods and services produced in a year.
- b) Current market value of all consumer goods and services produced in a year.
- c) Current market value of all capital goods and services produced in a year.
- d) Both B and C.

**ANS: A**

**Explanation:** National Income refers to the money value of all the goods and services produced in a country during a financial year.

In other words, the final outcome of all the economic activities of the nation during a period of one year, valued in terms of money is called as a National income.

Source: TMH Ramesh Singh

**Q.3)** Which of the following is/are used as inflation measuring indices in India?

1. Consumer price index
2. Wholesale price index
3. GDP deflator

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** There are two main set of inflation indices for measuring price level changes in India – the Wholesale Price Index (WPI) and the Consumer Price Index (CPI).

- The WPI, where prices are quoted from wholesalers, is constructed by Office of Economic Affairs, Ministry of Commerce and Industries.
- In the case of CPI (prices quoted from retailers), there are several indices to measure it: CPI for industrial labourers (CPI-IL), agricultural labourers (CPI-AL) and rural labourers (CPI-RL) besides an all India CPI.
- In addition, Gross Domestic Product (GDP) deflator and Private Final Consumption Expenditure (PFCE) deflator from the National Accounts Statistics (NAS) provide an implicit economy-wide inflation estimate.

Source: TMH Ramesh Singh

**Q.4)** Which of the following is/are inflation controlling measures?

1. Supply side measures
2. Cost side measures
3. Easy monetary policy measures

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The governments resort to the following options to check rising inflation:

- As a supply side measure, the government may go for import of goods which are in short-supply. As a long-term measure, governments go on to increase the production to matching the level of demand. Storage, transportation, distribution, hoarding are the other aspects of price management of this category.
- As a cost side measure, governments may try to cool down the price by cutting down the production cost of goods showing price rise with the help of tax breaks—cuts in the excise and custom duties.
- The governments may take recourse to tighter monetary policy to cool down either the demand-pull or the cost-push inflations. This is basically intended to cut down the money supply in the economy by siphoning out the extra money.

Source: TMH Ramesh Singh

**Q.5)** Which of the following given below committee recommended organized money market in India for the first time?

- a) Narsimham Committee
- b) Vahul Committee
- c) Chakravorthy Committee
- d) Rangarajan Committee

**ANS: C**

**Explanation:** The organised form of money market in India is just close to three decades old. However, its presence has been there, but restricted to the government only. It was the Chakravorthy Committee (1985) which, for the first time, underlined the need of an organised money market in the country and the Vahul Committee (1987) laid the blue print for its development.

Source: TMH Ramesh Singh



**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

**Q.6)** Consider the following statements regarding nationalization of banks in India:

1. 14 banks with deposits were more than Rs. 100crore of nationalized in July 1969.
2. 6 banks with deposits were more than Rs. 200crore of nationalized in April 1980.

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

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

**ANS: A**

**Explanation:** After successful experimentation in the partial nationalizations the government decided to go for complete nationalization.

- With the help of the Banking Nationalization Act, 1969, the government nationalized a total number of 20 private banks:
- 14 banks with deposits were more than Rs. 50 crore of nationalised in July 1969, and
- 6 banks with deposits were more than Rs. 200 crore of nationalised in April 1980.
- After the merger of the loss-making New Bank of India with the Punjab National Bank (PNB) in September 1993, the total number of nationalized banks came down to 19.
- Today, there are 27 public sector banks in India out of which 19 are nationalized (though none of the so-called nationalized banks have 100 per cent ownership of the Government of India).

Source: TMH Ramesh Singh

**Q.7)** The word “monetary transmission” often seen in news is related to which of the following?

- a) To contain growing Non-Performing Assets (NPA's) of commercial banks.
- b) Providing timely credit for agriculture and other economically weaker sections.
- c) Smooth transmission of tax devolution to states from centre.
- d) The pass-through of the RBI's rate actions to the economy at large.

**ANS: D**

**Explanation:** Monetary transmission is the pass-through of the RBI's rate actions to the economy at large.

- As you know, the RBI's most important task is to keep tabs on inflation by adjusting money supply.
- It also monitors the exchange rate. To control all this, the RBI uses many monetary tools.
- The repo rate, reverse repo rate and cash reserve requirement are being the key instruments.
- Let us take the repo rate, for instance. This is the rate at which the RBI lends short-term funds to banks to manage their day-to-day operations.
- When the RBI wants to stimulate growth, it cuts the repo rate to reduce the cost of borrowings.
- Banks get money at a cheaper rate. If this is passed on to borrowers, then monetary transmission is said to have happened smoothly.

Source: The Hindu

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

**Q.8)** Consider the following statements regarding the “Priority Sector Lending (PSL)”:

1. All Indian banks have to follow the compulsory target of priority sector lending (PSL).
2. Indian and Foreign Banks need to lend 40 per cent to the priority sector every year of their total lending.

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

**ANS: A**

**Explanation:** All Indian banks have to follow the compulsory target of priority sector lending (PSL).

The priority sector in India are at present the sectors-agriculture, small and medium enterprises (SMEs), road and water transport, retail trade, small business, small housing loans (not more than Rs. 10lakhs), software industries, self help groups (SHGs), agro-processing, small and marginal farmers, artisans, distressed urban poor and indebted non-institutional debtors besides the SCs, STs and other weaker sections of society.

The PSL target must be met by the banks operating in India in the following way:

- Indian Banks need to lend 40 per cent to the priority sector every year (public sector as well as private sector banks, both) of their total lending.
- Foreign Banks (having less than 20 branches) have to fulfill only 32 per cent PSL target which has sub-targets for the exports (12 per cent) and small and medium enterprises (10 per cent).

Source: TMH Ramesh Singh

**Q.9)** Consider the following statements “Service Area Approach (SAA)”:

1. It is introduced in April 1989 for planned and orderly development of rural and semi-urban areas.
2. It is applicable to Scheduled Commercial Banks only.

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

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

**ANS: B**

**Explanation:** The Service Area Approach (SAA) introduced in April 1989 for planned and orderly development of rural and semi-urban areas was applicable to all scheduled commercial banks including Regional Rural Banks.

- Under SAA, each bank branch in rural and semi-urban area was designated to serve an area of 15 to 25 villages and the branch was responsible for meeting the needs of bank credit of its service area.
- The primary objective of SAA was to increase productive lending and forge effective linkages between bank credit, production, productivity and increase in income levels.
- The SAA scheme was reviewed from time to time and appropriate changes were made in the scheme to make it more effective.

Source: TMH Ramesh Singh

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**Q.10)** The term “Ind AS” is often seen in news is related to which of the following?

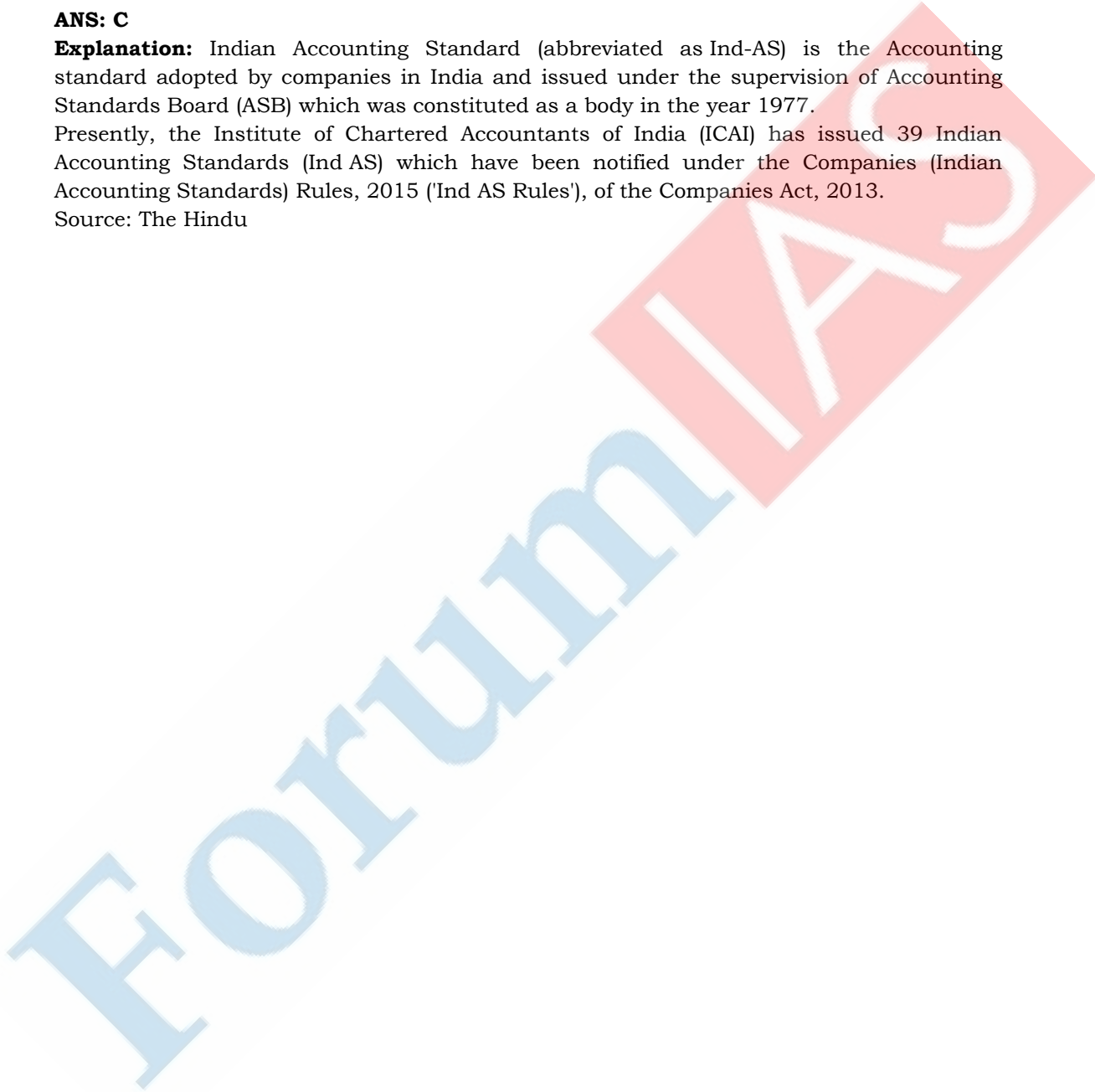
- a) It is a new domestic rating agency of India.
- b) It is a sub-committee representing South Asia of International Solar Alliance (ISA).
- c) It is a new accounting norm.
- d) It is a bad bank created to control the growing Non Performing Assets (NPA).

**ANS: C**

**Explanation:** Indian Accounting Standard (abbreviated as Ind-AS) is the Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB) which was constituted as a body in the year 1977.

Presently, the Institute of Chartered Accountants of India (ICAI) has issued 39 Indian Accounting Standards (Ind AS) which have been notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS Rules'), of the Companies Act, 2013.

Source: The Hindu



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## *Government Budgeting & Fiscal Policy*

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**Q.1)** Which of the following is/are part of “revenue expenditure”?

1. Subsidies forwarded to all sectors by the government.
2. Postal Deficits of the government.
3. Grants given by the government to Indian states and foreign countries.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** All expenditures incurred by the government are either of revenue kind or current kind or compulsive kind. The basic identity of such expenditures is that they are of consumptive kind and do not involve creation of productive assets. They are either used in running of a productive process or running a government. A broad category of things that fall under such expenditures in India are:

- Interest payment by the government on the internal and external loans;
- Salaries, Pension and Provident Fund paid by the government to government employees;
- Subsidies forwarded to all sectors by the government;
- Defense expenditures by the government;
- Postal Deficits of the government;
- Law and order expenditures (i.e., police & paramilitary);
- Expenditures on social services (includes all social sector expenditures as education, health care, social security, poverty alleviation, etc.) and general services (tax collection, etc.);
- Grants given by the government to Indian states and foreign countries.

Source: Ramesh Singh

**Q.2)** Consider the following statements regarding measures to achieve “Fiscal Consolidation” in India:

1. Cutting down the burden of salaries and pensions.
2. Cutting down the Administered Price Mechanisms.
3. Higher education declared as non-priority sector.

Which of the statements given above is/are correct?

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

**ANS: D**

**Explanation:** India started the politically and socially painful process of fiscal reforms, a step towards fiscal consolidation. A number of steps were taken by the government at the

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Centre in this direction and there had been incessant attempts to do the same in the states' public finances too. Major highlights in this direction can be summed up as given below:

Policy initiatives towards cutting revenue deficits:

- Cutting down the burden of salaries, pensions and the PFs (downsizing/ right-sizing of the government, out of every 3 vacancies 1 to be filled up, interest cut on the PF, pension reforms-PFRDA, etc.);
- Cutting down the subsidies (Administered Price Mechanism in petroleum, fertilizers, sugar, drugs to be rationalised, it was done with mixed successes);
- Interest burden to be cut down (by going for lesser and lesser borrowings, pre-payment of external debts, debt swaps, promoting external lending, minimal dependence on costlier external borrowings, etc.);
- General Services to be motivated towards profit with subsidized services to the needy only (railways, power, water, etc.);
- Postal deficits to be checked by involving the post offices in other areas of profit;
- Higher education declared as non-priority sector; fees of institutions of professional courses revised upward; etc.

Source: Ramesh Singh

**Q.3)** Consider the following statements with respect to “Expenditure Management Commission (EMC)”:

1. It was created through executive resolution.
2. Raghuram rajan was the first chairman of EMC.

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

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

**ANS: B**

**Explanation:** By early September 2014, the GoI constituted an Expenditure Management Commission (EMC) through a Resolution.

- The EMC will look into various aspects of expenditure reforms to be undertaken by the government and other issues concerning Public Expenditure Management.
- The Commission has one full time, one part time and one ex-officio members other than Chairman of (Cabinet rank). Dr. Bimal Jalan is its first Chairman.

Source: Ramesh Singh

**Q.4)** Consider the following statements with respect to “Effective Revenue Deficit” (ERD):

1. It is aimed to deduct the money used out of borrowing to finance capital expenditure.
2. It is suggested by the Bimal Jalan Committee on Public Expenditure.

Which of the statements given above is/are correct?

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

**ANS: A**

**Explanation:** Effective Revenue Deficit is the difference between revenue deficit and grants for creation of capital assets.

- The concept of effective revenue deficit has been suggested by the Rangarajan Committee on Public Expenditure.

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- It is aimed to deduct the money used out of borrowing to finance capital expenditure.
- The concept has been introduced to ascertain the actual deficit in the revenue account after adjusting for expenditure of capital nature.
- Focusing on this will help in reducing the consumptive component of revenue deficit and create space for increased capital spending.
- Though the Budget documents have given targets for revenue deficit, the amendments to the Fiscal Responsibility and Budget Management Act 2003 has proposed to substitute the definitions of “effective revenue deficit” and “revenue deficit” with those of “Central government debt” and “general government debt” respectively.

Source: Ramesh Singh

**Q.5)** Which of the following is/are recommendations of “N K Singh committee”?

1. The combined debt-to-GDP ratio of the centre and states should be brought down to 80 per cent by 2023.
2. The Committee advocated Fiscal Deficit as the operating target to bring down public debt.
3. The Committee also recommends that centre reduce its revenue deficit steadily by 0.5% GDP points each year.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The FRBM Review Committee headed by former Revenue Secretary, NK Singh was appointed by the government to review the implementation of FRBM. In its report submitted in January 2017, titled, ‘The Committee in its Responsible Growth: A Debt and Fiscal Framework for 21st Century India’, the Committee suggested that a rule based fiscal policy by limiting government debt, fiscal deficit and revenue deficits to certain targets is good for fiscal consolidation in India. Following are the main recommendations of the NK Singh Committee.

