

ForumIAS

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# Prelims Marathon

2<sup>nd</sup> Week October, 2025

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HISTORY  
ECONOMICS  
POLITY  
SCIENCE AND TECHNOLOGY  
GEOGRAPHY AND ENVIRONMENT

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## International Economic Organisations & India

**1. With reference to the International Monetary System established under Bretton Woods, consider the following statements:**

1. The adjustment mechanism primarily addresses imbalances in balance of payments through exchange rate flexibility and fiscal policies to restore equilibrium.
2. Liquidity in the system is enhanced by Special Drawing Rights (SDRs) to supplement member countries' reserves without relying solely on gold or dollars.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Adjustment involves correcting persistent deficits or surpluses via policy tools and, post-Bretton Woods, floating rates to prevent global instability.

**Statement 2: Correct.** SDRs act as an international reserve asset allocated by the IMF to provide liquidity during shortages, reducing dependence on national currencies.

**2. The Bretton Woods Conference of 1944 is most closely associated with:**

- a) Establishing the General Agreement on Tariffs and Trade (GATT)
- b) Creating the framework for fixed exchange rates pegged to gold via the US dollar
- c) Launching the Asian Infrastructure Investment Bank (AIIB)
- d) Forming the Organisation for Economic Co-operation and Development (OECD)

**Correct Answer: (b)**

**Explanation:** Bretton Woods laid the foundation for a stable post-war monetary order, with currencies fixed to the dollar, which was convertible to gold, to foster international trade and growth.

**3. With reference to India's engagement with the International Monetary Fund (IMF), consider the following statements:**

1. India's quota in the IMF stands at approximately 2.76% of total quotas as of 2025.
2. India holds the 8th largest quota among IMF members, reflecting its growing economic weight.
3. The IMF's 16th General Review of Quotas in 2023 resulted in a 50% increase, but India's voting share remained unchanged.
4. India has accessed IMF facilities seven times since joining in 1945, primarily for balance of payments support.

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

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

**Correct Answer: (b)**

**Explanation:**

**Statement 1: Correct.** This quota translates to SDR 13,114.4 million, positioning India as a significant contributor.

**Statement 2: Correct.** The ranking underscores India's influence in decision-making.

**Statement 3: Incorrect.** The increase adjusted shares, slightly boosting emerging economies like India.

**Statement 4: Correct.** These arrangements aided India's economic stabilizations, including in the 1990s crisis.

**4. Consider the following pairs:**

**Institution – Primary Role**

I. International Bank for Reconstruction and Development (IBRD) – Concessional loans to low-income countries

II. II. International Development Association (IDA) – Market-based loans to middle-income countries

III. III. International Finance Corporation (IFC) – Mobilizing private investment in developing economies

**In how many of the above rows is the given information correctly matched?**

(a) Only one

(b) Only two

(c) All the three

(d) None

**Correct Answer: (d)**

**Explanation:** All pairs are incorrectly matched. IBRD provides non-concessional loans to middle-income countries; IDA offers concessional financing to the poorest nations; IFC focuses on private sector development without government guarantees.

**5. With reference to the Multilateral Investment Guarantee Agency (MIGA) and International Centre for Settlement of Investment Disputes (ICSID) under the World Bank Group, "These institutions primarily facilitate foreign direct investment through risk mitigation and dispute resolution" is most accurately described as:**

a) Instruments of the International Monetary Fund

b) Components of the Asian Development Bank

c) Pillars of the World Trade Organization's investment framework

d) Specialized agencies of the World Bank Group

**Correct Answer: (d)**

**Explanation:** MIGA provides political risk insurance to investors, while ICSID handles investor-state disputes, both promoting FDI in developing countries as part of the World Bank ecosystem.

**6. Consider the following statements regarding India's role in the Asian Development Bank (ADB):**

1. India is a founding member and holds the fourth largest shareholding at 6.317%.

2. As of 2025, ADB's active portfolio in India includes over \$16.5 billion in sovereign loans for infrastructure.

3. India has veto power in ADB decisions due to its substantial subscription.

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

a) 1 and 2 only

b) 2 only

c) 1 and 3 only

d) 1, 2 and 3

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** This share reflects India's strategic importance in regional development. **Statement 2: Correct.** Projects span urban transport, energy, and climate resilience.

**Statement 3: Incorrect.** ADB operates on majority voting, with no single member holding veto except in specific cases like amendments.

**7. In the context of the Organisation for Economic Co-operation and Development (OECD), which of the following best describes India's status as of 2025?**

1. Full membership with voting rights in all committees
2. Key Partner status with enhanced engagement in policy dialogues
3. Observer role limited to economic outlook reports

**Select the correct answer using the code given below:**

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

**Correct Answer: (b)**

**Explanation:** India has been a Key Partner since 2007, participating actively in enhanced engagement on issues like taxation and trade, but without full membership privileges.

**8. Consider the following statements with regard to the World Trade Organization (WTO) and India:**

1. India became the 75th member of the WTO in 1995, inheriting commitments from GATT.
2. The 14th Ministerial Conference (MC14) is scheduled for March 2026 in Cameroon, following MC13 in Abu Dhabi.

**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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** This accession marked India's integration into the multilateral trading system.

**Statement 2: Incorrect.** MC14 is set for March 2025 in Cameroon, with preparations ongoing as of October 2025.

**9. With reference to India's negotiations at the WTO's Ninth Ministerial Conference in Bali (2013), consider the following statements:**

1. The Bali Package included the Trade Facilitation Agreement to streamline customs procedures globally.
2. India secured a peace clause on public food stockholding for food security, exempting it from subsidy caps until a permanent solution.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** It aimed to reduce trade costs, benefiting developing nations like India. **Statement 2: Correct.** This interim measure protected India's Minimum Support Price operations for staples like rice.

**10. Consider the following in the context of India's involvement with the New Development Bank (NDB) of BRICS and the Asian Infrastructure Investment Bank (AIIB):**

1. India holds an equal 20% share in the NDB alongside other BRICS members.
2. AIIB's exposure to India is projected to reach \$20 billion by 2030 from \$12 billion in 2025.
3. Both banks prioritize sustainable infrastructure, with NDB approving nearly \$10 billion for Indian projects by 2025.

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

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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Equal ownership ensures balanced governance among Brazil, Russia, India, China, and South Africa.

**Statement 2: Correct.** This growth supports India's infrastructure push amid global shifts. **Statement 3: Correct.** Focus areas include metros and renewables, aligning with India's development goals.

## Tax Structure in India

**1. With reference to the methods of taxation in India, consider the following statements:**

1. Progressive taxation imposes increasing rates on higher income slabs to promote equity, but it may inadvertently discourage higher earnings and encourage tax evasion.
2. Regressive taxation rewards higher producers by decreasing rates with volume, as seen historically in India's excise duties for small-scale 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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** It aligns with the pro-poor intent but poses risks to growth incentives and compliance.

