

ForumIAS

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# Prelims Marathon

March, 2024

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

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## Prelims Marathon Compilation March 2024

### Index

Indian Flora & Fauna .....	2
Economic Geography .....	5
Revision .....	9
Natural and Human Resources .....	12
Population and Distribution .....	15
Races and Tribes .....	19
Agriculture and Allied Activities .....	22
Industries and Resources .....	26
Map Based Questions .....	30
Revision .....	33
Economy .....	37
Basic Economics & Income Accounting .....	37
Growth & Development .....	41
Evolution of Indian Economy & Indian Planning .....	44
Planning in India - II .....	48
NITI Aayog and Planning .....	51
Revision .....	55
Economic Reforms .....	59
Inflation & Business Cycle .....	62
Agriculture .....	66
Industry & Infrastructure .....	70
Services Sector .....	73
Indian Financial Market .....	78
Revision .....	82
Banking in India .....	86
Capital Market in India .....	90
External Sector of India .....	95
Tax Structure in India .....	99
Public Finance in India .....	103
International Economic Organizations .....	107
Revision .....	111

## Indian Flora & Fauna

**Q.1) Which of the following statement/s is/are correct about natural vegetation in India?**

1. The Himalayan heights are marked with temperate vegetation.
2. The Western Ghats and the Andaman Nicobar Islands have tropical rain forests.
3. The deltaic regions have tropical forests and mangroves.

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

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

**ANS: C**

**Explanation:** India is a land of great variety of natural vegetation.

- Himalayan heights are marked with temperate vegetation;
- the Western Ghats and the Andaman Nicobar Islands have tropical rain forests, the deltaic regions have tropical forests and mangroves;
- The desert and semi desert areas of Rajasthan are known for cacti, a wide variety of bushes and thorny vegetation.

**Source: NCERT**

**Q.2) Consider the following statements:**

1. Tropical evergreen forests are well stratified, with layers closer to the ground and are covered with shrubs and creepers.
2. Tropical evergreen forests found in warm and humid areas with an annual precipitation of over 200 cm and mean annual temperature above 22C.

**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:** Tropical Evergreen and Semi Evergreen Forests: These forests are found in the western slope of the Western Ghats, hills of the northeastern region and the Andaman and Nicobar Islands.

- They are found in warm and humid areas with an annual precipitation of over 200 cm and mean annual temperature above 22C.
- Tropical evergreen forests are well stratified, with layers closer to the ground and are covered with shrubs and creepers, with short structured trees followed by tall variety of trees.

**Source: NCERT**

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**Q.3) Which of the following species is/are found in Tropical Evergreen Forests?**

1. Rosewood
2. Aini
3. Ebony

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

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

**ANS: C**

**Explanation:** Species found in tropical evergreen forests include rosewood, mahogany, aini, ebony, etc.

**Source: NCERT**

**Q.4) Which of the following species is/are found in semi evergreen forests?**

1. White cedar
2. Hollock
3. Kail

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

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

**ANS: C**

**Explanation:** The semi evergreen forests are found in the less rainy parts of these regions. Such forests have a mixture of evergreen and moist deciduous trees.

The under-growing climbers provide an evergreen character to these forests. Main species are white cedar, hollock and kail.

**Source: NCERT**

**Q.5) Which of the following forests are most widespread forests in India?**

- a) Tropical Evergreen Forests
- b) Tropical Deciduous Forests
- c) Tropical Thorn Forests
- d) Montane Forests

**ANS: B**

**Explanation:** Tropical Deciduous Forests: These are the most widespread forests in India.

- They are also called the monsoon forests. They spread over regions which receive rainfall between 70-200 cm.
- On the basis of the availability of water, these forests are further divided into moist and dry deciduous.

**Source: NCERT**

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**Q.6) Which of the following species is/are found in moist deciduous forests?**

1. Teak
2. Sal
3. Kusum

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

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

**ANS: C**

**Explanation:** The Moist deciduous forests are more pronounced in the regions which record rainfall between 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**

**Q.7) Which of the following species is/are found in dry deciduous forests?**

1. Tendu
2. Palas
3. Bel

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

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

**ANS: C**

**Explanation:** Dry deciduous forest covers vast areas of the country, where rainfall ranges between 70 -100 cm. Tendu, palas, amaltas, bel, khair, axlewood, etc. are the common trees of these forests.

**Source: NCERT**

**Q.8) Consider the following statements regarding “Tropical Thorn Forests”:**

1. These forests occur in the areas which receive rainfall less than 50 cm.
2. These consist of a variety of grasses and shrubs.

**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:** 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.

**Source: NCERT**

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

1. The Himalayan ranges show a succession of vegetation from the tropical to the tundra.
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.
- In the higher hill ranges of northeastern India, hilly areas of West Bengal and Uttaranchal, evergreen broad leaf trees such as oak and chestnut are predominant.

**Source: NCERT**

**Q.10) The project tiger has implemented since?**

- a) 1953
- b) 1969
- c) 1973
- d) 1981

**ANS: C**

**Explanation:** Project Tiger has been implemented since 1973. The main objective of the scheme is to ensure maintenance of viable population of tigers in India for scientific, aesthetic, cultural and ecological values, and to preserve areas of biological importance as natural heritage for the benefit, education and enjoyment of the people.

**Source: NCERT**

## Economic Geography

**Q.1) Which of the following activity/activities come/s under primary sector?**

1. Fishing
2. Agriculture
3. Mining

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

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

**ANS: C**

**Explanation:** Primary activities are directly dependent on environment as these refer to utilization of earth's resources such as land, water, vegetation, building materials and minerals. It, thus includes, hunting and gathering, pastoral activities, fishing, forestry, agriculture, and mining and quarrying.

**Source: NCERT**

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**Q.2) People engaged in primary activities are called?**

- a) Blue collar workers
- b) Green collar workers
- c) Red collar workers
- d) Pink collar workers

**ANS: C**

**Explanation:** People engaged in primary activities are called redcollar workers due to the outdoor nature of their work.

**Source: NCERT**

**Q.3) In which of the following area/s gathering is/are practice prevalent?**

1. Northern Canada
2. Southern Chile
3. Amazon Basin

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

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

**ANS: C**

**Explanation:** Gathering is practiced in: (i) high latitude zones which include northern Canada, northern Eurasia and southern Chile; (ii) Low latitude zones such as the Amazon Basin, tropical Africa, Northern fringe of Australia and the interior parts of Southeast Asia.

**Source: NCERT**

**Q.4) The Pastoral nomadism is/are associated with which of the following region/s?**

1. Atlantic shores of North Africa
2. Tundra region of Eurasia
3. Island of Madagascar

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

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

**ANS: C**

**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**

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**Q.5) 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?**

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

**ANS: C**

**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**

**Q.6) Which of the following people is/are practice the transhumance?**

- 1. Gujjars
- 2. Bakarwals
- 3. Gaddis

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

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

**ANS: C**

**Explanation:** 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.

In mountain regions, such as Himalayas, Gujjars, Bakarwals, Gaddis and Bhotiyas migrate from plains to the mountains in summers and to the plains from the high altitude pastures in winters.

**Source: NCERT**

**Q.7) Which of the following country/countries is/are practice the commercial livestock rearing?**

- 1. USA
- 2. Argentina
- 3. Australia

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

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

**ANS: C**

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

**Source: NCERT**



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**Q.8) Which of the following is/are type/s of shifting cultivation?**

1. Jhuming
2. Milpa
3. Ladang

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

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

**ANS: C**

**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**

**Q.9) The term “fazenda” associated with which of the following?**

- a) Plantation
- b) Shifting cultivation
- c) Ranching
- d) Paddy cultivation

**ANS: A**

**Explanation:** The characteristic features of plantation type of farming are large estates or plantations, large capital investment, managerial and technical support, scientific methods of cultivation, single crop specialisation, cheap labour, and a good system of transportation which links the estates to the factories and markets for the export of the products.

The Dutch once had monopoly over sugarcane plantation in Indonesia. Some coffee fazendas (large plantations) in Brazil are still managed by Europeans.

**Source: NCERT**

**Q.10) The term “Pampas” associated with which of the following?**

- a) Indonesia
- b) Magnolia
- c) Australia
- d) Argentina

**ANS: D**

**Explanation:** Extensive Commercial Grain Cultivation is best developed in Eurasian steppes, the Canadian and American Prairies, the Pampas of Argentina, the Velds of South Africa, the Australian Downs and the Canterbury Plains of New Zealand.

**Source: NCERT**

## Revision

**Q.1) In which of the following state/s black soils is/are found?**

1. Maharashtra
2. Gujarat
3. Andhra Pradesh

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

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

**ANS: C**

**Explanation:** Black soil covers most of the Deccan Plateau which includes parts of Maharashtra, Madhya Pradesh, Gujarat, Andhra Pradesh and some parts of Tamil Nadu.

**Source: NCERT**

**Q.2) Which of the following soil is known as “self ploughing soil”?**

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

**ANS: A**

**Explanation:** The black soils are generally clayey, deep and impermeable. They swell and become sticky when wet and shrink when dried. So, during the dry season, these soils develop wide cracks. Thus, there occurs a kind of ‘self ploughing’.

**Source: NCERT**

**Q.3) In which of the following state/s laterite soils is/are found?**

1. Andhra Pradesh
2. Tamil Nadu
3. Kerala

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

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

**ANS: C**

**Explanation:** Laterite has been derived from the Latin word ‘Later’ which means brick.

- The laterite soils develop in areas with high temperature and high rainfall.
- These are the result of intense leaching due to tropical rains.
- With rain, lime and silica are leached away, and soils rich in iron oxide and aluminium compound are left behind.
- Red laterite soils in Tamil Nadu, Andhra Pradesh and Kerala are more suitable for tree crops like cashewnut.

**Source: NCERT**

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**Q.4) In which of the following area/s mangrove forest/s is/are found?**

1. Godavari delta
2. Andaman and Nicobar Islands
3. Sunderbans of West Bengal

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

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

**ANS: C**

**Explanation:** In India, the mangrove forests spread over 6,740 sq. km which is 7 per cent of the world's mangrove forests.

- They are highly developed in the Andaman and Nicobar Islands and the Sunderbans of West Bengal.
- Other areas of significance are the Mahanadi, the Godavari and the Krishna deltas.

**Source: NCERT**

**Q.5) The National Commission on Agriculture (1976) has classified social forestry into three categories, which of the following is/are category/categories?**

1. Urban forestry
2. Rural forestry
3. Farm forestry

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

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

**ANS: C**

**Explanation:** Social forestry means the management and protection of forests and afforestation on barren lands with the purpose of helping in the environmental, social and rural development.

The National Commission on Agriculture (1976) has classified social forestry into three categories. These are urban forestry, rural forestry and Farm forestry.

**Source: NCERT**

**Q.6) The term "Blossom Shower" is associated with which of the following?**

- a) Kerala
- b) Assam
- c) West Bengal
- d) Rajasthan

**ANS: A**

**Explanation:** Blossom Shower: With this shower, coffee flowers blossom in Kerala and nearby areas.

**Source: NCERT**

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**Q.7) The “Arakan Hills” is often seen in news related to?**

- a) Sri Lanka
- b) Mauritius
- c) Madagascar
- d) Myanmar

**ANS: D**

**Explanation:** The Bay of Bengal branch strikes the coast of Myanmar and part of southeast Bangladesh. But the Arakan Hills along the coast of Myanmar deflect a big portion of this branch towards the Indian subcontinent.

**Source: NCERT**

**Q.8) Which of the following area/s is/are receive highest rainfall?**

- 1. Western Ghats
- 2. Sub-Himalayan areas is the northeast
- 3. Hills of Meghalaya

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

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

**ANS: C**

**Explanation:** The highest rainfall occurs along the west coast, on the Western Ghats, as well as in the sub-Himalayan areas is the northeast and the hills of Meghalaya.

Here the rainfall exceeds 200 cm. In some parts of Khasi and Jaintia hills, the rainfall exceeds 1,000 cm.

**Source: NCERT**

**Q.9) Which of the following is/are tributary/tributaries of Indus River system?**

- 1. Dras
- 2. Shigar
- 3. Hunza

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

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

**ANS: C**

**Explanation:** The Indus receives a number of Himalayan tributaries such as the Shyok, the Gilgit, the Zaskar, the Hunza, the Nubra, the Shigar, the Gasting and the Dras.

It finally emerges out of the hills near Attock where it receives the Kabul River on its right bank.

**Source: NCERT**

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**Q.10) Which of the following river is largest tributary of Indus?**

- a) Ravi
- b) Jhelum
- c) Chenab
- d) Sutlej

**ANS: C**

**Explanation:** The Chenab is the largest tributary of the Indus. It is formed by two streams, the Chandra and the Bhaga, which join at Tandi near Keylong in Himachal Pradesh.

Hence, it is also known as Chandrabhaga. The river flows for 1,180 km before entering into Pakistan.

**Source: NCERT**

### Natural and Human Resources

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

1. A naturally occurring substance that has a definite chemical composition is a mineral.
2. Minerals are evenly distributed over space.

**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:** A naturally occurring substance that has a definite chemical composition is a mineral. Minerals are not evenly distributed over space.

- They are concentrated in a particular area or rock formations.
- Some minerals are found in areas which are not easily accessible such as the Arctic Ocean bed and Antarctica.

**Source: NCERT**

**Q.2) Consider the following statements:**

1. A rock is an aggregate of one or more minerals but without definite composition of constituent of mineral.
2. Rocks from which minerals are mined are known as ores.

**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:** aggregate of one or more minerals but without definite composition of constituent of mineral.

- Rocks from which minerals are mined are known as ores.
- Although more than 2,800 types of minerals have been identified, only about 100 are considered ore minerals.

**Source: NCERT**

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

1. Metallic minerals are found in igneous and metamorphic rock formations.
2. Sedimentary rock formations contain non-metallic minerals.

**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:** Minerals occur in different types of rocks. Some are found in igneous rocks, some in metamorphic rocks while others occur in sedimentary rocks.

- Generally, metallic minerals are found in igneous and metamorphic rock formations that form large plateaus.
- Iron-ore in north Sweden, copper and nickel deposits in Ontario, Canada, iron, nickel, chromites and platinum in South Africa are examples of minerals found in igneous and metamorphic rocks.
- Sedimentary rock formations of plains and young fold mountains contain non-metallic minerals like limestone.

**Source: NCERT**

**Q.4) Which of the following country/countries is/are leading producer/s of tin?**

1. China
2. Malaysia
3. Indonesia

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

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

**ANS: C**

**Explanation:** China and India have large iron ore deposits. The continent produces more than half of the world's tin.

China, Malaysia and Indonesia are among the world's leading tin producers.

**Source: NCERT**

**Q.5) The famous "Kalgoorlie and Coolgardie areas" are associated with which of the following?**

- a) Russia
- b) China
- c) Canada
- d) Australia

**ANS: D**

**Explanation:** Australia is the largest producer of bauxite in the world.

- It is a leading producer of gold, diamond, iron ore, tin and nickel.
- It is also rich in copper, lead, zinc and manganese. Kalgoorlie and Coolgardie areas of Western Australia have the largest deposits of gold.

**Source: NCERT**

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**Q.6) Which of the following state/s is/are produce/s the mica?**

1. Rajasthan
2. Andhra Pradesh
3. Jharkhand

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

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

**ANS: C**

**Explanation:** Mica deposits mainly occur in Jharkhand, Bihar, Andhra Pradesh and Rajasthan. India is the largest producer and exporter of mica in the world.

**Source: NCERT**

**Q.7) Which of the following country/countries is/are major producer/s of petroleum?**

1. Iran
2. Iraq
3. Qatar

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

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

**ANS: C**

**Explanation:** The chief petroleum producing countries are Iran, Iraq, Saudi Arabia and Qatar. The other major producers are USA, Russia, Venezuela, and Algeria.

