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Prelims Marathon

2nd Week October, 2024

HISTORY
ECONOMICS
POLITY
SCIENCE AND TECHNOLOGY
GEOGRAPHY AND ENVIRONMENT

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External Sector of India

Q.1) Which of the following state is top most attractor of foreign direct investment from 2019 to 2023?

- a) Telangana
- b) Tamil Nadu
- c) Uttar Pradesh
- d) Maharashtra

ANS: D

Explanation: Top attractors of FDI between Oct 2019 and September 2023 - Maharashtra, Karnataka and Gujarat.

Source: FORUMIAS

Q.2) Which of the following sectors is/are permitted 100 percent foreign direct investment under automatic route?

- 1. Agriculture
- 2. Telecom
- 3. E - commerce

Select the correct answer from below given codes:

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

ANS: B

Explanation: FDI up to 100%, under the automatic route is permitted for agriculture, manufacturing, airports, e-commerce, pharmaceuticals, and railway infrastructure.

Source: FORUMIAS

Q.3) Which of the following country is the largest source of inward Foreign Direct Investment (FDI)?

- a) USA
- b) Mauritius
- c) United Kingdom
- d) Japan

ANS: A

Explanation: In terms of market value, the FDI amounted to Rs 50 lakh crore in FY23.

The USA was the largest source of inward FDI followed by Mauritius, the UK and Singapore which collectively accounted for 60% of the inward FDI in the country.

Source: FORUMIAS

Q.4) In which of the following instruments the foreign portfolio investors can invest?

1. Currency
2. Exchange traded funds
3. Gold

Select the correct answer from below given codes:

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

ANS: A

Explanation: Foreign Portfolio Investors (FPI) involves holding financial assets from a country outside of the investor's own.

FPI holdings can include stocks, ADRs, GDRs, bonds, mutual funds, and exchange traded funds.

Source: FORUMIAS

Q.5) Consider the following statements regarding “foreign portfolio investors”:

1. FPI's have control over ventures of property or a stake in a company.
2. An investment of NRIs comes under FPI.

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: FPI involves holding financial assets from a country outside of the investor's own.

- Foreign Portfolio Investors have only passive ownership and investors have no control over ventures or direct ownership of property or a stake in a company.
- Investments of NRIs don't come under FPI.

Source: FORUMIAS

Q.6) Which of the following country signed the world's first and largest debt swap to conserve oceans?

- a) Peru
- b) Argentina
- c) Ecuador
- d) Gabon

ANS: C

Explanation: In May 2023, the world's first and largest debt swap to conserve oceans was signed by Ecuador, which had exchanged \$1.6 billion denominated bonds for a new \$656 million loan.

Source: FORUMIAS

Q.7) Which of the following country government world's largest sovereign wealth fund (SWF)?

- a) Thailand
- b) Sweden
- c) Norway
- d) Singapore

ANS: D

Explanation: SWF is a state-owned investment fund comprised of money generated by the government, often derived from a country's surplus reserves.

The Singapore government was the largest SWF followed by Norway's Norges and Kuwait Investment Authority.

Source: FORUMIAS

Q.8) Consider the following statements regarding "Liberalized Remittance Scheme (LRS)":

- 1. It was launched after the subprime lending crisis.
- 2. It aims to simplify and streamline the process of remitting funds outside India.

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: LRS is a foreign exchange policy initiative introduced by the Reserve Bank of India (RBI) in 2004. Its aim is to simplify and streamline the process of remitting funds outside India.

- Under LRS, resident individuals can freely remit funds up to a certain limit for various permissible transactions involving a current or capital account.
- Prior to LRS, the remittance is controlled by FEMA 1999.

Source: FORUMIAS

Q.9) The term "reverse flipping" is recently seen in news related to?

- a) Transferring of ownership
- b) Angel investors
- c) Forex reserves
- d) Foreign investment

ANS: A

Explanation: Flipping- The process of transferring the entire ownership of an Indian company to an overseas entity, accompanied by a transfer of intellectual property rights and data owned by the Indian company.