**Statement 2: Correct.** This approach was used to support small producers, though criticized for burdening the poor disproportionately.

**2. The incidence of tax refers to:**

- a) The after-effect of tax on economic decisions like saving or investment
- b) The point where the tax is legally imposed, regardless of who ultimately bears it
- c) The redistribution of income through progressive slabs only
- d) The cascading effect in multi-point tax collections



**Correct Answer: (b)**

**Explanation:** Incidence marks the legal point of tax imposition, distinguishing direct taxes (where payer and bearer coincide) from indirect ones (shifted to consumers).

**3. Consider the following pairs:**

Principle of Good Tax System	Description
I. Fairness	Ensures horizontal and vertical equity in tax burdens
II. Efficiency	Minimizes interference in resource allocation while raising revenue
III. Administrative Simplicity	Involves complex filing to deter evasion

**In how many of the above rows is the given information correctly matched?**

- (a) Only one
- (b) Only two
- (c) All the three
- (d) None

**Correct Answer: (b)**

**Explanation:** Pairs I and II are correct, emphasizing equity and minimal economic distortion. Pair III is incorrect, as simplicity in computation and collection is key to reducing evasion.

**4. With reference to methods of government expenditure in India, consider the following statements:**

- Progressive expenditure suits developing economies by enhancing spending on social sectors as development levels rise.
- Proportional expenditure maintains fixed rates across all income levels, avoiding both progression and regression.
- Regressive expenditure decreases with higher development, rewarding efficiency in resource use.

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

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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** It matches progressive taxation to fund rising needs in infrastructure and welfare.

**Statement 2: Correct.** It remains neutral across levels.

**Statement 3: Incorrect.** Practical trends show increasing expenditures, making progressive forms ideal.

**5. Which method of government expenditure is deemed the 'best form' and is most suitable when combined with the most popular method of taxation?**

- a) Regressive Expenditure, complementing Regressive Taxation.
- b) Proportional Expenditure, complementing Proportional Taxation.
- c) Progressive Expenditure, complementing Progressive Taxation.
- d) Progressive Expenditure, complementing Regressive Taxation.

**Correct Answer: (c)**

**Explanation:**

The best way of taxation is Progressive, and the best way of government expenditure is also **Progressive**. These two methods suit each other beautifully, and most economies around the world employ progressive taxation with progressive expenditure

**6. With reference to the Goods and Services Tax (GST) in India, consider the following statements:**

1. The GST is a tax proposal that will merge many of the central and state level indirect taxes into a single tax.
2. Taxes like CENVAT, Service Tax, State Excise, and Octroi were proposed to be withdrawn or merged into the GST.
3. Crude petroleum, diesel, petrol, natural gas, and alcohol were not initially intended to come under the purview of the GST.

Which of the statements given above is/are correct?

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

**Correct Answer: (d)**

**Explanation:**

**Statement 1: Correct.** The GST was proposed to emerge after merging many of the state and central level indirect taxes, resulting in a single VAT.

**Statement 2: Correct.** The Central Taxes to be merged included CENVAT and service tax, while State Taxes included state excise, octroi, and sales tax.

**Statement 3: Correct.** The constitutional amendment bill for GST exempted crude petroleum, diesel, petrol, aviation turbine fuel, natural gas, and alcohol from the GST's purview.

**7. With reference to Additional Excise Duty (AED) in India, "It is collected by the Centre on select commodities like tobacco and sugar but fully devolved to states for uniform national pricing" is most accurately described as:**

- a) A direct tax under state jurisdiction
- b) A compensatory mechanism under the Goods of Special Importance Act, 1957
- c) An integral part of VAT without revenue sharing
- d) A regressive tax on services

**Correct Answer: (b)**

**Explanation:** AED ensures affordable prices for nationally consumed goods by central collection and state transfer, to be integrated into VAT at  $\leq 4\%$ . The AED is a tax imposed and collected by the **Centre**. Although collected by the Centre, the total corpus is handed over to the **states**. It was levied on **tobacco, textile, and sugar** (Goods of Special Importance) in **lieu of the states' sales tax** on them, for the purpose of maintaining uniform and affordable prices across the country.

**8. Consider the following statements with regard to Central Sales Tax (CST) reforms in India:**

1. CST is origin-based and non-rebatable, necessitating its phase-out for VAT compatibility.
2. It has been reduced to 2% through staged cuts, with states compensated via tax devolution.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Its structure causes distortions, conflicting with destination-based VAT. **Statement 2: Correct.** Phasing began with 1% annual reductions to mitigate revenue losses.

**9. With reference to the Goods and Services Tax (GST) Council in India, consider the following statements:**

1. The GST Council is a **statutory body** established under the GST Acts, deriving its authority from the recommendations of the Union Finance Ministry.
2. In the voting mechanism of the GST Council, the votes of the State Governments collectively hold a weightage of **two-thirds** of the total votes cast, whereas the Centre's vote holds a weightage of one-third.
3. Petroleum crude, high-speed diesel, motor spirit (petrol), natural gas, and aviation turbine fuel are outside the current purview of GST, but the GST Council is empowered to recommend the **date** from which GST will be levied on these products.

How many of the statements given above are correct?

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

**Correct Answer: (b)**

**Explanation:**

**Statement 1: Incorrect.** The GST Council is a **constitutional body**, established under **Article 279A** of the Indian Constitution, inserted by the **101st Constitutional Amendment Act, 2016**. It is not merely a statutory body deriving authority from the Union Finance Ministry.

**Statement 2: Correct.** The voting system within the GST Council requires a majority of **not less than three-fourths** of the weighted votes of the members present and voting. The weightage is:

- Votes of the **Central Government: one-third** (1/3) of the total votes cast.
- Votes of **all State Governments** combined: **two-thirds** (2/3) of the total votes cast.

**Statement 3: Correct.** Article 279A(5) of the Constitution specifically empowers the GST Council to recommend the date on which GST shall be levied on five petroleum products: Petroleum crude, High Speed Diesel, Motor spirit (petrol), Natural gas, and Aviation Turbine Fuel. This power ensures the Council controls the eventual inclusion of these major revenue sources into the GST framework.

**10. With reference to the recent Goods and Services Tax (GST) rate rationalisation in India, consider the following statements:**

1. The primary change involves moving from the initial multi-tier structure (0%, 5%, 12%, 18%, 28%) to a simplified two-tier system with core standard rates of **5% and 18%**.
2. The purpose of this rationalisation is to eliminate the 'inverted duty structure' in sectors like textiles and pharmaceuticals, where the GST rate on the final product is higher than that on the inputs, leading to tax credit refunds.

**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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** Recent GST reforms have focused on rationalizing the multiple tax slabs into a streamlined structure. The core standard rates have been consolidated mainly into **5% (Merit Rate)** for essentials and priority sectors, and **18% (Standard Rate)** for most goods and services, with a special demerit rate (e.g., 40%) for luxury/sin goods. This effectively simplifies the previous multi-tier system.