**Source: NCERT**

**Q.8) Which of the following country/countries is/are major producer/s of natural gas?**

1. Russia
2. Norway
3. Netherlands

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

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

**ANS: C**

**Explanation:** Natural gas is found with petroleum deposits and is released when crude oil is brought to the surface.

It can be used as a domestic and industrial fuel. Russia, Norway, UK and the Netherlands are the major producers of natural gas.

**Source: NCERT**

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

1. Norway was the first country in the world to develop hydroelectricity.
2. Switzerland has no known mineral deposit in it.

**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:** Switzerland has no known mineral deposit in it.

- Norway was the first country in the world to develop hydroelectricity.
- The leading producers of hydel power in the world are Paraguay, Norway, Brazil, and China.

**Source: NCERT**

**Q.10) Thorium is found in large quantities in the Monozite sands of?**

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

**ANS: D**

**Explanation:** In India Rajasthan and Jharkhand have large deposits of Uranium.

Thorium is found in large quantities in the Monozite sands of Kerala.

**Source: NCERT**

## Population and Distribution

**Q.1) Which of the following statements is/are correct?**

1. 90 per cent of the world population lives in about 10 per cent of its land area.
2. The 10 most populous countries of the world contribute about 60 per cent of the world's population.
3. Out of these 10 countries, six are located in Asia.

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

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

**ANS: C**

**Explanation:** The term population distribution refers to the way people are spaced over the earth's surface.

- Broadly, 90 per cent of the world population lives in about 10 per cent of its land area.
- The 10 most populous countries of the world contribute about 60 per cent of the world's population. Of these 10 countries, 6 are located in Asia.

**Source: NCERT**



## Prelims Marathon Compilation March 2024

**Q.2) Which of the following factor/s is/are influencing the distribution of population?**

1. Availability of water
2. Landforms
3. Soils

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

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

**ANS: C**

**Explanation:** Factors influencing the distribution of population:

- Availability of water: Water is the most important factor for life. So, people prefer to live in areas where fresh water is easily available.
- Landforms: People prefer living on flat plains and gentle slopes. This is because such areas are favorable for the production of crops and to build roads and industries.
- Soils: Fertile soils are important for agricultural and allied activities. Therefore, areas which have fertile loamy soils have more people living on them as these can support intensive agriculture.

**Source: NCERT**

**Q.3) The famous “Katanga belt” related to which of the following?**

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

**ANS: A**

**Explanation:** Areas with mineral deposits attract industries. Mining and industrial activities generate employment.

- So, skilled and semi-skilled workers move to these areas and make them densely populated.
- Katanga Zambia copper belt in Africa is one such good example.

**Source: NCERT**

**Q.4) Which of the following is/are pull factor/s of migration?**

1. Better job opportunities
2. Peace and stability
3. Pleasant climate

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

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

**ANS: C**

**Explanation:** People migrate for a better economic and social life. There are two sets of factors that influence migration.

## Prelims Marathon Compilation March 2024

- 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.
- The Pull factors make the place of destination seem more attractive than the place of origin for reasons like better job opportunities and living conditions, peace and stability, security of life and property and pleasant climate.

**Source: NCERT**

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

1. Human population increased more than ten times in the past 500 hundred years.
2. In the twentieth century the population has increased four times.

**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:** Human population increased more than ten times in the past 500 hundred years. In the twentieth century itself the population has increased four times.

**Source: NCERT**

**Q.6) Consider the following statements regarding “demographic transition theory”:**

1. The first stage has high fertility and high mortality.
2. Fertility remains high in the beginning of second stage but it declines with time.

**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 first stage has high fertility and high mortality because people reproduce more to compensate for the deaths due to epidemics and variable food supply.

- The population growth is slow and most of the people are engaged in agriculture where large families are an asset. Life expectancy is low; people are mostly illiterate and have low levels of technology. Two hundred years ago all the countries of the world were in this stage.
- Fertility remains high in the beginning of second stage but it declines with time. This is accompanied by reduced mortality rate.
- Improvements in sanitation and health conditions lead to decline in mortality. Because of this gap the net addition to population is high.

**Source: NCERT**

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**Q.7) Who among the following gave the population theory?**

- a) Adam Smith
- b) David Ricardo
- c) Thomas Malthus
- d) Herbert Spencer

**ANS: C**

**Explanation:** Thomas Malthus was an English economist and demographer best known for his theory that population growth will always tend to outrun the food supply and that betterment of humankind is impossible without strict limits on reproduction.

**Source: NCERT**

**Q.8) Which of the following scheme address the issue of decline in child sex ratio?**

- a) MGNREGA
- b) Beti Bachao Beti Padhao
- c) Swachh Bharat
- d) PM KUSUM

**ANS: B**

**Explanation:** The Government of India has introduced Beti Bachao Beti Padhao programme to address the issue of decline in child sex ratio. Discuss with your peers how it will lead to more meaningful life for girls.

**Source: NCERT**

**Q.9) Which of the following approach “look at human beings as beneficiaries or targets of all development activities”?**

- a) Income approach
- b) Welfare approach
- c) Basic needs approach
- d) Capability approach

**ANS: B**

**Explanation:** Welfare approach looks at human beings as beneficiaries or targets of all development activities.

- The approach argues for higher government expenditure on education, health, social secondary and amenities.
- People are not participants in development but only passive recipients.
- The government is responsible for increasing levels of human development by maximizing expenditure on welfare.

**Source: NCERT**

**Q.10) Which of the following is the only country in the world to officially proclaim the Gross National Happiness (GNH) as the measure of the country's progress?**

- a) Sri Lanka
- b) Bhutan
- c) Nepal
- d) Thailand

**ANS: B**

**Explanation:** Bhutan is the only country in the world to officially proclaim the Gross National Happiness (GNH) as the measure of the country's progress.

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- Material progress and technological developments are approached more cautiously taking into consideration the possible harm they might bring to the environment or the other aspects of cultural and spiritual life of the Bhutanese.
- This simply means material progress cannot come at the cost of happiness. GNH encourages us to think of the spiritual, non-material and qualitative aspects of development.

Source: NCERT

### Races and Tribes

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

1. Members of tribe were united by kinship bonds.
2. Many tribes obtained their livelihood from agriculture.

**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:** Members of each tribe were united by kinship bonds. Many tribes obtained their livelihood from agriculture.

- Others were hunter-gatherers or herders. Most often they combined these activities to make full use of the natural resources of the area in which they lived.
- Some tribes were nomadic and moved from one place to another.

Source: NCERT

**Q.2) The term “Banjaras” were associated with which of the following?**

- a) Traders
- b) Farmers
- c) Hunters & Gatherers
- d) Spies

**ANS: A**

**Explanation:** The Banjaras were the most important tradernomads. Their caravan was called tanda.

- Sultan Alauddin Khalji used the Banjaras to transport grain to the city markets.
- Emperor Jahangir wrote in his memoirs that the Banjaras carried grain on their bullocks from different areas and sold it in towns.
- They transported food grain for the Mughal army during military campaigns. With a large army there could be 100,000 bullocks carrying grain.

Source: NCERT

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**Q.3) The kingdom of Garha Katanga was associated with which of the following?**

- a) Bhils
- b) Gonds
- c) Koyas
- d) Chenchus

**ANS: B**

**Explanation:** The Gonds lived in a vast forested region called Gondwana – or “country inhabited by Gonds”. They practised shifting cultivation.

- The large Gond tribe was further divided into many smaller clans. Each clan had its own raja or rai.
- About the time that the power of the Delhi Sultans was declining, a few large Gond kingdoms were beginning to dominate the smaller Gond chiefs.
- The Akbar Nama, a history of Akbar’s reign, mentions the Gond kingdom of Garha Katanga that had 70,000 villages.

**Source: NCERT**

**Q.4) The term “paiks” were associated with which of the following?**

- a) Traders
- b) Priests
- c) Forced labor
- d) Village guards

**ANS: C**

**Explanation:** The Ahom state depended upon forced labour. Those forced to work for the state were called paiks.

A census of the population was taken. Each village had to send a number of paiks by rotation.

**Source: NCERT**

**Q.5) Who among the following known for pastoral and hunter gatherer tribe inhabited the grasslands of Central Asia?**

- a) Mongols
- b) Gujjars
- c) Bakarwals
- d) Irulas

**ANS: A**

**Explanation:** The best-known pastoral and hunter gatherer tribe in history were the Mongols.

- They inhabited the grasslands (steppes) of Central Asia and the forested areas further north.
- By 1206 Genghis Khan had united the Mongol and Turkish tribes into a powerful military force.
- At the time of his death (1227) he was the ruler of extensive territories. His successors created a vast empire.
- At different points of time, it included parts of Russia, Eastern Europe and also China and much of West Asia.
- The Mongols had well-organized military and administrative systems. These were based on the support of different ethnic and religious groups.

**Source: NCERT**

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**Q.6) Which of the following is/are permanent trait/s of tribes?**

1. Region
2. Language
3. Ecological habitat

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

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

**ANS: C**

**Explanation:** In terms of positive characteristics, tribes have been classified according to their 'permanent' and 'acquired' traits.

Permanent traits include region, language, physical characteristics and ecological habitat.

**Source: NCERT**

**Q.7) In India, tribe/s is/are classified on which of the following race/s?**

1. Negrito
2. Australoid
3. Dravidian

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

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

**ANS: C**

**Explanation:** In physical-racial terms, tribes are classified under the Negrito, Australoid, Mongoloid, Dravidian and Aryan categories. The last two are again shared with the rest of the population of India.

**Source: NCERT**

**Q.8) Which of the following river/s is/are passes through Arunachal Pradesh?**

1. Siang
2. Kameng
3. Tawang

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

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

**ANS: C**

**Explanation:** The major rivers passing through the Arunachal Pradesh include Siang, Kameng, Dibang, Tawang, Dihing and Tirap.

Besides, there are innumerable tributaries. There are only two seasons — winter and rainy. The average annual rainfall ranges from 300 to 400 cm.

**Source: NCERT**

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**Q.9) Which of the following ethnic group/s is/are related to Assam?**

1. Bodos
2. Dimasas
3. Karbi

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

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

**ANS: C**

**Explanation:** Assam's human landscape is as colourful and varied as her physiography. It has been the meeting ground of diverse ethnic and cultural streams.

- People from various traits, including Austro-Asiatics, Dravidians, Tibeto-Burmans, Mongoloids and Aryans have all made Assam their home, enriching the people of the state.
- The ethnic groups of Assam include Bodos, Dimasas, Karbi, Tai-Ahom, Mishing, Rabha, Deori, and Tiwa.

**Source: NCERT**

**Q.10) The famous "Bihu" festival is associated with which of the following?**

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

**ANS: C**

**Explanation:** The Assamese culture is a rich and exotic drapery of many races that evolved through a long assimilative process.

- Bihu is the most popular festival and represents the essence of Assam. It denotes a set of three different festivals of all people irrespective of caste, creed, religion, faith and belief.
- The word Bihu is derived from the language of the Dimasa Kacharis, who have been agrarian since time immemorial.

**Source: NCERT**

## Agriculture and Allied Activities

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

1. Land-use records are maintained by forest department.
2. The Survey of India is responsible for measuring geographical area of administrative units.

**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:** Land-use records are maintained by land revenue department.

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- The land use categories add up to reporting area, which is somewhat different from the geographical area.
- The Survey of India is responsible for measuring geographical area of administrative units in India.

**Source: NCERT**

**Q.2) The physical extent of land on which crops are sown and harvested is known as?**

- a) Current Fallow
- b) Culturable Wasteland
- c) Barren and Wastelands
- d) Net Area Sown

**ANS: D**

**Explanation:** The physical extent of land on which crops are sown and harvested is known as net sown area.

**Source: NCERT**

**Q.3) Which of the following is/are provide by the common property resources (CPRs)?**

1. Fruits
2. Fodder
3. Fiber

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

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

**ANS: C**

**Explanation:** Land, according to its ownership can broadly be classified under two broad heads – private land and common property resources (CPRs).

- While the former is owned by an individual or a group of individuals, the latter is owned by the state meant for the use of the community.
- CPRs provide fodder for the livestock and fuel for the households along with other minor forest products like fruits, nuts, fiber, medicinal plants, etc.

**Source: NCERT**

**Q.4) Which of the following crop/s is/are grown in rabi season?**

1. Wheat
2. Mustard
3. Gram

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

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

**ANS: C**

**Explanation:** The rabi season begins with the onset of winter in October-November and ends in March-April. The low temperature conditions during this season facilitate the cultivation of temperate and subtropical crops such as wheat, gram and mustard.

**Source: NCERT**



## Prelims Marathon Compilation March 2024

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

1. The cereals occupy about 54 per cent of total cropped area in India.
2. India is the third largest producer of cereals in 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: C**

**Explanation:** The cereals occupy about 54 per cent of total cropped area in India.

- The country produces about 11 per cent cereals of the world and ranks third in production after China and U.S.A.
- India produces a variety of cereals, which are classified as fine grains (rice, wheat) and coarse grains (jowar, bajra, maize, ragi), etc.

**Source: NCERT**

**Q.6) The terms 'aus', 'aman' and 'boro' are related to which of the following?**

- a) Rice
- b) Maize
- c) Wheat
- d) Cotton

**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.
- 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**

**Q.7) Consider the following statements regarding wheat crop:**

1. It is primarily a crop of temperate zone.
2. It is mostly grown under irrigated conditions.

**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:** Wheat is the second most important cereal crop in India after rice. India produces about 12.8 per cent of total wheat production of world (2017).

- It is primarily a crop of temperate zone. Hence, its cultivation in India is done during winter i.e. rabi season.

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- 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.
- Being a rabi crop, it is mostly grown under irrigated conditions.

**Source: NCERT**

**Q.8) Which of the following state alone produces more than half of the total jowar production of the country?**

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

**ANS: A**

**Explanation:** The coarse cereals together occupy about 16.50 per cent of total cropped area in the country.

- Among these, jowar or sorghum alone accounts for about 5.3 per cent of total cropped area.
- It is main food crop in semi-arid areas of central and southern India.
- Maharashtra alone produces more than half of the total jowar production of the country.
- Other leading producer states of jowar are Karnataka, Madhya Pradesh, Andhra Pradesh and Telangana.

**Source: NCERT**

**Q.9) Which of the following is a hardy crop which resists frequent dry spells and drought conditions?**

- a) Bazra
- b) Maize
- c) Paddy
- d) Wheat

**ANS: A**

**Explanation:** Bajra is sown in hot and dry climatic conditions in northwestern and western parts of the country.

It is a hardy crop which resists frequent dry spells and drought in this region. It is cultivated alone as well as part of mixed cropping.

**Source: NCERT**

**Q.10) The term “narma” is associated with which of the following?**

- a) Rice
- b) Maize
- c) Wheat
- d) Cotton

**ANS: D**

**Explanation:** Cotton is a tropical crop grown in kharif season in semi-arid areas of the country.

- India lost a large proportion of cotton growing area to Pakistan during partition. However, its acreage has increased considerably during the last 50 years.
- India grows both short staple (Indian) cotton as well as long staple (American) cotton called ‘narma’ in north-western parts of the country. Cotton requires clear sky during flowering stage.

**Source: NCERT**

## Industries and Resources

**Q.1) Which of the following factor/s is/are affecting the formation of an industry?**

1. Water
2. Land
3. Capital

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

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

**ANS: C**

**Explanation:** The factors affecting the location of industries are the availability of raw material, land, water, labour, power, capital, transport and market.

**Source: NCERT**

**Q.2) Which of the following is/are consists of industrial system?**

1. Inputs
2. Processes
3. Outputs

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

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

**ANS: C**

**Explanation:** An industrial system consists of inputs, processes and outputs. The inputs are the raw materials, labour and costs of land, transport, power and other infrastructure.