- Public debt to GDP ratio should be considered as a medium-term anchor for fiscal policy in India. The combined debt-to-GDP ratio of the centre and states should be brought down to 60 per cent by 2023 (comprising of 40 per cent for the Centre and 20% for states) as against the existing 49.4 per cent, and 21per cent respectively.
- Fiscal deficit as the operating target: The Committee advocated fiscal deficit as the operating target to bring down public debt. For fiscal consolidation, the centre should reduce its fiscal deficit from the current 3.5% (2017) to 2.5% by 2023.
- Revenue deficit target: The Committee also recommends that the central government should reduce its revenue deficit steadily by 0.25 percentage (of GDP) points each year, to reach 0.8% by 2023, from a projected value of 2.3% in 2017.
- Formation of Fiscal Council to advice the government: The Committee advocated formation of institutions to ensure fiscal prudence in accordance with the FRBM spirit. It recommended setting up an independent Fiscal Council. The Council will provide several advisory functions.
- Escape Clause to accommodate counter cyclical issues.

Source: Sriram’s IAS

**Q.6)** Consider the following statements regarding “Pigovian Tax”:

1. It is a tax placed on any good which creates negative externalities.
2. Carbon tax is an example of Pigovian Tax.

Which of the following codes below given is/are correct?

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

**ANS: C**

**Explanation:** A Pigovian tax is a tax placed on any good which creates negative externalities.

- The aim of a Pigovian tax is to make the price of the good equal to the social marginal cost and create a more socially efficient allocation of resources.
- It is named after the economist Arthur Pigou who developed the concept of externalities in the 1920s.
- A carbon tax aims to make individuals and firms pay the full social cost of carbon pollution. In theory, the tax will reduce pollution and encourage more environmentally friendly alternatives.

Source: Ramesh Singh

**Q.7)** With reference to the “Tax-to-GDP” ratio of India, which of the following statements is/are correct?

1. Higher the tax to GDP ratio the better financial position the country will be in.
2. India’s Tax-to-GDP ratio is higher than the average OECD Tax-to-GDP ratio.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Tax-to-GDP ratio represents the size of a country's tax kitty relative to its GDP.

- It is a representation of the size of the government's tax revenue expressed as a percentage of the GDP.
- Higher the tax to GDP ratio the better financial position the country will be in.
- The ratio represents that the government is able to finance its expenditure. A higher tax to GDP ratio means that the government is able to cast its fiscal net wide.
- It reduces a government's dependence on borrowings.
- Although India has improved its tax-to-GDP ratio in the last six years, it is still far lower than the average OECD ratio which is 34 per cent.
- India's tax-to-GDP ratio is lower than some of its peers in the developing world. Developed countries tend to have higher tax-to-GDP ratio.

Source: The Hindu

**Q.8)** Which of the following is an example of “Stealth Tax”?

- a) Personal Income Tax
- b) Corporate Tax
- c) Sales Tax
- d) Excise Tax

**ANS: C**

**Explanation:** Stealth taxes are sometimes built into the prices of products so that consumers do not see how much tax they are paying.

- In comparison to income taxes and property taxes, stealth taxes are smaller and less visible.
- Because of their lower visibility they attract significantly less attention than income or property taxes.
- Governments find stealth taxes easier to collect than other types of taxes because the government collects them at the point of sale and they do not depend on a taxpayer's income level.
- The most common stealth tax is the sales tax.

Source: Ramesh Singh

**Q.9)** Which of the following statements is/are correct about "Tobin tax"?

1. It is a tax imposed on all foreign exchange transactions.
2. It is not implemented anywhere in the world till now.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** It is a proposal of imposing small tax on all foreign exchange transactions with the objective to discourage destabilizing speculation and volatility in the foreign exchange markets.

Proposed by the Nobel prize-winning economist James Tobin (1918– 2002), the tax has never been implemented anywhere in the world so far.

Source: Ramesh Singh

**Q.10)** Which of the following state taxes is/are subsumed under Goods and Service Tax (GST)?

1. State VAT
2. Central Sales Tax
3. Entry Tax

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The introduction of the Goods and Services Tax (GST) is a very significant step in the field of indirect tax reforms in India.

By amalgamating a large number of Central and State taxes into a single tax, GST will mitigate ill effects of cascading or double taxation in a major way and pave the way for a common national market.

The government rolled out GST with effect from 1st July 2017. State taxes that would be subsumed within the GST are:-

- State VAT
- Central Sales Tax



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- Purchase Tax
- Luxury Tax
- Entry Tax (All forms)
- Entertainment Tax and Amusement Tax (except those levied by the local bodies)
- Taxes on advertisements
- Taxes on lotteries, betting and gambling
- State cesses and surcharges in so far as they relate to supply of goods and services.

Source: Sriram's IAS

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## *Balance of Payments and Convertibility*

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**Q.1)** When an increase in one form of net exports drives up a country's exchange rate, it is called as?

- a) French Disease
- b) Austria Disease
- c) Chinese Fever
- d) Dutch Disease

**ANS: D**

**Explanation:** When an increase in one form of net exports drives up a country's exchange rate, it is called the Dutch Disease.

- Such instances make other exports noncompetitive in the world market and impair the ability of domestic products to compete with imports.
- The term originated from the supposed effect of natural gas discoveries on the Netherlands economy.

Source: TMH Ramesh Singh

**Q.2)** "A graph showing those combinations of the two commodities that leave the consumer equally well off or equally satisfied"- describes which of the following?

- a) Supply Curve
- b) Indifference Curve
- c) Production Possibility Frontier
- d) Demand Curve

**ANS: B**

**Explanation:** An indifference curve, with respect to two commodities, is a graph showing those combinations of the two commodities that leave the consumer equally well off or equally satisfied—hence indifferent—in having any combination on the curve.

- Indifference curves are heuristic devices used in contemporary microeconomics to demonstrate consumer preference and the limitations of a budget.
- Economists have adopted the principles of indifference curves in the study of welfare economics.

Source: TMH Ramesh Singh

**Q.3)** A country's balance of trade initially worsens following a devaluation of its currency, then quickly recovers and finally surpasses its previous performance – describes which of the following?

- a) Laffer Curve effect
- b) Kuznets Curve effect
- c) Producers responsibility effect
- d) J – Curve effect

**ANS: D**

**Explanation:** The J-curve effect is often cited in economics to describe, for instance, the way that a country's balance of trade initially worsens following a devaluation of its currency, then quickly recovers and finally surpasses its previous performance.

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Source: TMH Ramesh Singh

**Q.4)** “Internal Debt” of India consists of which of the following?

1. Dated securities
2. External Assistance
3. Securities issued to International Financial Institutions
4. Short term borrowings

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Internal debt of India consists of:

- Dated government securities or G-secs.
- Treasury Bills or T-bills
- External Assistance
- Short term borrowings
- Public Debt definition by Union Government

Source: Economic Survey

**Q.5)** The term “Crowding out Effect”, often seen news, is related to which of the following?

- a) Rise in individual investment
- b) Rise in foreign investment
- c) Rise in borrowing of government
- d) Rise in private sector borrowings

**ANS: C**

**Explanation:** In some situations, such as high budget deficit etc, there is rise in government borrowing from the market.

- Due to the excessive borrowing by the government from the market, there is little credit left for private sector to borrow.
- As a result, interest rate rises, making borrowings by private sector costly and leading to decline in private investment. This is known as crowding out effect.
- The private borrowing and subsequent private investment is discouraged.

Source: The Hindu

**Q.6)** The term “Autarky” is associated with which of the following?

- a) Service Sector
- b) International trade
- c) Defense sector
- d) Pension sector

**ANS: B**

**Explanation:** Autarky: The idea of self-sufficiency and ‘no’ international trade by a country. None of the countries of the world has been able to produce all the goods and services required by its population at competitive prices, however, some tried to live it up at the cost of inefficiency and comparative poverty.

Source: TMH Ramesh Singh

**Q.7)** Consider the following statements regarding the Economic Census:

1. It is conducted by Ministry of Statistics and Programme Implementation.
2. It provides aggregated information on various operational and structural aspects of all establishments in the country.

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

**ANS: A**

**Explanation:** The Economic Census is being conducted by Ministry of Statistics and Programme Implementation (MoSPI) to provide disaggregated information on various operational and structural aspects of all establishments in the country.

All entrepreneurial units in the country which are involved in any economic activities of either agricultural or non-agricultural sector which are engaged in production and/or distribution of goods and/or services not for the sole purpose of own consumption.

Source: TMH Ramesh Singh

**Q.8)** Consider the following statements regarding the Comparative Advantage:

1. It refers to easy control of Inflation by an economy.
2. It is a foundational principle in the theory of international trade.
3. The law of Comparative Advantage was propounded by John Nash.

Which of the statements given above is/are correct?

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

**ANS: B**

**Explanation:** Comparative advantage is an economic term that refers to an economy's ability to produce goods and services at a lower opportunity cost than that of trade partners.

- A comparative advantage gives a company the ability to sell goods and services at a lower price than its competitors and realize stronger sales margins.
- The law of comparative advantage is popularly attributed to English political economist David Ricardo and his book "On the Principles of Political Economy and Taxation" in 1817, although it is likely that Ricardo's mentor James Mill originated the analysis.
- One of the most important concepts in economic theory, comparative advantage is a fundamental tenet of the argument that all actors, at all times, can mutually benefit from cooperation and voluntary trade. It is also a foundational principle in the theory of international trade.

Source: TMH Ramesh Singh

**Q.9)** Consider the following statements regarding Foreign Portfolio Investment (FPI):

1. FPI has a shorter time frame for investment return.
2. Portfolio investment offers control over the business entity in which the investment is made.

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

**ANS: A**

**Explanation:** Foreign portfolio investment (FPI) refers to investing in the financial assets of a foreign country, such as stocks or bonds available on an exchange.

- This type of investment is at times viewed less favorably than direct investment because portfolio investments can be sold off quickly and are at times seen as short-term attempts to make money, rather than a long-term investment in the economy.
- Portfolio investment typically has a shorter time frame for investment return than direct investment.
- As with any equity investment, foreign portfolio investors usually expect to quickly realize a profit on their investments.
- Unlike direct investment, portfolio investment does not offer control over the business entity in which the investment is made.

Source: TMH Ramesh Singh

**Q.10)** “Tarapore committee” recommendations are related to which of the following?

- a) Currency Convertibility
- b) Banking reforms
- c) Industrial Reforms
- d) Agriculture reforms

**ANS: A**

**Explanation:** India’s foreign exchange earning capacity was always poor and hence it had all possible provisions to check the foreign exchange outflow, be it for current purposes or capital purposes (remember the draconian FERA). But the process of economic reforms has changed the situation to unidentifiable levels.

**Current Account:** Current account is today fully convertible (operationalized on 19 August, 1994).

- It means that the full amount of the foreign exchange required by someone for current purposes will be made available to him at official exchange rate and there could be an un prohibited outflow of foreign exchange (earlier it was partially convertible).
- India was obliged to do so as per Article VIII of the IMF which prohibits any exchange restrictions on current international transactions (keep in mind that India was under preconditions of the IMF since 1991).

**Capital Account:** After the recommendations of the S.S. Tarapore Committee (1997) on Capital Account Convertibility, India has been moving in the direction of allowing full convertibility in this account, but with required precautions.

Source: TMH Ramesh Singh

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## *India & IMF and other International Institutions*

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**Q.1)** Which of the following subsidies is/are covered under “Green Box of WTO”?

1. Public storage for food security.
2. Pest and disease control.
3. Crop and income insurance.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** The agricultural subsidies which cause minimal or no distortions to trade are put under the green box. They must not involve price support.

- This box basically includes all forms of government expenses, which are not targeted at a particular product, and all direct income support programmes to farmers, which are not related to current levels of production or prices.
- This is a very wide box and includes all government subsidies like—public storage for food security, pest and disease control, research and extension, and some direct payments to farmers that do not stimulate production like restructuring of agriculture, environmental protection, regional development, crop and income insurance, etc.

Source: TMH Ramesh Singh

**Q.2)** Which of the following are International Credit Rating Agencies?

1. S & P
2. Moody’s
3. Fitch
4. Dominion Bond Rating Service

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Presently, India is rated by six international credit rating agencies, namely Standard and Poor’s (S&P), Moody’s Investor Services, FITCH, Dominion Bond Rating Service (DBRS), the Japanese Credit Rating Agency (JCRA), and the Rating and Investment Information Inc., Tokyo(R&I).

Source: TMH Ramesh Singh and Sriram’s IAS

**Q.3)** “Special Safeguard Mechanism” often seen in news is associated with which of the following?

- a) World Bank
- b) IMF

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- c) WTO
- d) UNESCO

**ANS: C**

**Explanation:** In recent times, India has become more conscious towards protecting its agricultural trade interests at the international platforms.

At the 10th Ministerial Conference of the WTO (Nairobi, December 2015), the Government of India adopted the following approach towards agri-trade policy:

- A Special Safeguard Mechanism (SSM) for developing countries.
- Public stockholding food for security purposes,
- A commitment to abolish export subsidies for farm exports, and measures related to cotton.

Source: TMH Ramesh Singh

**Q.4)** “Most Favored Nation” provision is related to which of the following?

- a) World Bank
- b) WTO
- c) AIIB
- d) IMF

**ANS: B**

**Explanation:** The WTO provides a rule based transparent and predictable multilateral trading system.

- The WTO rules envisage non-discrimination in the form of National Treatment and Most Favoured Nation (MFN) treatment to India’s exports in the markets of other WTO Members.
- National Treatment ensures that India’s products once imported into the territory of other WTO Members would not be discriminated vis-à-vis the domestic products in those countries.
- MFN treatment principle ensures that members do not discriminate among various WTO members.

Source: TMH Ramesh Singh

**Q.5)** Consider the following statements regarding International Development Agency (IDA):

1. It is known as the soft window of the International Monetary Fund.
2. India is the biggest beneficiary of the IDA support.

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

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

**ANS: A**

**Explanation:** The International Development Agency (IDA) which is also known as the soft window of the WB was set up in 1960 with the basic aim of developing infrastructural support among the member nations, long-term lending for the development of economic services.

- Its loans, known as credits are extended mainly to economies with less than \$895 per capita income.
- The credits are for a period of 35–40 years, interest-free, except for a small charge to cover administrative costs.

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- Repayment begins after a 10-year grace period. There was no human angle to its lending. But now there remain no hard and fast differences between the purposes for the IBRD and IDA lending.
- Every year developing nations make enough diplomatic attempts to carve out maximum loan disbursement for them.
- India had been the biggest beneficiary of the IDA support. The total support (IBRD + IDA) for India had been \$ 91.81 billion till date.

Source: TMH Ramesh Singh

**Q.6)** Consider the following statements regarding farm subsidies:

1. The farm subsidies of developed countries are lesser than developing countries.
2. World Bank has put some ceilings on the amount of subsidies being provided by the various developing and developed nations.

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

**ANS: D**

**Explanation:** Farm subsidies form an integral part of the government's budget.

- In the case of developed countries, the agricultural or farm subsidies compose nearly 40 per cent of the total budgetary outlay, while in India's case it is much lower (around 7.8 per cent of GDP) and of different nature.
- The World Trade Organization (WTO) has put some ceilings on the amount of direct and indirect subsidies being provided by the various developing and developed nations due to the fact that these subsidies distort the free market forces which have their own implications.