**Statement 2: Incorrect.** The purpose of rationalization is indeed to simplify rates and enhance affordability. However, the explanation regarding the inverted duty structure is **reversed**. The inverted duty structure (IDS) occurs when the GST rate on **inputs** is **higher** than the GST rate on the **output/final product**. This mismatch causes an accumulation of Input Tax Credit (ITC) for the producer, creating liquidity stress, not the other way around. While rationalization aims to correct IDS, the statement's description of the IDS itself is wrong.

## Tax Structure in India-II

**1. With reference to the Commodities Transaction Tax (CTT) in India, consider the following statements:**

1. CTT is levied on the sale of commodity derivatives such as futures and options traded on recognized exchanges.
2. It applies uniformly at 0.01% on all agricultural and non-agricultural commodities without any exemptions.

**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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** CTT is specifically levied on the taxable value of sales of commodity derivatives like futures and options on recognized exchanges, effective from July 1, 2013. **Statement 2: Incorrect.** The rate varies; for example, non-agricultural commodities like gold and silver are taxed at 0.01%, while agricultural commodities are exempt from CTT.

**2. Securities Transaction Tax in India is a direct tax levied on:**

- a) All over-the-counter trades in unlisted securities
- b) Purchase and sale of equity shares, derivatives, and units of equity-oriented mutual funds on recognized stock exchanges
- c) Transactions in government bonds and treasury bills
- d) Currency derivatives traded on commodity exchanges

**Correct Answer: (b)**

**Explanation:** Securities Transaction Tax (STT) applies to the value of specified securities transacted through recognized stock exchanges, excluding commodities and currency, and is collected on both buy and sell sides for equity delivery at 0.1%.

**3. With reference to Capital Gains Tax in India, consider the following statements:**

1. 'Capital gains' arise from the transfer of a capital asset, which includes both movable and immovable property.
2. 'Short-term capital assets' are those held for more than 24 months in the case of immovable property.
3. 'Long-term capital gains' on listed equity shares exceeding Rs. 1.25 lakh are taxed at 12.5% without indexation benefit.
4. Indexation adjustment is available for computing long-term capital gains on all types of assets, including shares.

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

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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Capital gains tax is levied on profits from the transfer (sale or exchange) of capital assets, encompassing property, shares, and other assets held as investments. **Statement 2: Incorrect.** For immovable property, the holding period for long-term classification is 24 months or more; thus, short-term is 24 months or less.

**Statement 3: Correct.** Effective from July 23, 2024, long-term capital gains on listed equity shares above Rs. 1.25 lakh are taxed at a flat 12.5% rate, without indexation.

**Statement 4: Incorrect.** Indexation is not available for listed equity shares or equity-oriented mutual funds; it applies to debt funds and property.

**4. Consider the following pairs:**

	Tax Type	Applicability
I	Minimum Alternate Tax	Companies, based on book profits
II	Alternate Minimum Tax	Non-corporate assessee claiming certain deductions
III	Both MAT and AMT	Levied at 15% plus surcharge and cess

**In how many of the above rows is the given information correctly matched?**

- (a) Only one
- (b) Only two
- (c) All the three
- (d) None

**Correct Answer: (b)**

**Explanation:**

**Pair I: Correct.** MAT under Section 115JB applies to all companies (including foreign) on book profits at 15%.

**Pair II: Correct.** AMT targets non-corporate entities like partnerships availing profit-linked deductions, to ensure minimum tax payment.

**Pair III: Incorrect.** The base rate is 15% for MAT and 9% for AMT (for non-companies), with applicable surcharge and cess added.

**5. With reference to Investment Allowance under the Income Tax Act in India, consider the following statements:**

1. It allows a deduction of 15% on the actual cost of new plant and machinery acquired by manufacturing undertakings.

2. The allowance is available to service sector enterprises as well, provided the investment exceeds Rs. 100 crore.
3. If the asset is sold within 8 years, the allowance claimed earlier may be withdrawn as deemed income.

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

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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Under Section 32AD, eligible manufacturing units can claim 15% investment allowance on new machinery installed after September 1, 2015.

**Statement 2: Incorrect.** It is restricted to manufacturing or production undertakings, excluding service sectors.

**Statement 3: Correct.** The benefit is clawed back if the asset is transferred or business discontinued within 8 years from installation.

**6. Consider the following taxes in India:**

1. Corporation Tax
2. Personal Income Tax
3. Goods and Services Tax

**How many of the above have recorded an annualized growth rate of 15% or more in collections between 2000-01 and 2023-24?**

- a) Only one
- b) Only two
- c) Only three
- d) All four

**Correct Answer: (b)**

**Explanation:** Corporation Tax has grown at 15% annually, and Personal Income Tax at 16% over the period, driven by base expansion and compliance measures. GST, being an indirect tax introduced in 2017, does not qualify under the same direct tax growth metric for the full period.

**7. In the context of Tax Expenditure in India, which of the following are considered as revenue foregone due to tax concessions?**

1. Deduction under Section 80C for investments in specified instruments
2. Exemption of income from agricultural activities
3. Direct cash subsidies provided by the government for food security

**Select the correct answer using the code given below:**

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

**Correct Answer: (a)**

**Explanation:** Tax expenditures represent estimated revenue losses from exemptions, deductions, or credits like Section 80C investments and agricultural income exemptions, as reported annually in the Union Budget since 2006. Direct cash subsidies are budgetary expenditures, not tax-based concessions.

**8. The Fifteenth Finance Commission of India recommended the vertical devolution of central taxes to states at:**

- a) 40% of the divisible tax pool
- b) 41% of the divisible tax pool
- c) 42% of the divisible tax pool
- d) 15% of the divisible tax pool

**Correct Answer: (b)**

**Explanation:**

The 15th Finance Commission, in its report for 2021-26, maintained the states' share at 41% of the net proceeds of shareable central taxes, accounting for the exclusion of Jammu & Kashmir as a state.

**9. With reference to the Finance Commission of India, consider the following statements:**

- 1. It is a quasi-judicial body constituted every five years under Article 280 of the Constitution to recommend the distribution of tax revenues between the Union and states.
- 2. Its recommendations on tax devolution are binding on the executive but can be altered by Parliament through legislation.

**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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** The Finance Commission, appointed by the President every five years (or earlier), advises on tax sharing, grants-in-aid, and fiscal consolidation as per Article 280. **Statement 2: Incorrect.** The Commission's recommendations are advisory and not binding; the government implements them via the Finance Act, but Parliament can modify through appropriation.