The processes include a wide range of activities that convert the raw material into finished products. The outputs are the end product and the income earned from it.

**Source: NCERT**

**Q.3) In which of the following place/s industrial region/s is/are located?**

1. Near coal fields
2. Near sea ports
3. Temperate areas

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

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

**ANS: C**

**Explanation:** Industrial regions emerge when a number of industries locate close to each other and share the benefits of their closeness.

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- Major industrial regions of the world are eastern North America, western and central Europe, Eastern Europe and eastern Asia.
- Major industrial regions tend to be located in the temperate areas, near sea ports and especially near coal fields.

**Source: NCERT**

**Q.4) Which of the following is/are industrial region/s in India?**

1. Bangalore-Tamil Nadu region
2. Mumbai-Pune cluster
3. Ahmedabad-Baroda region

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

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

**ANS: C**

**Explanation:** India has several industrial regions like Mumbai-Pune cluster, Bangalore-Tamil Nadu region, Hugli region, Ahmedabad-Baroda region, Chottanagpur industrial belt, Vishakhapatnam-Guntur belt, Gurgaon-Delhi-Meerut region and the Kollam-Thiruvananthapuram industrial cluster.

**Source: NCERT**

**Q.5) Which of the following is/are risk reduction measure/s of Industrial Disaster?**

1. Densely populated residential areas should be separated far away from the industrial areas.
2. Fire warning and fighting system should be improved.
3. Storage capacity of toxic substances should be limited.

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

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

**ANS: C**

**Explanation:** Densely populated residential areas should be separated far away from the industrial areas.

- People staying in the vicinity of industries should be aware of the storage of toxins or hazardous substances and their possible effect in case if an accident occurs.
- Fire warning and fighting system should be improved.
- Storage capacity of toxic substances should be limited.
- Pollution dispersion qualities in the industries should be improved.

**Source: NCERT**

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

1. Iron and steel industry is a feeder industry.
2. Smelting is the process in which metals are extracted from their ores by heating beyond the melting point.

**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:** Like other industries iron and steel industry too comprises various inputs, processes and outputs. This is a feeder industry whose products are used as raw material for other industries.

Smelting is the process in which metals are extracted from their ores by heating beyond the melting point.

**Source: NCERT**

**Q.7) Which of the following is/are steel producing centre/s in India?**

1. Bhilai
2. Rourkela
3. Burnpur

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

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

**ANS: C**

**Explanation:** All the important steel producing centres such as Bhilai, Durgapur, Burnpur, Jamshedpur, Rourkela, Bokaro are situated in a region that spreads over four states — West Bengal, Jharkhand, Odisha and Chhattisgarh.

**Source: NCERT**

**Q.8) The famous “Bhadravati steel plant” is located in which of the following?**

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

**ANS: C**

**Explanation:** Bhadravati and Vijay Nagar in Karnataka, Vishakhapatnam in Andhra Pradesh, Salem in Tamil Nadu are other important steel centres utilising local resources.

**Source: NCERT**

## Prelims Marathon Compilation March 2024

**Q.8) Which of the following is the largest lake among great lakes?**

- a) Superior lake
- b) Michigan lake
- c) Erie lake
- d) Ontario lake

**ANS: A**

**Explanation:** The names of Great Lakes are Superior, Huron, Ontario, Michigan and Erie. Lake Superior is the largest of these five lakes. It lies higher upstream than others.

**Source: NCERT**

**Q.9) The “Pittsburgh city of United States of America” is famous for?**

- a) Steel production
- b) Uranium production
- c) Software industry
- d) Agro processing

**ANS: A**

**Explanation:** Pittsburgh is an important steel city of the United States of America. The steel industry at Pittsburgh enjoys locational advantages.

- Some of the raw material such as coal is available locally, while the iron ore comes from the iron mines at Minnesota, about 1500 km from Pittsburgh.
- Between these mines and Pittsburgh is one of the world’s best routes for shipping ore cheaply – the famous Great Lakes waterway.
- Trains carry the ore from the Great Lakes to the Pittsburgh area. The Ohio, the Monogahela and Allegheny rivers provide adequate water supply.

**Source: NCERT**

**Q.10) Which of the following is the largest producer of bauxite in the world?**

- a) India
- b) China
- c) Australia
- d) South Africa

**ANS: C**

**Explanation:** Australia is the largest producer of bauxite in the world. It is a leading producer of gold, diamond, iron ore, tin and nickel. It is also rich in copper, lead, zinc and manganese.

**Source: NCERT**

## Map Based Questions

**Q.1) The cardamom hills lies between which of the following?**

- a) Kerala and Tamil Nadu
- b) Tamil Nadu and Karnataka
- c) Kerala and Karnataka
- d) Tamil Nadu and Andhra Pradesh

**ANS: A**

**Explanation:** The Cardamom hills denote the entire Western Ghats that lie south of the Palakkad gap.

- Straddling both Kerala and Tamil Nadu, the crest of the hills form the boundary between the two states.
- The hills are known for their cardamom cultivation which began in the 19th century.
- The place is known for its dense forests and the natural undergrowth of wild cardamom. Other items cultivated here are tea, coffee, teak and bamboo.

**Source: NCERT**

**Q.2) Which of the following is/are part of the Peninsular India?**

- 1. Hazaribagh plateau
- 2. Palamu plateau
- 3. Ranchi plateau

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

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

**ANS: C**

**Explanation:** The Peninsular India is made up of a series of patland plateaus such as the Hazaribagh plateau, the Palamu plateau, the Ranchi plateau, the Malwa plateau, the Coimbatore plateau and the Karnataka plateau, etc.

**Source: NCERT**

**Q.3) Consider the following statements regarding peninsular plateau:**

- 1. It is the most stable landmass of India.
- 2. Its general elevation is from the east to the west.

**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 Peninsular Plateau is one of the oldest and the most stable landmass of India.

The general elevation of the plateau is from the west to the east, which is also proved by the pattern of the flow of rivers.

**Source: NCERT**

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**Q.4) Which of the following peak is the highest peak of peninsular India?**

- a) Theni
- b) Anaimudi
- c) Mahendragiri
- d) Dodabetta

**ANS: B**

**Explanation:** Anaimudi' (2,695 m), the highest peak of Peninsular plateau is located on the Anaimalai hills of the Western Ghats followed by Dodabetta (2,637 m) on the Nilgiri hills.

**Source: NCERT**

**Q.5) Which of the following is/are part of Eastern Ghats?**

- 1. Javadi hills
- 2. Palconda range
- 3. Mahendragiri hills

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

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

**ANS: C**

**Explanation:** Eastern Ghats comprising the discontinuous and low hills are highly eroded by the rivers such as the Mahanadi, the Godavari, the Krishna, the Kaveri, etc.

Some of the important ranges include the Javadi hills, the Palconda range, the Nallamala hills, the Mahendragiri hills, etc.

**Source: NCERT**

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

- 1. The Eastern and the Western Ghats meet each other at the Nilgiri hills.
- 2. Most of the Peninsular Rivers have their origin in the Western Ghats.

**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:** Most of the Peninsular Rivers have their origin in the Western Ghats.

The Eastern and the Western Ghats meet each other at the Nilgiri hills.

**Source: NCERT**



## Prelims Marathon Compilation March 2024

**Q.7) Which of the following is/are part of Meghalaya plateau?**

1. Garo hills
2. Khasi hills
3. Jaintai hills

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

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

**ANS: C**

**Explanation:** The Meghalaya plateau is further sub-divided into three: (i) The Garo Hills; (ii) The Khasi Hills; (iii) The Jaintia Hills, named after the tribal groups inhabiting this region.

**Source: NCERT**

**Q.8) Which of the following mineral resource/s is/are found in Meghalaya plateau?**

1. Limestone
2. Uranium
3. Sillimanite

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

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

**ANS: C**

**Explanation:** Similar to the Chotanagpur plateau, the Meghalaya plateau is also rich in mineral resources like coal, iron ore, sillimanite, limestone and uranium.

**Source: NCERT**

**Q.9) The term "Marusthali" is associated with which of the following?**

- a) Oasis
- b) Desert
- c) Wetlands
- d) Mangroves

**ANS: B**

**Explanation:** To the northwest of the Aravali hills lies the Great Indian Desert. It is a land of undulating topography dotted with longitudinal dunes and barchans.

This region receives low rainfall below 150 mm per year; hence, it has arid climate with low vegetation cover. It is because of these characteristic features that this is also known as Marusthali.

**Source: NCERT**

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

1. The western coastal plains are an example of submerged coastal plain.
2. The eastern coastal plains are an example of an emergent coast.

**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 western coastal plains are an example of submerged coastal plain.

- It is believed that the city of Dwaraka which was once a part of the Indian mainland situated along the west coast is submerged under water.
- As compared to the western coastal plain, the eastern coastal plain is broader and is an example of an emergent coast.
- There are welldeveloped deltas here, formed by the rivers flowing eastward in to the Bay of Bengal. These include the deltas of the Mahanadi, the Godavari, the Krishna and the Kaveri.

**Source: NCERT**

## Revision

**Q.1) Which of the following is/are pillar/s of “Namami Gange Programme”?**

1. Sewerage Treatment Infrastructure
2. Bio-Diversity
3. Ganga Gram

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

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

**ANS: C**

**Explanation:** ‘Namami Gange Programme’, is an Integrated Conservation Mission, approved as “Flagship Programme” by the Union Government in June 2014 with the twin objectives of effective abatement of pollution, conservation and rejuvenation of the National River Ganga.

Main pillars of the Namami Gange Programme are: • Sewerage Treatment Infrastructure • River-Front Development • River-Surface Cleaning • Bio-Diversity • Afforestation • Public Awareness • Industrial Effluent Monitoring • Ganga Gram.

**Source: NCERT**

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**Q.2) Which of the following is/are right bank tributaries of Ganga?**

1. Son
2. Ramganga
3. Gomati

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

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

**ANS: A**

**Explanation:** The Ganga river system is the largest in India having a number of perennial and non-perennial rivers originating in the Himalayas in the north and the Peninsula in the south, respectively.

The Son is its major right bank tributary. The important left bank tributaries are the Ramganga, the Gomati, the Ghaghara, the Gandak, the Kosi and the Mahananda.

**Source: NCERT**

**Q.3) Which of the following is/are tributaries of Yamuna River?**

1. Ken
2. Betwa
3. Chambal

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

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

**ANS: C**

**Explanation:** The Yamuna, the western most and the longest tributary of the Ganga, has its source in the Yamunotri glacier on the western slopes of Banderpunch range (6,316 m). It joins the Ganga at Prayag (Allahabad).

- It is joined by the Chambal, the Sind, the Betwa and the Ken on its right bank which originates from the Peninsular plateau while the Hindan, the Rind, the Sengar, the Varuna, etc. join it on its left bank.
- Much of its water feeds the western and eastern Yamuna and the Agra canals for irrigation purposes.

**Source: NCERT**

**Q.4) The "Tila, Seti and Beri" are tributaries of?**

- a) Gomati
- b) Gandak
- c) Ghaghara
- d) Chambal

**ANS: C**

**Explanation:** The Ghaghara originates in the glaciers of Mapchachungo.

After collecting the waters of its tributaries – Tila, Seti and Beri, it comes out of the mountain, cutting a deep gorge at Shishapani.

**Source: NCERT**

## Prelims Marathon Compilation March 2024

**Q.5) Which of the following river has its origin at “Chemayungdung glacier”?**

- a) Brahmaputra
- b) Ganga
- c) Yamuna
- d) Saryu

**ANS: A**

**Explanation:** The Brahmaputra, one of the largest rivers of the world, has its origin in the Chemayungdung glacier of the Kailash range near the Mansarovar Lake.

**Source: NCERT**

**Q.6) Which of the following is/are tributaries of Godavari River?**

- 1. Manjra
- 2. Indravati
- 3. Pranhita

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

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

**ANS: C**

**Explanation:** The Penganga, the Indravati, the Pranhita, and the Manjra are Godavari’s principal tributaries.

- The Godavari is subjected to heavy floods in its lower reaches to the south of Polavaram, where it forms a picturesque gorge.
- It is navigable only in the deltaic stretch. The river after Rajamundri splits into several branches forming a large delta.

**Source: NCERT**

**Q.7) Which of the following river rises in Brahmagiri hills?**

- a) Kaveri
- b) Krishna
- c) Mahanadi
- d) Pennar

**ANS: A**

**Explanation:** The Kaveri rises in Brahmagiri hills (1,341m) of Kogadu district in Karnataka. Its length is 800 km and it drains an area of 81,155 sq. km.

Since the upper catchment area receives rainfall during the southwest monsoon season (summer) and the lower part during the northeast monsoon season (winter), the river carries water throughout the year with comparatively less fluctuation than the other Peninsular rivers.

**Source: NCERT**

## Prelims Marathon Compilation March 2024

**Q.8) Which of the following is/are tributaries of Kaveri River?**

1. Kabini
2. Bhavani
3. Amravati

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

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

**ANS: C**

**Explanation:** The Kaveri's important tributaries are the Kabini, the Bhavani and the Amravati.

**Source: NCERT**

**Q.9) The term "Sholas" associated with which of the following?**

- a) Forests
- b) Mangroves
- c) Gulfs
- d) Ocean currents

**ANS: A**

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

**Source: NCERT**

**Q.10) Which of the following state/s is/are produce the copper in India?**

1. Andhra Pradesh
2. Rajasthan
3. Karnataka

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

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

**ANS: C**

**Explanation:** Copper is mainly produced in Rajasthan, Madhya Pradesh, Jharkhand, Karnataka and Andhra Pradesh.

**Source: NCERT**

## Economy

### Basic Economics & Income Accounting

**Q.1) Which of the following describes “the study of how societies use scarce resources to produce valuable commodities and distribute them among different people”?**

- a) Economics
- b) Political Science
- c) Human Geography
- d) Anthropology

**ANS: A**

**Explanation:** Economics is the study of how societies use scarce resources to produce valuable commodities and distribute them among different people.

**Source: Ramesh Singh**

**Q.2) Who among the following wrote the “The Wealth of Nations”?**

- a) Adam Smith
- b) David Ricardo
- c) John Marshall
- d) Herbert Spencer

**ANS: A**

**Explanation:** Economists have been articulating a number of theories and propositions as to how an economy may maximize its economic potential and worth.

The first and the most famous work in this direction were by the Scottish philosopher economist, Adam Smith in The Wealth of Nations (1776).

**Source: Ramesh Singh**

**Q.3) Which of the following is/are model/s of distribution system?**

- 1. State based
- 2. Market based
- 3. State – Market Mix

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

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

**ANS: C**

**Explanation:** In the arena of distribution network, we have three historically existing models—state, market and state-market mix.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.4) Which of the following is/are example/s of state based distribution system?**

1. China
2. USSR
3. USA

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

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

**ANS: B**

**Explanation:** In the state type of distribution system, the state (i.e., the government) takes the sole responsibility of supplying goods and services required by the population with no payments being done by the consumer—the former Soviet Union (USSR) and Communist China being the best examples.

**Source: Ramesh Singh**

**Q.5) Who among the following was written the “The General Theory of Employment, Interest and Money”?**

- a) J M Keynes
- b) Adam Smith
- c) John Nash
- d) Milton Friedman

**ANS: A**

**Explanation:** The belief in the self-correcting quality of the market and the ‘invisible hand’ of Adam Smith got a major setback in early 20th century during the Great Depression (1929).

The impact of the depression spread from the USA to other economies of Western Europe escalating large scale unemployment, downfall in demand and economic activities and lockouts in industrial enterprises. The prevailing Smithonian macro ideas failed to check the crisis.

A new approach was needed which came in the famous work, The General Theory of Employment, Interest and Money (1936) by the English economist at Cambridge University, John Maynard Keynes (1883–1946).