Source: TMH Ramesh Singh

**Q.7)** The term "Supplemental Reserve Facility (SRF)" is related to which of the following?

- a) AIIB
- b) European Union Investment Bank
- c) International Monetary Fund
- d) World Bank

**ANS: C**

**Explanation:** In December 1997, the Executive Board (IMF) opened a new lending window—the SRF—for member countries experiencing exceptional balance of payments problems owing to a large short-term financing need resulting from a sudden and disruptive loss of market confidence reflected in pressure on the capital account and the member's reserves.

Source: TMH Ramesh Singh

**Q.8)** Which of the following institutions is/are NOT part of "World Bank"?

1. International Bank for Reconstruction and Development (IBRD).
2. International Financial Corporation (IFC).
3. Multilateral Investment Guarantee Agency (MIGA).
4. International Centre for Settlement of Investment Disputes (ICSID).
5. International Development Association (IDA).

Select the correct answer using the codes given below:



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

**ANS: C**

**Explanation:** As the World Bank has adapted its mechanisms and approaches to address the evolving challenges developing countries have faced; it has evolved into the “World Bank Group”. This consists of five closely related institutions that specialize in different aspects of development:

- International Bank for Reconstruction and Development (IBRD);
- International Development Association (IDA);
- International Financial Corporation (IFC);
- Multilateral Investment Guarantee Agency (MIGA);
- International Centre for Settlement of Investment Disputes (ICSID).

The term “World Bank” refers only to IBRD and IDA. Together, these two organizations provide low-interest loans, interest-free credit, and grants to developing countries.

- Both IBRD loans and IDA credits support investment projects and programs designed to meet priority economic and social needs.
- They also provide financial support to help governments undertake reform in the structural and social policies that are crucial to effective private and public sector development, and to poverty reduction.

Source: TMH Ramesh Singh & World Bank

**Q.9)** Which of the following parameters are consists of International Monetary Fund (IMF) Quota Formula?

1. Weighted average of GDP.
2. Openness.
3. Contribution to IMF.
4. Economic Variability.
5. International reserves.

Select the correct answer using the code given below:

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

**ANS: C**

**Explanation:** When a country joins the IMF, it is assigned an initial quota in the same range as the quotas of existing members of broadly comparable economic size and characteristics. The IMF uses a quota formula to help assess a member’s relative position.

- The current quota formula is a weighted average of GDP (weight of 50 percent), openness (30 percent), economic variability (15 percent), and international reserves (5 percent).
- For this purpose, GDP is measured through a blend of GDP—based on market exchange rates (weight of 60 percent) and on PPP exchange rates (40 percent).
- The formula also includes a “compression factor” that reduces the dispersion in calculated quota shares across members.

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**Q.10)** With reference to the World Intellectual Property Organization (WIPO), which of the following statements is/are correct?

1. It is the global forum for intellectual property (IP) services, policy, information and cooperation.
2. It is a self-funding agency of the United Nations.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** WIPO is the global forum for intellectual property (IP) services, policy, information and cooperation.

- We are a self-funding agency of the United Nations, with 193 member states.
- Our mission is to lead the development of a balanced and effective international IP system that enables innovation and creativity for the benefit of all.
- Our mandate, governing bodies and procedures are set out in the WIPO Convention, which established WIPO in 1967.

Source: <https://www.wipo.int/about-wipo/en/>

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## *Five Year Plans & Economic reforms*

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**Q.1)** Which of the following statements is/are correct about 'Fifth five year plan'?

1. The time period for Fifth five year plan was 1974-79.
2. Plan focus was on unemployment.
3. Plan was completed its tenure without any lapse.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** The fifth Plan (1974–79) has its focus on poverty alleviation and self-reliance. The Janata Party came to power with a thumping victory in 1977.

As the government of the time had then complete say in the central planning in India, how could the new government continue with the Fifth Plan of the last government which had still more than one year to reach its completion.

Source: TMH Ramesh Singh

**Q.2)** With reference to the 'District Rural Development Agency (DRDA)', which of the following statements is/are correct?

1. It was established by centre in 1980.
2. It has been given constitutional status by passing 74<sup>th</sup> Constitutional Amendment.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** The District Rural Development Agency (DRDA) has traditionally been the principal organ at the District level to oversee the implementation of different poverty alleviation programmes.

The Centre established DRDA in 1980.

Source: TMH Ramesh Singh

**Q.3)** Consider the following statements regarding "Service Area Approach (SAA)":

1. It was introduced in seventh five year plan for planned and orderly development of rural and semi-urban areas.
2. It is applicable to Scheduled Commercial Banks including regional rural banks.

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

**ANS: C**

**Explanation:** The Service Area Approach (SAA) introduced in April 1989 (7<sup>th</sup> five year plan) for planned and orderly development of rural and semi-urban areas was applicable to all scheduled commercial banks including Regional Rural Banks.

- Under SAA, each bank branch in rural and semi-urban area was designated to serve an area of 15 to 25 villages and the branch was responsible for meeting the needs of bank credit of its service area.
- The primary objective of SAA was to increase productive lending and forge effective linkages between bank credit, production, productivity and increase in income levels.
- The SAA scheme was reviewed from time to time and appropriate changes were made in the scheme to make it more effective.

Source: TMH Ramesh Singh

**Q.4)** Consider the following statements regarding the “Effective Tax Rate”:

1. It is applicable to both individuals and corporations.
2. The effective tax rate is a more accurate representation of a person's or corporations overall tax liability than their marginal tax rate, and it is typically lower.

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

**ANS: C**

**Explanation:** The effective tax rate is the average tax rate paid by an individual or a corporation.

- The effective tax rate for individuals is the average rate at which their earned income, such as wages, and unearned income, such as stock dividends, is taxed.
- The effective tax rate for a corporation is the average rate at which its pre-tax profits are taxed, while the statutory tax rate is the legal percentage established by law.
- The effective tax rate is a more accurate representation of a person's or corporations overall tax liability than their marginal tax rate, and it is typically lower.
- When considering a marginal versus an effective tax rate, bear in mind that the marginal tax rate refers to the highest tax bracket into which their income falls.

Source: Sriram's IAS

**Q.5)** Which of the following plan is associated with Harrod Domar?

- a) First five year plan
- b) Second five year plan
- c) Sixth five year plan
- d) Ninth five year plan

**ANS: A**

**Explanation:** The First Five-year Plan was launched in 1951 which mainly focused in the development of the primary sector.

The First Five-Year Plan was based on the Harrod–Domar model with few modifications.

Source: TMH Ramesh Singh

**Q.6)** The Gadgil Strategy is associated with which of the following plan?

- a) Second five year plan
- b) Third five year plan
- c) Fourth five year plan
- d) Eighth five year plan

**ANS: C**

**Explanation:** The fourth five year Plan period was 1969–74.

- The Plan was based on the Gadgil strategy with special focus to the ideas of growth with stability and progress towards self-reliance.
- Droughts and the Indo-Pak War of 1971–72 led the economy to capital diversions creating financial crunch for the Plan.

Source: TMH Ramesh Singh

**Q.7)** With reference to the rolling plan, which of the following statements is/are correct?

1. It was introduced by P V Narasimha Rao.
2. The rolling plan rejected the eighth five year Plan of the preceding Janata government.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The rolling plan was introduced by the Janata party which formed a government led by Morarji Desai.

- The rolling plan rejected the Fifth five year Plan of the preceding Congress government and then launched the rolling plan that could be revised as per the needs of the economy due to the inherent flexibility in the plan.
- Frequent revision of targets reduced accountability and also adversely affected the stability in the economy.

Source: TMH Ramesh Singh

**Q.8)** “Washington Consensus” is related to which of the following?

- a) Economic reforms
- b) Bilateral trade
- c) Balance of payments measures
- d) Fiscal Federalism

**ANS: A**

**Explanation:** Washington Consensus is a collective term used for 10 economic policy prescriptions (economic reforms) as a part of a “standard” reform package promoted for crisis-wracked developing countries.

Washington Consensus was advocated by Washington, D.C.-based institutions viz. International Monetary Fund (IMF), World Bank, and the US Treasury Department.

Source: TMH Ramesh Singh

**Q.9)** Consider the following statements regarding Extended Fund Facility (EFF):

1. It is lending facility of the IMF.
2. It was established to help countries to overcome poverty restraints.

Which of statements given above is/are correct?

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

**ANS: A**

**Explanation:** The Extended Fund Facility is lending facility of the Fund of the IMF and it was established in 1974 to help countries address medium- and longer-term balance of payments problems.

- The EFF is prescribed for a country who is suffering from balance of payment problem caused by structural weaknesses and who need fundamental economic reforms.
- The use of the facility has increased substantially in the recent crisis period.

Source: TMH Ramesh Singh

**Q.10)** Which of the following methods is/are comes under privatization?

1. Sale of public enterprises to private sector.
2. Disinvestment of public enterprise equity.
3. Participation of private sector in management in public sector enterprises.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Privatization is the process of transferring an enterprise or industry from the public sector to the private sector.

- The public sector is the part of the economic system that is run by government agencies.
- Privatization may involve either sale of government-held assets or removal of restrictions preventing private individuals and businesses from participating in a given industry.
- Privatization is an ongoing trend in many parts of the developed and developing world. Proponents of privatization maintain that the competition in the private sector fosters more efficient practices, which eventually yield better service and products, lower prices and less corruption.

Source: TMH Ramesh Singh

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## Agriculture

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**Q.1)** Which of the following is/are covered under Operation Greens?

1. Tomatoes
2. Onions
3. Potatoes
4. Fruits

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** “Operation Greens” run by Ministry of Food Processing Industries (MOFPI) to be extended from tomatoes, onion and potatoes to ALL fruit and vegetables.

Source: Economic Survey 2020 – 2021

**Q.2)** Which of the following is/are constraint/constraints for development of integrated value chain system of Agriculture sector?

1. Low public and private investments in agriculture since the early 1990s.
2. Inability of sub – market yards to provide opportunities for open auction.
3. Poor maintenance of rural roads.

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** constraint/constraints for development of integrated value chain system of Agriculture sector.

- Public and private investments in agriculture have remained low since the early 90s. Bottlenecks in implementation and a high degree of uncertainty have further reduced investor appetite for agricultural investments.
- Inability to acquire land for setting up of market yards, resulting from the restrictions on land leasing and land acquisition, is another major constraint.
- Even the existing marketing infrastructure suffers because of a lack of finances, manpower and proper facilities.
- Sub-market yards largely function as a location for government procurement and do not provide opportunities for open auction.
- Further, they are irregular in their operations and handle less than five per cent of the volume handled in principal yards.
- Poor maintenance of rural roads is a major constraint as well. Linkages with local and feeder roads remain sub-optimal.
- In the electricity sector, separate feeders for supply of power to agriculture and domestic electrification have not been carried out in many states.

Source: TMH Ramesh Singh

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

1. Share of GVA of Agriculture & Allied Sector is continuously decreasing from 2014 – 15.
2. Share of livestock is continuously increasing from 2014 – 15.

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

**ANS: B**

**Explanation:**

**Table 1: Share of Agriculture and Allied Sectors in Total GVA at current prices**

Items	Year					
	2014-15	2015-16	2016-17*	2017-18#	2018-19@	2019-20**
Share of GVA of Agriculture & Allied Sector in GVA of Total Economy (per cent)	18.2	17.7	18.0	18.0	17.1	17.8
Share of Crops	11.2	10.6	10.6	10.4	9.4	NA
Share of Livestock	4.4	4.6	4.8	5.1	5.1	NA
Share of Forestry & logging	1.5	1.5	1.5	1.4	1.3	NA
Share of Fishing & aquaculture	1.0	1.1	1.1	1.2	1.2	NA

Source: Economic Survey

**Q.4)** Which of the following statements is/are correct about “Micro-irrigation Development in India”?

1. Area covered under micro-irrigation gradually increased from 2014 – 15.
2. A Micro Irrigation Fund (MIF) created with NABARD with an initial corpus of Rs.500crore.

Select the correct answer using the code given below:

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

**ANS: A**

**Explanation:** Area covered under micro-irrigation from 2010-11 to 2014-15 was declining and gradually increased from 2015-16 to 2018-19.

A dedicated Micro Irrigation Fund (MIF) created with NABARD has been approved with an initial corpus of Rs. 5000 crore facilitating the States in mobilizing the resources for expanding coverage of Micro Irrigation envisaged under PMKSY-PDMC and also in bringing additional coverage through special and innovative initiatives by State Governments.

Source: Economic Survey

**Q.5)** “EKTA portal” is often seen in news is related to which of the following?

- a) Promotion Federalism through web portal
- b) Intellectual Property Rights Education portal
- c) Agricultural Education portal
- d) Traditional and Indigenous products portal



**ANS: C**

**Explanation:** New Digital Apps have been developed for making Indian agriculture in line with Digital India theme.

The DARE (Department of Agricultural Research & Education) launched the Agricultural Education Portal EKTA (Ekikrit Krishi Shiksha Takniki Ayaam) for integrated online management information system.

Source: The Hindu

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

1. From 2015 – 16 onwards, there is a continuous increase in production of rice.
2. The regional distribution of the agricultural credit has been favor of the Southern Region.

Which of the statements given above is/are correct?

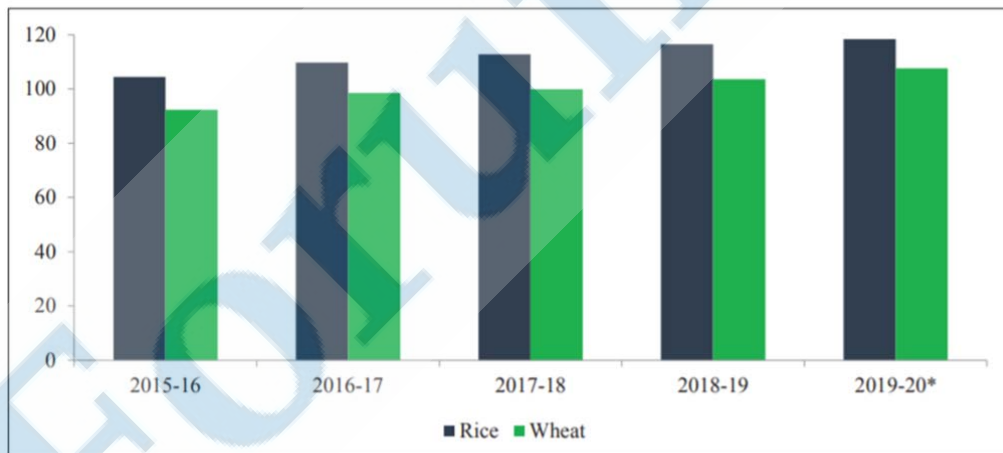
- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

**ANS: C**

**Explanation:** Given the large proportion of resource constrained small and marginal farmers in India, timely availability of adequate credit is fundamental for the success of farming activities.

- The agricultural credit flow target for the year 2019-20 was fixed at ₹ 13,50,000crores and against this target the achievement was ₹ 13,92,469.81crores.
- The regional distribution of the agricultural credit has, however, been skewed in favour of the Southern Region.

**Figure 4: Trend in Production of Rice and Wheat Crops (Quantity in Million Tonnes)**



Source: Created from the data of the 1st Adv. Estimate released dated 22.09.2020

\*4th Advanced Estimates.

