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## Prelims Marathon

3<sup>rd</sup> week March, 2024

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*HISTORY  
ECONOMICS  
POLITY  
SCIENCE AND TECHNOLOGY  
GEOGRAPHY AND ENVIRONMENT*

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## Prelims Marathon Compilation March [Third Week] 2024

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## Planning in India – II

**Q.1) Which of the following plan is based on “Gadgil Startegy”?**

- a) First plan
- b) Third plan
- c) Fourth plan
- d) Sixth plan

**ANS: C**

**Explanation:** Fourth Plan: The 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.

**Source: Ramesh Singh**

**Q.2) In which of the following plan the “twenty point programme” was launched?**

- a) First plan
- b) Third plan
- c) Fourth plan
- d) Fifth plan

**ANS: D**

**Explanation:** The fifth plan (1974–79) has its focus on poverty alleviation and self-reliance.

The popular rhetoric of poverty alleviation was sensationalized by the government to the extent of launching a fresh plan, i.e., the Twenty-point Programme (1975) with a marginal importance being given to the objective of ‘growth with stability’ (one of the major objectives of the Fourth Plan).

**Source: Ramesh Singh**

**Q.3) During which plan the slogan of Garibi Hatao was launched?**

- a) First plan
- b) Third plan
- c) Fourth plan
- d) Sixth plan

**ANS: D**

**Explanation:** Sixth Plan This Plan (1980–85) was launched with the slogan of ‘Garibi Hatao’ (alleviate poverty).

Already, a programme (the TPP) was tested and tried by the same government in the Fifth Plan which tried to improve the standard of living of the poor masses with the ‘direct approach’ (the idea of poverty alleviation, but such a slogan of ‘Garibi Hatao’ was not given to the programme).

**Source: Ramesh Singh**

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**Q.4) Which of the following programmes/schemes were initiated during sixth plan?**

1. National Rural Employment Programme
2. Biogas Programme
3. Green revolution

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: B**

**Explanation:** Some of the major issues addressed by the Plan were—emphasis on socioeconomic infrastructure in rural areas; eliminating rural poverty and reducing regional disparities through the IRDP (1979);

- 'Target group' approach initiated; a number of national level programmes and schemes were launched during the plan, which tried to attend to the specific areas and the specific concerns of socio-economic development (this is the 'target group' approach):
- National Rural Employment Programme (NREP)—1980 (ii) Restructured Twenty-Point Programme—1982 (iii) Biogas Programme—1982 (iv) Development of Women and Children in Rural Areas (DWERA) - 1983.

**Source: Ramesh Singh**

**Q.5) Which of the following period annual plans were implemented?**

- a) 1962 - 64
- b) 1972 - 74
- c) 1990 - 92
- d) 1998 - 2000

**ANS: C**

**Explanation:** The Eighth Plan (whose term would have been 1990-95) could not take off due to the 'fast-changing political situation at the Centre'.

- The path breaking and restructuring-oriented suggestions of the Eighth Plan, the sweeping economic reforms ensuing around the world, as well as the fiscal imbalances of the late 1980s were the other important reasons for the delay in the launch of the Eighth Plan.
- The new government, which assumed power at the centre in June 1991, decided to commence the Eighth Plan for the period 1992-97 and that the fiscals 1990-91 and 1991-92 should be treated as two separate Annual Plans.

**Source: Ramesh Singh**

**Q.6) During which plan South East Asian Financial Crisis took place?**

- a) Sixth plan
- b) Seventh plan
- c) Ninth plan
- d) Tenth plan

**ANS: C**

**Explanation:** The Ninth Plan (1997-2002) was launched when there was an all round 'slowdown' in the economy led by the South East Asian Financial Crisis (1996-97).

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**Source: Ramesh Singh**

**Q.7) Which of the following area/s was/were given more emphasis during ninth plan?**

1. Reduction in the revenue deficit
2. Cutting down subsidies
3. Collection of user charges on economic services

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** The issue of fiscal consolidation became a top priority of the governments for the first time (9<sup>th</sup> plan), which had its focus on the following related issues:

- (i) Sharp reduction in the revenue deficit of the government, including centre, states and the PSUs through a combination of improved revenue collections and control of in-essential expenditures;
- (ii) Cutting down subsidies, collection of user charges on economic services (i.e., electricity, transportation, etc.), cutting down interest, wages, pension, PF, etc;
- (iii) Decentralization of planning and implementation through greater reliance on states and the PRIs.

**Source: Ramesh Singh**

**Q.8) Which of the following plan set the 'monitored targets' for eleven select indicators of development for the Centre as well as for the states?**

- a) Sixth plan
- b) Seventh plan
- c) Ninth plan
- d) Tenth plan

**ANS: D**

**Explanation:** Tenth Plan: The Plan (2002–07) commenced with the objectives of greater participation of the NDC in their formulation.

For the first time the Plan went to set the 'monitored targets' for eleven select indicators of development for the Centre as well as for the states.