**Source: Ramesh Singh**

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

- a) Market reforms
- b) Public health
- c) Defense measures
- d) UN Security Council

**ANS: A**

**Explanation:** The term ‘Washington Consensus’ was coined by the US economist John Williamson (in 1989) under which he had suggested a set of policy reforms which most of the official in Washington (i.e., International Monetary Fund and World Bank) thought would be good for the crisis-driven Latin American countries of the time.

**Source: NCERT**

## Prelims Marathon Compilation March 2024

**Q.7) Which of the following policy reform/s is/are come/s under “Washington Consensus”?**

1. Fiscal discipline
2. Trade liberalization
3. Privatization

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

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

**ANS: C**

**Explanation:** The policy reforms (Washington Consensus) included ten propositions:

- (i) Fiscal discipline
- (ii) A redirection of public expenditure priorities toward fields offering both high economic returns and the potential to improve income distribution, such as primary health care, primary education, and infrastructure.
- (iii) Tax reform (to lower marginal rates and broaden the tax base)
- (iv) Interest rate liberalization
- (v) A competitive exchange rate
- (vi) Trade liberalization
- (vii) Liberalization of FDI inflows
- (viii) Privatization
- (ix) Deregulation (in the sense of abolishing barriers to entry and exit)
- (x) Secure property rights

**Source: Ramesh Singh**

**Q.8) Which of the following is/are comes under tertiary sector?**

1. Banking
2. Education
3. Transportation

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

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

**ANS: C**

**Explanation:** Tertiary Sector includes all economic activities where different ‘services’ are produced such as education, banking, insurance, transportation, tourism, etc. This sector is also known as the services sector.

**Source: Ramesh Singh**



## Prelims Marathon Compilation March 2024

**Q.9) Which of the following is/are way/s of to calculate the income of an economy?**

1. GDP
2. NDP
3. GNP

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

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

**ANS: C**

**Explanation:** As income of a single person can be measured, it can be measured for a nation and the whole world, although the method of calculation (accounting) may be a little bit complex in the latter's case.

- In due course, four ideas/ways to calculate the income of a nation developed, which are the subject matter of the 'national income accounting'.
- These four ways to calculate the 'income' of an economy, although different from each other in some ways, are the concepts of GDP, NDP, GNP and NNP. All are a form of the national income, but are different from one another.

**Source: Ramesh Singh**

**Q.10) Which of the following is/are part of Gross Domestic Product (GDP) calculation?**

1. Private consumption
2. Gross investment
3. Trade balance

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

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

**ANS: C**

**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.

For India, this calendar year is from 1st April to 31st March. It is also calculated by adding national private consumption, gross investment, government spending and trade balance (exports-minus-imports).

**Source: Ramesh Singh**

## Growth & Development

**Q.1) The National Income is calculated after adjusting the weight of the value of depreciation is known as?**

- a) GDP
- b) NDP
- c) GNP
- d) NNP

**ANS: B**

**Explanation:** Net Domestic Product (NDP) is the GDP calculated after adjusting the weight of the value of 'depreciation'.

This is, basically, net form of the GDP, i.e., GDP minus the total value of the 'wear and tear' (depreciation) that happened in the assets while the goods and services were being produced.

**Source: Ramesh Singh**

**Q.2) Which of the following item/s is/are covered under "Income from Abroad" of Gross National Product (GNP)?**

- 1. Private remittances
- 2. Interest on External Loans
- 3. External Grants

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

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

**ANS: C**

**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' are:

- Private remittances
- Interest on external loans
- External grants

**Source: Ramesh Singh**

**Q.3) Which of the following organization publishes the "Human Development Report"?**

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

**ANS: A**

**Explanation:** The dilemma of measuring the developmental level of economies was solved once the United Nations Development Programme (UNDP) published its first Human Development Report (HDR) in 1990. The report had a human development index (HDI) which was the first attempt to define and measure the level of development of economies.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.4) Which of the following is/are indicator/s of “Human Development Report”?**

1. Carrying capacity of environment
2. Standard of living
3. Health

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

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

**ANS: B**

**Explanation:** The HDR measures development by combining three indicators—Health, Education and Standard of Living—converted into a composite human development index, the HDI.

The creation of a single statistic in HDI was a real breakthrough which was to serve as a frame of reference for both ‘social’ and ‘economic’ development.

**Source: Ramesh Singh**

**Q.5) Which of the following country first to introduce “Gross National Happiness” Index?**

- a) Bhutan
- b) Thailand
- c) Nepal
- d) Sri Lanka

**ANS: A**

**Explanation:** Bhutan, a small Himalayan kingdom and an economic non-entity, developed a new concept of assessing development in the early 1970s—the Gross National Happiness (GNH).

Without rejecting the idea of human development propounded by UNDP, the kingdom has been officially following the targets set by the GNH.

**Source: Ramesh Singh**

**Q.6) Which of the following is/are indicator/s of “Gross National Happiness” index?**

1. Higher real per capita income
2. Good governance
3. Environmental protection

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

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

**ANS: C**

**Explanation:** Bhutan has been following the GNH since 1972 which has the following parameters to attain happiness/development: (i) Higher real per capita income (ii) Good governance (iii) Environmental protection (iv) Cultural promotion (i.e., inculcation of ethical and spiritual values in life without which, it says, progress may become a curse rather than a blessing).

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.7) Which of the following publishes the “World Happiness Report”?**

- a) UNDP
- b) UNEP
- c) Sustainable Development Solution Network
- d) WEF

**ANS: C**

**Explanation:** The World Happiness Report 2017 (WHR 2017) was released on 20th March 2017 (the International Day of Happiness) by the Sustainable Development Solution Network (an UN body). The report is a 155-nation survey, fifth of its kind (the first being in 2012)—is the outcome of coalition of researchers.

**Source: Ramesh Singh**

**Q.8) Which of the following is/are parameter/s of “World Happiness Report”?**

- 1. Social support
- 2. Generosity
- 3. Perception of corruption

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

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

**ANS: C**

**Explanation:** The World Happiness report measures happiness and well-being of the nations to help guide public policy on the basis of the following six parameters: 1. GDP per capita (at PPP) 2. Social support (someone to count on) 3. Healthy life expectancy at birth 4. Freedom to make life choices 5. Generosity 6. Perception of corruption.

**Source: Ramesh Singh**

**Q.9) Which of the following is the nodal agency for National Multidimensional Poverty Index (MPI)?**

- a) NITI Aayog
- b) CSO
- c) NSSO
- d) Finance commission

**ANS: A**

**Explanation:** First ever National MPI was released in 2021 (based on data taken from NFHS-4).

- Under the government’s Global Indices for Reforms and Growth (GIRG) initiative, NITI Aayog is the nodal agency for MPI.
- GIRG monitors India’s performance on various important social and economic parameters.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.10) The “Mukundra Hills National Park” is recently seen in news located at?**

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

**ANS: D**

**Explanation:** Mukundra Hills National Park is a wildlife sanctuary located in Rajasthan, India. It is home to a variety of flora and fauna.

The Mukundra Hills National Park was established in 2004 and is situated on the Mukundra Hills range.

**Source: FORUMIAS**

## Evolution of Indian Economy & Indian Planning

**Q.1) Which of the following is the prime moving force of economy after independence?**

- a) Agriculture sector
- b) Industrial sector
- c) Services sector
- d) External trade sector

**ANS: B**

**Explanation:** A topical issue of the debate regarding India has been the choice for the sector which will lead the process of development.

The government of the time (1950's) opted for industry to be India's prime moving force of the economy.

**Source: Ramesh Singh**

**Q.2) Consider the following statements regarding core industries:**

1. The Eight Core Industries comprise more than 50 percent of the weight of items included in the Index of Industrial Production (IIP).
2. Electricity generation has the highest weight of eight core 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: D**

**Explanation:** The ICI measures combined and individual performance of production of eight core industries viz. Cement, Coal, Crude Oil, Electricity, Fertilizers, Natural Gas, Refinery Products and Steel.

- The Eight Core Industries comprise 40.27 percent of the weight of items included in the Index of Industrial Production (IIP).
- Petroleum Refinery Products - Petroleum Refinery production (weight: 28.04 per cent) increased by 4.2 per cent in October, 2023 over October, 2022. Its cumulative index increased by 4.0 per cent during April to October, 2023-24 over corresponding period of the previous year.

## Prelims Marathon Compilation March 2024

- Electricity generation (weight: 19.85 per cent) increased by 20.3 per cent in October, 2023 over October, 2022. Its cumulative index increased by 7.9 per cent during April to October, 2023-24 over corresponding period of the previous year.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1981162>

**Q.3) In which of the following year the national planning committee was set up?**

- a) 1921
- b) 1929
- c) 1938
- d) 1947

**ANS: C**

**Explanation:** The National Planning Committee, set up in 1938 by the Indian National Congress which, for the first time, tried to define planning (in 1940, though, its final report was published in 1949) in India.

Source: Ramesh Singh

**Q.4) Which of the following country used the first regional planning system?**

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

**ANS: B**

**Explanation:** It was at the regional level that planning was used as a part of development policy by any country for the first time.

It was the USA which started the first regional planning after the Tennessee Valley Authority (TVA) was set up in 1916—for a large-scale rehabilitation in south-eastern USA covering parts of seven states.

Source: Ramesh Singh

**Q.5) Which of the following economy/economies follow central planning method?**

1. Poland
2. Hungary
3. Switzerland

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

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

**ANS: B**

**Explanation:** The Command Economies are also known as the Centrally Planned Economies—the USSR, Poland, Hungary, Austria, Romania, etc., and finally China.

Source: Ramesh Singh

## Prelims Marathon Compilation March 2024

### Q.6) Which of the following is/are feature/s of imperative planning?

1. Numerical targets of growth and development are set by the plan.
2. Individuals control the ownership rights over the resources.
3. Only the state plays the economic role.

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

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

**ANS: B**

**Explanation:** Basic features of imperative planning are as under:

- (i) Numerical (i.e., quantitative) targets of growth and development are set by the plan.
- (ii) As the state controls the ownership rights over the resources, it is very much possible to realize the above-cited planned targets.
- (iii) Almost no role for the market, no price mechanism with all economic decisions to be taken in the centralized way by the state/government.
- (iv) No private participation in the economy, only the state plays the economic role.

**Source: Ramesh Singh**

### Q.7) Which of the following is/are feature/s of indicative planning?

1. Mixed economies follow indicative planning method.
2. Indicative planning replaces the market system with the state system.
3. Policies announced under this system are indicative in nature.

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

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

**ANS: B**

**Explanation:** The identifying features of indicative planning may be summed up as under:

- (i) Every economy following the indicative planning were mixed economies.
- (ii) Unlike a centrally planned economy (countries following imperative planning) indicative planning works through the market (price system) rather than replaces it.
- (iii) Side by side setting numerical/quantitative targets (similar to the practice in the imperative planning) a set of economic policies of indicative nature is also announced by the economies to realize the plan targets.
- (iv) the indicative nature of economic policies, which are announced in such planning, basically encourage or discourage the private sector in its process of economic decision making.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.8) Which of the following planning gives less emphasis upon the social and institutional dimensions?**

- a) Imperative
- b) Regional
- c) Systems
- d) Normative

**ANS: C**

**Explanation:** A major classification of planning is done on the basis of societal emphasis.

- The type of planning which gives less emphasis upon the social and institutional dimensions is known as systems planning.
- In such planning, the planners just search for the best possible results in relation to the established goals giving less importance to issues like caste, creed, religion, region, language, marriage, family, etc.

**Source: Ramesh Singh**

**Q.9) Who among the following was the father of Indian economic planning?**

- a) Prasanta Chandra Mahalanobis
- b) M Visvesvaraya
- c) DR B R Ambedkar
- d) Amartya Kumar Sen

**ANS: B**

**Explanation:** Father of Indian Economic Planning is Sir M. Vishweshwaraiah. Sir M Visvesvaraya, popularly known as Sir MV, was an engineer, statesman, and a scholar.

Sir MV served as the Diwan of Mysore during the period of 1912-1918. In 1955, he was honoured with Bharat Ratna.

**Source: NCERT**

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

- a) Maharashtra
- b) Rajasthan
- c) Madhya Pradesh
- d) Chhattisgarh

**ANS: C**

**Explanation:** Kuno National Park of Madhya Pradesh is one the most unique destination for all wildlife lovers and enthusiasts.

- As soon as one ventures inside this park they experience the exclusive forest of Kardhai, Khair and Salai and one can see wildlife by the dozens foraging across vast meadows.
- Some grassland here is bigger than most at Kanha or Bandhavgarh Tiger Reserve.

**Source:** <https://indianexpress.com/article/india/cheetah-kuno-national-park-bhupender-vadav-9206466/>



## 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**

## Prelims Marathon Compilation March 2024

**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).

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**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**

## Prelims Marathon Compilation March 2024

**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**

## Prelims Marathon Compilation March 2024

**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**

## Prelims Marathon Compilation March 2024

**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**

## Prelims Marathon Compilation March 2024

**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.

## Prelims Marathon Compilation March 2024

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**



## Prelims Marathon Compilation March 2024

**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**

## Prelims Marathon Compilation March 2024

**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.

## Prelims Marathon Compilation March 2024

- 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”?**

- Normative planning
- Systems planning
- Indicative planning
- 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?**

- Austria
- Belgium
- France
- 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?**

- Assam
- Nagaland
- Tripura
- 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 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 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 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.

## Prelims Marathon Compilation March 2024

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**

## Prelims Marathon Compilation March 2024

**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?**

- Micro irrigation
- Payment mechanism
- Alternative fertilizers
- 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?**

- Magnesium
- Urea
- Di-Ammonium Phosphate

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

- Only one
- Only two
- Only three
- 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:**

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

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

- 1 only
- 2 only
- Both 1 and 2
- 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?**

- Carbon footprint
- High variety yielding seed
- Digital Public Infrastructure
- Organic fertilizers

**ANS: C**

**Explanation:** India’s DPI architecture, known as India Stack, consists of Aadhaar (identity), UPI and Aadhaar 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)?**

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

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

- Only one
- Only two
- Only three
- 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?**

- Customs
- Ease of arranging shipments
- Timeliness

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

- Only one
- Only two
- Only three
- 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**

## Prelims Marathon Compilation March 2024

**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**

## Services Sector

**Q.1) Consider the following statements regarding "National Common Mobility Card (NCMC)":**

1. It was launched in 2019.
2. It is a chip based, bank issued cards on Debit/Credit/Prepaid card product platform.

**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:** NCMC launched in 2019, is also known as One Nation, One Card for transport mobility.

- The customer may use a single card for payments across all segments including metro, bus, suburban railways, toll, parking, smart city, and retail.
- These are chip based, bank issued cards on Debit/Credit/Prepaid card product platform.
- Unlike other Chip based cards, NCMC's are dual Interface card which supports both contact and contactless transactions.

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- It was developed by the Ministry of Housing and Urban Affairs in association with National Payments Corporation of India (NPCI), Centre for Development of Advanced Computing (C-DAC) and Bharat Electronics Limited (BEL).

**Source: FORUMIAS**

**Q.2) Consider the following statements:**

1. Indian Railways is the World's 4th largest railway network.
2. Deterioration in the Operating Ratio limits spending capacity on up-gradation and safety.

**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 Railways is the World's 4th largest railway network, after the US, China, and Russia, with the entire track covering a route length of more than 67,000 km.

- Deterioration in the Operating Ratio limits spending capacity on up-gradation and safety.
- The operating ratio (i.e., the ratio of working expenses to traffic earnings) was 107.4% in 2021-22.
- This implies Indian Railways spent Rs 107 to earn Rs 100 from traffic operations.