Reverse flipping - It is the trend of overseas start-ups shifting their domicile to India and listing on Indian stock exchanges.

Source: FORUMIAS

Q.10) The International Financial Services Centre Authority (IFSCA) is located in which of the following city?

- a) Chennai
- b) Mumbai
- c) Hyderabad
- d) Gandhinagar

ANS: D

Explanation: A unified authority for development and regulation of financial products, financial services and financial institutions in the International Financial Services Centre (IFSC) in India.

Its headquarters is located at GIFT City, Gandhinagar in Gujarat.

Source: FORUMIAS

Tax Structure in India

Q.1) Consider the following statements:

1. The event of tax imposition is known as the impact of tax.
2. The after effect of tax imposition 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) Which of the following “method has increasing rates of tax for increasing value or volume on which the tax is being imposed”?

- a) Progressive taxation
- b) Regressive taxation
- c) Proportional taxation
- d) Partial taxation

ANS: A

Explanation: Progressive taxation 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.
- This method is believed to discourage more earnings by the individual to support low growth and development unintentionally.

Source: Ramesh Singh

Q.3) Which of the following is/are principles of a good tax system?

1. Fairness
2. Efficiency
3. Flexibility

Select the correct answer from below given codes:

- 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:

- Fairness
- Efficiency
- Administrative simplicity
- Flexibility
- Transparency

Source: Ramesh Singh

Q.4) Consider the following statements regarding “value added tax (VAT)”:

1. It is collected at every stage of value addition, either by production or distribution.
2. It has a cascading effect on the prices of goods and in turn increases the inflation.

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 value added tax (VAT) is a method of tax collection as well as name of a state level tax (at present) in India.

- A tax collected at every stage of value addition, i.e., either by production or distribution is known as value added tax.
- The name itself suggests that this tax is collected on the value addition (i.e., production).
- VAT method of tax collection is different from the non-VAT method in the sense that it is imposed and collected at different points of value addition chain, i.e., multi-point tax collection.
- That is why there is no chance of imposing tax upon tax which takes place in the nonVAT method—single point tax collection.
- This is why VAT does not have a ‘cascading effect’ on the prices of goods it does not increase inflation—and is therefore highly suitable for an economy like India where due to high level of poverty large number of people lack the market level purchasing capacity.

Source: Ramesh Singh

Q.5) Which of the following committees was/were related to tax reforms?

1. Narsimhan committee
2. Kelkar committee
3. Chelliah committee

Select the correct answer from below given codes:

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

ANS: B

Explanation: The tax reforms committees are headed by Chelliah and Kelkar in different periods.

Source: Ramesh Singh

Q.6) Arrange the following taxes introduced in India in chronological order:

1. State VAT
2. CENVAT
3. GST

Select the correct answer from below given codes:

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

ANS: B

Explanation: In the year 1996, the central government started collecting its excise duty on the VAT method and the tax was given a new name—the CENVAT.

- A total number of 20 states/UTs switched over to VAT (from their existing sales tax) in April 2005. Rest of the states went for it by 2008-09.
- The Constitution (101st Amendment) Bill, 2016 was cleared by the Parliament by early August 2016 —paving the way for its implementation. By late September 2016, the GST Council (GSTC) was created by the Government.

Source: Ramesh Singh

Q.7) The service tax was introduced in which of the following year in India?

- a) 1989 - 90
- b) 1994 - 95
- c) 1999 - 2000
- d) 2005 - 06

ANS: B

Explanation: The share of the services sector in the GDP of India has been going upward for the last decade.

- The introduction of service tax in 1994-95 by the Government of India has started paying the government on its tax revenue front.
- Introduced to redress the asymmetric and distortionary treatment of goods and services in the tax regime, the service tax has seen gradual expansion in the country.

Source: Ramesh Singh

Q.8) Which of the following commodities is/are taxed under “commodities transaction tax”?