**Source: Ramesh Singh**

**Q.9) Which of the following plan had the target and idea of "inclusive growth"?**

- a) Ninth plan
- b) Tenth plan
- c) Eleventh plan
- d) Twelfth plan

**ANS: C**

**Explanation:** Eleventh Plan: The Plan targets a growth rate of 10 per cent and emphasises the idea of 'inclusive growth'.

**Source: Ramesh Singh**

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**Q.10) The Member of Parliament Local Area Development Scheme (MPLADS) was launched during which plan?**

- a) Sixth plan
- b) Seventh plan
- c) Eighth plan
- d) Ninth plan

**ANS: C**

**Explanation:** The Member of Parliament Local Area Development Scheme (MPLADS) is the last of the Central Plans and latest to have been launched, too.

- The scheme was launched on December 23, 1993 with only Rs. 5 lakh given to each MP which was increased to Rs. 1 crore in the year 1994–95.
- When the MPs did put a demand to increase the sum to Rs. 5 crore in 1997–98, finally the government enhanced it to Rs. 2 crore since 1998–99.
- In April 2011 the corpus was enhanced to Rs. 5 crore while announcing the new guidelines for the scheme.

**Source: Ramesh Singh**

## NITI Aayog and Planning

**Q.1) Which of the following is/are agent/s of resource mobilization in India?**

- 1. Government of India
- 2. State Governments
- 3. General Public

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** For Indian economy to move on the path of desired growth and development, the Government of India (GoI) needs to take care of the issue of resource mobilization for various agents in the economy, namely –

- 1. Government of India
- 2. State Governments
- 3. Private sector and
- 4. General public

**Source: Ramesh Singh**

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**Q.2) Consider the following statements regarding central sector schemes:**

1. These are 100 per cent funded by the Union Government.
2. These schemes are mainly formulated on subjects from the Union List.

**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 Central Sector Schemes are 100 per cent funded by the Union Government and implemented by the Central Government machinery.

- These schemes are mainly formulated on subjects from the Union List.
- In addition, the Central ministries also implement some schemes directly in the states/UTs, which are called Central Sector Schemes, but resources under these schemes are not generally transferred to states.

**Source: Ramesh Singh**

**Q.3) Consider the following statements regarding “Independent Evaluation Office”:**

1. It has been created by the Government of India in February 2004.
2. It is modeled on the lines of Brazil’s National Council for the Evaluation of Social Development Policy.

**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:** An Independent Evaluation Office (IEO) has been created by the GoI in February 2014, at an arm’s distance from the government with the objective of strengthening public accountability of some of the important social sector programmes, which account huge resource mobilization such as the flagship programmes.

Conceived on the lines of Independent Evaluation Office (IEO) of the IMF, the body has been created on the basis of international experiences, in cooperation with the World Bank and the British DFID (Department for International Development)— It is modeled on the lines of Mexico’s National Council for the Evaluation of Social Development Policy.

**Source: Ramesh Singh**

**Q.4) Which of the following organization replaced the Planning Commission of India?**

- a) Independent Evaluation Office
- b) NITI Aayog
- c) Finance Commission
- d) Zonal Council

**ANS: B**

**Explanation:** Keeping its promises in the direction, the government abolished the Planning Commission (PC) and replaced it by a new body—the NITI Aayog (January 1, 2015).

**Source: Ramesh Singh**



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**Q.5) Which of the following is/are function/s of NITI Aayog?**

1. Allocation of funding between states.
2. Think tank offering domain knowledge as well as strategic expertise to all levels of the government.
3. Monitoring progress, plugging gaps and bringing together the various ministries at the Centre and in states.

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: B**

**Explanation:** Keeping with the changing times, the government decided to set up the NITI Aayog as a means to better serve the needs and aspirations of the people of India.

The government thinks the new institution to function as a catalyst to the developmental process—nurturing an overall enabling environment, through a holistic approach to development going beyond the limited sphere of the public sector and the GoI, which will be built on the foundations of:

- (i) An empowered role of states as equal partners in national development; operationalising the principle of Cooperative Federalism.
- (ii) A knowledge hub of internal as well as external resources, serving as a repository of good governance best practices, and a Think Tank offering domain knowledge as well as strategic expertise to all levels of the government.
- (iii) A collaborative platform facilitating Implementation; by monitoring progress, plugging gaps and bringing together the various ministries at the Centre and in states, in the joint pursuit of developmental goals.

**Source: Ramesh Singh**

**Q.6) Which of the following is/are pillar/s of NITI Aayog?**

1. Pro – people
2. Participation
3. Equality

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** The seven pillars of the NITI Aayog include Pro-activity, Pro-people, Participation, Empowering, Inclusion of all, Equality, and Transparency.

**Source: Ramesh Singh**



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**Q.7) The governing council of NITI aayog consists of?**

1. Chief Ministers of all states.
2. Lt. Governors of union territories.
3. Vice President

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: B**

**Explanation:** The Aayog will be a lean organization, modeled as a network of expertise, focusing on functionality, flexibility and domain knowledge, with the following 'structure' and 'mechanism':

- (i) Chairman: the Prime Minister of India (de-facto).
- (ii) Governing Council: will comprise the Chief Ministers of all states and Lt. Governors of union territories.