**Source: FORUMIAS**

**Q.3) Consider the following statements regarding "KAVACH System":**

1. It is an indigenously developed Automatic Train Protection (ATP) system by the Defense Research & Development Organization (DRDO).
2. It is a state-of-the-art electronic system with Safety Integrity Level-4 (SIL-4) standards.

**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:** The KAVACH is an indigenously developed Automatic Train Protection (ATP) system by the Research Design and Standards Organization (RDSO) in collaboration with the Indian industry.

- The trials were facilitated by the South Central Railway to achieve safety in train operations across Indian Railways.
- It is a state-of-the-art electronic system with Safety Integrity Level-4 (SIL-4) standards.
- It is meant to provide protection by preventing trains to pass the signal at Red (which marks danger) and avoid collision.
- It activates the train's braking system automatically if the driver fails to control the train as per speed restrictions.
- In addition, it prevents the collision between two locomotives equipped with functional Kavach systems.
- The system also relays SoS messages during emergency situations. An added feature is the centralized live monitoring of train movements through the Network Monitor System.

## Prelims Marathon Compilation March 2024

- 'Kavach' is one of the cheapest, SIL-4 certified technologies where the probability of error is 1 in 10,000 years.

Source: <https://www.thehindu.com/news/national/explained-understanding-the-kavach-system/article66930707.ece>

**Q.4) The "Bharat NCAP" is often seen in news related to?**

- a) Railways safety
- b) Car safety
- c) Aviation guidelines
- d) Tourism industry

**ANS: B**

**Explanation:** The Ministry of Road Transport and Highways (MoRTH) has rolled out an indigenous star-rating system for vehicles to assess their safety in cases of collision.

- Bharat NCAP is modelled on the Global New Car Assessment Programme (Global NCAP) that promotes the universal adoption of the United Nation's motor vehicle safety standards worldwide.
- Global NCAP is a major project of the Towards Zero Foundation, which is a UK-registered charity.

Source: FORUMIAS

**Q.5) Which of the following statements is/are correct?**

1. Major ports are under the direct administrative control of the Central Government and fall in the Union List in the 7th Schedule of the Constitution.
2. Minor ports are fall under the jurisdiction of the respective State Maritime Board and fall in the Concurrent List.
3. There are 16 Government owned major ports.

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

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

**ANS: B**

**Explanation:** Ports in India are broadly categorized into two types based on traffic they handle.

- Major Ports: They are under the direct administrative control of the Central Government and fall in the Union List in the 7th Schedule of the Constitution.
- Minor Ports: They fall under the jurisdiction of the respective State Maritime Board and fall in the Concurrent List.
- There are 12 Government owned major ports (with 6 on the East Coast and 6 on the West Coast).
- The Major Port Authorities Act, 2021 and the Indian Ports Act are the two principal statutes governing the functioning of Major Ports.

Source: FORUMIAS

## Prelims Marathon Compilation March 2024

**Q.6) Consider the following statements regarding insurance sector in India:**

1. In terms of total premium volumes of insurance, it is the 10th largest market globally.
2. In India, insurance density has increased from \$ 11.1 in 2001 to \$ 91 in 2021.

**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:** Current Status of the Insurance Sector in India:

- Total Premium: In terms of total premium volumes, it is the 10th largest market globally, with an estimated market share of 1.9%.
- Insurance Density: In India, it has increased from \$ 11.1 in 2001 to \$ 91 in 2021. Insurance density refers to the ratio of total insurance premiums to whole population of a given country in a given year.
- Insurance Penetration: In India, it has been steadily increasing (from 2.7% in 2000 to 4.2% in 2021). Insurance penetration refers to the ratio of total insurance premiums to gross domestic product in a given year.
- Insurance penetration in the life insurance sector was 3.2% in 2021 -twice more than emerging markets and slightly above the global average.

**Source: FORUMIAS**

**Q.7) Consider the following statements regarding “Insurance Regulatory and Development Authority of India (IRDAI)”:**

1. It was established as statutory body under an Act of Parliament.
2. Its headquarters is in Hyderabad

**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:** Insurance Regulatory and Development Authority of India (IRDAI) is a statutory body under an Act of Parliament, i.e., IRDAI Act 1999.

- Headquarters is in Hyderabad, Telengana.
- Ministry: Ministry Of Finance, Department of Financial Services.

**Source: FORUMIAS**

## Prelims Marathon Compilation March 2024

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

1. India has witnessed electricity demand increase at CAGR of around 4.1 % during the last decade.
2. Average CO2 emission rate from coal-based stations has been on a declining trend.

**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:** Recently, the Central Electricity Authority has notified the National Electricity Plan for 2022-32. Key highlights of NEP are:

- Rising energy demand: India has witnessed electricity demand increase at CAGR of around 4.1 % during the last decade.
- Installed capacity: Likely installed capacity for the year 2026-27 will be around 610 GW with around 57.4% non-fossil-based capacity (from around 40% as of March 2022).
- Carbon emission: Average CO2 emission rate from coal-based stations has been on a declining trend.
- Contribution of Renewable Energy (RE) sources: Installed capacity of RE sources is expected to contribute around 35% to the total energy mix by 2026-27.

**Source: FORUMIAS**

**Q.9) The term “market coupling” is often seen in news related to?**

- a) Energy sector
- b) Transport sector
- c) Agriculture sector
- d) Finance sector

**ANS: A**

**Explanation:** India has three power exchanges – IEX, Power Exchange India Limited (PXIL) and Hindustan Power Exchange Limited (HPX).

- These are voluntary markets and each of them collect buy bids and sell bids on their own, and thus, come up with their own market clearing prices (MCP).
- In simple terms, currently, each power exchange has a different cost of electricity, even though it is usually higher or lower to each other only by a few paisa.
- Market coupling is a model where buy bids and sell bids from all power exchanges in the country will be aggregated and matched to discover a uniform MCP.
- It means there will be only one price for the electricity that is to be traded at any point of time through these exchanges.
- If implemented, power exchanges will rendered as a platform where only buy and sell bids will be received and power dispatched to the buyer.

**Source: FORUMIAS**

## Prelims Marathon Compilation March 2024

**Q.10) Which of the following is/are part of "Natural Gas"?**

1. Methane
2. Nitrogen
3. Carbon Dioxide

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

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

**ANS: C**

**Explanation:** Natural gas is a mixture of gases which are rich in hydrocarbons consisting of methane, nitrogen, carbon dioxide etc.

- Natural gas reserves are deep inside the earth near other solid & liquid hydrocarbon beds like coal and crude oil.
- It is not used in its pure form; it is processed and converted into cleaner fuel for consumption.
- India has targeted to increase the share of natural gas in primary energy mix in India from current 6.5% to 15% by 2030.

**Source: FORUMIAS**

## Indian Financial Market

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

1. The money market fulfils the requirements of funds for the period more than 364 days.
2. The capital market fulfils the requirements of funds for the period less than 364 days.

**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:** 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 up to 364 days (i.e., short term) while the capital market does the same for the period above 364 days (i.e., long term).

**Source: Ramesh Singh**

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**Q.2) Who among the following is/are participate/s in “money market”?**

1. Individuals
2. Companies
3. Banks

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

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

**ANS: C**

**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.

**Source: Ramesh Singh**

**Q.3) The long term capital raised through which of the following source/s?**

1. Corporate bonds
2. Bank loans
3. Debentures

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

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

**ANS: C**

**Explanation:** Long-term capital can be raised either through bank loans, corporate bonds, debentures or shares (i.e., from the capital market).

**Source: Ramesh Singh**

**Q.4) Which of the following committee/s is/are related to money market?**

1. Chakravarty Committee
2. Vahul Committee
3. Chellaiha committee

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

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

**ANS: B**

**Explanation:** The organized 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 Chakravarty Committee (1985) which, for the first time, underlined the need of an organized money market in the country and the Vahul Committee (1987) laid the blue print for its development.

**Source: Ramesh Singh**



## Prelims Marathon Compilation March 2024

**Q.5) Which of the following is/are indigenous banker/s?**

1. Gujarati Shroffs
2. Bhotiyas
3. Chettiars

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

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

**ANS: B**

**Explanation:** Indigenous bankers receive deposits and lend money in the capacity of individual or private firms. There are, basically, four such bankers in the country functioning as nonhomogenous groups:

(a) Gujarati Shroffs: They operate in Mumbai, Kolkata as well as in industrial, trading and port cities in the region.

(b) Multani or Shikarpuri Shroffs: They operate in Mumbai, Kolkata, Assam tea gardens and North Eastern India.

(c) Marwari Kayas: They operate mainly in Gujarat with a little bit of presence in Mumbai and Kolkata.

(d) Chettiars: They are active in Chennai and at the ports of southern India.

**Source: Ramesh Singh**

**Q.6) Which of the following "Treasury Bills (TBs)" is/are issued by government?**

1. 14-day Auctionable TBs
2. 91-day TBs
3. 182-day TBs

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

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

**ANS: B**

**Explanation:** Treasury Bills (TBs): This instrument of the money market though present since Independence got organized only in 1986.

- They are used by the Central Government to fulfill its short-term liquidity requirement upto the period of 364 days.
- At present only the 91-day TBs, 182-day TBs and the 364-day TBs are issued by the government.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.7) Which of the following statement/s is/are correct about “Certificate of Deposit (CD)”?**

1. They are used by financial institutions.
2. They are not tradable.
3. Financial institutions can issue CDs for the maturity periods above one year and upto three years.

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

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

**ANS: B**

**Explanation:** Certificate of Deposit (CD): Organized in 1989, the CD is used by banks and issued to the depositors for a specified period ranging less than one year—they are negotiable and tradable in the money market.

Since 1993 the RBI allowed the financial institutions to operate in it— IFCI, IDBI, IRBI (IIBI since 1997) and the Exim Bank—they can issue CDs for the maturity periods above one year and upto three years.

**Source: Ramesh Singh**

**Q.8) Who among the following can issue Commercial Bill (CB)?**

1. All India Financial Institutions
2. Non-Banking Finance Companies
3. Mutual Funds

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

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

**ANS: C**

**Explanation:** Commercial Bill (CB): Organized in 1990, a CB is issued by the All India Financial Institutions (AIFIs), Non-Banking Finance Companies (NBFCs), Scheduled Commercial Banks, Merchant Banks, Co-operative Banks and the Mutual Funds. It replaced the old Bill Market available since 1952 in the country.

**Source: Ramesh Singh**

**Q.9) Consider the following statements regarding “call money market”:**

1. It is an inter-bank money market where funds are borrowed and lent.
2. Under this funds can be borrowed/raised for a maximum period upto 14 days.

**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:** Call Money Market (CMM): This is basically an inter-bank money market where funds are borrowed and lent, generally, for one day—that is why this is also known as over-night borrowing market (also called money at call).

- Fund can be borrowed/raised for a maximum period upto 14 days (called short notice).

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- Borrowing in this market may take place against securities or without securities.

**Source: Ramesh Singh**

**Q.10) Consider the following statements regarding “Cash Management Bill (CMB)”:**

1. It is a non-standard and discounted instruments issued for maturities less than 91 days.
2. It comes under the similar Ways & Means Advances provision of Government of India.

**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: B**

**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.
- CBM does not come under WMAs provisions.

**Source: Ramesh Singh**

## Revision

**Q.1) Which of the following is/are advantage/s of investing in mutual funds?**

1. Diversification of portfolio
2. Good investment management services
3. Liquidity

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

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

**ANS: C**

**Explanation:** Advantages of investing in MFs include: (a) diversification of portfolio, (b) good investment management services, (c) liquidity, (d) strong government-backed regulatory help, (e) professional service, and (f) low cost for all the benefits.

**Source: Ramesh Singh**

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**Q.2) Consider the following statements regarding “Discount and Finance House of India Limited”:**

1. It functions as the biggest ‘primary dealer’ in the economy and functions on commercial basis.
2. It deals in all kinds of instruments in the money market with an upper ceiling.

**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: B**

**Explanation:** The Discount and Finance House of India Limited 13 (DFHI) was set up in April 1988 by the RBI jointly with the public sector banks and financial investment institutions (i.e., LIC, GIC and UTI).

- In 2004, the RBI transferred its total holding in the DFHI to the State Bank of India arm SBI Gilts Limited. Its new name is SBI DFHI.
- It functions as the biggest ‘primary dealer’ in the economy and functions on commercial basis.
- It deals in all kinds of instruments in the money market without any upper ceiling.
- Operating in ‘two way’ (as a lender and borrower) its objective is to provide needful liquidity and stability in the financial market of the country.

**Source: Ramesh Singh**

**Q.3) Which of the following is/are all India Financial Institution/s?**

1. NABARD
2. SIDBI
3. EXIM Bank

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

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

**ANS: C**

**Explanation:** At present, there are only four financial institutions operating in the country as AIFs regulated by the RBI, viz., the NABARD, SIDBI, Exim Bank and the NHB.

**Source: Ramesh Singh**

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

1. NABARD supervises regional rural banks as well as state and district cooperative banks.
2. SIDBI regulates the state finance corporations (SFCs).

**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:** Several other government bodies perform quasi-regulatory functions— National Bank for Agriculture and Rural Development (NABARD), Small Industries Development Bank of India (SIDBI), and National Housing Bank (NHB).

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- NABARD supervises regional rural banks as well as state and district cooperative banks.
- NHB regulates housing finance companies, and SIDBI regulates the state finance corporations (SFCs).

**Source: Ramesh Singh**

**Q.5) Consider the following statements regarding “International Financial Services Centre (IFSC)”:**

1. It caters to customers outside the jurisdiction of the domestic economy.
2. It can provide several services including fund-raising, Asset management and global portfolio diversification.

**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:** An IFSC caters to customers outside the jurisdiction of the domestic economy. Such centers deal with flows of finance, financial products and services across borders.

- It can provide several services including fund-raising, Asset management and global portfolio diversification, wealth management etc.
- IFSCA has been established in 2020 under the International Financial Services Centers Authority Act, 2019.

**Source: FORUMIAS**

**Q.6) Consider the following statements regarding “Competition Act 2002”:**

1. It replaced the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969.
2. It provided for the establishment of the Competition Commission of India (CCI).

**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:** Competition Act 2002 replaced the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969.

- It provided for the establishment of the Competition Commission of India (CCI).
- The Act forbids anti-competitive agreements, corporate abuse of dominant positions, and combinations (including acquisitions, takeovers of control, and mergers and acquisitions) that have or are likely to have a materially negative impact on competition in India.

**Source: FORUMIAS**

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**Q.7) Which of the following is/are provision/s of Jan Vishwas (Amendment of Provisions) Act, 2023?**

1. Decriminalizes some of provisions across 42 laws administered by ministries and departments.
2. Converts several fines into penalties.
3. Removes all offences and penalties under the Indian Post Office Act 1898.

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

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

**ANS: C**

**Explanation:** Recently, the Jan Vishwas (Amendment of Provisions) Act, 2023 aims to give a boost to ease of living and ease of doing business. Key highlights of the Act:

- Decriminalizes 183 provisions across 42 laws administered by 19 Ministries/Departments.
- Converts several fines into penalties, implying that judicial prosecution is not necessary to administer punishment.
- Removes all offences and penalties under the Indian Post Office Act 1898.
- Periodic revision (10% increase of the minimum amount every three years) of fines and penalties for various offences in specified Acts.
- Changes in grievance redress and appellate mechanisms and appointment of one or more adjudicating officers for determining penalties under acts such as the Cinematograph Act, 1952, Environment (Protection) Act, 1986, Merchant Shipping Act, 1958, etc.

**Source: FORUMIAS**

**Q.8) What is the rank of India in recently published Global Innovation Index, 2023?**

- a) 32
- b) 38
- c) 40
- d) 44

**ANS: C**

**Explanation:** India maintains 40th Rank in the recently released GII 2023, by the World Intellectual Property Organization (WIPO).