Source: Economic Survey

**Q.7)** Consider the following statements regarding the agriculture credit in India:

1. Central government fixes agriculture credit disbursement targets for the banking sector every year.
2. Domestic Scheduled Commercial Banks are required to lend 18% of the Adjusted Net Bank Credit (ANBC) to agriculture.
3. Regional Rural Banks are required to lend 50% of their total outstanding advances towards agriculture.

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Which of the statements given above is/are correct?

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

**ANS: B**

**Explanation:** Government fixes agriculture credit disbursement targets for the banking sector every year.

- As per RBI directions, Domestic Scheduled Commercial Banks are required to lend 18% of the Adjusted Net Bank Credit (ANBC) or Credit Equivalent to Off-Balance Sheet Exposure (CEOBE), whichever is higher, towards agriculture.
- A sub-target of 8% is also prescribed for lending to small and marginal farmers including landless agricultural labourers, tenant farmers, oral lessees and share croppers.
- Similarly, in the case of Regional Rural Banks 18% of their total outstanding advances is required to be towards agriculture and a sub-target of 8% has been set for lending to small and marginal farmers.

Source: Ramesh Singh

**Q.8)** Consider the following statements regarding the production of Milk in India:

1. From 2014 – 15 onwards, continuous increase in the production of milk in India.
2. The per capita availability of milk in India is more than 400grams/day.

Which of the statements given above is/are correct?

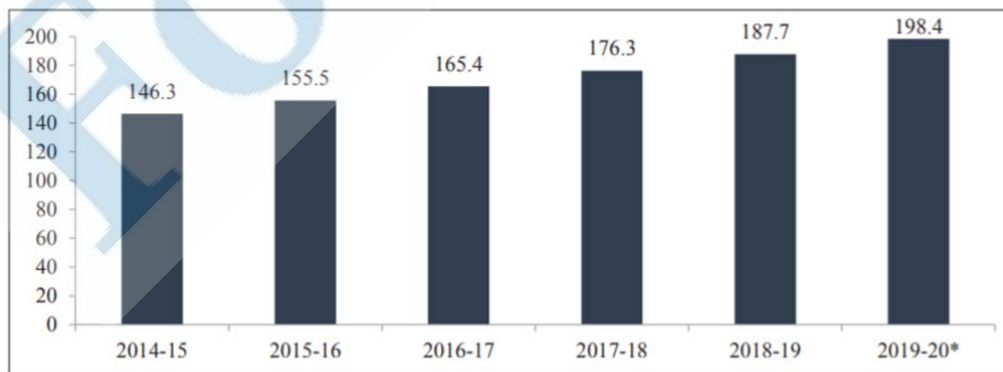
- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

**ANS: C**

**Explanation:** India continues to be the largest producer of milk in the world.

- Several measures have been initiated by the Government to increase the productivity of livestock, which has resulted in increasing the milk production significantly.
- The per capita availability of milk was 407 grams per day in (2019-20).

**Figure 10: Trend of Milk Production in India (Million Tonnes)**



Source: Based on data taken from the National Dairy Development Board and DAHD.

Source: Economic Survey

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**Q.9)** Which of the following is/are consists of the Economic Cost of food-grains to Food Corporation of India (FCI)?

1. Pooled cost of grains
2. Procurement incidentals
3. Cost of distribution

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** The Economic Cost of food-grains consists of three components, namely, pooled cost of grains, procurement incidentals and the cost of distribution.

The pooled cost of food grains is the weighted MSP of the stock of food-grains available with FCI at the time of calculating the economic cost.

Source: Economic Survey

**Q.10)** Consider the following statements regarding the Essential Commodities Act (ECA), 1955:

1. It was enacted to control the production, supply and distribution of, and trade and commerce in, certain goods considered as essential commodities.
2. Food and civil supply authorities in States execute the provisions of the Act.

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

**ANS: C**

**Explanation:** Essential Commodities Act (ECA), 1955 was enacted to control the production, supply and distribution of, and trade and commerce in, certain goods considered as essential commodities.

- The Act itself does not lay out Rules and Regulations but allows the States to issue Control Orders related to dealer licensing, regulate stock limits, and restrict movement of goods and requirements of compulsory purchases under the system of levy.
- The Act also provides for action to confiscate the stock seized; to suspend/ cancel licenses, if any and impose punishments like imprisonment.
- The Act also gives the power to fix price limits, and selling the particular commodities above the limit will attract penalties.
- Most of the powers under the Act have been delegated by the Central Government to the State Governments with the direction that they shall exercise these powers.
- Food and civil supply authorities in States execute the provisions of the Act.

Source: The Hindu

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## *Industry*

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**Q.1)** Consider the following statements regarding the “steel sector in India”:

1. India is the 2<sup>nd</sup> largest producer of crude steel in the world after United States of America.
2. India is the second largest consumer of steel in the world.

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

**ANS: B**

**Explanation:** India is the second-largest producer of crude steel only after China. India is also the second largest consumer of steel.

- However, its per capita total finished steel consumption was around 74.7 kg during FY20 as against the global average of 229 kg.
- Further, the capacity utilization in crude steel plants continues to be low.

Source: Economic Survey 2020 – 2021

**Q.2)** The term “Harmonized System (HS)” often seen in news is related to which of the following?

- a) Industrial Sector
- b) International product nomenclature
- c) International Financial Services
- d) Global Infrastructure Investment

**ANS: B**

**Explanation:** The Harmonized System, or simply ‘HS’, is a six-digit identification code developed by the World Customs Organization (WCO).

- Called the “universal economic language” for goods, it is a multipurpose international product nomenclature.
- Over 200 countries use the system as a basis for their customs tariffs, gathering international trade statistics, making trade policies, and for monitoring goods.
- The system helps in harmonizing of customs and trade procedures, thus reducing costs in international trade.

Source: The Hindu

**Q.3)** SIPP scheme often seen in news is related to which of the following?

- a) Small and medium enterprise development
- b) Start ups promotion
- c) Space programmes
- d) Smart city programme

**ANS: B**

**Explanation:** Startups Intellectual Property Protection (SIPP) scheme enables a start-up to seek assistance from any empanelled facilitator to file and prosecute their application.

## PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021

The facilitator can claim payment for the services given to the start up from the Office of the Controller General of Patents, Designs and Trademarks (O/o CGPDTM) on submission of certificate in prescribed format.

Source: Economic Survey 2020 – 2021

**Q.4)** With reference to central government aim to combine 44 central laws into four codes, which of the following are the four codes?

1. Code on Wages.
2. Code on Industrial Relations.
3. Code on Social security and Welfare.
4. Code on Trade Unions.

Select the correct answer using the code given below:

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

**ANS: A**

**Explanation:** Central government will aim to combine 44 central laws into four codes wages, industrial relations, social security and welfare, and the fourth - occupational safety, health and working conditions.

Source: The Hindu

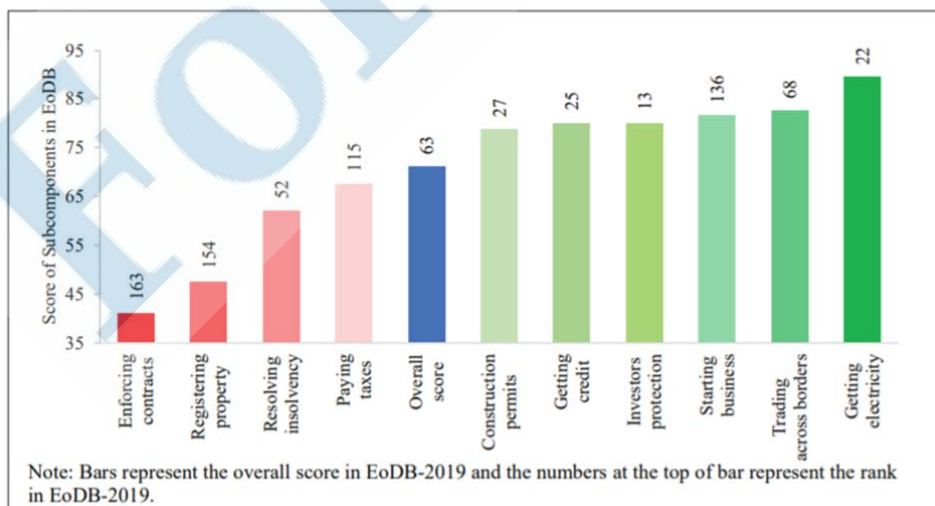
**Q.5)** Which of the following Indicator of the Ease of Doing Business – 2019 has the least performed?

- a) Getting electricity
- b) Starting Business
- c) Registering Property
- d) Enforcing Contracts

**ANS: D**

**Explanation:**

**Figure 15: Leads and Laggards in Ease of Doing Business in overall ranking and score (EoDB 2019)**



Source: Survey calculations based on EoDB data.

Source: Economic Survey 2020 – 2021

**Q.6)** Which of the following enterprises is/are funded mostly under Venture Capital funds?

1. Start-ups.
2. Small enterprises.
3. Medium enterprises.

Select the correct answer using the code given below:

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

**ANS: D**

**Explanation:** Venture capital funds are investment funds that manage the money of investors who seek private equity stakes in startup and small- to medium-sized enterprises with strong growth potential.

- These investments are generally characterized as high-risk/high-return opportunities.
- In the past, venture capital investments were only accessible to professional venture capitalists, although now accredited investors have a greater ability to take part in venture capital investments.

Source: TMH Ramesh Singh

**Q.7)** Consider the following statements:

1. The share of Gross Capital Formation of the industrial sector had continuously declined from last ten years.
2. The eight-core industries have a total weight of nearly 50 percent in the Index of Industrial Production.

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

**ANS: D**

**Explanation:** The eight-core industries that support infrastructure, such as coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity have a total weight of nearly 40 percent in the IIP.

- The rate of growth of Gross Capital Formation (GCF) in industry registered a sharp rise from 1.2 per cent in FY18 to 17.5 per cent in FY19, showing a substantive improvement in GCF in the sector.
- Mining & Quarrying, Manufacturing, 'Electricity, Gas, Water Supply & Other Utility Services' and Construction had registered a growth rate of 14.9 per cent, 15.9 per cent, 15.3 per cent, and 24.4 per cent respectively in FY19.
- However, the share of GCF of the industrial sector had declined from 38.2 per cent in FY12 to 30.2 per cent of GDP in FY18 before an uptick (31.9 per cent) was recorded in FY19.

Source: Economic Survey 2020 – 2021

**Q.8)** The Economic Freedom of the World report is released by which of the following?

- a) Fraser Institute
- b) World Bank
- c) World Economic Forum

d) The Heritage Foundation

**ANS: A**

**Explanation:** The Fraser Institute produces the annual Economic Freedom of the World report in cooperation with the Economic Freedom Network, a group of independent research and educational institutes in nearly 100 countries and territories.

It's the world's premier measurement of economic freedom, measuring and ranking countries in five areas:

- size of the government,
- legal structure and security of property rights,
- access to sound money,
- freedom to trade internationally and regulation of credit,
- labour and business.

Source: The Hindu

**Q.9)** Consider the following statements:

1. Coal accounts for 55 per cent of the country's energy needs.
2. There is a continuous increase in the production of coal from 2016 to 2020.

Which of the statements given above is/are correct?

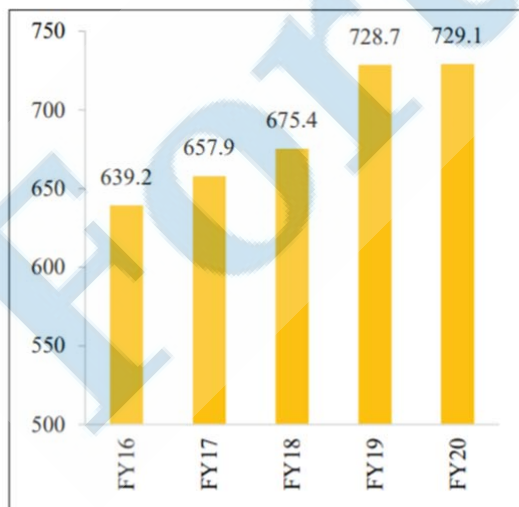
- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

**ANS: C**

**Explanation:** Coal is the one of the most important and abundant fossil fuel in India. It accounts for 55 per cent of the country's energy needs.

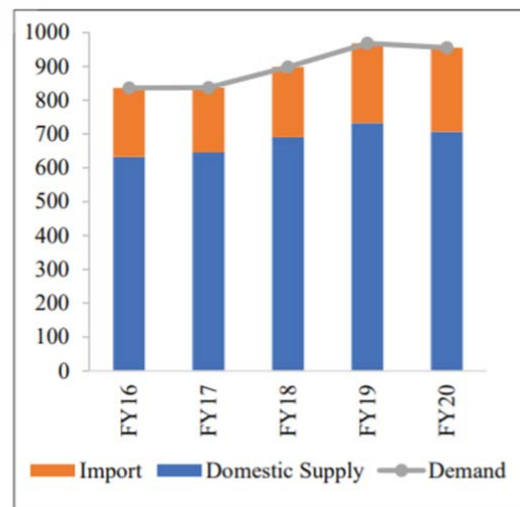
Coal is not only the primary source of energy in the country but is also used as an intermediary by many industries such as steel, sponge iron, cement, paper, brick-kilns, etc.

**Figure 21a: Coal Production in India (MnT)**



Source: Survey calculations based on Ministry of Coal's data.

**Figure 21b: Demand and Supply of Coal (MnT)**



Source: Economic Survey

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

**Q.10)** Consider the following statements regarding the Annual Survey of Industries (ASI):

1. Annual Survey of Industries (ASI) is conducted by National Sample Survey Office.
2. It covers both formal and informal industries.

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

**ANS: A**

**Explanation:** Annual Survey of Industries (ASI) is conducted by National Sample Survey Office (NSSO). ASI is principal source of industrial statistics in India. It does not cover unorganized or unregistered or informal sector enterprises.

- ASI, an annual event, not only facilitates suitable data collection based on appropriate sampling techniques but also ensures timely dissemination of statistical information to assess and evaluates the dynamics in composition, growth and structure of organized manufacturing sector.
- The structure and function of the industrial sector is an important perspective of Indian Economy. It is imperative for industries to grow both qualitatively and quantitatively to boost the economy.
- The well-being of the industries depends truly on the formulation and promotion of industrial policies framed by the policy makers.
- To frame suitable industrial policies the policy makers need to be aware about the quantified aspect of the existing scenarios in the industries in the country.
- This is where the Annual Survey of Industries (ASI) is conducted by National Sample Survey Office, Government of India.

Source: Sriram's IAS



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## *Revision*

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**Q.1)** Consider the following statements regarding International Centre for Settlement of Investment Disputes (ICSID):

1. It was set up in 1966 is an investment dispute settlement body whose decisions are binding on the parties.
2. India is not a member of ICSID.

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

**ANS: C**

**Explanation:** The International Centre for Settlement of Investment Disputes (ICSID), set up in 1966 is an investment dispute settlement body whose decisions are binding on the parties.

- It was established under the 1966 Convention on the Settlement of Investment Disputes between States and Nationals of Other States.
- Though recourse to the centre is voluntary, but once the parties have agreed to arbitration, they cannot withdraw their consent unilaterally.
- It settles the investment disputes arising between the investing foreign companies and the host countries where the investments have been done.
- India is not its member (that is why the Enron issue was out of its preview).
- It is believed that being signatory to it encourages the foreign investment flows into an economy, but risks independent sovereign decisions, too.