1. Cotton
2. Rubber
3. Gold

Select the correct answer from below given codes:

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

ANS: A

Explanation: Commodity transaction tax (CTT) is imposed on the purchase & sale of commodity contracts in Indian commodity exchanges in the same way that security transaction tax (STT) is set on the purchase & sale of securities in Indian secondary markets.

- Commodities derivative contracts were the first to be subject to the commodity transaction tax in July 2013. The CTT, or commodity transaction tax, is taxed at 0.01% of the trade price on non-agricultural commodity derivative contracts.
- All transactions involving the trade of commodities are subject to CTT. The tax is applicable to the buyer & the seller. The actual contract size determines the tax.
- Trading in agricultural commodities is not subject to the CTT. Natural gas, silver, Brent oil, crude oil, & gold are examples of commodities that are taxed.

Source: Ramesh Singh

Q.9) Consider the following statements regarding “Securities Transaction Tax”:

1. It is an indirect tax.
2. It is a type of financial transaction tax levied in India on transactions done on the domestic stock exchanges.

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

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

ANS: A

Explanation: The Securities Transaction Tax (STT) is a type of ‘financial transaction tax’ levied in India on transactions done on the domestic stock exchanges.

- The rates of STT are prescribed by the central government through its budget from time to time.
- In tax parlance, this is categorized as a direct tax. The tax came into effect from 1 October, 2004.

Source: Ramesh Singh

Q.10) The term “Harmonized System (HS)” is often seen in news related to?

- a) Circular economy
- b) Traded products
- c) Second hand products
- d) Tax incentivization

ANS: B

Explanation: The Harmonized System (HS) is a globally standardized system for classifying and identifying traded products using numbers and names.

The World Customs Organization (WCO) administers the HS, which is used by over 200 countries and economies.

Source: FORUMIAS

Public Finance in India

Q.1) Which of the following component has the largest portion of external debt?

- a) Loans
- b) Currency & deposits
- c) Debt securities
- d) Trade credit & advances

ANS: A

Explanation: India's External debt stands at 18% of GDP as per RBI for the FY 2023.

Loans remained the largest component of external debt, with a share of 32.5%, followed by currency and deposits (22.6%), trade credit and advances (19.9%) and debt securities (16.7%).

Source: FORUMIAS

Q.2) Which of the following issues is/are associated with India's debt?

1. Low interest payments
2. High sovereign ratings
3. Tax burden

Select the correct answer from below given codes:

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

ANS: A

Explanation: Issues associated with India's debt:

- Financial repression- When the interest rate on government debt is lower than the growth of GDP, the debt may decline but the financial market gets distorted.
- Electoral budget cycle- With elections to a number of States scheduled in 2023 and the general election for 2024, this could push the debt ratio further.
- Large interest payments- It constitutes over 5% of GDP and 25% of the revenue receipts which is more than the government expenditure on education and health care put together.
- Low sovereign ratings- Rating agencies keep low sovereign ratings if deficit and debts are high, this will drive the cost of borrowings of the manufacturing sector.
- Tax burden- As today's borrowing is taxing tomorrow' and the burden of large deficits and debt will have to be borne by the next generation, this will increase the tax burden of the people.

Source: FORUMIAS

Q.3) Which of the following is/are effects of reduced welfare expenditure?

1. Lower economic growth
2. Lower rate of people coming out of poverty
3. Reduced economic activities

Select the correct answer from below given codes:

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

ANS: C

Explanation: Major effects of reduced welfare expenditure include:

- Lower economic growth
- Lower rate of people coming out of poverty
- Low human development index - India's Human Development Index rank is at 132.
- Reduced economic activities

Source: FORUMIAS

Q.4) "Household sector's savings in financial assets has shown a sharp decline to 5.1% of GDP in 2022-23" – which of the following is/are possible reasons for subdued savings?

1. Declining income of households
2. Declining income of small and medium-sized enterprises (SMEs)
3. Low inflation

Select the correct answer from below given codes:

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

ANS: B

Explanation: The primary reasons behind the subdued savings and increased borrowing seem to be stagnant or declining incomes for households and small and medium-sized enterprises (SMEs), occurring in the midst of high inflation

Source: FORUMIAS

Q.5) Which of the following factors influence the Household Savings?