**10. Consider the following statements with regard to the Direct Tax Code (DTC) 2025 in India:**

- 1. It replaces the Income Tax Act, 1961, and aims to simplify tax administration by consolidating over 70 sections into fewer provisions.
- 2. The DTC expands the scope of Tax Deducted at Source (TDS) to cover virtual digital assets and expands Tax Collected at Source (TCS) for high-value remittances.
- 3. It introduces a uniform flat tax rate of 15% for all resident individuals, abolishing the slab system entirely.

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

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

**Correct Answer: (a)**

**Explanation:**



**Statement 1: Correct.** The Income-tax Bill, 2025 (enacting DTC) repeals the 1961 Act, reducing complexity by merging provisions and modernizing definitions for better compliance.

**Statement 2: Correct.** It broadens TDS applicability to digital assets and TCS for remittances exceeding thresholds, enhancing collection efficiency.

**Statement 3: Incorrect.** The DTC retains progressive slab rates under the new regime (with options), without a flat 15% for all individuals.

## Public Finance In India

**1. With reference to the Union Budget of India, consider the following statements:**

1. The Revenue Budget comprises revenue receipts and revenue expenditure, focusing on day-to-day operations without creating assets or liabilities.
2. Capital receipts include only disinvestment proceeds and do not encompass market borrowings or recoveries of loans.
3. The total budget outlay for 2025-26 is estimated at ₹50.65 lakh crore, with capital expenditure targeted at 3.1% of GDP.
4. Fiscal Deficit is calculated as the difference between total expenditure and total receipts excluding borrowings.

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

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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** The Revenue Budget deals with recurring income and expenses like taxes, salaries, and subsidies, maintaining operational continuity.

**Statement 2: Incorrect.** Capital receipts broadly include borrowings (market loans, external aid), disinvestment, and loan recoveries, not limited to disinvestment.

**Statement 3: Correct.** For 2025-26, total expenditure is budgeted at ₹50.65 lakh crore, with ₹11.21 lakh crore allocated for capital expenditure, equating to 3.1% of GDP.

**Statement 4: Incorrect.** Fiscal Deficit measures total expenditure minus (revenue receipts + non-debt capital receipts), highlighting borrowing needs.

**2. Consider the following pairs:**

	Expenditure Type	Classification
I	Education and Health	Developmental
II	Defence Services	Developmental
III	Administrative Expenses	Non-developmental

**In how many of the above rows is the given information correctly matched?**

- (a) Only one
- (b) Only two
- (c) All the three
- (d) None



**Correct Answer: (b)**

**Explanation:**

**Pair I: Correct.** Developmental expenditure promotes economic growth and social welfare, including sectors like education and health.

**Pair II: Incorrect.** Defence is classified as non-developmental, focusing on security rather than direct economic development.

**Pair III: Correct.** Non-developmental expenditure covers administrative costs, pensions, and interest payments that support governance without asset creation.

**3. With reference to government receipts in India, consider the following statements:**

1. Revenue receipts are those that neither create a liability nor lead to a reduction in government assets, such as taxes and fees.
2. Non-revenue receipts, or capital receipts, include proceeds from disinvestment and loan recoveries, which may reduce assets.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Revenue receipts, like income tax and dividends, are recurring and do not impact the government's balance sheet in terms of liabilities or assets.

**Statement 2: Correct.** Capital receipts (non-revenue) involve one-time inflows such as asset sales or loan repayments, potentially depleting government holdings.

**4. In India, which of the following are components of Non-tax Revenue Receipts?**

1. Corporation Tax collections
2. Profits from Public Sector Undertakings
3. Spectrum auction fees

**Select the correct answer using the code given below:**

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

**Correct Answer: (b)**

**Explanation:** Non-tax revenue includes earnings from government operations like PSU dividends and spectrum charges, excluding direct taxes such as corporation tax, which falls under tax revenue.

**5. Consider the following statements regarding Revenue Expenditure in India:**

1. It includes interest payments on debt and subsidies but excludes creation of capital assets.
2. Revenue Deficit arises when revenue expenditure exceeds revenue receipts, indicating reliance on borrowings for routine expenses.
3. Grants-in-aid to states for revenue purposes are treated as revenue expenditure, even if used for capital projects.

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

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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Revenue expenditure covers operational costs like salaries, pensions, and subsidies, distinct from asset-building activities.

**Statement 2: Correct.** Revenue Deficit = Revenue Expenditure - Revenue Receipts, signaling unproductive borrowing if positive.

**Statement 3: Correct.** Such grants are classified as revenue expenditure regardless of end-use, to maintain fiscal transparency.

**6. Revenue Deficit in the context of Indian public finance is best described as:**

- a) Total expenditure minus total receipts excluding borrowings
- b) Excess of revenue expenditure over revenue receipts
- c) Capital expenditure minus non-debt capital receipts
- d) Primary expenditure minus tax revenues

**Correct Answer: (b)**

**Explanation:** Revenue Deficit specifically measures the gap where day-to-day spending outpaces recurring income, highlighting the need for capital inflows to fund operations.

**7. Effective Revenue Deficit in India refers to:**

- a) Revenue Deficit plus grants for capital asset creation
- b) Revenue Deficit minus grants-in-aid for creation of capital assets
- c) Fiscal Deficit excluding interest payments
- d) Primary Deficit adjusted for disinvestment proceeds

**Correct Answer: (b)**

**Explanation:** It refines the Revenue Deficit by subtracting productive grants (for assets like infrastructure), focusing on truly unproductive revenue shortfalls.

**8. With reference to the Revenue Budget in India, consider the following statements:**

1. It encompasses all revenue receipts and expenditures, aiming for balance without impacting capital structure.
2. Major components include tax revenues like GST and non-tax items like spectrum fees, with expenditures on salaries and interest.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** The Revenue Budget maintains fiscal operations annually, ensuring no net change in assets or liabilities.

**Statement 2: Correct.** It includes diverse income sources and routine outlays, forming the core of annual fiscal planning.

**9. Consider the following items:**

1. Market borrowings
2. Disinvestment of PSUs
3. Acquisition of land and buildings
4. Payment of subsidies

**How many of the above are included in the Capital Budget?**

- a) Only one
- b) Only two
- c) Only three
- d) All four

**Correct Answer: (c)**

**Explanation:** The Capital Budget covers capital receipts (1 and 2) and capital expenditures (3), excluding revenue items like subsidies (4).

**10. Consider the following statements:**

1. Capital Receipts include internal debt like small savings and external borrowings, but exclude tax revenues.
2. Capital Expenditure is classified into plan and non-plan, focusing on asset creation like machinery and investments in shares.
3. Recoveries of loans advanced are treated as capital receipts, reducing the government's outstanding liabilities.

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

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

**Correct Answer: (d)**

**Explanation:**

**Statement 1: Correct.** Capital receipts comprise borrowings (domestic and foreign) and non-debt items, separate from revenue streams.

**Statement 2: Correct.** Though the plan/non-plan distinction was merged in 2017, capital outlay still emphasizes long-term assets and investments.

**Statement 3: Correct.** Loan recoveries are non-debt capital receipts, improving the government's financial position by settling dues.