Source: Sriram's IAS

**Q.2)** Consider the following statements regarding Intensive Agriculture District Programme (IADP):

1. It is also known as package programme which is launched throughout India in 1960.
2. The major objective of the programme is to increase agriculture production.

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

**ANS: B**

**Explanation:** The Intensive Agriculture District Programme (IADP) was launched as the first major experiment in intensive agriculture development in the year 1960.

- The IADP popularly known as package programme was launched in three districts in 1960 - 61 and four districts in 1962 - 63.
- The major objectives of the programme were to demonstrate the most effective ways of achieving rapid and significant increase in agriculture production through adoption of a package of improved practices and to suggest successful and adoptable innovations, approaches and procedures which could be adopted in similar areas of the country.

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY, 2021**

Source: TMH Ramesh Singh

**Q.3)** “Uruguay Round” negotiations are related to which of the following institution?

- a) World Trade Organizations
- b) International Monetary Fund
- c) World Bank
- d) World Economic Forum

**ANS: A**

**Explanation:** The Uruguay Round was the 8th round of Multilateral Trade Negotiations (MTN) conducted within the framework of the General Agreement on Tariffs and Trade (GATT), spanning from 1986 to 1994 and embracing 123 countries as "contracting parties".

- The negotiations and process ended with the signing of the Final Act of the Marrakesh Agreement in April 1994 at Marrakesh, Morocco.
- The round led to the creation of the World Trade Organization (WTO), with GATT remaining as an integral part of the WTO agreements.

Source: TMH Ramesh Singh

**Q.4)** Which of the following is/are the initiatives of Industrial policy resolution 1980?

1. Liberal attitude followed towards the expansion of private industries.
2. The 'MRTP Limit' was revised upward to Rs. 50crore to promote setting of bigger companies

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** The year 1980 saw the return of the same political party at the Centre. The new government revised the Industrial Policy of 1977 with few exceptions in the Industrial Policy Resolution, 1980. The major initiatives of the policy were as given below:

- Foreign investment via the technology transfer route was allowed again (similar to the provisions of the IPS, 1973).
- The 'MRTP Limit' was revised upward to Rs. 50 crore to promote setting of bigger companies.
- The DICs were continued with.
- Industrial licensing was simplified.
- Overall liberal attitude followed towards the expansion of private industries.

Source: TMH Ramesh Singh

**Q.5)** Which of the following parameter is NOT part of Ease of Doing Business of World Bank?

- a) Energy Efficiency
- b) Getting Electricity
- c) Trading across borders
- d) Paying taxes

**ANS: A**

**Explanation:** Doing Business report, an annual publication (since 2004) of the World Bank Group ranks the countries of the world on the basis of their 'regulations that enhance business activity and those that constrain it'. Popularly known as the 'ease of doing business report', it measures regulations affecting 11 areas of the life of a business:

- Starting a business,
- Dealing with construction permits,
- Getting electricity,
- Registering property,
- Getting credit,
- Protecting minority investors,
- Paying taxes,
- Trading across borders,
- Enforcing contracts,
- Resolving insolvency, and
- Labour market regulation.

Source: The Hindu

**Q.6)** Consider the following statements regarding Indian Food processing sector:

1. India enjoys a 'competitive advantage' in food processing sector.
2. National Mission on Food Processing (NMFP) was launched as a centrally sponsored scheme

to tap the potential food processing sector.

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

**ANS: C**

**Explanation:** India enjoys a 'competitive advantage' in food processing sector given its huge production base of a number of agricultural, dairy, fishing and horticultural items.

- To ensure that this sector gets the stimulus it deserves, the MoFPI has been implementing a number of schemes for infrastructure development, technology up-gradation and modernisation, human resources development and R&D in this sector.
- In the context of the 12th Plan, it is felt that there is a need to decentralise the implementation of schemes through involvement of the states/UTs for better outreach, supervision, monitoring and ensuring job creation.
- Accordingly, National Mission on Food Processing (NMFP) was launched as a centrally sponsored scheme in 2012.
- The NMFP contemplates establishment of a National Mission as well as corresponding Missions at the state and district levels.

Source: TMH Ramesh Singh

**Q.7)** Consider the following statements regarding Twenty Point Programme (TPP):

1. It is a central plan launched during Jawaharlal Nehru period.
2. The basic objective of the plan is to improving the quality of life of the people those living below the poverty line.

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

**ANS: B**

**Explanation:** The Twenty Point Programme (TPP) is the second Central Plan which was launched in July 1975.

- The programme was conceived for coordinated and intensive monitoring of a number of schemes implemented by the Central and the state governments.
- The basic objective was of improving the quality of life of the people, especially of those living below the poverty line.
- Under this, a thrust was given to schemes relating to poverty alleviation, employment generation in rural areas, housing, education, family welfare and health, protection of environment and many other schemes having a bearing on the quality of life in rural areas.

Source: TMH Ramesh Singh

**Q.8)** Which of the following International Institution releases the International Debt Statistics?

- a) IMF
- b) WTO
- c) UNO
- d) World Bank

**ANS: D**

**Explanation:** International Debt Statistics (IDS) is the World Bank's database on the external debt and financial flows (debt and equity) of 128 countries in the World Bank's debtor reporting system. More than 200 indicators are available.

Data is from 1970 to 2019. The database combines observations from 'Quarterly External Debt Statistics' and 'Quarterly Public Sector Debt' published by the World Bank. (IDS were formerly known as 'Global Development Finance'.)

Source: World Bank

**Q.9)** Which of the following subsidies is/are NOT covered under Amber Box of WTO?

1. Minimum support price.
2. Direct help to production related activities.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** All subsidies which are supposed to distort production and trade fall into the amber box, i.e., all agricultural subsidies except those which fall into the blue and green boxes.

These include government policies of minimum support prices (as MSP in India) for agricultural products or any help directly related to production quantities (as power, fertilizers, pesticides, irrigation, etc).

Source: TMH Ramesh Singh

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021**

**Q.10)** “BASEL ACCORDS” is frequently in news is related to which of the following?

- a) Health Infrastructure
- b) Environmental Conservation
- c) Global Commons
- d) Banking Provisions

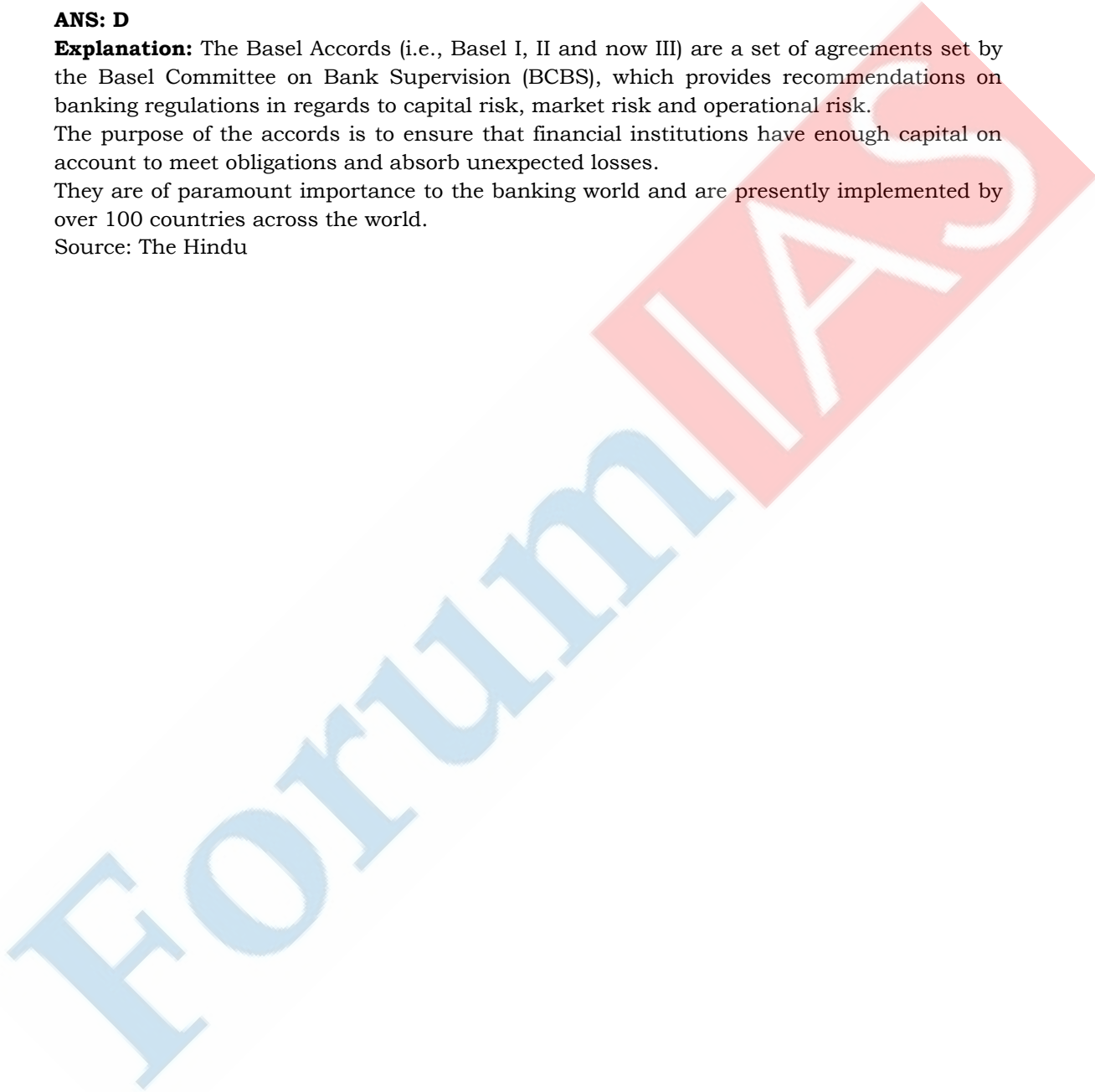
**ANS: D**

**Explanation:** The Basel Accords (i.e., Basel I, II and now III) are a set of agreements set by the Basel Committee on Bank Supervision (BCBS), which provides recommendations on banking regulations in regards to capital risk, market risk and operational risk.

The purpose of the accords is to ensure that financial institutions have enough capital on account to meet obligations and absorb unexpected losses.

They are of paramount importance to the banking world and are presently implemented by over 100 countries across the world.

Source: The Hindu



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## *Services Sector*

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**Q.1)** Consider the following statements regarding the “gig economy”:

1. Gig workers include self-employed, freelancers, independent contributors and part-time workers.
2. It is tech-enabled platforms connect the consumer to the gig worker to hire services on a short-term basis.

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

**ANS: C**

**Explanation:** Gig economy can be defined as a work engagement where on one side, there is a service seeker i.e. a consumer with a demand for a specific task, and on the other side, and there is a service provider i.e. a gig worker who can perform that specific task.

- A gig economy undermines the traditional economy of full-time workers who rarely change positions and instead focus on a lifetime career.
- In this economy, tech-enabled platforms connect the consumer to the gig worker to hire services on a short-term basis.
- Gig workers include self-employed, freelancers, independent contributors and part-time workers.
- The digital gig economy generated a gross volume of approximately \$204 bn from worldwide customers in 2018.
- Transportation-based services contributed to over 50% of this value. The size of the gig economy is projected to grow by a 17% CAGR and generate a gross volume of ~\$455 bn by 2023.
- India has emerged as the 5th largest country for flexi-staffing after US, China, Brazil and Japan.
- Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat and Telangana have most opportunities in terms of growth for the flexi-workers.

Source: The Hindu

**Q.2)** Which of the following are the objectives of the “National Digital Communications Policy”?

1. Broadband for all by 2025.
2. Creating 100 Million additional jobs in the Digital Communications sector.
3. Enhancing the contribution of the Digital Communications sector to 10% of India’s GDP from 5% in 2017.
4. Ensuring Digital Sovereignty.

Select the correct answer using the code given below:

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

**ANS: C**

**Explanation:** The National Digital Communications Policy, 2018 seeks to unlock the transformative power of digital communications networks - to achieve the goal of digital empowerment and improved well being of the people of India; and towards this end, attempts to outline a set of goals, initiatives, strategies and intended policy outcomes.

The National Communications Policy aims to accomplish the following Strategic Objectives by 2022:

- Provisioning of Broadband for All
- Creating 4 Million additional jobs in the Digital Communications sector
- Enhancing the contribution of the Digital Communications sector to 8% of India's GDP from ~ 6% in 2017
- Propelling India to the Top 50 Nations in the ICT Development Index of ITU from 134 in 2017
- Enhancing India's contribution to Global Value Chains
- Ensuring Digital Sovereignty

Source: Sriram's IAS

**Q.3)** Which of the following measures will spur the economic growth?

1. Transparent and hassle free land acquiring.
2. Availability of Skilled labour.
3. High interest rates in the economy.
4. Decrease in effective demand.

Select the correct answer using the code given below:

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

**ANS: A**

**Explanation:** The traditional argument is that the lower the interest rate, the better for businesses as it brings down the cost of capital, making investments more attractive.

- Any government would love this as the country would then draw higher investments leading to higher growth and more job creation.
- Governments abhor higher interest rates as, theoretically, these push up project costs and keep investors away.
- Capital is one of the three main factors of production, which are critical to the growth of a commercial entity, the other two being land and labour.
- But capital is only a necessary, not sufficient, condition. Land, unless allocated by the local government, is too costly for investors seeking to set up shop.
- On labour, even if adequate hands are available for a job, the skill quotient is still low. Training graduates to be job-ready is a form of tax that companies pay.
- Also to be taken into account is the market environment and demand. If end users are seeing lesser money in hand than earlier, demand will certainly be impacted.
- Therefore, in an environment where the other factors of production are not favourable for an investor, low interest rates by themselves may not prove attractive enough.
- Any revival of economic activity will be contingent on joint efforts by the government on the fiscal front to stimulate demand, and the RBI, to keep interest rates low.

Source: Sriram's IAS

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021**

**Q.4)** With reference to the new hydro policy 2019, which of the following statements is/are correct?

1. It includes large hydro projects within the ambit of renewable energy.
2. Now the renewable energy capacity has increased to 34.4% of total energy mix.

Select the correct answer using the code given below:

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

**ANS: C**

**Explanation:** The Union Cabinet approved a new hydroelectricity policy that, among other things, included large hydro projects within the ambit of renewable energy.

- Prior to the policy, only small hydro projects of a capacity of less than 25 MW were treated as renewable energy. Large hydro projects were treated as a separate source of energy.
- India's renewable energy sector had an installed capacity of 75,055.92 MW as of February 2019, according to data with the Central Electricity Authority.
- This made up about 21.4% of the overall energy mix, with the rest coming from thermal, nuclear and large hydro sources.
- With the inclusion of large hydro in renewable energy, the energy mix changes drastically.
- Renewable energy capacity would now be 1,20,455.14 MW or 34.4% of the overall energy mix.

Source: The Hindu

**Q.5)** The "GATI portal" is recently in news is related to which of the following?

- a) Ship Tracking
- b) Flight tracking
- c) National highways
- d) Inland water ways

**ANS: C**

**Explanation:** Terming delays in highway projects as "unacceptable", Road Transport and Highways Minister, asked officials and developers to strictly adhere to project schedules.

- Minister also launched online web portal 'GATI' on the pattern of 'PRAGATI', the portal used by the Prime Ministers' Office for monitoring projects.
- The portal 'GATI' can be accessed from NHAI's website, and contractors and concessionaires can raise any project-related issues on the platform, according to a statement by the Ministry of Road Transport and Highways.
- The issues raised on 'GATI' will be daily monitored by a team of NHAI officers and will be constantly reviewed by the senior officers of the National Highways Authority of India (NHAI) and the Ministry of Road Transport and Highways.