1. Income levels
2. Interest rates
3. Wealth assets

Select the correct answer from below given codes:

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

ANS: C

Explanation: Factors influencing Household Savings:

- Income- High-income households usually allocate more income to savings than consumption. Because they cannot fulfill the most desirable items, low-income households consume more than they save.
- Interest rate- High real interest rates make savings more attractive. The high nominal interest rate will be useless if inflation is also high. When it is lower than the inflation rate, the actual returns cannot offset the decline in the purchasing power of money. Hence, households are reluctant to save.
- Future income expectation- Households increase consumption rather than saving when they are optimistic about their future income. It commonly occurs during economic expansion.
- Wealth-Increased asset value encourages households to consume more. As the assets value rise, households find reaching their wealth accumulation target without saving more.
- Tax-Higher personal taxes reduce disposable income thus decreasing money allocation for consumption & saving.

Source: FORUMIAS

Q.6) Which of the following institution releases the “Financial Stability Report (FSR)”?

- a) NITI Aayog
- b) Department of economic affairs
- c) Reserve Bank of India
- d) World economic forum

ANS: C

Explanation: The Financial Stability Report (FSR) report is released by the RBI.

Source: FORUMIAS

Q.7) Which of the following categories is/are comes under ambit of the prevention of money laundering law?

1. Chartered accountants
2. Real estate agents
3. Drivers

Select the correct answer from below given codes:

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

ANS: B

Explanation: Finance Ministry brought chartered accountants, company secretaries, and cost and works accountants under the ambit of the money laundering law.

Section 2(1) (sa) of PMLA, 2002 - This section includes Gaming activity, Registration Authority, Real Estate Agents, Dealer in precious metals and stones.

Source: FORUMIAS

Q.8) Which of the following provisions used in transactions of Aadhar enabled Payment System?

1. Bank name
2. Mobile OTP
3. Aadhar number

Select the correct answer from below given codes:

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

ANS: B

Explanation: AEPS is a bank led model which allows online interoperable financial transaction.

- These transactions are done at PoS (Point of Sale / Micro ATM) through the Business Correspondent (BC) of any bank using the Aadhaar authentication.
- AePS removes the need for OTPs, bank account details, and other financial details.

Requirement for transaction - It allows fund transfers using only the

- Bank name
- Aadhaar number
- Fingerprint captured during Aadhaar enrolment

Source: FORUMIAS

Q.9) Which of the following is/are features of "Goods & Services Tax (GST)"?

1. Unified taxpayer base governed by a uniform set of laws and procedures
2. Common management of business records and filing returns
3. An uninterrupted input tax credit chain through Integrated Goods and Services tax (IGST)

Select the correct answer from below given codes:

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

ANS: C

Explanation: Features of GST:

- Unified taxpayer base governed by a uniform set of laws and procedures
- Common management of business records and filing returns
- An uninterrupted input tax credit chain through Integrated Goods and Services tax (IGST)
- Completely automated and faceless administration with all processes being online

Source: FORUMIAS

Q.10) Which of the following ministry launched "e-jagrti Portal"?

- a) Ministry of external affairs
- b) Ministry of environment
- c) Ministry of home
- d) Ministry of consumer affairs

ANS: D

Explanation: "e-jagrti Portal" is a portal for consumer commissions launched by the Ministry of Consumer Affairs.

Source: FORUMIAS

International Economic Organizations

Q.1) Consider the following statements:

1. India is a signatory to Information Technology Agreement (ITA) of World Trade Organization.
2. India raised its global market share of information technology products from 2% to 14% between 2000-2011.

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: India is a signatory to the Information Technology Agreement (ITA) (now also known as ITA-1), a plurilateral agreement of WTO.