**Source: Ramesh Singh**

**Q.8) Which of the following is/are specialized wing/s of NITI aayog?**

1. Research wing
2. Consultancy wing
3. Communication wing

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: B**

**Explanation:** The Aayog will house a number of specialized 'Wings', as per the government document:

- (i) Research Wing: It will develop in-house sectoral expertise as a dedicated think tank of top notch domain experts, specialists and scholars.
- (ii) Consultancy Wing: It will provide a market-place of whetted panels of expertise and funding, for Central and state governments to tap into; matching their requirements with solution providers, public and private, national and international.
- (iii) Team India Wing: It will comprise representatives from every state and ministry and will serve as a permanent platform for national collaboration.

**Source: Ramesh Singh**

**Q.9) Which of the following organization releases the "Composite Water Management Index (CWMI) report?**

- a) NITI Aayog
- b) Environment ministry
- c) Centre for Science and Environment
- d) Inter - State council

**ANS: A**

**Explanation:** According to the Composite Water Management Index (CWMI) report released by the NITI Aayog in 2018, 21 major cities (Delhi, Bengaluru, Chennai, Hyderabad and others) are racing to reach zero groundwater levels by 2020, affecting access for 100 million people.

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The CWMI report also states that by 2030, the country's water demand is projected to be twice the available supply, implying severe water scarcity for hundreds of millions of people and an eventual 6% loss in the country's GDP.

**Source: Ramesh Singh**

**Q.10) The “Chinnar Wildlife Sanctuary” is recently seen in news located at?**

- a) Kerala
- b) Tamil Nadu
- c) Goa
- d) Maharashtra

**ANS: A**

**Explanation:** Chinnar Wildlife Sanctuary is located 18 km north of Marayoor on State Highway 17 in the Marayoor and Kanthalloor panchayats of Devikulam taluk in the Idukki district of India's Kerala state. It is one of 18 wildlife sanctuaries among the protected areas of Kerala.

**Source: FORUMIAS**

## Revision

**Q.1) The term “articles of agreement” is often seen in news related to?**

- a) World Bank
- b) IMF
- c) WEF
- d) UNDP

**ANS: B**

**Explanation:** The Articles of Agreement of the International Monetary Fund were adopted at the United Nations Monetary and Financial Conference (Breton Woods, New Hampshire) on July 22, 1944.

They were originally accepted by 29 countries and since then have been signed and ratified by a total of 190 Member countries.

**Source:** <https://www.imf.org/external/pubs/ft/aa/index.htm>

**Q.2) The “International Debt Report (IDR)” is recently seen in news released by?**

- a) World Bank
- b) IMF
- c) ADB
- d) AIIB

**ANS: A**

**Explanation:** World Bank releases its annual International Debt Report (IDR), 2023.

The report analyses external debt statistics for 122 low- and middle-income countries (LMICs).

**Source: FORUMIAS**

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**Q.3) Which of the following is/are comprise/s of “Central Plan Assistance”?**

1. Normal Central Assistance
2. Additional Central Assistance
3. Special Central Assistance

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** Financial assistance provided by the GoI to support State’s Five Year Plans is called Central Plan Assistance (CPA) or Central Assistance (CA), which primarily comprises the following:

- (i) Normal Central Assistance (NCA): The distribution of the NCA is formula based (Gadgil-Mukherjee Formula) and is untied. Gadgil Formula of determining the Central Assistance to the State is being adopted from the Fourth Plan and revised subsequently—allocation is made by the Planning Commission.
- (ii) Additional Central Assistance (ACA): This is provided for implementation of externally aided projects (EAPs), and for which presently there is no ceiling. Unlike NCA, this is scheme based.
- (iii) Special Central Assistance (SCA): This is provided for special projects and programmes, e.g., Western Ghats Development Programme, Border Areas Development Programme, etc. (in exceptional situations, ACA, may also be provided). This special plan assistance is given only to Special Category States to bridge the gap between their Planning needs and resources. In other words, SPAs are ACA for the special category states.

**Source: Ramesh Singh**

**Q.4) Consider the following statements regarding “Centrally Sponsored Schemes (CSSs)”:**

1. The funding of these schemes is shared between centre and states.
2. They are formulated in subjects from the union list.

**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:** Under the Centrally Sponsored Schemes (CSSs) a certain percentage of the funding is borne by the Centre and the states in the ratio of 50:50, 70:30, 75:25 or 90:10 and the implementation is done by the state governments.

- CSSs are formulated in subjects from the State List to encourage states to prioritize in areas that require more attention.
- Funds are routed either through the Consolidated Fund of the states and or are transferred directly to state/district level autonomous bodies/implementing agencies.

**Source: Ramesh Singh**

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**Q.5) Which of the following is/are type/s of investment model/s?**

1. Build-Operate-Transfer
2. Build-Own-Operate-Transfer
3. Build Operate-Lease-Transfer

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** Inside the general idea of PPP, the government has also put in place some other options of investment models, such as BOT (Build-Operate-Transfer); BOO (Build-Own-Operate); BOOT (Build-Own-Operate-Transfer); BLT (Build-Lease-Transfer); BOLT (Build Operate-Lease-Transfer); DBFO (Design-Build-Finance-Operate); DBOT (Design-Build-Operate-Transfer); DCMF (Design-Construct-ManageFinance); etc.