## Public Finance in India-II

**1. Consider the following statements with reference to Capital Receipts and Capital Expenditure in Indian public finance:**

1. Capital receipts include market borrowings and disinvestment proceeds, which either create liabilities or reduce government assets.
2. Capital expenditure encompasses investments in physical assets like infrastructure and loans advanced to state governments for productive purposes.

3. Unlike revenue receipts, capital receipts are recurring in nature and do not impact the government's balance sheet.

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

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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** Capital receipts, such as borrowings and asset sales, lead to future obligations or asset reductions, distinguishing them from operational inflows.

**Statement 2: Correct.** Capital outlay focuses on long-term asset creation and financial assistance for development, enhancing productive capacity.

**Statement 3: Incorrect.** Capital receipts are non-recurring and directly affect the balance sheet by altering liabilities or assets.

**2. Consider the following pairs:**

	Term	Description
I	Capital Deficit	Shortfall when capital expenditure exceeds capital receipts
II	Fiscal Deficit	Total borrowings to meet overall budgetary gap
III	Primary Deficit	Fiscal deficit adjusted for interest payments

**In how many of the above rows is the given information correctly matched?**

- (a) Only one
- (b) Only two
- (c) All the three
- (d) None

**Correct Answer: (b)**

**Explanation:**

**Pair I: Correct.** Capital deficit informally denotes the gap in the capital account where outlays surpass inflows, necessitating additional funding.

**Pair II: Correct.** Fiscal deficit captures the total borrowing requirement to bridge the difference between total expenditure and non-borrowing receipts.

**Pair III: Incorrect.** Primary deficit excludes interest on past debt from fiscal deficit, focusing on current borrowing needs.

1. **Fiscal Deficit (FD)** = Total Expenditure – Total Receipts (excluding borrowings)

- Total Expenditure = Revenue Expenditure (RE) + Capital Expenditure (CE)
- Total Receipts (excluding borrowings) = Revenue Receipts (RR) + Non-debt Capital Receipts (NDCR)
- $FD = (RE + CE) - (RR + NDCR)$

2. **Revenue Deficit (RD)** = Revenue Expenditure (RE) – Revenue Receipts (RR)

Therefore,  $FD - RD = [(RE + CE) - (RR + NDCR)] - [RE - RR]$   $FD - RD = CE - NDCR$

The term (CE – NDCR) represents the **Capital Expenditure that is not financed by the government's own non-debt capital receipts** (like disinvestment and loan recovery). This net figure is approximately the **net addition to the government's capital assets** for the year, or **Net Capital Expenditure / Gross Capital**

**Formation** minus non-debt capital receipts. It represents the portion of the government's borrowing that is used to finance asset creation (investment), as opposed to consumption (Revenue Deficit).

**3. Fiscal Deficit in India is calculated as:**

- a) Revenue expenditure minus revenue receipts
- b) Total expenditure minus (revenue receipts + non-debt capital receipts)
- c) Capital expenditure minus capital receipts
- d) Total receipts minus total expenditure excluding borrowings

**Correct Answer: (b)**

**Explanation:** Fiscal deficit measures the overall borrowing requirement by subtracting non-borrowing resources from total spending, indicating the scale of market and external financing needed.

**4. With reference to deficits in Indian public finance, consider the following statements:**

- 1. 'Monetised Deficit' refers to the portion of fiscal deficit financed through Reserve Bank of India purchases of government securities, leading to money supply expansion.
- 2. 'Surplus Budget' occurs when total receipts exceed total expenditure, allowing debt reduction or reserve accumulation.
- 3. 'Deficit Budget' is always undesirable, as it invariably causes inflation regardless of economic conditions.
- 4. Ad hoc Treasury Bills were a key instrument for monetised deficit until their discontinuation in 1997.

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

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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Monetised deficit involves RBI directly funding government shortfalls, injecting liquidity into the economy.

**Statement 2: Correct.** A surplus budget reflects fiscal prudence, enabling repayment of liabilities or building buffers.

**Statement 3: Incorrect.** Deficit budgets can be expansionary and beneficial during recessions to stimulate growth.

**Statement 4: Correct.** These short-term instruments facilitated automatic RBI financing until phased out to curb inflationary pressures.

**5. With reference to Deficit Financing in India, consider the following statements:**

- 1. It involves bridging the gap between total expenditure and total receipts through methods like public borrowings and drawing down cash balances.
- 2. Deficit financing through RBI is prohibited under the Reserve Bank of India Act to maintain monetary independence.

**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



**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** Deficit financing employs various tools, including domestic and external borrowings, to fund excess spending over revenues.

**Statement 2: Incorrect.** While direct monetisation is restricted post-1997, ways and means advances allow temporary RBI support.

**6. Consider the following components:**

1. Revenue deficit
2. Capital outlay
3. Non-debt capital receipts
4. Interest payments on debt

**How many of the above directly contribute to the composition of fiscal deficit in India?**

- a) Only one
- b) Only two
- c) Only three
- d) All four

**Correct Answer: (c)**

**Explanation:**

Fiscal deficit comprises revenue deficit plus capital outlay minus non-debt capital receipts, with interest payments embedded in revenue expenditure; all except isolated debt servicing adjustments factor in.

**7. In the context of Indian fiscal policy, "Automatic Stabilizers" are best exemplified by:**

- a) Discretionary tax cuts during recessions
- b) Progressive income taxation and unemployment benefits that adjust without policy changes
- c) Increase in public investment through annual budgets
- d) Borrowing from international agencies for infrastructure

**Correct Answer: (b)**

**Explanation:**

Automatic stabilizers, like built-in tax progressivity and welfare payments, inherently dampen economic cycles by rising during downturns and falling in booms, without needing active intervention.

**8. In India, which of the following characterize the phases of deficit financing?**

1. First Phase (1947-1970): Focused on planned investments for development, with moderate deficits.
2. Second Phase (1970-1991): Marked by high deficits, oil shocks, and culminating in a balance of payments crisis.
3. Third Phase (1991 onwards): Emphasized liberalization, FRBM targets, and gradual fiscal consolidation.

**Select the correct answer using the code given below:**

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

**Correct Answer: (d)**

**Explanation:** The original FRBM Act (2003) did mandate the reduction of the **Revenue Deficit** to zero and the **Fiscal Deficit** to 3% of GDP, but these targets were later revised based on the N.K. Singh Committee



recommendations. The Act's core is the **fiscal discipline**, but the exact target for Revenue Deficit to be zero is often considered too stringent and has been replaced by the goal of reducing it. The phases reflect evolving strategies: early post-independence emphasis on growth via controlled deficits, mid-period excesses leading to instability, and post-reform discipline for sustainability.