- As on date, there are altogether 75 member signatories, including 27 EU member countries, accounting for about 97 percent of the world trade in Information Technology (IT) products.
- India joined the ITA on 25th March 1997. India's experience with the ITA has been most discouraging, which almost wiped out the IT industry from India.
- The real gainer from that agreement has been China which raised its global market share from 2% to 14% between 2000 -2011.

Source: <https://www.commerce.gov.in/international-trade/india-and-world-trade-organization-wto/information-technology-agreement>.

Q.2) Consider the following statements regarding "European Free Trade Association (EFTA)":

1. India and EFTA started negotiating a broad-based Trade and Investment Agreement in 2008.
2. The four EFTA countries are part of the European Union (EU).

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

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

ANS: B

Explanation: The European Free Trade Association (EFTA) is a four-nation bloc founded by the Stockholm Convention in 1960. Iceland, Liechtenstein, Norway, and Switzerland are the EFTA States.

- The inter-governmental organization is for the promotion and intensification of free trade to benefit the member countries.
- It was founded as an alternative for states that did not wish to join the European Community. The four EFTA countries are not part of the European Union (EU).
- India and EFTA started negotiating a broad-based Trade and Investment Agreement in 2008.

Source: FORUMIAS

Q.3) Consider the following statements regarding “Tokenization”:

1. It substitutes a sensitive identifier with a non-sensitive equivalent.
2. It has extrinsic or exploitable meaning or value.

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: Tokenization substitutes a sensitive identifier (e.g., a unique ID number or other PII) with a non-sensitive equivalent (i.e., a “token”) that has no extrinsic or exploitable meaning or value.

- These tokens are used in place of identifiers or PII to represent the user in a database or during transactions such as authentication.
- The mapping from the original data to a token uses methods—e.g., randomization or a hashing algorithm—that render tokens infeasible to reverse without access to the tokenization system.

Source: <https://id4d.worldbank.org/guide/tokenization>

Q.4) Which of the following areas is/are covered under world economic outlook of International Monetary Fund?

1. Inflation
2. Environment conservation
3. Fiscal balances

Select the correct answer from below given codes:

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

ANS: B

Explanation: The World Economic Outlook (WEO) is an International Monetary Fund (IMF) report providing output, inflation, employment, fiscal balances, and debt statistics for member countries.

The report forecasts the global growth, summarizes the state of global economy and highlights the most important developments.

Source: FORUMIAS

Q.5) India is in negotiations with which of the following country to resolve a long-standing dispute about sugar subsidy at the World Trade Organization (WTO)?

- A. Argentina
- B. Cuba
- C. Brazil
- D. Malaysia

ANS: C

Explanation: India is in negotiations with Brazil to resolve a long-standing dispute about sugar subsidy at the World Trade Organization (WTO).

Source: FORUMIAS

Q.6) The “Maximum Admissible Export Quality (MAEQ)” is often seen in news related to?

- a) Cotton
- b) Fisheries
- c) Rice
- d) Sugar

ANS: D

Explanation: The Government of India has notified a Scheme on 12th September, 2019 for evacuation of surplus stock of sugar from the country.

- Under this scheme, Maximum Admissible Export Quantity (MAEQ) of 60 LMT has been fixed among sugar mills for export during the current sugar season 2019-20.
- The Government has approved a Scheme for export of sugar by providing a lumpsum export subsidy at the rate of Rs.10,448/- per MT towards expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar.
- The total expenditure in this regard would be about Rs.6268crores.

Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=1592271>

Q.7) Consider the following statements related to “Bima Vahak”:

1. It is a dedicated distribution channel by the IRDAI to reach out to every Gram Panchayat.
2. It intends to form a women-centric insurance distribution channel.

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: IRDAI has set up a 24-member committee to synergize Bima Vahak, Bima Vistaar and the digital platform - Bima Sugam.

- Bima Vahak - It is a dedicated distribution channel by the IRDAI to reach out to every Gram Panchayat.
- Each Gram Panchayat would have a 'Bima Vahak' who would be tasked to sell and service simple parametric bundled insurance products.
- Bima Vahak intends to form a women-centric insurance distribution channel.