**Source: Ramesh Singh**

**Q.6) Which of the following area/s is/are covered under “twenty point programme”?**

1. Housing
2. Education
3. Family welfare

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**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: Ramesh Singh**

**Q.7) Who among the following was formulated the “Gandhian Plan”?**

- a) B. R. Ambedkar
- b) Sriman Narayan Agarwal
- c) Lala Sri Ram
- d) Avdeshir Dalal

**ANS: B**

**Explanation:** Espousing the spirit of the Gandhian economic thinking, Sriman Narayan Agarwal formulated The Gandhian Plan in 1944. The plan laid more emphasis on agriculture.

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- Even if he referred to industrialization, it was to the level of promoting cottage and village-level industries, unlike the NPC and the Bombay Plan which supported a leading role for the heavy and large industries.
- The plan articulated a 'decentralized economic structure' for India with 'self-contained villages'.

**Source: Ramesh Singh**

**Q.8) Which of the following planning “gives due importance to the socio-institutional factors”?**

- a) Normative planning
- b) Systems planning
- c) Indicative planning
- d) Imperative planning

**ANS: A**

**Explanation:** The normative planning gives due importance to the socio-institutional factors.

This is a planning from social-technical point of view, but only suitable for a country which has lesser degree of social diversities (naturally, not fit for the Indian conditions).

**Source: Ramesh Singh**

**Q.9\_ The famous “Monnet Plan” was belongs to which of the following country?**

- a) Austria
- b) Belgium
- c) France
- d) Italy

**ANS: C**

**Explanation:** After converting to a mixed economy by the mid-1940s, France commenced its first six year plan in 1947, which got popularity as the Monnet Plan (he was the first chairman of the General Planning Commission and the then Cabinet Minister for planning in France).

**Source: Ramesh Singh**

**Q.10) The “Dibru- Saikhowa National Park” is often seen in news located at?**

- a) Assam
- b) Nagaland
- c) Tripura
- d) Sikkim

**ANS: A**

**Explanation:** The National Green Tribunal (NGT) has issued notices to the Ministry of Environment, Forest and Climate Change (MoEFCC), Oil India Limited (OIL) and two concerned state entities to explain how environmental clearances for the seven proposed drilling sites in the Dibru- Saikhowa National Park were given.

- Dibru-Saikhowa is a National Park as well as a Biosphere Reserve situated in the south bank of the river Brahmaputra in Assam.
- The forest type of Dibru-Saikhowa comprises semi-evergreen forests, deciduous forests, littoral and swamp forests and patches of wet evergreen forests.
- It is an identified Important Bird Area (IBA), notified by the Birdlife International. It is most famous for the rare white-winged wood ducks as well as feral horses.

**Source: FORUMIAS**

## Economic Reforms

**Q.1) Which of the following term denotes “generally the satisfaction of a greater proportion of a country's total demand for goods through its own domestic production”?**

- a) Import substitution
- b) Sterilization
- c) Market access
- d) Open economy

**ANS: A**

**Explanation:** Import substitution means generally the satisfaction of a greater proportion of a country's total demand for goods (production plus imports) through its own domestic production.

**Source: Ramesh Singh**

**Q.2) The term “Washington consensus” often seen in news related to?**

- a) Migration of species
- b) Economic reforms
- c) Sustainable development
- d) Vaccine development

**ANS: B**

**Explanation:** Many countries shifted their economic policy just to the other extreme arguing for a minimal role of the government in the economy.

- Governments of the socialist or the planned economies were urged/suggested to privatize and liberalize, to sell off state-owned companies and eliminate government interventions in the economy.
- These governments were also suggested to take measures which could boost the aggregate demand in the economy (i.e., macroeconomic stability measures).
- The broad outlines of such a development strategy were regarded as being inspired by the Washington Consensus.

**Source: Ramesh Singh**

**Q.3) Consider the following statements regarding “Off-Budget Borrowings (OBB)”:**

1. They refer to borrowings that are reflected in the budget.
2. They are taken not by government directly but by another public institution on its direction.

**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:** Off-Budget Borrowings (OBBs) refer to borrowings that are not reflected in the budget, even though budgetary resources will have to be used for their repayment.

- Thus, OBB is not part of the calculation of the fiscal indicators despite fiscal implications.
- OBBs are taken not by government directly but by another public institution on its direction.
- For example, loan by FCI for paying food subsidy bill (this practice is discontinued from FY 2020-21).

**Source: FORUMIAS**



## Prelims Marathon Compilation March [Third Week] 2024

**Q.4) Which of the following is/are part of capital account of “Current Account Deficit”?**

1. Money
2. Stocks
3. Bonds

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** Capital account is the second account, recording all international purchases and sales of assets such as money, stocks, bonds, etc. for a specified time, usually a year.