**9. With reference to the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, consider the following statements:**

1. It mandates a fiscal deficit target of 3% of GDP by 2008-09, with provisions for annual reductions.
2. Amendments in 2018 introduced a medium-term debt sustainability framework, targeting central government debt at 40% of GDP.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** The original Act aimed for fiscal discipline through phased deficit reduction to 3% within five years.

**Statement 2: Correct.** The 2018 amendments shifted focus to debt anchors, setting glide paths for both deficit and overall liabilities.

**10. Consider the following statements regarding Fiscal Consolidation and Zero-Base Budgeting in India:**

1. Fiscal consolidation involves reducing fiscal deficits and public debt to sustainable levels, often through expenditure rationalization and revenue enhancement.
2. Zero-Base Budgeting requires justifying all expenditures from a zero base annually, differing from incremental budgeting by eliminating automatic carryovers.

**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

**Correct Answer: (c)**

**Explanation:**

**Statement 1: Correct.** Fiscal Consolidation is a policy strategy aimed at reducing the government's deficits and debt accumulation. While the term primarily refers to the **Fiscal Deficit**, a successful consolidation effort also helps reduce the **Current Account Deficit (CAD)** by reducing consumption, managing imports, and building international investor confidence. The co-existence of high Fiscal Deficit and high CAD is often referred to as the 'twin deficits' problem, which consolidation aims to resolve. It entails multi-year strategies to lower deficits, as seen in post-2021 paths targeting below 4.5% by 2025-26.

**Statement 2: Correct.** Zero-Base Budgeting (ZBB) is a budgeting method where all expenditures must be justified for each new period. Every line item in the budget must be approved, rather than just approving incremental increases over previous budgets, thereby making the base zero.. ZBB promotes efficiency by scrutinizing every expense anew, applied selectively in ministries to curb wasteful spending.

## Ancient India (Pre-history phase)

**1. With reference to the Lower Palaeolithic Age in the Indian Subcontinent, consider the following statements:**

1. The tools of this phase, like Hand Axe, Choppers, and Cleavers, were generally made of limestone and quartzite.
2. The human species associated with this period was primarily *Homo Sapiens*.
3. The main occupation was hunting and gathering, and there is no evidence of burials during this phase.

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

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

**Correct Answer: (b)**

**Explanation:**

**Statement 1: Correct.** Tools used in the Lower Palaeolithic Age include Hand Axe, Choppers, and Cleavers. The primary stones used were Limestone and Quartzite, leading to the designation of the people as 'Quartzite Men'.

**Statement 2: Incorrect.** The human species associated with the Lower Palaeolithic Age was **Homo-Erectus**. The emergence of *Homo Sapiens* is associated with the **Upper Palaeolithic Age**.

**Statement 3: Correct.** The occupation during the entire Palaeolithic Age (Lower, Middle, Upper) was Hunting and Gathering. There is no evidence of burials during the Palaeolithic Age.

**2. With reference to the phases of the Palaeolithic Age in India, consider the following statements:**

1. The Middle Palaeolithic phase saw the decline in the use of hand axes and the emergence of flake tools like scrapers and borers, linked to Neanderthals during the Ice Age.
2. The Upper Palaeolithic phase is marked by the first evidence of blade tools and burins, reflecting the emergence of *Homo Sapiens* and advancements in hunting techniques.
3. Sites like Bhimbetka in Madhya Pradesh provide evidence across all three phases, with the Lower phase dominated by limestone tools and the Upper by chert and jasper.

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

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

**Correct Answer: (d)**

**Explanation: All statements are correct.**

**Statement 1** aligns with the Middle Palaeolithic (100,000–40,000 BCE), where hand axes declined, flake tools (blades, pointers, scrapers, borers) from quartzite emerged, associated with Neanderthals.

**Statement 2** matches the Upper Palaeolithic (40,000–10,000 BCE), with bone tools, needles, harpoons, parallel-sided blades, and burins for *Homo Sapiens*.

**Statement 3 is true;** Bhimbetka (MP) spans all phases—Lower (limestone/quartzite), Middle (chert/jasper/agate), Upper (dyke/basalt/dolomite)—with rock shelters and paintings.

**3. Consider the following pairs related to important Mesolithic (Late Stone Age) sites in India:**

Site	Key Feature/Evidence
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I. Bagor (Rajasthan)	Earliest evidence of animal domestication (sheep and goat)
II. Adamgarh (MP)	Microliths and rock paintings depicting hunters and dancers
III. Langhnaj (Gujarat)	Human graves with bone ornaments and evidence of wild animal bones

In how many of the above pairs is the given information correctly matched?

- (a) Only one
- (b) Only two
- (c) All the three
- (d) None

**Correct Answer: (b)**

**Explanation:**

**Pair I is correct;** Bagor (Rajasthan, Kothari River) is the best-documented Mesolithic site with earliest animal domestication (sheep/goat).

**Pair III is correct;** Langhnaj (Gujarat) has bones of wild animals (rhinoceros, blackbuck), pottery, and some burial references.

**Pair II is incorrect;** Adamgarh (MP) evidences earliest domestication, while rock paintings (hunters, dancers, social life) are from Bhimbetka (MP). Mesolithic (10,000–8,000 BCE) featured microliths, semi-permanent settlements, and Holocene climate.

4. Which of the following sites provides the earliest conclusive evidence of **Pit-dwelling** and the burial of **domestic dogs with their masters** in the graves?

- a) Chirand
- b) Mehrgarh
- c) Burzahom
- d) Koldihwa

**Correct Answer: (c)**

**Explanation:**

**Burzahom** (Kashmir) is a Neolithic site famous for the evidence of **Pit-dwelling** and the practice of burying **domestic dogs with their masters** in graves.

- Mehrgarh is known for sun-dried bricks, wheat, and the earliest evidence of settled life/agriculture in the subcontinent (if Lahuradev is not an option).
- Chirand is known for Neolithic men using tools and weapons made of **bones**.
- Koldihwa is known for circular huts and one of the oldest evidence of **rice**.

5. Which one of the following Neolithic sites in India is well-known for providing the earliest evidence of **rice cultivation and handmade crude pottery, along with circular huts**?

- (a) Burzahom
- (b) Mehrgarh
- (c) Koldihwa
- (d) Chirand

**Correct Answer: (c)**

**Explanation:**

Koldihwa (Allahabad, UP) evidences one of the oldest rice cultivations, crude handmade pottery, and circular huts. Burzahom (Kashmir) has pit dwellings and dogs in graves; Mehrgarh (Pakistan) shows sun-dried bricks,

wheat, and settled life; Chirand (Bihar) features bone tools/weapons. Neolithic agriculture prioritized barley (first), wheat (second), rice (third), with Lahuradeva as potential earliest rice site per new research.

**6. With reference to Chalcolithic settlements in ancient India, consider the following statements:**

1. These settlements were predominantly rural with rectangular houses for chiefs and round huts for commoners, reflecting social differentiation, but lacked burnt bricks.
2. Sites like Navdatoli on the Narmada River show cultivation of all major food grains including wheat, rice, and bajra, alongside black and red pottery.