Source: FORUMIAS

Q.8) Which of the following institutions is/are part of Bretton woods twins?

1. World Bank
2. World Trade Organization
3. World Maritime Organization

Select the correct answer from below given codes:

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

ANS: A

Explanation: As the powerful nations of the world were hopeful of a new and more stable world order with the emergence of the UNO, on the contrary, they were also anxious for a more homogenous world financial order, after the Second World War.

- The representatives of the USA, the UK and 42 other (total 44 countries) nations met at Bretton Woods, New Hampshire, USA in July 1944 to decide a new international monetary system.
- 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.

Source: Ramesh Singh

Q.9) Consider the following statements regarding “International Development Agency (IDA)”:

1. It is known as the soft window of the World Bank.
2. It was established in 1948 along with World Bank.

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 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.10) Which of the following organization lends money to private sector companies of its member nations?

- a) IMF
- b) World Bank
- c) International Finance Corporation (IFC)
- d) AIIB

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.

Source: Ramesh Singh

Revision

Q.1) The terms “benzoate and quinalphos” is recently seen in news related to?

- a) Fungicides
- b) Pesticides
- c) Herbicides
- d) Weedicides

ANS: B

Explanation: Food Safety Standards Authority of India notifies residue cap for five pesticides in tea plantation

- The five pesticides are emamectin, benzoate, fenpyroximate, hexaconazole, propiconazole, and quinalphos.
- In 2018, the FSSAI came out with a notification which lowered the MRL for certain compounds which affected the industry.

Source: FORUMIAS

Q.2) Which of the following institution has signed the Consortium of International Agricultural Research Centres (CGIAR) Integration Framework Agreement (IFA) to work towards a One CGIAR approach?

- a) ICRISAT
- b) Acharya N. G. Ranga Agricultural University (ANGRAU)
- c) Indian Council of Agriculture Research (ICAR)
- d) National Institute of Agricultural Economics and Policy Research

ANS: A

Explanation: The ICRISAT has signed the CGIAR Integration Framework Agreement (IFA) to work towards a One CGIAR approach.

One CGIAR approach – It is an initiative of Consortium of International Agricultural Research Centres (CGIAR).

Source: FORUMIAS

Q.3) Which of the following schemes promote the growth of “Farmer Producer Organization (FPO)”?

1. Honey FPO Programme
2. Agriculture Infrastructure Fund
3. Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM)

Select the correct answer from below given codes:

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

ANS: C

Explanation: Steps taken by the Government to promote FPOs:

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- Formation & promotion of new 10,000 FPOs - It is a Central Sector Scheme launched in 2020 to provided financial assistance up to Rs 18 lakh per FPO for a period of 3 years
- Honey FPO Programme- Agriculture Ministry launched 5 FPOs for producing honey that would be set up with the help of National Agriculture Cooperative Marketing Federation of India (NAFED).
- Agriculture Infrastructure Fund- It will provide interest subvention of 3% for credit extended to develop post-harvest infrastructure to FPOs.
- Deendayal Antyodaya Yojana- National Rural Livelihood Mission (DAY-NRLM)- It promotes FPOs by mobilizing farmers, building market linkages through a value chain development approach for farm based livelihood is an important strategy being pursued.
- Venture Capital Assistance program- Launched by Small Farmer's Agri-Business Consortium (SFAC), it works for the betterment of farmer-entrepreneur to evolve their agri-based business.

Source: FORUMIAS

Q.4) The term "Greedflation" is recently seen in news related to?

- a) Inflation in Greece
- b) Inflation in Gabon
- c) Inflation in Great Britain
- d) Inflation driven by corporate greed

ANS: D

Explanation: Greedflation is the exploitation of inflation by corporate to create excessive profits. It simply means (corporate) greed fuelled inflation.

In normal inflation situation, corporate go for the wage-price spiral, whereas in Greedflation corporate choose the profit-price spiral.

Source: FORUMIAS

Q.5) The "Ways and Means Advances" comes under which of the following act?