**Source: Ramesh Singh**

**Q.5) Which of the following is/are reason/s for high current account deficit?**

1. Lower trade deficit
2. Increase in services receipts
3. Rising Oil Prices

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: A**

**Explanation:** Reasons behind India’s increased Current Account Deficit (CAD) are:

- Higher trade deficit: Increased imports and decreased exports have contributed significantly to the widening of CAD.
- Services Receipts Decline: Net services receipts decreased, primarily due to reduced exports of computer, travel, and business services.
- Impact of Global Factors: Slowing global growth has implications for India's export-oriented services and remittances, adding to the challenges in maintaining a lower CAD.
- Rising Oil Prices: Anticipated increase in oil prices is expected to further widen the merchandise trade deficit. Higher oil prices contribute to increased import costs, affecting the overall CAD.
- Foreign Direct Investment (FDI) Decline: Net FDI declined in the financial account, influencing the overall balance.

**Source: FORUMIAS**



## Prelims Marathon Compilation March [Third Week] 2024

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

1. Cash Management Bills (CMBs) are issued for maturities more than 91 days.
2. Treasury Bills (T – Bills) are long term debt instruments issued by the Centre.

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:** CMBs are similar to T-bills but are issued for maturities less than 91 days.

Treasury bills are short term debt instruments issued by the Centre in three tenors, namely, 91 day, 182 day and 364 day.

**Source: Ramesh Singh**

### Q.7) Consider the following statements regarding “GST Network (GSTN)”:

1. It is a not-for-profit company.
2. It was created to provide the IT backbone for the GST system.

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:** GSTN, a not-for-profit company, was created to provide the IT backbone for the GST system, including taxpayer registration, return filing, and tax payments.

GSTC has approved the conversion of GSTN into a Government Company; hence, 100% of the shareholding is held by Government (50% with Union Government and 50% jointly with State Governments & UTs) in GSTN.

**Source: Ramesh Singh**

### Q.8) Which of the following is “refers to tax levied on capital raised by unlisted companies”?

- a) Tobin tax
- b) Laffer tax
- c) Angel tax
- d) Sin tax

**ANS: C**

**Explanation:** Angel tax, introduced in 2012, refers to tax levied on capital raised by unlisted companies.

Objective was to deter generation and use of unaccounted money through subscription of shares of a closely held company, at a value which is higher than fair market value.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March [Third Week] 2024

**Q.9) Which of the following indicator/s is/are used in Periodic Labor Force Survey (PLFS)?**

1. Labor Force Participation Rate
2. Worker Population Ratio
3. Unemployment Rate

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** Key Indicators used in PLFS:

- Labor Force Participation Rate (LFPR): Percentage of persons in the labor force (i.e. working or seeking or available for work) in the population.
- Worker Population Ratio (WPR): Percentage of employed persons in the population.
- Unemployment Rate (UR): Percentage of persons unemployed among the persons in the labor force.
- Activity Status: It is determined based on the activities pursued by the person during the specified reference period (preceding the date of the survey).
- Usual Status: Reference period is 365 days. Current Weekly Status (CWS): Reference period is 7 days.

**Source: Ramesh Singh**

**Q.10) The “Bhitarkanika National Park” is often seen in news located at?**

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

**ANS: B**

**Explanation:** Bhitarkanika National Park is a 145 km<sup>2</sup> large national park in northeast Kendrapara district in Odisha in eastern India.

- It was designated on 16 September 1998 and obtained the status of a Ramsar site on 19 August 2002.
- The area is also been designated as the second Ramsar site of the State after the Chilika Lake.

**Source: FORUMIAS**

## Inflation & Business Cycle

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

1. When the general level of prices is falling over a period of time is known as disinflation.
2. The rate of inflation is measured on the basis of Wholesale Price Index and Consumer Price Index.

**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:** When the general level of prices is falling over a period of time this is deflation, the opposite situation of inflation. It is also known as disinflation.

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The rate of inflation is measured on the basis of price indices which are of two kinds—Wholesale Price Index (WPI) and Consumer Price Index (CPI).

**Source: Ramesh Singh**

**Q.2) Which of the following is/are supply side measure/s to control inflation?**

1. Transportation
2. Hoarding
3. Distribution

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** As a supply side measure, the government may go for import of goods which are in short-supply—as a short-term measure (as happened in India in the case of ‘onion’ and meeting the buffer stock norm of wheat).

- 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.

**Source: Ramesh Singh**

**Q.3) The “inflation takes place in a longer period and the range of increase is usually in single digit” is known as?**

- a) Creeping inflation
- b) Galloping inflation
- c) Hyper inflation
- d) Stagflation

**ANS: A**

**Explanation:** Low inflation is slow and on predictable lines, which might be called small or gradual.

- This is a comparative term which puts it opposite to the faster, bigger and unpredictable inflations.
- Low inflation takes place in a longer period and the range of increase is usually in ‘single digit’. Such inflation has also been called as ‘creeping inflation’.