- The GII is a reliable tool for governments across the world to assess the innovation-led social and economic changes in their respective countries.
- It is co-published annually by Cornell University, INSEAD Business School, and WIPO.

**Source: FORUMIAS**

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**Q.9) Which of the following treaty/treaties is India member?**

1. Paris Convention for the Protection of Industrial Property
2. Berne Convention for the Protection of Literary and Artistic Works
3. Patent Cooperation Treaty

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

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

**ANS: C**

**Explanation:** Major Treaties (India is a member of all three):

- Paris Convention for the Protection of Industrial Property (1998).
- Berne Convention for the Protection of Literary and Artistic Works (1928).
- Patent Cooperation Treaty (1998).

**Source: FORUMIAS**

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

- a) Nagaland
- b) Assam
- c) West Bengal
- d) Sikkim

**ANS: B**

**Explanation:** Orang National Park is a national park in India located on the northern bank of the Brahmaputra River in the Darrang and Sonitpur districts of Assam.

It covers an area of 79.28 km<sup>2</sup>. It was established as a sanctuary in 1985 and declared a national park on 13 April 1999.

**Source: FORUMIAS**

## Banking in India

**Q.1) Which of the following activity/activities is/are taken by NBFCs (Non-Banking Financial Companies)?**

1. Making loans and advances
2. Leasing
3. Construction of immovable property

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

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

**ANS: B**

**Explanation:** NBFCs (Non-Banking Financial Companies) are fast emerging as an important segment of Indian financial system.

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- It is an heterogeneous group of institutions (other than commercial and co-operative banks) performing financial intermediation in a variety of ways, like accepting deposits, making loans and advances, leasing, hire purchase, etc.
- They cannot have certain activities as their principal business—agricultural, industrial and salepurchase or construction of immovable property.

**Source: Ramesh Singh**

**Q.2) Under which of the following act, Reserve Bank of India was set up?**

- a) Government of India Act, 1919
- b) RBI Act, 1934
- c) RBI Act, 1949
- d) Nationalization of Banks Act, 1969

**ANS: B**

**Explanation:** The Reserve Bank of India (RBI) was set up in 1935 (by the RBI Act, 1934) as a private bank with two extra functions—regulation and control of the banks in India and being the banker of the government.

**Source: Ramesh Singh**

**Q.3) Which of the following is/are function/s of Reserve Bank of India?**

1. Issuing agency of the currency and coins other than rupee one currency
2. Distributing agent for currency and coins issued by the Government of India.
3. Banker of the government.

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

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

**ANS: C**

**Explanation:** The governments have been handing over different functions to the RBI, which stand today as given below:

- (i) It is the issuing agency of the currency and coins other than rupee one currency and coin (which are issued by Ministry of Finance itself with the signature of the Finance Secretary on the note).
- (ii) Distributing agent for currency and coins issued by the Government of India.
- (iii) Banker of the government.
- (iv) Bank of the banks/Bank of last resort.

**Source: Ramesh Singh**

**Q.4) "It is the ratio of the total deposits of a bank in India which is kept with the RBI in the form of cash"?**

- a) Cash Reserve Ratio
- b) Statutory liquidity ratio
- c) Bank Rate
- d) Marginal Standing Facility

**ANS: A**

**Explanation:** The cash reserve ratio (CRR) is the ratio (fixed by the RBI) of the total deposits of a bank in India which is kept with the RBI in the form of cash.

- This was fixed to be in the range of 3 to 15 per cent.



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- A recent Amendment (2007) has removed the 3 per cent floor and provided a free hand to the RBI in fixing the CRR.

**Source: Ramesh Singh**

**Q.5) Which of the following is/are come/s under the definition of Statutory Liquidity Ratio (SLR)?**

1. Cash
2. Gold
3. Treasury Bills of the Government of India

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

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

**ANS: C**

**Explanation:** SLR assets shall be maintained by Scheduled commercial banks and local area banks, as -

(a) Cash; or

(b) gold as defined in Section 5(g) of Banking Regulation Act, 1949 valued at a price not exceeding the current market price: or

(c) Unencumbered investment in any of the following instruments [hereinafter referred to as Statutory Liquidity Ratio securities ("SLR securities")], namely:-

- Dated securities of the Government of India issued from time to time under the market borrowing programme and the Market Stabilization Scheme ; or
- Treasury Bills of the Government of India; or
- State Development Loans (SDLs) of the State Governments issued from time to time under the market borrowing programme.

**Source:** <https://www.rbi.org.in/commonperson/english/scripts/Notification.aspx?Id=2283>

**Q.6) Who among the following institution/s borrow through Bank Rate is/are?**

1. Government of India
2. Cooperative Banks
3. NBFC's

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

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

**ANS: C**

**Explanation:** The interest rate which the RBI charges on its long-term lending's known as the Bank Rate.

- The clients who borrow through this route are the Government of India, state governments, banks, financial institutions, cooperative banks, NBFCs, etc.
- The rate has direct impact on long-term lending activities of the concerned lending bodies operating in the Indian financial system.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

### Q.7) Consider the following statements regarding “Repo Rate”:

1. It is the rate of interest the RBI charges from its clients on their short-term borrowing.
2. The Call Money Market of India operates at this rate.

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 rate of interest the RBI charges from its clients on their short-term borrowing is the repo rate in India.

- Basically, this is an abbreviated form of the ‘rate of repurchase’ and in western economies it is known as the ‘rate of discount’.
- The Call Money Market of India (inter-bank market) operates at this rate and banks use this route for overnight borrowings.
- This rate has direct relation with the interest rates banks charge on the loans they offer (as it affects the operational cost of the banks).

**Source: Ramesh Singh**

### Q.8) Consider the following statements regarding “reverse repo rate”:

1. It is the rate of interest the RBI pays to its clients who offer short-term loan to it.
2. It was started in November 1996 as part of liquidity Adjustment Facility (LAF) by the RBI.

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:** Reverse Repo Rate is the rate of interest the RBI pays to its clients who offer short-term loan to it.

- It is reverse of the repo rate and this was started in November 1996 as part of liquidity Adjustment Facility (LAF) by the RBI.
- In practice, financial institutions operating in India park their surplus funds with the RBI for shortterm period and earn money.
- It has a direct bearing on the interest rates charged by the banks and the financial institutions on their different forms of loans.

**Source: Ramesh Singh**

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**Q.9) Under which of the following “banks can borrow overnight upto 1 per cent of their net demand and time liabilities (NDTL) from the RBI, at the interest rate 1 per cent (100 basis points) higher than the current repo rate”?**

- Bank Rate
- Market Sterilization Scheme
- Marginal Standing Facility
- Open Market Operations

**ANS: C**

**Explanation:** MSF is a new scheme announced by the RBI in its Monetary Policy, 2011-12 which came into effect from May, 2011.

Under this scheme, banks can borrow overnight upto 1 per cent of their net demand and time liabilities (NDTL) from the RBI, at the interest rate 1 per cent (100 basis points) higher than the current repo rate.

**Source: Ramesh Singh**

**Q.10) Consider the following statements regarding “Open Market Operations”:**

- It is conducted by department of financial services.
- Its primary aim is to modulate rupee liquidity conditions in the market.

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

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

**ANS: B**

**Explanation:** OMOs are conducted by the RBI via the sale/purchase of government securities (G-Sec) to/from the market with the primary aim of modulating rupee liquidity conditions in the market.

- OMO is an effective quantitative policy tool in the armory of the RBI, but are constrained by the stock of government securities available with it at a point in time.
- Other than the institutions, now individuals will also be able to participate in this market.

**Source: Ramesh Singh**

## Capital Market in India

**Q.1) Consider the following statements regarding “Agriculture Insurance Company of India Limited (AICIL)”:**

- It is a dedicated agri-insurance company.
- It is responsible for look after the PMFBY (Prime Minister Fasal Bima Yojana).

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

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

**ANS: C**

**Explanation:** The public sector insurance company, Agriculture Insurance Company of India Limited (AICIL) was set up by the Government of India in December 2002 (commenced its business in April 2003).

## Prelims Marathon Compilation March 2024

- This is a dedicated agri-insurance company and aims “to serve the needs of farmers better and to move towards a sustainable actuarial regime”.
- This company was responsible to look after the National Agriculture Insurance Scheme (NAIS) which was launched in 1999.
- Since January 2016, the company is looking after the newly launched PMFBY (Prime Minister Fasal Bima Yojana) which subsumed the existing agri-insurance schemes— the NAIS and the Modified NAIS (of 2010).
- Till the AICIL was not set up, the agri-insurance responsibility of the government was being looked after by the General Insurance Corporation (GIC).

**Source: Ramesh Singh**

**Q.2) Which of the following committee was related to insurance reforms?**

- a) Narsimhan
- b) Vivek debroy
- c) Rangarajan
- d) R. N. Malhotra

**ANS: D**

**Explanation:** Under the process of economic reforms an Insurance Reforms Committee (IRC) was set up in April 1993 under the chairmanship of the ex-RBI Governor R. N. Malhotra.

**Source: Ramesh Singh**

**Q.3) Which of the following organization/s was/were subsumed to form “Deposit Insurance and Credit Guarantee Corporation (DICGC)?**

1. Deposit Insurance Corporation
2. Credit Guarantee Corporation
3. General Insurance Corporation of India

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

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

**ANS: B**

**Explanation:** DICGC was set up by merging the Deposit Insurance Corporation (1962) and the Credit Guarantee Corporation (1971) in 1978.

- While Deposit Insurance had been introduced in India out of concerns to protect depositors, ensure financial stability, instill confidence in the banking system and help mobilize deposits, the establishment of the Credit Guarantee Corporation was essentially in the realm of affirmative action to ensure that the credit needs of the hitherto neglected sectors and weaker sections were met.
- The essential concern was to persuade banks to make available credit to not so creditworthy clients. After the merger, the focus of the DICGC had shifted onto credit guarantees.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.4) Which of the following is/are reason/s for low penetration of insurance sector?**

1. Complex and delayed claim settlement procedures
2. Lack of education and awareness among the masses
3. Lower income levels of the population

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

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

**ANS: C**

**Explanation:** As per the area experts and the insurance regulator, there are several factors responsible for the low insurance penetration in the country—major ones of them are as given below: (i) Complex and delayed claim settlement procedures; (ii) Vague and incomprehensible rules and regulations of the insurance companies; (iii) Lack of education and awareness among the masses; (iv) Lower income levels of the population; (v) Socio-cultural factors; (vi) Lack of level playing field in the industry; and (vii) Less vibrancy in the regulatory framework.

**Source: Ramesh Singh**

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

1. The market in which the instruments of security market are traded directly between the capital-raiser and the instrument purchaser is known as the primary market.
2. The market where the instruments of security market are traded among the primary instrument holders is known as the secondary market.

**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:** Every security market has two complementary markets—primary and the secondary.

- The market in which the instruments of security market are traded (procured) directly between the capital-raiser and the instrument purchaser is known as the primary market.
- As for example, a share being directly purchased by anybody from the issuer which may be the company itself. The person is known as the primary shareholder.
- The market where the instruments of security market are traded among the primary instrument holders is known as the secondary market.
- Such transactions need an institutionalized floor for their trading which is made available by the stock exchanges.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.6) Consider the following statements regarding “National Stock Exchange of India Ltd. (NSE)”:**

1. It was set up in 1952.
2. It has a 50 share index and a 500 share index known as S&P CNX-50 (Nifty Fifty) and S&P CNX-500.

**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:** The National Stock Exchange of India Ltd. (NSE) was set up in 1992 and became operationalised in 1994.

- The sponsors of the exchange are financial institutions, including IDBI, LIC and GIC with IDBI as its promotor.
- It has a 50 share index and a 500 share index known as S&P CNX-50 (Nifty Fifty) and S&P CNX-500, respectively.

**Source: Ramesh Singh**

**Q.7) Which of the following indice/s is/are connected with “Bombay Stock Exchange Ltd. (BSE)”?**

1. Sensex
2. BSE – 200
3. National index

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

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

**ANS: C**

**Explanation:** The Bombay Stock Exchange Ltd. (BSE), earlier a regional stock exchange, converted into a national one in 2002. The biggest in India, it accounts for almost 75 per cent of total stocks traded in India and is the fifth largest in the world (on the basis of market capitalisation). There are at present four indices connected with the BSE:

- (i) Sensex: The sensitive index (i.e., Sensex) is a 30 stocks index of the BSE which was enlarged to include 50 stocks in 2000 but soon was cut down to the original level. This index represents the Indian stock market.
- (ii) BSE-200: This is a 200 stock share index of the BSE (including the 30 stocks of the Sensex) which has its Dollar version too—the Dollex.
- (iii) BSE-500: In mid-1999, the BSE came up with a 500-stock index representing major industries and many sub-sectors of the economy with information technology getting a significant weightage.
- (iv) National Index: An index of 100 stocks being quoted nationwide (Bombay, Delhi, Kolkata, etc.) was developed to give broader/wider representation of the stock market since the Sensex consists of only 30 stocks. The 30 stocks of the sensex are included in the National Index.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

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

1. Broker is a registered member of a stock exchange who buys or sells shares/securities on his client's behalf and charges a commission on the gross value of the deal.
2. A jobber is a broker's broker or one who specializes in specific securities catering to the need of other brokers.

#### 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:** Broker is a registered member of a stock exchange who buys or sells shares/securities on his client's behalf and charges a commission on the gross value of the deal—such brokers are also known as commission brokers.

A jobber is a broker's broker or one who specialises in specific securities catering to the need of other brokers—in India also known as 'Taravaniwallah' (in the BSE).

**Source: Ramesh Singh**

### Q.9) Consider the following statements regarding "Security and Exchange Board of India (SEBI)":

1. Initially it was set up as a non-statutory body.
2. Its initial paid-up capital was Rs. 5000 crore.

#### 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 regulator of Indian stock market, set up under the Security and Exchange Board of India Act, 1992 (as a non-statutory body set on 12 April, 1988 through a government resolution in an effort to give the Indian stock market an organised structure) with its head office in Mumbai.

Its initial paid-up capital was Rs. 50 crore provided by the promoters—the IDBI, the IFCI and the ICICI.

**Source: Ramesh Singh**

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

1. The Forward Markets Commission is a statutory body set up under the Forward Contracts (Regulation) Act, 1952.
2. It functions under the administrative control of the Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution.

#### 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 Forward Markets Commission is a statutory body set up under the Forward Contracts (Regulation) Act, 1952.

## Prelims Marathon Compilation March 2024

- It functions under the administrative control of the Department of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution.
- In 2014, the commission was transferred to the Ministry of Finance.
- Headquartered at Mumbai with one regional office at Kolkata, the commission comprises a Chairman, and two members.

**Source: Ramesh Singh**

### External Sector of India

**Q.1) Which of the following factor/s is/are influence the “Currency Valuation”?**

1. Interest rates
2. Inflation
3. Capital flow

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

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

**ANS: C**

**Explanation:** Currency Valuation refers to the process of determining the relative worth or value of one currency in terms of another.

- The most common method to value currency is through exchange rates.
- It is influenced by several factors including interest rates, Inflation, capital flow, money supply etc.

**Source: FORUMIAS**

**Q.2) The value of a currency is pegged to the value of another currency/ basket of currencies/a commodity like gold - related to?**

- a) Fixed Exchange Rates
- b) Floating Exchange Rates
- c) Managed Exchange Rates
- d) Sterilization

**ANS: A**

**Explanation:** Fixed Exchange Rates: Value of a currency is pegged/fixed to the value of another currency/ basket of currencies/a commodity like gold.

Central banks actively intervene to maintain the fixed rate.