- a) RBI act, 1934
- b) Banking regulation act, 1948
- c) State bank of India act, 1955
- d) Nationalization of banks act, 1969

ANS: A

Explanation: Ways and means advances are temporary advances given by the RBI to the Centre and state governments to tide over any mismatch in receipts and payments.

It was introduced in 1997 and comes under Section 17(5) of the RBI Act of 1934, to end the four-decade old system of ad-hoc treasury bills to finance the central government deficit.

Source: FORUMIAS

Q.6) Consider the following statements regarding “Loan write-off”:

1. It is a tool used by banks to clean up their balance-sheets.
2. If a loan turns bad on the account of the repayment defaults for at least three consecutive quarters, the loan can be written off.

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: Loan write-off – It is a tool used by banks to clean up their balance-sheets. It is applied in the cases of bad loans or non-performing assets (NPA).

- If a loan turns bad on the account of the repayment defaults for at least three consecutive quarters, the loan can be written off.
- By writing-off a loan, the banks set free the money parked for the provisioning and utilize the amount for business (it will no longer be counted as an asset).

Source: FORUMIAS

Q.7) With reference to Reserve Bank of India, the term “bunker” is associated with which if the following?

- a) Payment systems
- b) Ways and means
- c) Loan write offs
- d) Fiscal consolidation

ANS: A

Explanation: RBI is planning to use the lightweight payment system for emergencies and as an alternative to UPI, NEFT, and RTGS.

- The RBI has conceptualized a lightweight payment and settlements system, which it is calling a bunker.
- The bunker is an equivalent of digital payments, which can be operated from anywhere by a bare minimum staff in exigencies such as natural calamities or war.
- The lightweight and portable payment system is expected to operate on minimalistic hardware and software, and would be made active only on a need basis.

Source: FORUMIAS

Q.8) The “T+0 Settlement Cycle” is recently seen in news is related to?

- a) PFRDA
- b) IRDAI
- c) SEBI
- d) RBI

ANS: C

Explanation: The Securities and Exchange Board of India (SEBI) has proposed the introduction of a T+0 facilities for clearing and settlement of funds and securities.

- T+0 settlement cycle facilitates for clearing and settlement of funds and securities on T+0 (same day) and instant settlement cycle on an optional basis.
- The facility will be in addition to the existing T+1 (trade plus one day) settlement cycle in the secondary markets for the equity cash segment.

Source: FORUMIAS

Q.9) Which of the following is/are advantages of “Sovereign Gold Bond”?

1. Protected investment
2. Cost effective
3. Minimum risk

Select the correct answer from below given codes:

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

ANS: C

Explanation: Advantages of Sovereign Gold Bond (SGB):

- Protected investment- The quantity of gold the investor pays for is protected, since he receives the ongoing market price at the time of redemption/premature redemption.
- Cost effective- These bonds offer a superior alternative to physical gold as the risks and costs of storage are eliminated.
- Passive income- Investors are assured of the market value at the time of maturity, and periodical interest.
- Flexibility- These bonds are free from issues like jewellery making charges, purity, risk of loss of scrip, etc.,
- Collateral- It is as liquid as physical gold and could be exchanged for money at the time of financial needs.
- Tax benefits- There is a provision of tax exemption from the interest and capital gains of the bond.
- Minimal risk- Gold bonds have a negligible risk factor, making them an ideal investment choice.

Source: FORUMIAS

Q.10) The “Cyprus Confidential” is often seen in news related to?

- a) Tax avoidance
- b) Banking reforms
- c) Debt swaps
- d) Currency wars

ANS: A

Explanation: An investigation titled ‘Cyprus Confidential’ has shed light on the intricate web of tax avoidance and wealth concealment.

- It is a global offshore investigation of 3.6 million documents that reveal how the rich and powerful from around the world use Cyprus as a tax haven and a secrecy jurisdiction.
- Partnership- International Consortium of Investigative Journalists and 68 media partners.

Source: FORUMIAS