**Source: Ramesh Singh**

**Q.4) It is a very high inflation running in the range of double-digit or triple digit is known as?**

- a) Creeping inflation
- b) Galloping inflation
- c) Deflation
- d) Stagflation

**ANS: B**

**Explanation:** Galloping Inflation: This is a ‘very high inflation’ running in the range of double-digit or triple digit (i.e., 20 per cent, 100 per cent or 200 per cent in a year).

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In the decades of 1970s and 1980s, many Latin American countries such as Argentina, Chile and Brazil had such rates of inflation—in the range of 50 to 700 per cent.

**Source: Ramesh Singh**

**Q.5) The “inflation takes place when the supply falls drastically and the demand remains at the same level”?**

- a) Creeping inflation
- b) Galloping inflation
- c) Deflation
- d) Bottleneck inflation

**ANS: D**

**Explanation:** Bottleneck inflation takes place when the supply falls drastically and the demand remains at the same level.

Such situations arise due to supply-side accidents, hazards or mismanagement which is also known as ‘structural inflation’. This could be put in the ‘demand-pull inflation’ category.

**Source: Ramesh Singh**

**Q.6) The excess of total government spending above the national income is known as?**

- a) Inflationary gap
- b) Deflationary gap
- c) GDP deflator
- d) Off budget borrowings

**ANS: A**

**Explanation:** The excess of total government spending above the national income (i.e., fiscal deficit) is known as inflationary gap.

This is intended to increase the production level, which ultimately pushes the prices up due to extra-creation of money during the process.

**Source: Ramesh Singh**

**Q.7) The famous “Phillips curve” advocates a relationship between?**

- a) Inflation and growth
- b) Growth and unemployment
- c) Inflation and unemployment
- d) Unemployment and sustainable development

**ANS: C**

**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.

**Source: Ramesh Singh**

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**Q.8) Which of the following denotes “is a situation in an economy when inflation and unemployment both are at higher levels”?**

- a) Creeping inflation
- b) Galloping inflation
- c) Hyper inflation
- d) Stagflation

**ANS: D**

**Explanation:** Stagflation is a situation in an economy when inflation and unemployment both are at higher levels, contrary to conventional belief.

Such a situation first arose in the 1970s in the US economy (average unemployment rate above 6 per cent and the average rate of inflation above 7 per cent) and in many Euro-American economies.

**Source: Ramesh Singh**

**Q.9) Consider the following statements regarding “GDP Deflator”:**

- 1. It is the ratio between GDP at Current Prices and GDP at Constant Prices.
- 2. If GDP deflator is found to be 2, it implies drop in price levels.

**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:** GDP Deflator is the ratio between GDP at Current Prices and GDP at Constant Prices.

- If GDP at Current Prices is equal to the GDP at Constant Prices, GDP deflator will be 1, implying no change in price level.
- If GDP deflator is found to be 2, it implies rise in price level by a factor of 2, and if GDP deflator is found to be 4, it implies a rise in price level by a factor of 4.

**Source: Ramesh Singh**

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

- 1. An increase in inflation increases the nominal value of income, while the real value of income remains the same.
- 2. Inflation redistributes wealth from creditors to debtors.

**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:** Inflation redistributes wealth from creditors to debtors, i.e., lenders suffer and borrowers benefit out of inflation. The opposite effect takes place when inflation falls (i.e., deflation).

Inflation affects the income of individual and firms alike. An increase in inflation increases the ‘nominal’ value of income, while the ‘real’ value of income remains the same.

**Source: Ramesh Singh**

## Agriculture

**Q.1) The “PM-PRANAM” initiative is often seen in news related to?**

- a) Micro irrigation
- b) Payment mechanism
- c) Alternative fertilizers
- d) Market system of mandi's

**ANS: C**

**Explanation:** PM Programme for Restoration, Awareness Generation, Nourishment and Amelioration of Mother – Earth (PM-PRANAM), announced in Budget 2023-24, to incentivize States/ UTs to promote alternate fertilizers and balanced use of chemical fertilizers.

**Source: FORUMIAS**

**Q.2) Which of the following is/are primary fertilizer/s?**

- 1. Magnesium
- 2. Urea
- 3. Di-Ammonium Phosphate

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: B**

**Explanation:** Fertilizers are classified as Primary, Secondary and Micronutrients.

- Primary fertilizers are further classified on the type of nutrients they supply to soil such as nitrogenous (urea), phosphate (Di-Ammonium Phosphate (DAP)) and potassic (muriate of potash (MOP)) fertilizers.
- Secondary fertilizer includes calcium, magnesium, and Sulphur while micronutrients include iron, zinc, boron, chloride etc.

**Source: FORUMIAS**

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

- 1. Cultivable Command Area (CCA) of a micro irrigation projects is 4,000 hectares or less.
- 2. Minor irrigation projects have both surface and groundwater as their source.

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

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

**ANS: A**

**Explanation:** Irrigation Projects in India are classified into three categories, viz. Major, Medium and Minor Irrigation.