**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

**Correct Answer: (c)**

**Explanation:**

**Both statements are correct.** Chalcolithic (4,000–1,500 BCE) settlements were rural without burnt bricks, showing social differences (rectangular houses for chiefs, round for commoners). Navdatoli (MP, Narmada) cultivated wheat, rice, bajra, pulses, cotton, with black/red pottery. Economy was village-based barter, with copper smelting and ochre-coloured ware at Hastinapur/Atranjikhhera.

**7. Consider the following pairs of Chalcolithic sites and their unique importance:**

Site	Unique Evidence
1. Ahar-Banas (Rajasthan)	Evidence of rice and copper smelting
2. Kayatha (MP)	Pre-Harappan elements in pottery and copper objects
3. Daimabad (Maharashtra)	Largest Jorwe culture site with bronze goods

**In how many of the above rows is the given information correctly matched?**

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

**Correct Answer: (c)**

**Explanation:**

**Pair 1: Correct.** Ahar-Banas is known for **Smelting & metallurgy** (Copper) and is a site with **Rice evidence** and Black red Pottery.

**Pair 2: Correct.** Kayatha (Chambal River) is noted for having **Pre-Harappan elements in pottery** and copper objects.

**Pair 3: Correct.** Daimabad is the **largest Jorwe culture site** in the Godavari valley and is famous for the recovery of **bronze goods** (e.g., bronze rhinoceros, elephant, chariot).

**8. Which one of the following best describes the importance of the Chalcolithic phase in ancient Indian prehistory?**

- (a) It marked the first widespread use of iron tools and urban planning in the subcontinent.
- (b) It represented a transitional era introducing copper metallurgy, painted pottery, and fortified settlements bridging Neolithic to Bronze Age.
- (c) It was characterized by the dominance of horse-drawn chariots and script-based administration.

(d) It provided the earliest evidence of maritime trade and monumental architecture in the Indus region.

**Correct Answer: (b)**

**Explanation:** Option (b) is correct; Chalcolithic (Copper-Stone Age, 4,000–1,500 BCE) transitioned from Neolithic by introducing copper (first metal), black/red/ochre pottery, rural settlements with social hierarchy, agriculture (wheat/rice/bajra/cotton), and crafts (spinning/weaving, stone beads). It bridged to Bronze Age without iron, urbanization, or script—those are later (e.g., Indus for trade/architecture, Vedic for chariots).

**9. Which of the following was a major limitation of the Chalcolithic cultures?**

- a) Their inability to cultivate any food grains, relying solely on hunting.
- b) Their exclusive use of Black and Red pottery, limiting ceramic diversity.
- c) Their unawareness of the art of writing, confining them to the Proto-history phase.
- d) Their lack of knowledge about the domestication of animals.

**Correct Answer: (c)**

**Explanation:**

**Option (c):** Chalcolithic cultures fall under the **Proto-history** division. A key limitation cited in the notes is their unawareness of the **Art of writing**, which is the defining factor separating Proto-history from History (where written records exist and are deciphered).

- **Option (a) is incorrect;** they cultivated food grains like Wheat, Rice, Bajra, and Pulses.
- **Option (b) is incorrect;** they used Ochre-coloured pottery as well, and ceramic diversity existed across sites.
- **Option (d) is incorrect;** they domesticated animals like Cow, Sheep, and Goat

**10. Consider the following statements regarding the Chalcolithic Age (Copper Age) in India:**

- 1. The largest concentration of settlements and evidence of high infant mortality are found in the Deccan region, particularly West Maharashtra (Jorwe culture).
- 2. The art of tanning, battle scenes, and complex geometric patterns are visible in the paintings of this period.
- 3. The people were aware of the utility of burnt bricks but primarily used sun-dried bricks due to resource constraints.

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

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

**Correct Answer: (a)**

**Explanation:**

**Statement 1: Correct.** West Maharashtra, home to the Jorwe culture (e.g., Daimabad), shows a large number of children's burials, indicating high infant mortality. Daimabad is the largest Jorwe culture site.

**Statement 2: Correct.** Chalcolithic paintings included themes like **Battle Scenes**, Men riding horses, the **art of tanning**, and **complex geometric patterns**.

**Statement 3: Incorrect.** The Chalcolithic people were **Not acquainted with burnt bricks**; they used mud and reeds for their houses. Sun-dried bricks, as found at Mehrgarh, are characteristic of the **Neolithic** and early Harappan phases, not the general Chalcolithic culture described here.



## Harappan Civilization

1. With reference to the architecture and structures of the Mature Harappan phase, consider the following statements:

1. The largest number of large, pillared halls and communal cooking areas were found in the Citadel complex of Harappa and Mohenjo-Daro.
2. The city of Dholavira is architecturally unique among the major sites as it was divided into three principal segments: a Citadel, a Middle Town, and a Lower Town.
3. The Great Bath at Mohenjo-Daro featured a sophisticated system for filling the tank from a specific well and for draining the used water through a covered outlet.

How many of the statements given above are correct?

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

**Correct Answer: (b)**

**Explanation:**

- **Statement 1: Incorrect.** While large structures like the Granary and the Great Bath are in the Citadel area, the large pillared hall (often referred to as the Assembly Hall) is found in the Lower Town area of **Mohenjo-Daro**. Communal cooking areas were generally not a feature of the Citadel.
- **Statement 2: Correct.** Dholavira is the only major Harappan site to show a tripartite (three-part) division of the city, in contrast to the usual bipartite (Citadel and Lower Town) division seen at Harappa and Mohenjo-Daro.
- **Statement 3: Correct.** The Great Bath was a marvel of hydraulic engineering, featuring a large tank with staircases on two sides, a watertight surface, and a well connected to the side to supply water, along with a massive brick-lined drain for disposal.

2. With reference to the famous 'Pashupati' seal from Mohenjo-Daro, consider the following statements:

1. The central figure is seated in a yogic posture and is surrounded by a total of six animals, including two antelopes beneath the seat.
2. The animals depicted on the right side of the figure are the rhinoceros and the buffalo, while the elephant and the tiger are on the left side.

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

**Correct Answer: (a)**

**Explanation:**

- **Statement 1: Correct.** The figure is seated in a cross-legged position (yogic *asan*), and is flanked by four animals (elephant, tiger, rhinoceros, and buffalo) plus two antelopes beneath the seat, totaling six animals.
- **Statement 2: Incorrect.** The animals are arranged as follows: **Elephant** and **Tiger** on the **right** side of the figure; **Rhinoceros** and **Buffalo** on the **left** side.

3. Consider the following pairs regarding the technical aspects of the Indus Valley Civilization (IVC):



System Aspect	Description/Feature
I. Boustrophedon	The common direction of writing in longer inscriptions of the Harappan script, alternating lines.
II. Weights System	Lower denominations followed a binary system (1, 2, 4, 8, 16...), while higher ones adopted a decimal system.
III. Measurement Rod	Standardised rods of bone, often marked with precision subdivisions, found in sites like Mohenjo-Daro and Lothal.