Source: The Hindu

**Q.6)** "World Investment Report" published by which of the following?

- a) World Bank
- b) WEF
- c) UNIDO
- d) UNCTAD



**ANS: D**

**Explanation:** India improved its position from 12th in 2018 to 9th in 2019 in the list of the world's largest FDI recipients according to the latest World Investment Report 2020 by United Nations Conference on Trade and Development (UNCTAD).

Source: Economic Survey 2020 – 2021

**Q.7)** The “Draft Scheme of Reconstruction” is recently in news is related to which of the following?

- a) Banking
- b) Railways
- c) Roadways
- d) Port rejuvenation

**ANS: A**

**Explanation:** RBI has placed the financially troubled Yes Bank under a moratorium (temporary suspension).

- After placing this bank under a moratorium, the RBI announced a draft Scheme of Reconstruction.
- This scheme entails the State Bank of India (SBI) investing capital to acquire a 49% stake in the restructured private lender.

Source: The Hindu

**Q.8)** Which of the following Insurance companies are works under General Insurance Corporation of India (GIC)?

1. National Insurance Company Ltd.
2. New India assurance Company Ltd.
3. Oriental Fire and Insurance Company Ltd.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** In 1971, the government nationalised the private sector companies (107 Indian and foreign companies) playing in the general insurance segment and a government company, the General Insurance Corporation of India (GIC) was formed in 1972. The GIC started operation on January 1, 1973 with its four holding companies:

- National Insurance Company Ltd.
- New India Assurance Company Ltd.
- Oriental Fire and Insurance Comany Ltd.
- United India Insurance Company Ltd.

Source: TMH Ramesh Singh

**Q.9)** With reference to the Other Service Providers (OSP's), which of the following statements is/are correct?

1. OSPs or other service providers are companies or firms which provide secondary or tertiary services such as telemarketing, tele-banking or telemedicine for various companies, banks or hospital chains.
2. It requires minimal investment but gave great returns in business.

Select the correct answer using the codes given below:

**PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021**

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

**ANS: C**

**Explanation:** OSPs or other service providers are companies or firms which provide secondary or tertiary services such as telemarketing, tele-banking or telemedicine for various companies, banks or hospital chains, respectively.

- As computers made their foray into the Indian information technology space, a number of such OSPs, which were either voice or non-voice based, came into the market.
- The sector required minimal investment but gave great returns in business, which prompted a large number of individuals and companies to float other service providing firms.
- Since most of these firms used leased telephone lines, which in turn used the telecom spectrum auctioned by the Department of Telecommunications (DoT), the new telecom policy of 1999 suggested that all OSPs register themselves so that the government could keep a check on the usage of its resources.

Source: Indian Express

**Q.10)** With reference to the Insurance Regulatory and Development Authority (IRDA), which of the following statements is/are correct?

1. It is a statutory body.
2. The chairman and its members are appointed by government.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** The Insurance Regulatory and Development Authority (IRDA) was set up in 2000 (the Act was passed in 1999) with one chairman and five members (two as full time and three as part-time members) appointed and nominated by the government.

The authority is responsible for the regulation, development and supervision of the Indian insurance industry.

Source: TMH Ramesh Singh

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## *Infrastructure and Investment*

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**Q.1)** Consider the following statements regarding Accelerated Irrigation Benefit Programme (AIBP):

1. It was launched in sixth plan to support major and medium irrigation projects.
2. At present, AIBP became a part of PMKSY.

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

**ANS: B**

**Explanation:** Central Government launched the Accelerated Irrigation Benefits Programme (AIBP) in the year 1996-97 to provide Central Assistance to major/medium irrigation projects in the country, with the objective to accelerate implementation of such projects which were beyond resource capability of the States or were in advanced stage of completion.

- Priority was given to those projects which were started in Pre-Fifth and Fifth Plan period and also to those which were benefiting Tribal and Drought Prone Areas.
- After launch of PMKSY in 2015-16, AIBP became a part of PMKSY.
- Since its inception, 297 Irrigation / Multi-Purpose Projects have been included for funding under AIBP.

Source: TMH Ramesh Singh

**Q.2)** Consider the following statements regarding Global Coalition for Disaster Resilient Infrastructure (CDRI):

1. It envisions enabling measurable reduction in infrastructure losses from disasters and extreme climate events.
2. It is launched by French Government.

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

**ANS: A**

**Explanation:** The Prime Minister of India launched the Coalition for Disaster-Resilient Infrastructure (CDRI) at the UN Secretary-General's Climate Action Summit in New York, US.

- The fledgling partnership has a secretariat in Delhi, supported by the UN Office for Disaster Risk Reduction (UNDRR), to enable knowledge exchange, technical support and capacity building.
- CDRI's mission is to rapidly expand the development of resilient infrastructure and retrofit existing infrastructure for resilience, and to enable a measurable reduction in infrastructure losses.
- Its mission statement notes that, in recent weather and climate-related disasters, up to 66% of public sector losses were related to infrastructure damage.

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- The partnership will be working in the areas of governance and policy, emerging technology, risk identification and estimation, recovery and reconstruction, resilience standards and certification, finance, and capacity development.

Source: The Hindu

**Q.3)** Consider the following statements regarding 'Rural Infrastructure Promotion Fund' (RIPF):

1. It has been created by NABARD.
  2. It has been set up with a corpus of Rs. 500crore.
- 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

**ANS: A**

**Explanation:** NABARD has created a separate fund titled 'Rural Infrastructure Promotion Fund' (RIPF) to support programs and activities that promote rural infrastructure, with the ultimate objective of facilitating agriculture and rural development.

- RIPF has been set up with a corpus of Rs. 25 crore.
- The amount is contributed out of margin received by NABARD from a special window created under RIDF for funding the rural roads component of Bharat Nirman through National Rural Roads Development Agency (NRRDA).

Source: NABARD

**Q.4)** Consider the following statements regarding Foreign Portfolio Investment (FPI):

1. FPIs are short term investments and volatile in nature.
2. Portfolio investment does not offer control over the business entity in which the investment is made.

Which of the statements above given is/are correct?

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

**ANS: C**

**Explanation:** Foreign portfolio investment (FPI) refers to investing in the financial assets of a foreign country, such as stocks or bonds available on an exchange.

- This type of investment is at times viewed less favorably than direct investment because portfolio investments can be sold off quickly and are at times seen as short-term attempts to make money, rather than a long-term investment in the economy.
- Portfolio investment typically has a shorter time frame for investment return than direct investment.
- As with any equity investment, foreign portfolio investors usually expect to quickly realize a profit on their investments.
- Unlike direct investment, portfolio investment does not offer control over the business entity in which the investment is made.

Source: TMH Ramesh Singh

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**Q.5)** The term 'Commanding heights of Indian economy' is related to which of the following?

- a) Public Sector Undertakings
- b) Agriculture
- c) Public Sector Banks
- d) Foreign capital

**ANS: A**

**Explanation:** India's first Prime Minister Jawaharlal Nehru, inspired by the then Soviet Union-pioneered model of state sponsored growth, who mooted the idea of placing the government—and within it the state-owned and state-run PSUs—as the commanding heights of the Indian economy.

It was documented in the Industrial Policy Resolution of 1956 and found articulation in the benchmark Second Five Year Plan. Till the beginning of the 1980s, the PSUs continued to be the commanding heights.

Source: TMH Ramesh Singh

**Q.6)** With reference to the "National Infrastructure Pipeline (NIP)", which of the following statements is/are correct?

- 1. It is launched for the period of 10 years starting from 2020 to 2030.
  - 2. It is jointly funded by the Central Government, State Government, and the private sector.
- Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** GoI launched the National Infrastructure Pipeline (NIP) for the FY 2020-2025 to facilitated world class infrastructure projects to be implemented.

- This first of its kind initiative will boost the economy, generate better employment opportunities, and drive the competitiveness of the Indian economy.
- It is jointly funded by the Central Government, State Government, and the private sector.
- The NIP was launched with the projected infrastructure investment of 111 lakhcrore (\$1.5 trillion) during the period 2020-2025.
- The sectors like energy, roads, urban infrastructure, railways have a major share in the NIP.

Source: Economic Survey 2020 – 2021

**Q.7)** Consider the following statements:

- 1. In India, private investment in infrastructure has come mainly in the form of Public Private Partnerships (PPPs).
- 2. The Government of India set up the Public Private Partnership Appraisal Committee (PPPAC) responsible for the appraisal of PPP projects in the Central sector and State sector.

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

## **PRELIMS MARATHON COMPILATION FOR THE MONTH OF JULY. 2021**

**ANS: A**

**Explanation:** In India, private investment in infrastructure has come mainly in the form of Public Private Partnerships (PPPs).

- PPPs help in addressing the infrastructure gap as well as improve efficiency in infrastructure service delivery.
- The GoI set up the Public Private Partnership Appraisal Committee (PPPAC) responsible for the appraisal of PPP projects in the Central sector.
- During FY20, PPPAC recommended 5 projects with total project cost of ₹ 4,321 crore.
- Out of these 5 projects, 4 are railway sector projects (passenger train projects) and 1 is port sector project.
- In FY21, PPPAC recommended 7 projects with total project cost of ₹ 66,600.59 crore. Out of these 7 projects, 1 is a telecom sector project, 3 are railway sector projects (2 station redevelopment projects & 1 passenger train project), 2 are MHA sector projects (Eco-tourism projects) and 1 is port sector project.

Source: Economic Survey 2020 – 2021

**Q.8)** Which of the following is/are eligibility criteria to be considered for grant of “Maharatna status” to Central Public Sector Enterprise (CPSE)?

1. Having Navratna status.
2. Average annual turnover of more than Rs. 25,000crore, during the last 3 years.
3. Average annual net worth of more than Rs. 15,000crore, during the last 3 years.

Select the correct answer using the codes given below:

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

**ANS: D**

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

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

Source: TMH Ramesh Singh

**Q.9)** With reference to the “Hybrid Annuity Model (HAM)”, which of the following statements is/are correct?

1. It is a mix of Build-Operate-Transfer (BOT) and Engineering, Procurement and Construction (EPC) models.
2. Under HAM 50% of the project cost is born by the government.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** In India, the new HAM is a mix of BOT Annuity and EPC models.

As per the design, the government will contribute to 40% of the project cost in the first five years through annual payments (annuity). The remaining payment will be made on the basis of the assets created and the performance of the developer.

Source: TMH Ramesh Singh

**Q.10)** Which of the following statements is/are correct about “India Infrastructure Finance Company Ltd (IIFCL)”?

1. It is wholly owned by Government of India.
2. It provides long-term financial assistance to viable infrastructure projects.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** IIFCL is a wholly-owned Government of India Company set up in 2006 to provide long-term financial assistance to viable infrastructure projects through the Scheme for Financing Viable Infrastructure Projects through a Special Purpose Vehicle called India Infrastructure Finance Company Ltd (IIFCL), broadly referred to as SIFTI.

- The sectors eligible for financial assistance from IIFCL are as per the Harmonized list of Infrastructure Sub-Sectors as approved by the Government and as amended from time to time.
- These broadly include transportation, energy, water, and sanitation, and communication, social and commercial infrastructure.

Source: TMH Ramesh Singh

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## *Intellectual Property Rights*

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**Q.1)** Which of the following is associated with the Protection of Literary and Artistic Works?

- a) Berne Convention
- b) Paris Convention
- c) Rotterdam Convention
- d) Stockholm Convention

**ANS: A**

**Explanation:** The importance of intellectual property was first recognized in the Paris Convention for the Protection of Industrial Property (1883) and the Berne Convention for the Protection of Literary and Artistic Works (1886).

Both treaties are administered by the World Intellectual Property Organization (WIPO) (1967).

Source: WIPO

**Q.2)** The validity time period of a patent in India is how many years?

- a) 10 years
- b) 15 years
- c) 20 years
- d) Life – term

**ANS: C**

**Explanation:** The term of every patent in India is twenty years from the date of filing the patent application, irrespective of whether it is filled with provisional or complete specification.

However, in case of applications filed under the Patent Cooperative Treaty (PCT), the term of twenty years begins from the priority date.

Source: Sriram's IAS

**Q.3)** Which of the following is/are criteria for patentability?

1. It should be novel.
2. It should be capable of Industrial application.
3. It should be obvious.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** An invention is patentable subject matter if it meets the following criteria –

- It should be novel.
- It should have inventive step or it must be non-obvious
- It should be capable of Industrial application.
- It should not attract the provisions of section 3 and 4 of the Patents Act 1970.

Source: [https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final\\_FREQUENTLY\\_ASKED\\_QUESTIONS\\_-PATENT.pdf](https://ipindia.gov.in/writereaddata/Portal/Images/pdf/Final_FREQUENTLY_ASKED_QUESTIONS_-PATENT.pdf)



**Q.4)** Which of the following are can trademark in India?

1. Letter
2. Sound mark
3. Phrase
4. Logo

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The process of brand trademark registration in India is now possible and convenient such that you can trademark any one of the below things or even a combination of the following:

- Letter
- Word
- Number
- Phrase
- Graphics
- Logo
- Sound Mark
- Smell or a mix of colors

Source: <https://cleartax.in/s/trademark-registration-procedure->

**Q.5)** “Madrid Agreement of 1881” is related to which of the following?

- a) Patents
- b) Trade Marks
- c) Trade Marks Industrial Designs
- d) Plant protection

**ANS: B**

**Explanation:** Madrid Agreement, 1881 – Governs the international recognition of trademarks.

Source: Sriram’s IAS

**Q.6)** “Budapest Treaty of 1980” is related to which of the following?

- a) Plant varieties
- b) Micro – organisms
- c) Literary works
- d) Music albums

**ANS: B**

**Explanation:** Budapest Treaty of 1980 – It made possible patenting for micro-organisms. Claimant is required to deposit his invention on micro-organisms with an Authority – ‘International depository of Micro-Organisms’ under WIPO.

Source: Sriram’s IAS

**Q.7)** Which of the following way/ways to protect geographical indication?

1. Special regimes of protection.
2. Using collective or certification marks.

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3. Methods focusing on business practices, including administrative product approval schemes.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** There are three main ways to protect a geographical indication:

- so-called sui generis systems (i.e. special regimes of protection);
- using collective or certification marks; and
- methods focusing on business practices, including administrative product approval schemes.

Source: Sriram's IAS

**Q.8)** With reference to the Traditional Knowledge Digital Library, which of the following statements is/are correct?

- 1. It is collaboration between TISS and CSIR.
- 2. It has converted the database into five international languages in patent application formats.

Select the correct answer using the codes given below:

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

**ANS: B**

**Explanation:** Traditional Knowledge Digital Library is a collaboration – between the Council of Scientific and Industrial Research (CSIR) and the Department of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (Dept. of AYUSH), Ministry of Health & Family Welfare, Government of India.

- It manages a database of knowledge that exists in various local languages such as Sanskrit, Urdu, Arabic, Persian and Tamil.
- TKDL has also converted the database into five international languages in patent application formats.
- So far, over 2lakh medicinal formulations have been transcribed and the database is present in 30 million A4-size pages.

Source: TKDL

**Q.9)** Consider the following statements regarding the Directorate General of Foreign Trade (DGFT) organization:

- 1. Its mandate is to formulating and implementing the Foreign Trade Policy with the main objective of promoting India's exports.
- 2. It is an attached office of the Ministry of Commerce and Industry.