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- Major Irrigation Projects: Cultivable Command Area (CCA) of more than 10,000 hectares. Cultivable Command Area (CCA) is an area which can be physically irrigated from a scheme and is fit for cultivation.
- Medium Irrigation projects: CCA of less than 10,000 hectares but more than 2,000 hectares.
- Minor Irrigation Projects: CCA of 2,000 hectares or less.
- Minor irrigation projects have both surface and groundwater as their source, while Major and Medium projects mostly exploit surface water resources.
- Minor Irrigation (MI) sector as a whole is implemented by State Governments, and states have statespecific schemes.

**Source: FORUMIAS**

**Q.4) Consider the following statements regarding “Bharatiya Beej Sahakari Samiti Ltd (BBSSL)”:**

1. It was established in 2020 to provide certified and scientifically prepared seeds to every farmer in the country.
2. It was established under the Multi-State Cooperative Societies (MSCS) Act, of 2002.

**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 Bharatiya Beej Sahakari Samiti Ltd (BBSSL) was established in 2023 to provide certified and scientifically prepared seeds to every farmer in the country.

- It was established under the Multi-State Cooperative Societies (MSCS) Act, of 2002.
- It will contribute to the field of traditional seed conservation, promotion and research.
- Traditional seeds have to be conserved and passed on to the coming generations so that the production of healthy grains, fruits and vegetables continues.

**Source: FORUMIAS**

**Q.5) The “SATHI portal” is recently seen in news related to?**

- a) Fertilizers
- b) Seed certification and authentication
- c) Self help groups producers organization
- d) Agriculture market

**ANS: B**

**Explanation:** Ministry of Agriculture & Farmers Welfare (MoA&FW) launched SATHI (Seed Traceability, Authentication and Holistic Inventory) Portal.

It is a Centralized Online System designed to deal with challenges of seed production, quality seed identification and seed certification.

**Source: FORUMIAS**



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**Q.6) Which of the following organization releases the “All India consumer price index”?**

- a) National Statistical Office
- b) Reserve Bank of India
- c) Department of Consumer Affairs
- d) Department of Food Safety Standards

**ANS: A**

**Explanation:** The National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI) releases All India consumer price index.

**Source: FORUMIAS**

**Q.7) Which of the following factor/s is/are affecting the food inflation in the country?**

- 1. Monsoon Variability
- 2. Global Commodity prices
- 3. Government policies

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** Factors Affecting India’s Food Inflation in the long term are:

- Monsoon Variability, which is further aggravated by climate change.
- Global Commodity prices include food as well as crude oil prices.
- Government policies including the MSP policy.
- Infrastructure Availability such as storage and distribution systems.
- Exchange rate fluctuations affect agri-trade and thus agri-prices.
- Outbreak of pests and diseases can affect crop yields and prices.

**Source: FORUMIAS**

**Q.8) The “Essential Commodities Act” is often seen in news was enacted in?**

- a) 1945
- b) 1955
- c) 1975
- d) 1978

**ANS: B**

**Explanation:** Essential Commodities Act, 1955: It empowers the central government to control the production, supply, distribution, trade, and commerce of certain commodities.

The Act can impose stock limits on essential commodities to regulate their prices and availability in the market.

**Source: FORUMIAS**

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

1. India is one of the top three fish-producing countries in the world.
2. Coastal Aquaculture Authority (Amendment) Act, 2023 aims at promoting ease of doing business and fine-tuning the operational procedures of the Coastal Aquaculture Authority.

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

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

**ANS: D**

**Explanation:** The Parliament has enacted Coastal Aquaculture Authority (Amendment) Act, 2023.

- The Act amends certain provisions of the Coastal Aquaculture Authority (CAA) Act, 2005 and decriminalizes offences under it.
- It aims at promoting ease of doing business and fine-tuning the operational procedures of the Coastal Aquaculture Authority.
- India has recently overtaken China to become the largest contributor of inland capture water fisheries, thereby emerging as one of the top three fish-producing countries in the world.

**Source: FORUMIAS**

**Q.10) Consider the following statements regarding livestock census:**

1. It was started in 1919.
2. So far, 20 livestock censuses have been conducted.

**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 Livestock Census started in the country in the year 1919.

- So far, 20 livestock censuses have been conducted. Livestock Census is a complete count of the livestock and poultry at pre-defined reference point of time.
- Similar to population census, primary workers are engaged to undertake house to house enumeration and ascertain the number of livestock/poultry possessed by every household/household enterprise/non-household/non-household enterprises and institutions by age, sex, use, etc. in rural & urban areas of the country.
- Tablet computers were used for the first time to conduct the 20th livestock census in the country.

**Source:** <https://dahd.nic.in/schemes/programmes/animal-husbandry-statistics>

## Industry & Infrastructure

**Q.1) Which of the following mineral/s is/are part of seventh schedule of Mines and Minerals (Development and Regulation) Act?**

1. Potash
2. Copper
3. Zinc

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** The Exploration License (EL) will be granted through an auction for minerals specified in the Seventh Schedule of the MMDR Act.

The Seventh Schedule contains 29 minerals, including lithium-bearing, copper-bearing, potash, and zinc-bearing minerals.