**Source: FORUMIAS**



## Prelims Marathon Compilation March 2024

**Q.3) Which of the following is/are pillar/s of new foreign trade policy approach?**

1. From Incentives to tax Remission
2. Greater Trade Facilitation through technology, automation, and continuous process re-arranging.
3. Export Promotion through collaboration

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

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

**ANS: C**

**Explanation:** Four Pillars of New FTP Approach:

- From Incentives to tax Remission
- Greater Trade Facilitation through technology, automation, and continuous process re-arranging.
- Export Promotion through collaboration: exporters, states, districts.
- Focus on Emerging areas- E Commerce exports, developing districts as export hubs, streamlining SCOMET Policy.

**Source: FORUMIAS**

**Q.4) The “Niryat Bandhu” scheme is often seen in news related to?**

- a) Mentorship to aspiring exporters
- b) Agriculture entrepreneurs
- c) MSME credit incentive scheme
- d) Active ingredients import scheme

**ANS: A**

**Explanation:** The Niryat Bandhu Scheme involves mentorship provided by field officers to new and aspiring exporters.

These officers conduct counseling sessions, offer individual facilitation, and organize orientation programs to train and guide individuals for engagement in international trade.

**Source: FORUMIAS**

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

- a) National Export Control List
- b) Satellite to control piracy
- c) Coast guard warship list
- d) Coastal defense installations

**ANS: A**

**Explanation:** SCOMET list: It is India’s National Export Control List and is aligned to the control lists of all the MECRs and conventions.

- SCOMET items are regulated under the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005.
- Imported goods covered under the SCOMET list are not permitted for export.
- Outreach Programmes on SCOMET: Will be organized by DGFT in association with Administrative Ministries/Departments and Trade Associations for effective awareness among the exporters/importers dealing with trade and manufacture, in particular, of SCOMET items.

**Source: FORUMIAS**

**Q.6) Which of the following country/countries, India has signed the free trade agreement/s?**

1. Sri Lanka
2. Thailand
3. Myanmar

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

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

**ANS: B**

**Explanation:** India has signed 13 FTAs with various countries.

These include Sri Lanka, Nepal, Bhutan, Thailand, Singapore, South Korea, Japan, Malaysia, Mauritius, United Arab Emirates and Australia.

**Source: FORUMIAS**

**Q.7) Which of the following is/are type/s of free trade agreement/s?**

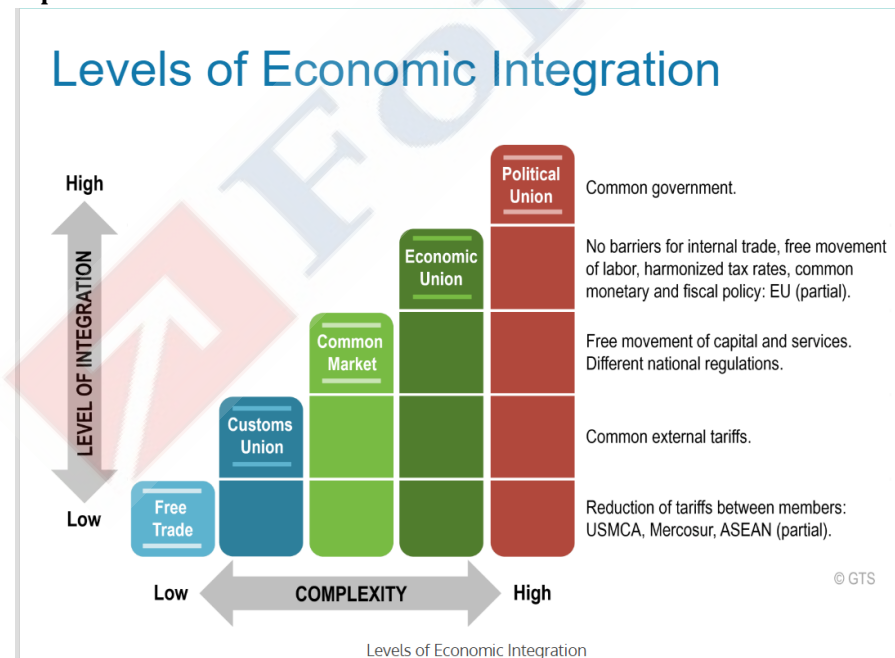
1. Customs union
2. Common market
3. Economic union

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

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

**ANS: C**

**Explanation:**



**Source: FORUMIAS**

## Prelims Marathon Compilation March 2024

**Q.8) Which of the following is/are non tariff barrier/s?**

1. Sanitary measures
2. Rules of origin
3. Trade related investment measures

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

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

**ANS: C**

**Explanation:** There can be tariff and non-tariff barriers to trade.

**Tariff Barriers:** Simply, a tariff barrier is a tax and it adds to the cost borne by consumers of imported goods.

**Non-Tariff Barriers (NTBs):** Non-Tariff Measures (NTMs) are policy measures apart from tariffs that impact imports into a country. When NTMs become arbitrary, beyond scientific justification and create hurdles for trade, they are called NTBs.

The UN Conference on Trade and Development (UNCTAD) classifies 16 types of non-tariff barriers including-

- Technical barriers like Sanitary and phyto-sanitary measures etc.
- Non-technical barriers like trade-protective measures, Rules of Origin (RoO), Trade related Investment measures etc.
- Export related measures.

**Source: FORUMIAS**

**Q.9) Which of the following organization releases the “Trade and Development Report”?**

- a) WTO
- b) UNCTAD
- c) WEF
- d) IMF

**ANS: B**

**Explanation:** United Nations Conference on Trade and Development (UNCTAD) released Trade and Development Report 2023.

**Source: FORUMIAS**

**Q.10) Which of the following organization released the “Migration and Development Brief: Leveraging Diaspora Finances for Private Capital Mobilization” report?**

- a) WTO
- b) UNCTAD
- c) World Bank
- d) IMF

**ANS: C**

**Explanation:** The World Bank recently released an annual report “Migration and Development Brief: Leveraging Diaspora Finances for Private Capital Mobilization”.

**Source: FORUMIAS**

## Tax Structure in India

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

1. The point where tax looks as being imposed is known as the impact of tax.
2. The point where tax makes its effect felt is known as the incidence of tax.

**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 point where tax looks as being imposed is known as the incidence of tax—the event of tax imposition.

The point where tax makes its effect felt is known as the impact of tax—the after effect of tax imposition.

**Source: Ramesh Singh**

**Q.2) Consider the following statements:**

1. The tax which has incidence and impact at the different points is the direct tax.
2. The interest tax and income tax are examples of direct tax.

**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:** The tax which has incidence and impact both at the same point is the direct tax—the person who is hit, the same person bleeds. As for example income tax, interest tax, etc.

The tax which has incidence and impact at the different points is the indirect tax—the person who is hit does not bleed someone else's blood.

**Source: Ramesh Singh**

**Q.3) Consider the following statements regarding “progressive taxation”:**

1. It refers to increasing rates of tax for increasing value or volume on which the tax is being imposed.
2. Goods and Services Tax is example of progressive taxation.

**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: B**

**Explanation:** Progressive Taxation: This method has increasing rates of tax for increasing value or volume on which the tax is being imposed.

Indian income tax is a typical example of it. The idea here is less tax on the people who earn less and higher tax on the people who earn more—classifying income earners into different slabs.

**Source: Ramesh Singh**

## Prelims Marathon Compilation March 2024

**Q.4) Which of the following is/are principle/s of a good tax system?**

1. Fairness
2. Efficiency
3. Flexibility

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

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

**ANS: C**

**Explanation:** There is a broad consensus on five principles of a good tax system, among economists and the policymakers:

Though fairness (i.e., the first criteria of a good tax system) is not always easy to define, economists suggest inclusion of two elements in the tax system to make it fair namely, horizontal equity and vertical equity.

- Individuals in identical or similar situations paying identical or similar taxes are known as horizontal equity. When 'better off' people pay more taxes it is known as vertical equity.
- Efficiency of a tax system is its potential to affect or interfere the efficiency of the economy. A good tax system raises revenue with the least cost on the taxpayers and least interference on the allocation of resources in the economy.
- Taxes can improve efficiency of the economy—taxes on pollution or on smoking give revenue to the government and serves broader social purposes, too. This is known as the double dividend of a tax.
- A good tax system has the scope of desirable modifications in it if there is any such need.

**Source: Ramesh Singh**

**Q.5) Which of the following tax/taxes is/are subsumed under Goods & Services tax?**

1. Central excise duty
2. Service tax
3. Countervailing duty

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

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

**ANS: C**

**Explanation:** The central taxes subsumed in GST are—central excise duty (cenvat); additional excise duty; service tax; additional customs duty (commonly known as countervailing duty; and special additional duty of customs.

**Source: Ramesh Singh**

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**Q.6) Consider the following statements regarding “Capital Gains Tax”:**

1. It is an indirect tax.
2. It is imposed by the government on the profit earned from the sale of certain assets, such as stocks, bonds, real estate, or other investments.

**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:** Capital Gains tax is a direct tax and applies on the sales of all ‘assets’ if a profit (gain) has been made by the owner of the asset—a tax on the ‘gains’ one gets by selling assets.

**Source: Ramesh Singh**

**Q.7) Consider the following statements regarding “Minimum Alternate Tax (MAT)”:**

1. It is a direct tax imposed on the zero tax companies.
2. It was first imposed in 1997–98.

**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 Minimum Alternate Tax (MAT) is a direct tax imposed on the ‘zero tax’ companies at the rate of 18.5 per cent on their book profit. This was first imposed in 1997–98.

- Basically, income tax is paid as per the provisions of the Income Tax Act (IT Act), but companies calculate their profit (through profit and loss account) as per the provisions of the Companies Act.
- The IT Act allows several kinds of exemptions and other incentives from total income together with deductions on the gross income.
- Again, the rates of ‘depreciation’ under the Companies Act are higher than the IT Act.
- As a result of these exemptions, deductions and other incentives under IT Act together with higher depreciation under the Companies Act, companies show their taxable income either ‘nil’ or ‘negative’, and this way; the ‘zero tax’ companies emerge.

**Source: Ramesh Singh**

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**Q.8) Which of the following is/are N K Singh committee recommendation/s?**

1. The combined debt-to-GDP ratio of the centre and states should be brought down to 60 per cent by 2023.
2. The Committee advocated fiscal deficit as the operating target to bring down public debt.
3. The Committee recommends that the central government should reduce its revenue deficit steadily by 0.25 percentage (of GDP) points each year.

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

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

**ANS: C**

**Explanation:** The main recommendations of the NK Singh Committee are:

- 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.
- 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.
- 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.

**Source: FORUMIAS**

**Q.9) Which of the following organization releases the “International Debt Report (IDR)”?**

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

**ANS: B**

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

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

**Source: FORUMIAS**

**Q.10) The Govind wildlife sanctuary is recently seen in news located at?**

- a) Uttarakhand
- b) Bihar
- c) Jharkhand
- d) Andhra Pradesh

**ANS: A**

**Explanation:** The Govind Wildlife Sanctuary or Govind Pashu Vihar National Park and Sanctuary are located in the Uttarkashi district of Uttarakhand.

- Established in 1955 the sanctuary covers an area of 958 sq km and includes mountains like Swargarohini, Black Peak, and Bandarpunch.

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- The altitude at the park ranges from the average elevation of 1400mts to an astonishing 6323mts and consists of Chirpine, scrub tropical Euphorbia scrub and oak species.

Source: FORUMIAS

### Public Finance in India

**Q.1) Which of the following article of Indian Constitution has the provisions related to “Annual Financial Statement”?**

- a) Article 98
- b) Article 110
- c) Article 112
- d) Article 117

**ANS: C**

**Explanation:** The Constitution of India has a provision (Art. 112) for such a document called Annual Financial Statement to be presented in the Parliament before the commencement of every new fiscal year—popular as the Union Budget. Same provision is there for the states, too.

Source: Ramesh Singh

**Q.2) Which of the following sets of data present in the union budget?**

1. Actual data of the preceding year
2. Provisional data of the current year
3. Budgetary estimates for the following year

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

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

**ANS: C**

**Explanation:** The Union Budget has three sets of data for every concerned sector or sub sector of the economy:

- Actual data of the preceding year (here preceding year means one year before the year in which the Budget is being presented. Suppose the Budget presented is for the year 2017–18, the Budget will give the final/actual data for the year 2015-16.
- Provisional data of the current year (i.e., 2016–17) since the Budget for 2017–18 is presented at the end of the fiscal 2016–17, it provides Provisional Estimates for this year.
- Budgetary estimates for the following year (here following year means one year after the year in which the Budget is being presented or the year for which the Budget is being presented, i.e., 2017–18).

Source: Ramesh Singh



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**Q.3) Which of the following is/are interim data?**

1. Revised estimate
2. Quick estimate
3. Advance estimate

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

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

**ANS: C**

**Explanation:** One comes across certain other kinds of data, too in day-to-day government economic literature. There are three such data—

- (i) Revised Estimate (RE) Revised Estimate is basically a current estimation of either the budgetary estimates (BE) or the provisional estimates (PE). It shows the contemporary situation. It is an interim data.
- (ii) Quick Estimate (QE) Quick Estimate is a kind of revised estimate which shows the latest situation and is useful in the process of going for future projections for some sector or sub-sector. It is an interim data.
- (iii) Advance Estimate (AE) Advance Estimate is a kind of quick estimate but done ahead (is advance) **of the final stage when data should have been collected. It is an interim data.**

**Source: Ramesh Singh**

**Q.4) Which of the following is/are non – tax revenue receipts?**

1. Profits and dividends which the government gets from its public sector undertakings (PSUs).
2. Interests received by the government out of all loans forwarded by it.
3. Fiscal services of the government.

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

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

**ANS: C**

**Explanation:** Non – tax includes all money earned by the government from sources other than taxes. In India they are:

- (i) Profits and dividends which the government gets from its public sector undertakings (PSUs).
- (ii) Interest's received by the government out of all loans forwarded by it, be it inside the country (i.e., internal lending) or outside the country (i.e., external lending). It means this income might be in both domestic and foreign currencies.
- (iii) Fiscal services also generate incomes for the government, i.e., currency printing, stamp printing, coinage and medals minting, etc.
- (iv) General Services also earn money for the government as the power distribution, irrigation, banking, insurance, community services, etc.
- (v) Fees, Penalties and Fines received by the government.
- (vi) Grants which the governments receives—it is always external in the case of the Central Government and internal in the case of state governments.

**Source: Ramesh Singh**

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**Q.5) Which of the following is NOT part of revenue expenditure?**

- a) Construction of railway bridge
- b) Interest payments
- c) Subsidies
- d) Defense expenditures

**ANS: A**

**Explanation:** A broad category of things that fall under revenue expenditures in India are:

- (i) Interest payment by the government on the internal and external loans;
- (ii) Salaries, Pension and Provident Fund paid by the government to government employees;
- (iii) Subsidies forwarded to all sectors by the government;
- (iv) Defense expenditures by the government;
- (v) Postal Deficits of the government;
- (vi) Law and order expenditures (i.e., police & paramilitary);
- (vii) Expenditures on social services (includes all social sector expenditures as education, health care, social security, poverty alleviation, etc.) and general services (tax collection, etc.);
- (viii) Grants given by the government to Indian states and foreign countries.

**Source: Ramesh Singh**

**Q.6) Which of the following is/are comes under capital receipts?**

- 1. Postal deposits
- 2. Small saving schemes
- 3. Government bonds sold to the public

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

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

**ANS: C**

**Explanation:** Other Receipts by the Government: This includes many long-term capital accruals to the government through the Provident Fund (PF), Postal Deposits, various small saving schemes (SSSs) and the government bonds sold to the public (as Indira Vikas Patra, Kisan Vikas Patra, Market Stabilisation Bond, etc.). Such receipts are nothing but a kind of loan on which the government needs to pay interests on their maturities. But they play a role in capital raising process by the government.