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

**ANS: C**

**Explanation:** Directorate General of Foreign Trade (DGFT) organization is an attached office of the Ministry of Commerce and Industry and is headed by Director General of Foreign Trade.

- Right from its inception till 1991, when liberalization in the economic policies of the Government took place, this organization has been essentially involved in the regulation and promotion of foreign trade through regulation.
- Keeping in line with liberalization and globalization and the overall objective of increasing of exports, DGFT has since been assigned the role of “facilitator”.
- The shift was from prohibition and control of imports/exports to promotion and facilitation of exports/imports, keeping in view the interests of the country.
- This Directorate, with headquarters at New Delhi, is responsible for formulating and implementing the Foreign Trade Policy with the main objective of promoting India’s exports.
- The DGFT also issues scrips/authorization to exporters and monitors their corresponding obligations through a network of 38 regional offices and an extension counter at Indore.

Source: TMH Ramesh Singh

**Q.10)** Which of the following is/are correctly matched?

Committee/Panel	:	Significance
1. Ranga Rajan Committee	:	Balance of Payments
2. Vijay Kelkar Committee	:	Goods & Service Tax
3. Tarapore Committee	:	Monetary policy

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Besides, economic reforms in various sectors, various Committees were set up from time to time (by the Government of India and by RBI) to discuss policy issues related to international trade and balance of payments.

Some of the important Committees were –

- Committee on Export – Import Policies & Procedures (Alexander Committee, 1978),
- Committee on Trade policy (Abid Hussain Committee, 1984),
- High – level Committee on Balance of Payments (Rangarajan Committee 1993), and
- Committee on Capital Account Convertibility (Tarapore Committee I 1997 & Tarapore Committee II 2006).

In 2003, the Vajpayee government forms a task force under Vijay Kelkar to recommend tax reforms. In 2004, Vijay Kelkar, then advisor to the Finance Ministry, recommends GST to replace the existing tax regime.

Source: TMH Ramesh Singh

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## *Economic Survey 2020 – 2021*

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

1. Counter-cyclical fiscal policy stabilizes the business cycle by being contractionary in good times and expansionary in bad times.
2. Pro-cyclical fiscal policy is the one wherein fiscal policy reinforces the business cycle by being expansionary during good times and contractionary during recessions.

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

**ANS: C**

**Explanation:** Indian Kings used to build palaces during famines and droughts to provide employment and improve the economic fortunes of the private sector.

- Economic theory, in effect, makes the same recommendation: in a recessionary year, Government must spend more than during expansionary times.
- Such counter-cyclical fiscal policy stabilizes the business cycle by being contractionary (reduce spending/increase taxes) in good times and expansionary (increase spending/reduce taxes) in bad times.
- On the other hand, a pro-cyclical fiscal policy is the one wherein fiscal policy reinforces the business cycle by being expansionary during good times and contractionary during recessions.

Source: Economic Survey 2020 – 2021

**Q.2)** “Ricardian Equivalence Proposition (REP)” is associated with which of the following?

- a) Foreign Trade
- b) Money Supply
- c) Government spending
- d) Industrial expansion

**ANS: C**

**Explanation:** Ricardian equivalence is an economic theory that says that financing government spending out of current taxes or future taxes (and current deficits) will have equivalent effects on the overall economy.

- This means that attempts to stimulate an economy by increasing debt-financed government spending will not be effective because investors and consumers understand that the debt will eventually have to be paid for in the form of future taxes.
- The theory argues that people will save based on their expectation of increased future taxes to be levied in order to pay off the debt, and that this will offset the increase in aggregate demand from the increased government spending.
- This also implies that Keynesian fiscal policy will generally be ineffective at boosting economic output and growth.
- This theory was developed by David Ricardo in the early 19th century and later was elaborated upon by Harvard professor Robert Barro.

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- For this reason, Ricardian equivalence is also known as the Barro-Ricardo equivalence proposition.

Source: Economic Survey 2021 and Investopedia

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

1. Credit ratings map the probability of default and therefore reflect the willingness and ability of borrower to meet its obligations.
2. India in last two decades never awarded A+ or A grade by international credit rating agencies.
3. At present India has the Investment grade.

Which of the statements given above is/are correct?

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

**ANS: D**

**Explanation:** Credit ratings map the probability of default and therefore reflect the willingness and ability of borrower to meet its obligations.

- India's willingness to pay is unquestionably demonstrated through its zero sovereign default history.
- During most of the 1990s and mid 2000s, India's sovereign credit rating was speculative grade.
- India's credit rating was upgraded to investment grade by Moody's in 2004, Fitch in 2006 and S&P in 2007.

**Table 1: India's Sovereign Credit Rating (1998-2020)**

Date	S&P	Moody's	Fitch
June 1998		Ba2*	
October 1998	BB*		
March 2000			BB+*
November 2001			BB*
February 2003		Ba1*	
January 2004			BB+*
January 2004		Baa3	
February 2005	BB+*		
August 2006			BBB-
January 2007	BBB-		
November 2017		Baa2	
June 2020		Baa3	

\*Speculative Grade; Green highlights ratings upgrade; Red highlights ratings downgrade, Black indicates first rating

Source: Compiled from S&P Global, Fitch and Moody's

Source: Economic Survey 2021

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

1. India has second highest hospitalization rate in the world after OECD countries.
2. India has one of the highest levels of Out Of Pocket Expenditure in the world.

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

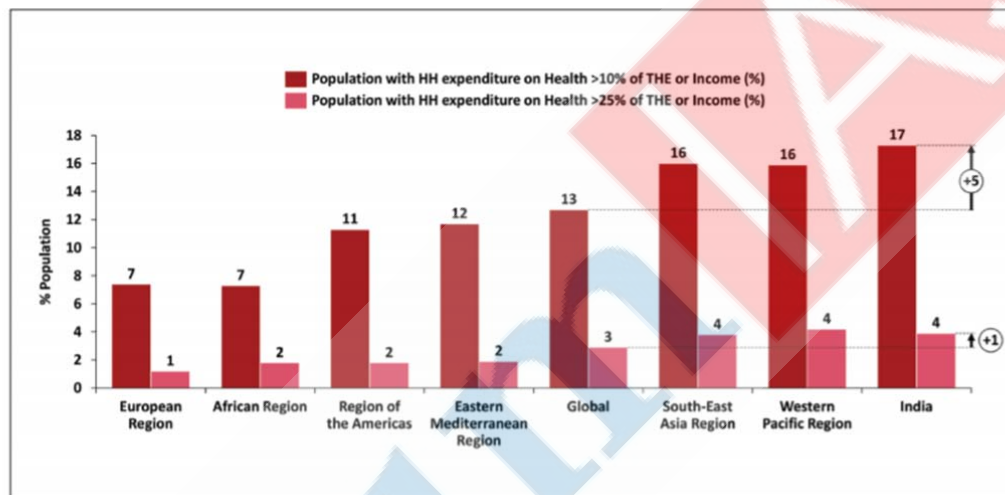
**ANS: B**

**Explanation:** At 3-4 per cent, the hospitalization rates in India are among the lowest in the world; the average for middle income countries is 8-9 per cent and 13-17 per cent for OECD countries.

### High out-of-pocket health expenditures

5.17 As shown in Figure 3 and supported by Figure 7 below, India has one of the highest levels of OOPE in the world.

**Figure 7: Comparison of Health Expenditure across different regions**



Source: World Health Statistics 2020

Source: Economic Survey 2021

**Q.5)** “World Health Statistics” is annually released by?

- a) WEF
- b) WHO
- c) Doctors without Borders
- d) Amnesty International

**ANS: B**

**Explanation:** WHO's annual World Health Statistics report present the most recent health statistics for the WHO Member States.

**Q.6)** In which of the following indicator of ‘World Rule of Law Index’ published by the World Justice Project India has improved its ranking?

- a) Government regulations are effectively enforced
- b) Government regulations are applied and enforced without improper influence
- c) Administrative proceedings are conducted without unreasonable delay
- d) Due process is respected in administrative proceedings

**ANS: D**

**Explanation:** The 'World Rule of Law Index' published by the World Justice Project provides cross country comparison on various aspects of regulatory enforcement.

- The index has various sub-categories, which capture compliance to due processes, effectiveness, timelines, etc.
- In 2020, India's rank is 45 out of 128 countries in the category of 'Due process is respected in administrative proceedings' (proxy for following due process).

**Table 1: India's rank in various categories of regulatory enforcement**

	2015	2020
<b>Regulatory Enforcement overall rank</b>	69	74
Government regulations are effectively enforced	87	104
Government regulations are applied and enforced without improper influence	74	107
Administrative proceedings are conducted without unreasonable delay	75	89
Due process is respected in administrative proceedings	72	45
Number of Countries	102	128

Source: World Justice Project

Source: Economic Survey 2021

**Q.7)** Which of the following scheme/schemes is/are Central Sponsored Scheme for Agriculture Sector?

1. Formation and promotion of Farmer Producer Organizations (FPOs).
2. Pradhan Mantri Fasal Bima Yojana.
3. Pradhan Mantri Kisan Samman Nidhi (Pm-Kisan).

Select the correct answer using the code given below:

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

**ANS: B**

**Explanation:** Pradhan Mantri Kisan Samman Nidhi (Pm-Kisan) is a Central Sector Scheme. It provides income support to all small and marginal landholding farmer families having cultivable land.

- PM Fasal Bima Yojana is a centrally sponsored scheme and it replaced all other existing insurance schemes except the Restructured Weather-Based Crop Insurance Scheme.
- Formation and Promotion of Farmer Producer Organizations (FPOs) is a Central Sector Scheme under Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW).

Source: Economic Survey 2020 – 2021

**Q.8)** Consider the following statements regarding the Pradhan Mantri Matsya Sampada Yojana (PMMSY):

1. It will be implemented over a period of 5 years from FY 2020-21 to FY 2024-25 in all States/Union Territories.
2. More than 50% of the total estimated investment of the PMMSY is earmarked for creation and up-gradation of fisheries infrastructure facilities.

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3. The scheme plans to reduce post-harvest losses from the present high of 25% to about 10% by modernizing and strengthening value chain.

Which of the statements given above is/are correct?

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

**ANS: C**

**Explanation:** The Pradhan Mantri Matsya Sampada Yojana (PMMSY) aims to enhance fish production to 220 lakh metric tons by 2024-25 from 137.58 lakh metric tons in 2018-19 at an average annual growth rate of about 9%.

- The Union Minister for Fisheries, Animal Husbandry and Dairying, Shri Giriraj Singh, said the ambitious scheme will result in doubling export earnings to Rs.1,00,000 crore and generate about 55 lakhs direct and indirect employment opportunities in fisheries sector over a period of next five years.
- Dedicating the PMMSY to fishers, fish farmers, fish workers, fish vendors and other stakeholders associated with the fisheries sector, Shri Giriraj Singh said that insurance coverage for fishing vessels is being introduced for the first time.
- The PMMSY will be implemented over a period of 5 years from FY 2020-21 to FY 2024-25 in all States/Union Territories.
- The Fisheries Minister said that about 42% of the total estimated investment of the PMMSY is earmarked for creation and upgradation of fisheries infrastructure facilities.
- Focus areas include Fishing Harbours and Landing Centers, Post-harvest and Cold Chain Infrastructure, Fish Markets and Marketing Infrastructure, Integrated Modern Coastal Fishing Villages and Development of Deep-sea Fishing.
- Besides creating critical fisheries infrastructure by attracting private investments in fisheries sector, the scheme plans to reduce post-harvest losses from the present high of 25% to about 10% by modernizing and strengthening value chain.
- Under the Swath Sagar plan, activities envisaged with a view to modernize the fisheries sector include promotion of Bio-toilets, Insurance coverage for fishing vessels, Fisheries Management Plans, E-Trading/Marketing, Fishers and resources survey and creation of National IT-based databases.

Source: The Hindu

**Q.9)** With reference to the India's public debt – to – GDP, which of the following statements is/are correct?

- 1. India's overall debt levels as a per cent of GDP are the highest amongst the group of G-20 countries.
- 2. Private debt – to – GDP is more than Government debt – to – GDP.

Select the correct answer using the codes given below:

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

**ANS: D**

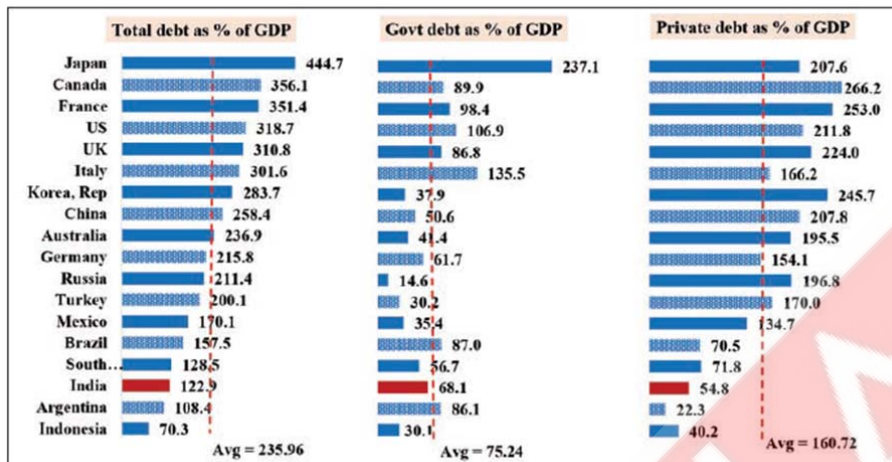
**Explanation:** A cross-country comparison of debt levels points out that for India, the government debt level as a proportion of GDP is equal to the median in the group of G-20 OECD countries and in the group of BRICS nations.



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India's overall debt levels as a per cent of GDP are the lowest amongst the group of G-20 OECD countries and also among the group of BRICS nations.

Figure 17: Debt-to-GDP ratio for India amongst the Rest of the world (2018)



Source: IMF Debt database

Source: Economic Survey 2020 – 2021

**Q.10)** According to International credit rating agencies, A+ or A1 rating means?

- a) Strong payment capacity
- b) Adequate payment capacity
- c) Likely to fulfill obligation
- d) High – risk obligation

**ANS: A**

**Explanation:**

Credit Rating Scale Comparison between some major CRAs		
Interpretation	Fitch and S&P	Moody's
Highest quality	AAA	Aaa
High quality	AA+	Aa1
	AA	Aa2
	AA-	Aa3
Strong payment capacity	A+	A1
	A	A2
	A-	A3
Adequate payment capacity	BBB+	Baa1
	BBB	Baa2
	BBB-	Baa3
Likely to fulfill obligations, on going uncertainty	BB+	Ba1
	BB	Ba2
	BB-	Ba3
High-risk obligations	B+	B1
	B	B2
	B-	B3
Vulnerable to default	CCC+	Caa1
	CCC	Caa2
	CCC-	Caa3
Near or in bankruptcy or default	CC	Ca
	C	C
	D	D

Source: IMF (2010)

Source: Economic Survey 2021

## *Economic Survey 2020 – 2021 and Reports*

**Q.1)** Which of the following statements is/are correct regarding India's Intended Nationally Determined Contributions (INDCs) contributions?

1. India has pledged to reduce the emissions intensity of its GDP by 33 to 35 per cent below 2005 levels by the year 2050.
2. 40 per cent of cumulative electric power installed capacity from non-fossil fuel sources by 2050.
3. Enhancing the forest and tree cover to create additional carbon sink equivalent to 2.5 to 3 billion tons of carbon dioxide by 2030.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** India has been taking several proactive climate actions to fulfill its obligations as per the principles of common but differentiated responsibilities and respective capabilities and equity.