**Source: FORUMIAS**

**Q.2) Which of the following is/are “critical mineral/s”?**

1. Lanthanides
2. Scandium
3. Yttrium

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** Ministry of Mines has constituted a committee for the identification of critical and strategic minerals.

- The list comprises 30 critical minerals, including 17 Rare Earth Elements (REEs) and 6 Platinum Group Elements (PGE).
- REE include 15 Lanthanides (atomic numbers 57 — which is Lanthanum — to 71 in the periodic table) plus Scandium (atomic number 21) and Yttrium (39).
- REEs are classified as Light REE (LREE) and Heavy REE (HREE).

**Source: FORUMIAS**

**Q.3) Which of the following country is NOT part of “Supply Chain Resilience Initiative (SCRI)”?**

- a) India
- b) Japan
- c) Australia
- d) China

**ANS: D**

**Explanation:** The Trade Ministers of India, Japan and Australia have formally launched the Supply Chain Resilience Initiative (SCRI).

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- The SCRI aims to create a virtuous cycle of enhancing supply chain resilience with a view to eventually attaining strong, sustainable, balanced and inclusive growth in the Indo-Pacific region.
- The trio (India, Japan and Australia) along with the US makes Quad grouping.

**Source: FORUMIAS**

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

1. Production Linked incentives (PLI) is a special incentive scheme for producers to promote manufacturing in multiple sectors.
2. The incentives are linked to the performance of the organization.

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

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

**ANS: C**

**Explanation:** The government has decided not to launch Production Linked incentives (PLI) scheme for new sectors and will assess the need for course correction for some sectors.

- First introduced in 2020, PLI is a special incentive scheme for producers to promote manufacturing in multiple sectors.
- The incentives are linked to the performance of the organization i.e., the government provides incentives for incremental sales.
- PLI scheme is built on the foundation of multiple sectors with an incentive outlay of Rs. 1.97 lakh crore to strengthen their production capabilities and help create global champions.

**Source: Ramesh Singh**

**Q.5) Which of the following country launched “Global Digital Public Infrastructure Repository and a Social Impact Fund, during the Virtual G20 Leaders Summit”?**

- a) China
- b) India
- c) USA
- d) Japan

**ANS: B**

**Explanation:** India launched the Global Digital Public Infrastructure Repository and a Social Impact Fund, during the Virtual G20 Leaders’ Summit.

GDPIR showcases the information in a standardized format from countries and organizations that have developed DPIs at scale, incorporating elements such as maturity scales, source codes, and governance frameworks.

**Source: FORUMIAS**

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**Q.6) The term “India Stack” is often seen in news related to?**

- a) Carbon footprint
- b) High variety yielding seed
- c) Digital Public Infrastructure
- d) Organic fertilizers

**ANS: C**

**Explanation:** India’s DPI architecture, known as India Stack, consists of Aadhaar (identity), UPI and Aadhar enabled Payment System (payments), and Digilocker and Account Aggregator (data exchange).

**Source: FORUMIAS**

**Q.7) Which of the following is/are target/s of India’s National Logistics Policy (NLP)?**

1. Reduce cost of logistics in India to global benchmarks by 2030.
2. To bring India among top 25 countries by 2030.
3. Create data driven decision support mechanism for a logistics ecosystem.

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** National Logistics Policy (NLP) is announced (in 2022) to promote seamless flow of goods across the country and improve Indian goods competitiveness in domestic and global markets.

Targets of NLP:

- Reduce cost of logistics in India to global benchmarks by 2030.
- Improve the Logistics Performance Index ranking – and be among top 25 countries by 2030.
- Create data driven decision support mechanism for a logistics ecosystem.

**Source: FORUMIAS**

**Q.8) Which of the following is/are dimension/s of Logistics Performance Index (LPI) of World Bank?**

1. Customs
2. Ease of arranging shipments
3. Timeliness

**How many of the statements given above are correct?**

- a) Only one
- b) Only two
- c) Only three
- d) None

**ANS: C**

**Explanation:** LPI 2023 ranks countries on six dimensions of trade -- including Customs, Infrastructure, Ease of arranging shipments, Quality of logistics services, Tracking and Tracing, and Timeliness.

**Source: FORUMIAS**

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**Q.9) The First Regional Rapid Transit System (RRTS) was launched in which of the following state?**

- a) Kerala
- b) Telangana
- c) Uttar Pradesh
- d) Maharashtra

**ANS: C**

**Explanation:** The First Regional Rapid Transit System (RRTS) was launched with Namo Bharat RapidX train running from Sahibabad to Duhai Depot in Uttar Pradesh.

- It is a new, dedicated, high-speed, high-capacity, comfortable commuter service connecting regional nodes in NCR.
- These will operate at a speed of 160 km/hour but are designed to be able to run at speeds up to 180 km/hour.

**Source: FORUMIAS**

**Q.10) Which of the following state launched water-based metro in India?**

- a) Kerala
- b) Tamil Nadu
- c) Goa
- d) Andhra Pradesh

**ANS: A**

**Explanation:** Recently, India's first water-based metro, Kochi Water Metro (KWM), was formally inaugurated by Prime Minister.

**Source: FORUMIAS**