**Source: Ramesh Singh**

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**Q.7) Which of the following is/are comes under capital expenditures?**

1. Loan Disbursals by the Government
2. Loan Repayments by the Government
3. Capital Expenditures on Defense by the Government

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

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

**ANS: C**

**Explanation:** All the areas which get capital from the government are part of the capital expenditure. It includes so many heads in India —

- (i) Loan Disbursals by the Government: The loans forwarded by the government might be internal (i.e., to the states, UTs, PSUs, FIs, etc.) or external (i.e., to foreign countries, foreign banks, purchase of foreign bonds, loans to IMF and WB, etc.).
- (ii) Loan Repayments by the Government: Again loan payments might be internal as well as external. This consists of only the capital part of the loan repayment as the element of interest on loans is shown as a part of the revenue expenditure.
- (iii) Plan Expenditure of the Government: This consists of all the expenditures incurred by the government to finance the planned development of India as well as the central government financial supports to the states for their plan requirements.
- (iv) Capital Expenditures on Defense by the Government: This consists of all kinds of capital expenses to maintain the defense forces, the equipment purchased for them as well as the modernization expenditures. It should be kept in mind that defense is a non-plan expenditure which has capital as well as revenue expenditures in its maintenance. The revenue part of expenditure in the defense is counted in the revenue expenditures by the government.

**Source: Ramesh Singh**

**Q.8) The fiscal deficit excluding the interest liabilities for a year is?**

- a) Revenue deficit
- b) Effective revenue deficit
- c) Primary deficit
- d) Capital deficit

**ANS: C**

**Explanation:** The fiscal deficit excluding the interest liabilities for a year is the primary deficit, a term India started using since the fiscal 1997–98.

It shows the fiscal deficit for the year in which the economy had not to fulfill any interest payments on the different loans and liabilities which it is obliged to—shown both in quantitative and percentage of GDP forms.

**Source: Ramesh Singh**

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**Q.9) Consider the following statements regarding government securities (G - Sec):**

1. They are tradable instruments issued by the Central Government or the State Governments.
2. They are called risk-free gilt-edged instruments.

**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:** G-Secs are tradable instruments issued by the Central Government or the State Governments which acknowledges the Government's debt obligation.

- G-Secs carry practically no risk of default and, hence, are called risk-free gilt-edged instruments.
- Dated G-Sec's are securities which carry a fixed or floating coupon (interest rate) which is paid on the face value, on half-yearly basis.

**Source: FORUMIAS**

**Q.10) Consider the following statements regarding "Goods and Service Tax":**

1. It is a single domestic indirect tax law for the entire country.
2. It is a multi-stage, destination-based tax that is levied on every value addition.

**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:** GST is a single domestic indirect tax law for the entire country. It is a multi-stage, destination-based tax that is levied on every value addition.

- It came into effect on 1st July 2017 (101st Constitutional amendment) replacing indirect taxes in India such as the excise duty, VAT, services tax, etc.
- The idea of a nationwide GST in India was first proposed by the Kelkar Task Force on indirect taxes in 2000.

**Source: Ramesh Singh**

## International Economic Organizations

**Q.1) Which of the following is/are Bretton Woods' twins?**

1. IMF
2. World Bank
3. World Trade Organization

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

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

**ANS: B**

**Explanation:** The International Monetary Fund (IMF) and the World Bank (with its first group-institution IBRD) were set up together—popularly called as the Bretton Woods' twins—both having their headquarters in Washington DC, USA.

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Source: Ramesh Singh

**Q.2) Which of the following is/are function/s of “International Monetary Fund”?**

1. Facilitate international monetary cooperation
2. Promote exchange rate stability and orderly exchange arrangements
3. Assist in the establishment of a multilateral system of payments

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

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

**ANS: C**

**Explanation:** The main functions of the IMF are as given below:

- (i) to facilitate international monetary cooperation;
- (ii) to promote exchange rate stability and orderly exchange arrangements;
- (iii) to assist in the establishment of a multilateral system of payments and the elimination of foreign exchange restrictions; and
- (iv) to assist member countries by temporarily providing financial resources to correct mal-adjustment in their balance of payments (BoPs).

Source: Ramesh Singh

**Q.3) The “Flexible Credit Line (FCL)” is often seen in news related to?**

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

**ANS: A**

**Explanation:** The Flexible Credit Line (FCL) is designed by IMF to meet the demand for crisis prevention and crisis-mitigation lending for countries with very strong policy frameworks and track records in economic performance.

**Source:** <https://www.imf.org/en/About/Factsheets/Sheets/2023/Flexible-Credit-Line-FCL>

**Q.4) Which of the following is/are lending instrument/s of International Monetary Fund?**

1. Extended Credit Facility
2. Standby Credit Facility
3. Rapid Credit Facility

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

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

**ANS: C**

**Explanation:** All IMF members have access to the General Resources Account on non-concessional loans. The IMF also provides concessional financial support to its low-income members through the Poverty Reduction and Growth Trust (PRGT), which has three lending facilities:

## Prelims Marathon Compilation March 2024

- Extended Credit Facility
- Standby Credit Facility
- Rapid Credit Facility

Source: <https://www.imf.org/en/About/Factsheets/IMF-Support-for-Low-Income-Countries>

**Q.5) Which of the following institution is soft window of World Bank?**

- International Bank for Reconstruction and Development (IBRD)
- International Development Agency (IDA)
- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)

**ANS: B**

**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.

Source: Ramesh Singh

**Q.6) Consider the following statements regarding “International Finance Corporation (IFC)”:**

1. It lends money to private sector companies of its member nations.
2. It provides advice for private-public ventures and projects in partnership with private investors.

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

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

**ANS: C**

**Explanation:** The International Finance Corporation (IFC) was set up in 1956 which is also known as the private arm of the WB. It lends money to private sector companies of its member nations.

- The interest rate charged is commercial but comparatively low. There are many attractive features of IFC's lending.
- It finances and provides advice for private-public ventures and projects in partnership with private investors and, through its advisory work, helps governments of the member nations to create conditions that stimulate the flow of both domestic and foreign private savings and investment.

Source: Ramesh Singh

**Q.7) Which of the following organization of World Bank “provides technical assistance to help countries disseminate information on investment opportunities”?**

- International Bank for Reconstruction and Development (IBRD)
- International Development Agency (IDA)
- International Finance Corporation (IFC)
- Multilateral Investment Guarantee Agency (MIGA)

**ANS: D**

**Explanation:** The Multilateral Investment Guarantee Agency (MIGA), set up in 1988 encourages foreign investment in developing economies by offering insurance (guarantees) to foreign private investors against

## Prelims Marathon Compilation March 2024

loss caused by non-commercial (i.e., political) risks, such as currency transfer, expropriation, war and civil disturbance.

It also provides technical assistance to help countries disseminate information on investment opportunities.

**Source: Ramesh Singh**

**Q.8) The “Ordinary Capital Resources” is recently seen in news related to?**

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

**ANS: D**

**Explanation:** ADB’s OCR operations are diverse, covering agriculture and natural resources, education, energy, finance, health and social protection, industry and trade, public sector management, transport and information and communication technology, multi-sector, and water supply and other municipal infrastructure and services.

- Regular market-based OCR loans are generally made to developing member countries (DMCs) that have attained a higher level of economic development while concessional OCR loans are made to lower-income DMCs.
- Regular OCR also supports ADB’s private sector (non-sovereign) operations in all DMCs.

**Source:** <https://www.adb.org/what-we-do/funds/ocr>

**Q.9) Which of the following organization was established to run the “Marshall Plan”?**

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

**ANS: C**

**Explanation:** The Organization for European Economic Cooperation (OEEC) was established in 1947 to run the US-financed Marshall Plan for reconstruction of a continent ravaged by war.

- By making individual governments recognize the interdependence of their economies, it paved the way for a new era of cooperation that was to change the face of Europe.
- Encouraged by its success and the prospect of carrying its work forward on a global stage, Canada and the US joined OEEC members in signing the new OECD Convention on 14 December, 1960.
- The Organization for Economic Co-operation and Development (OECD) was officially born on September 30, 1961, when the Convention entered into force.

**Source: Ramesh Singh**

**Q.10) The famous “Uruguay Round negotiations” related to which of the following?**

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

**ANS: C**

**Explanation:** The World Trade Organization (WTO) came into being as a result of the evolution of the multilateral trading system starting with the establishment of the General Agreement on Tariffs and Trade (GATT) in 1947.

## Prelims Marathon Compilation March 2024

- The protracted Uruguay Round negotiations spanning the period 1986–1994, which resulted in the establishment of the WTO, substantially extended the reach of multilateral rules and disciplines related to trade in goods, and introduced multilateral rules applicable to trade in agriculture (Agreement on Agriculture), trade in services (General Agreement on Trade in Services— GATS) as well as Trade Related Intellectual Property Rights (TRIPS).
- A separate understanding on WTO dispute settlement mechanism (DSU) and trade policy review mechanism (TPRM) was also agreed upon.

**Source: Ramesh Singh**

### Revision

**Q.1) Which of the following statement/s is/are correct about GST structure?**

1. Central GST is collected by the Central Government on an intra-state sale.
2. State GST is collected by the state government on an intra-state sale.
3. Interstate GST is collected by the Central Government for an inter-state sale.

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

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

**ANS: C**

**Explanation:** GST Structure:

- Central GST (CGST): It is collected by the Central Government on an intra-state sale. Revenue is shared equally between the Centre and the State.
- State GST (SGST): It is collected by the state government on an intra-state sale. Revenue is shared equally between the Centre and the State.
- Interstate GST (IGST): It is collected by the Central Government for an inter-state sale. The Centre shares the IGST revenue with states based on the destination of goods.

**Source: FORUMIAS**

**Q.2) Consider the following statements:**

1. GST Council is a constitutional body established by the President under the Article 279A.
2. GST Appellate Tribunals (GSTAT) is a statutory body under the Central GST Act, 2017.

**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:** GSTAT is a statutory body under the Central GST Act, 2017. It is the forum of second appeal in GST laws and the first common forum of dispute resolution between Centre and States.

- It is mandated to hear appeals against orders passed by Appellate Authority or Revisional Authority.
- GST Council is a constitutional body established by the President under the Article 279A. It is a joint forum of the centre and states.

**Source: FORUMIAS**



## Prelims Marathon Compilation March 2024

### Q.3) Consider the following statements regarding tax to GDP ratio in India:

1. A decrease in tax to GDP ratio of a country may indicate a slowing economic growth rate.
2. Tax to GDP ratio is about 11.1% in Financial Year 23 which includes Direct Taxes at 6 percent and Indirect taxes at 5.1 percent.

#### 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:** Tax to GDP ratio: Tax to GDP ratio is the ratio of the tax revenue (direct & indirect tax) of a country compared to the country's GDP.

- Tax to GDP ratio is about 11.1% in FY23 which includes Direct Taxes at 6% and Indirect taxes at 5.1%.
- It is useful measure of a country's capacity to generate tax revenue with rest to the size of its economy.
- A decrease in tax to GDP ratio of a country may indicate a slowing economic growth rate.

**Source: FORUMIAS**

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

1. The Code on Wages, 2019 provides for universal minimum wage and floor wage across organized and unorganized sectors.
2. Code on Social Security 2020 seeks to protect gig workers' rights by giving them social security protections.

#### 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 Code on Wages, 2019: It provides for universal minimum wage and floor wage across organized and unorganized sectors, including gig workers.

- Code on Social Security 2020: It seeks to protect gig workers' rights by giving them social security protections.
- It attempts to define gig, platform, and unorganized workers while spelling out entitlements.
- It also proposed to establish a Social Security Fund and a National Social Security Board to supervise and formulate schemes for the well-being of gig and platform workers.

**Source: FORUMIAS**

## Prelims Marathon Compilation March 2024

**Q.5) Consider the following statements regarding “Cash Reserve Ratio (CRR)”:**

1. It is the share of a bank’s Net Demand and Time Liabilities (NDTL) that is mandated by the Reserve Bank of India (RBI) to be maintained with the latter as reserves in the form of liquid cash.
2. As per the RBI Act 1934, all Scheduled Commercial Banks are required to maintain the CRR.

**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:** Cash Reserve Ratio (CRR): It is the share of a bank’s Net Demand and Time Liabilities (NDTL) that is mandated by the Reserve Bank of India (RBI) to be maintained with the latter as reserves in the form of liquid cash.

- Net Demand and Time Liabilities (NDTL) shows the difference between the sum of demand and time liabilities (deposits) of a bank (with the public or the other bank) and the deposits in the form of assets held by the other bank.
- As per the RBI Act 1934, all Scheduled Commercial Banks (that includes public and private sector banks, foreign banks, regional rural banks, and cooperative banks) are required to maintain the CRR.

**Source: FORUMIAS**

**Q.6) Which of the following is/are liquidity management tool/s of Reserve Bank of India?**

1. Standing Deposit Facility (SDF)
2. Altering Repo and Reverse repo rates
3. Ways and Means Advances (WMA)

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

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

**ANS: C**

**Explanation:** Liquidity Management Tools:

- Standing Deposit Facility (SDF): SDF allows the RBI to absorb liquidity (deposit) from banks without giving government securities in return to the banks.
- Altering Repo and Reverse repo rates: Altering these rates directly affects the deposit rate in banks as well as their lending rates.
- Open Market Operation (OMO): OMO refers to sale or purchase of government securities (bonds) by the RBI.
- Ways and Means Advances (WMA): It is a temporary loan facility to the central and state governments.

**Source: FORUMIAS**

## Prelims Marathon Compilation March 2024

**Q.7) Consider the following statements regarding “Dabba (Box) Trading”:**

1. It is informal trading that takes place outside the purview of stock exchanges.
2. It is recognized as an offence under Securities Contracts (Regulation) Act (SCRA), 1956.

**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:** Dabba (Box) Trading: National Stock Exchange (NSE) issued notices naming entities involved in dabba trading.

- Dabba trading is informal trading that takes place outside the purview of stock exchanges.
- Traders bet on stock price movements without incurring a real transaction to take physical ownership of a particular stock as is done in an exchange.
- Since there are no proper records of income or gain, it helps dabba traders escape taxation.
- It is recognized as an offence under Securities Contracts (Regulation) Act (SCRA), 1956.

**Source: FORUMIAS**

**Q.8) Consider the following statements regarding “Investor Services Fund (ISF)”:**

1. It aims to provide different kinds of services to the investing public such as investor education and awareness programs.
2. The stock exchange shall set aside at least 50 percent of the listing fees received for ISF for providing services to the investing public.

**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:** ISF aims to provide different kinds of services to the investing public such as investor education and awareness programs, dissemination of companies’ information etc.

The stock exchange shall set aside at least 20% of the listing fees received for ISF for providing services to the investing public.

**Source: FORUMIAS**

**Q.9) The “Washington Convention” is associated with which of the following?**

- a) IBRD
- b) IDA
- c) IFC
- d) ICSID

**ANS: D**

**Explanation:** International Centre for Settlement of Investment Disputes (ICSID) is an autonomous international institution established under the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID or the Washington Convention).

**Source: FORUMIAS**

## Prelims Marathon Compilation March 2024

**Q.10) Consider the following statements regarding “Special Drawing Right (SDR)”:**

1. The IMF created the SDR as a supplementary international reserve asset in 1969.
2. The SDR is not a currency, but its value is based on a basket of five currencies.

**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 IMF created the SDR as a supplementary international reserve asset in 1969, when currencies were tied to the price of gold and the US dollar was the leading international reserve asset.

- The IMF defined the SDR as equivalent to a fractional amount of gold that was equivalent to one US dollar.
- The SDR is an international reserve asset. The SDR is not a currency, but its value is based on a basket of five currencies—the US dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling.

**Source:** <https://www.imf.org/en/About/Factsheets/Sheets/2023/special-drawing-rights-sdr>