- The Nationally Determined Contribution (NDC) submitted by the country has been formulated keeping in mind the developmental imperatives of the country and is on a "best effort basis".
- In its NDC, India has sought to reduce the emissions intensity of its GDP by 33 to 35 per cent below 2005 levels by the year 2030;
- Achieve 40 per cent of cumulative electric power installed capacity from non-fossil fuel sources by 2030;
- And enhance forest and tree cover to create additional carbon sink equivalent to 2.5 to 3 billion tons of carbon dioxide by 2030.
- The other goals pertain to adoption of sustainable lifestyles based on traditional values of conservation and moderation, adaptation to climate change, clean economic development and environment friendly technology, etc.

Source: Economic Survey 2021

**Q.2)** Consider the following statements regarding the Creative destruction:

1. It refers to the incessant product and process innovation mechanism by which new production units replace outdated ones.
2. Over the long run, the process of creative destruction accounts for over 50 per cent of productivity growth.
3. It was coined by Adam Smith.

Which of the statements given above is/are correct?

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

**ANS: B**

**Explanation:** Creative destruction refers to the incessant product and process innovation mechanism by which new production units replace outdated ones.

- This restructuring process permeates major aspects of macroeconomic performance, not only long-run growth but also economic fluctuations, structural adjustment and the functioning of factor markets.
- Over the long run, the process of creative destruction accounts for over 50 per cent of productivity growth.
- At business cycle frequency, restructuring typically declines during recessions, and this adds a significant cost to downturns.
- Obstacles to the process of creative destruction can have severe short- and long-run macroeconomic consequences.
- It was coined by Joseph Schumpeter (1942), who considered it 'the essential fact about capitalism'.

Source: Economic Survey

**Q.3)** The World Development report is released by which of the following?

- a) Fraser Institute
- b) World Economic Forum
- c) World Trade Organization
- d) World Bank

**ANS: D**

**Explanation:** The World Development Report is an annual report published since 1978 by the International Bank for Reconstruction and Development or World Bank.

Each WDR provides in-depth analysis of a specific aspect of economic development.

Source: The Hindu

**Q.4)** Consider the following statements regarding the National List of Essential Medicines (NLEM):

1. The first National List of Essential Medicines of India was prepared and released in eighth plan.
2. The list is prepared by Ministry of AYUSH.

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

**ANS: A**

**Explanation:** The National list of essential medicines is one of the key instruments in balanced healthcare delivery system of a country which inter alia includes accessible, affordable quality medicine at all the primary, secondary, tertiary levels of healthcare.

- The first National List of Essential Medicines of India was prepared and released in 1996 (Eighth plan).
- The National List of Essential Medicines (NLEM), prepared by Ministry of Health and Family Welfare, is a list of medicines considered essential and high priority for India's health needs.
- DPCOs are issued by the Government, in exercise of the powers conferred under section 3 of the ECA to ensure that the medicines listed under NLEM are available at a reasonable price to the general public.

Source: The Hindu

**Q.5)** The 2030 agenda for Sustainable Development with 17 Sustainable Development Goals (SDGs) and consists of how many associated targets?

- a) 129
- b) 139
- c) 169
- d) 189

**ANS: C**

**Explanation:** The 2030 agenda for Sustainable Development with 17 Sustainable Development Goals (SDGs) and 169 associated targets encompasses a comprehensive developmental agenda integrating social, economic and environmental dimensions.

Source: Economic Survey

**Q.6)** The term “Smurfing” is related to which of the following?

- a) Trafficking
- b) Money laundering
- c) Round tripping
- d) Cyber attack

**ANS: B**

**Explanation:** Smurfing (also called structuring) is a method in which small sizes of money is kept in several number of bank accounts to hide the real identity of the real owner.

- This has been a very commonly used method of money-laundering.
- During the reform period, as more prudential norms of banking regulation evolved, such acts declined in India.

‘Smurfer’ (or ‘money mule’) is a person who does this.

Source: TMH Ramesh Singh

**Q.7)** “Leaving No One Behind” - is associated with which of the following?

- a) Sustainable Development Goals
- b) Intended Nationally Determined Contributions (INDCs)
- c) Millennium Development Goals
- d) International Solar Alliance

**ANS: A**

**Explanation:** Leave no one behind (LNOB) is the central, transformative promise of the 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs).

It represents the unequivocal commitment of all UN Member States to eradicate poverty in all its forms, end discrimination and exclusion, and reduce the inequalities and vulnerabilities that leave people behind and undermine the potential of individuals and of humanity as a whole.

Source: <https://unsdg.un.org/2030-agenda/universal-values/leave-no-one-behind>

**Q.8)** The “Operation Twist” often seen in news is related to which of the following?

- a) Buy Buying foreign assets
- b) Foreign trade
- c) Lines of Credit
- d) Buy and sale of government securities

**ANS: D**

**Explanation:** The Reserve Bank of India (RBI) will simultaneously buy and sale government securities worth ₹10,000 crore each in December 2019 under its open market operations — a move aimed at managing the yields.

- The RBI will purchase the longer-term maturities, that are trading at a spread of 150 bps (basis points) over the repo rate, so that the yield of these papers will soften and sell the shorter duration ones.
- The central bank said it will buy ₹10,000 crore of 6.45% government bonds maturing in 2029 and simultaneously sell ₹10,000 crore of short-term bonds maturing in 2020.
- Operation Twist is a move taken by U.S. Federal Reserve in 2011-12 to make long-term borrowing cheaper.

Source: The Hindu

**Q.9)** The Protected Special Agricultural Zone (PSAZ), sometimes seen in news is related to which of the following state?

- a) Karnataka
- b) Tamil Nadu
- c) Maharashtra
- d) Madhya Pradesh

**ANS: B**

**Explanation:** The Tamil Nadu Government has introduced a Bill in the Legislative Assembly seeking to declare the Cauvery delta region a Protected Special Agriculture Zone (PSAZ).

- The Bill said, since certain non-farming activities were adversely affecting agriculture in the region, threatening the State's food security, "to protect the agriculture in this region, it is proposed to prohibit certain activities in the region."
- The Bill also sought to establish a 30-member Tamil Nadu Protected Agricultural Zone Authority headed by the Chief Minister to advise the government on various measures to protect and improve farming activities to increase farm production and farm productivity to serve the interest of farmers.
- The proposed PSAZ would comprise of Thanjavur, Tiruvarur and Nagapattinam districts and five blocks each in Cuddalore and Pudukkottai districts.

Source: The Hindu

**Q.10)** Which of the following crops are monitored under Market Intelligence and Early Warning System (MIEWS) Portal?

1. Rice
2. Onions
3. Wheat
4. Tomato
5. Potato
6. Fruits

Select the correct answer using the code given below:

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

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**ANS: A**

**Explanation:** The MIEWS Dashboard and Portal is a 'first-of-its-kind' platform for 'real time monitoring' of prices of tomato, onion and potato (TOP) and for simultaneously generating alerts for intervention under the terms of the Operation Greens (OG) scheme.

- This portal is a novel initiative of MoFPI leveraging IT tools and furthering the goals of Digital India.
- The portal would disseminate all relevant information related to TOP crops such as Prices and Arrivals, Area, Yield and Production, Imports and Exports, Crop Calendars, Crop Agronomy, etc in an easy to use visual format.

Source: <https://miews.nafed-india.com/>

ForumIAS

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## General Science

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

1. SODAR (Sonic Detection and Ranging) is used to measure the wind speed.
2. One of the defects of SODAR is relatively hard to transport and assemble.

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

**ANS: A**

**Explanation:** As the wind energy industry expands and larger-scale projects are developed, wind turbines are becoming larger in rotor diameter as well as in hub height.

- Accordingly it is becoming difficult to accurately assess the wind resource with standard cup anemometers mounted on standard height (60m) meteorological (met) towers.
- For this reason, attention is being directed to other methods of wind speed measurement, such as SODAR (Sonic Detection and Ranging).
- Since the SODAR can measure wind speed as a function of height and is relatively easy to transport and assemble, the technology is very appealing.

Source: NCERT

**Q.2)** Which of the following event/event produces the “Gravitational Waves”?

1. Colliding black holes.
2. Massive stars exploding at the end of their lifetimes.
3. Super Cyclones.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The strongest gravitational waves are produced by cataclysmic events such as colliding black holes, supernovae (massive stars exploding at the end of their lifetimes), and colliding neutron stars.

Other waves are predicted to be caused by the rotation of neutron stars that are not perfect spheres, and possibly even the remnants of gravitational radiation created by the Big Bang.

Source: NCERT

**Q.3)** Which of the following is/are the examples of sublimation substances?

1. Menthol
2. Iodine
3. Dry ice

Select the correct answer using the codes given below:

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

d) 1, 2 and 3

**ANS: D**

**Explanation:** Familiar substances that sublime readily include iodine (shown below), dry ice (shown below), menthol, and camphor.

Sublimation is occasionally used in the laboratory as a method for purification of solids, for example, with caffeine.

Source: NCERT

**Q.4)** Which of the following statements is/are correct about “Oxides of Sulfur”?

1. It is a colorless gas that can be detected by taste and smell.
2. It is hard to dissolve in water.

Select the correct answer using the codes given below:

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

**ANS: A**

**Explanation:** Sulfur oxides (SO<sub>x</sub>) are compounds of sulfur and oxygen molecules. Sulfur dioxide (SO<sub>2</sub>) is the predominant form found in the lower atmosphere.

- It is a colorless gas that can be detected by taste and smell in the range of 1,000 to 3,000 micrograms per cubic meter (μg/m<sup>3</sup>).
- At concentrations of 10,000 μg/m<sup>3</sup>, it has a pungent, unpleasant odor. Sulfur dioxide dissolves readily in water present in the atmosphere to form sulfurous acid (H<sub>2</sub>SO<sub>3</sub>).
- About 30% of the sulfur dioxide in the atmosphere is converted to sulfate aerosol (acid aerosol), which is removed through wet or dry deposition processes.
- Sulfur trioxide (SO<sub>3</sub>), another oxide of sulfur, is either emitted directly into the atmosphere or produced from sulfur dioxide and is rapidly converted to sulfuric acid (H<sub>2</sub>SO<sub>4</sub>).

Source: NCERT

**Q.5)** Which of the following statements is/are correct about “Styrene”?

1. It is a colorless liquid that evaporates easily and has a sweet smell.
2. It doesn't dissolve easily in water.
3. Low levels of styrene also occur naturally in a variety of foods such as fruits, vegetables, nuts, beverages, and meats.

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** Styrene is primarily a synthetic chemical. It is also known as vinyl benzene, ethenyl benzene, cinnamene, or phenyl ethylene.

- It's a colorless liquid that evaporates easily and has a sweet smell. It often contains other chemicals that give it a sharp, unpleasant smell.



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- It dissolves in some liquids but doesn't dissolve easily in water. Billions of pounds are produced each year to make products such as rubber, plastic, insulation, fiberglass, pipes, automobile parts, food containers, and carpet backing.
- Most of these products contain styrene linked together in a long chain (polystyrene) as well as unlinked styrene.
- Low levels of styrene also occur naturally in a variety of foods such as fruits, vegetables, nuts, beverages, and meats.

Source: The Hindu

**Q.6)** Which of the following gases are created at the beginning of universe?

1. Hydrogen
2. Helium
3. Lithium

Select the correct answer using the codes given below:

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

**ANS: D**

**Explanation:** The only chemical elements created at the beginning of our universe were hydrogen, helium and lithium, the three lightest atoms in the periodic table. These elements were formed throughout the universe as a hot gas.

Source: NCERT

**Q.7)** Which of the following statements is/are correct about "Arthropod"?

1. They are everywhere and are the largest animal phylum.
2. Arthropods are cold blooded animals.

Select the correct answer using the codes given below:

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

**ANS: C**

**Explanation:** Arthropods are everywhere and are the largest animal phylum -- about 85% of all known animals in the world are part of this class.

- There are far more species of arthropods than there are species in all the other phylum's (phyla) combined.
- They are spiders, insects, centipedes, mites, ticks, lobsters, crabs, shrimp, crayfish, krill, barnacles, scorpions and many, many others.
- Arthropods are cold blooded -- which means, their body temperature depends on the temperature of the environment surrounding them.

Source: The Hindu

**Q.8)** PFAS (Per- and polyfluoroalkyl substances), is often seen in news is associated with which of the following?

- a) Organic Fertilizers
- b) Bio-pesticides
- c) E - Waste
- d) Cosmetics

**ANS: D**

**Explanation:** Researchers at the University of Notre Dame tested more than 230 commonly used cosmetics and found that 56% of foundations and eye products, 48% of lip products and 47% of mascaras contained fluorine — an indicator of PFAS (Per- and polyfluoroalkyl substances), so-called “forever chemicals” that are used in nonstick frying pans, rugs and countless other consumer products.

- Some of the highest PFAS levels were found in waterproof mascara (82%) and long-lasting lipstick (62%), according to the study published Tuesday in the journal Environmental Science & Technology Letters.
- Twenty-nine products with higher fluorine concentrations were tested further and found to contain between four and 13 specific PFAS chemicals, the study found. Only one item listed PFAS as an ingredient on the label.

Source: <https://www.thehindu.com/sci-tech/science/half-of-us-cosmetics-contain-toxic-chemicals-study/article34827360.ece>

**Q.9)** The polarimetry technique is recently in news is related to which of the following?

- a) Optical activity
- b) Measuring ozone
- c) Electricity measurement
- d) Pollen Carbon Dating method

**ANS: A**

**Explanation:** Polarimetry is a sensitive, nondestructive technique for measuring the optical activity exhibited by inorganic and organic compounds.

- A compound is considered to be optically active if linearly polarized light is rotated when passing through it.
- A team of astronomers has discovered that the closest known brown dwarf, Luhman 16A, shows signs of cloud bands similar to those seen on Jupiter and Saturn.
- The researchers used an instrument on the Very Large Telescope in Chile to study polarised light from the Luhman 16 system. Polarisation is a property of light that represents the direction that the light wave oscillates.
- The polarimetry technique is not limited to brown dwarfs. It can also be applied to exoplanets orbiting distant stars. The atmospheres of hot, gas giant exoplanets are similar to those of brown dwarfs.

Source: The Hindu

**Q.10)** Consider the following statements regarding the Black Hole:

1. A black hole is a place in space where gravity pulls so much that even light cannot get out.
2. The super-massive black hole at the center of the Milky Way galaxy is called Sagittarius A.
3. The Sun is not a big enough star to make a black hole.

Which of the statements given above is/are correct?

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

**ANS: D**

**Explanation:** A black hole is a place in space where gravity pulls so much that even light cannot get out. The gravity is so strong because matter has been squeezed into a tiny space. This can happen when a star is dying.

- The largest black holes are called "supermassive." These black holes have masses that are more than 1 million suns together. Scientists have found proof that every large galaxy contains a supermassive black hole at its center.
- The supermassive black hole at the center of the Milky Way galaxy is called Sagittarius A. It has a mass equal to about 4 million suns and would fit inside a very large ball that could hold a few million Earths.
- Even if a black hole the same mass as the sun were to take the place of the sun, Earth still would not fall in.
- The black hole would have the same gravity as the sun. Earth and the other planets would orbit the black hole as they orbit the sun now.
- The sun will never turn into a black hole. The sun is not a big enough star to make a black hole.

Source: NCERT and The Hindu