**In how many of the above pairs is the information correctly matched?**

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

**Correct Answer: (c)**

**Explanation:**

- **Pair I: Correct.** The Indus script is generally written from right-to-left, but the longer inscriptions often use the **boustrophedon** style, meaning alternating lines are written in opposite directions (right-to-left, then left-to-right, and so on).
- **Pair II: Correct.** The chert weights found across the IVC show remarkable standardisation. The smaller weights follow a **binary progression** (1, 2, 4, 8, 16, 32, up to 12,800), while the heavier weights follow a **decimal system**.
- **Pair III: Correct.** Graduated scales/rods, made of materials like shell and bone, have been found at sites like Mohenjo-Daro and Lothal, indicating a standardised system of linear measurement, sometimes with high precision markings.

**4. With reference to the agricultural practices and animal husbandry of the Harappan people, consider the following statements:**

1. The Harappans were the earliest people in the world to cultivate **cotton**, which the later Mesopotamians knew as *sin*don.
2. Clear archaeological evidence of a ploughed field has been found at Kalibangan, though no physical remains of a wooden or copper plough have been discovered.
3. While the bones of sheep, goats, and buffaloes are common, there is no conclusive archaeological evidence for the use of the **horse** or the **camel** by the Harappans in the Mature phase.

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

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

**Correct Answer: (b)**

**Explanation:**

- **Statement 1: Incorrect.** The Harappans are the earliest known people to produce cotton. The Greeks later called it *sin*don (derived from the word 'Indus'), but the statement incorrectly attributes the name 'sin

- **Statement 3: Correct.** The IVC people domesticated buffaloes, oxen (zebu), sheep, and pigs. While skeletal remains of the horse have been reported from sites like Surkotada, its presence is rare and highly debated, and its use, especially for warfare, remains unproven. Similarly, evidence for the camel is limited.

**5. Which of the following technological or craft practices are confirmed to have been in use by the Mature Harappan Civilisation?**

1. Use of Iron to manufacture agricultural tools and weaponry.
2. Manufacturing of 'Faience' to produce beads, bangles, and small vessels.
3. Employment of the lost-wax technique (cire-perdue) for complex bronze casting.
4. Grinding, drilling, and polishing of hard stone beads, such as carnelian and agate.

**Select the correct answer using the code given below:**

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

**Correct Answer: (b)**

**Explanation:**

- **Statement 1: Incorrect.** The IVC was a **Bronze Age** civilization. The knowledge and large-scale use of **Iron** (Iron Age) came much later in the Indian subcontinent (around 1000 BCE or later).
- **Statement 2: Correct. Faience**, a synthetic material made from crushed quartz/sand and coloured minerals, was extensively used for ornaments and pottery by the Harappans, showing advanced ceramic/glazing technology.
- **Statement 3: Correct.** The famous 'Dancing Girl' sculpture from Mohenjo-Daro and the bronze bull from Kalibangan are prime examples of the advanced **lost-wax technique** (cire-perdue) used for bronze statues.
- **Statement 4: Correct.** Bead-making was a key industry, and Harappan artisans were highly skilled in working with hard, semi-precious stones like carnelian, lapis lazuli, and agate, using specialised drills.

**6. With respect to the pottery found at Harappan sites, consider the following statements:**

1. The plain (unpainted) pottery, generally of red clay, was more prevalent than the painted ware, which was mostly decorated in glossy black pigment.
2. Polychrome pottery, featuring intricate geometric patterns in multiple colours like red, black, and green, was common in the larger urban centres.
3. The Harappans were among the earliest civilizations to develop and use glazed pottery.

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

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

**Correct Answer: (a)**

**Explanation:**

- **Statement 1: Correct.** The vast majority of pottery excavated is plain (unpainted) utility ware, which is more common than the painted ware. The painted ware is typically red-and-black pottery.

- **Statement 2: Incorrect.** **Polychrome pottery** (using three or more colours) was **rare** and usually consisted of small vessels with simple geometric designs, contrary to the statement that it was "common."
- **Statement 3: Correct.** The Harappans are credited with pioneering the use of **glazed pottery** in the ancient world, demonstrating their advanced firing and ceramic knowledge.

**7. Which of the following best describes the probable political organization of the Mature Harappan Civilisation, given the archaeological evidence?**

- (a) A centralized, dynastic monarchy, where a priest-king ruled from the twin capitals of Harappa and Mohenjo-Daro.
- (b) A powerful military state that enforced cultural homogeneity and controlled its vast territory through military outposts.
- (c) A decentralized system, possibly a merchant oligarchy or a council-based civic administration, due to the absence of clear monarchical symbols.
- (d) A theocratic state where the main deity, the Proto-Shiva, was worshipped, and the administration was run by a high-priest class.

**Correct Answer: (c)**

**Explanation:**

- The most striking feature of the IVC is the **uniformity** in town planning, bricks, and weights across a massive area, which suggests strong administrative control.
- However, the civilization conspicuously **lacks** clear evidence of a powerful centralized ruler: no great palaces, no royal tombs, and no dynastic statues (unlike Egypt or Mesopotamia).
- Therefore, the consensus among scholars leans towards a form of collective governance—a **merchant oligarchy** (given the extensive trade) or a council of elites/elders responsible for civic order—rather than a single monarch.

**8. Which one of the following is the most likely reason for the Harappans to have held the Unicorn and the Humped Bull in high ritualistic or totemic regard?**

- (a) Their widespread presence in the terracotta figurines of the Mother Goddess.
- (b) The discovery of their bones in sacrificial pits at Kalibangan and Lothal.
- (c) Their almost exclusive and prominent depiction on the majority of the discovered seals.
- (d) The mention of these animals in the yet-to-be-deciphered Harappan script as names of deities.

**Correct Answer: (c)**

**Explanation:**

- The **Unicorn** (a mythical one-horned animal) is the most frequent motif on Harappan seals, and the **Humped Bull** (Zebu) is another highly distinctive and common motif. This widespread, prominent, and almost exclusive use on seals—which are associated with trade and potentially administrative or clan identity—is the strongest evidence for their high symbolic or totemic status.
- (a) Mother Goddess figurines mainly feature female forms, not animals. (b) While animal sacrifice is a possibility, the *Unicorn* is mythical, and the prominence is primarily via the seals, not sacrificial remains. (d) The script is undeciphered, so we cannot know what the symbols mean.

**9. Consider the following statements regarding the geographical extent and trade of the Indus Valley Civilization:**

1. The Harappans conducted long-distance maritime trade with contemporary West Asian civilizations from port-towns like **Lothal** and **Sutkagendor**.

2. The Harappan civilization's boundary extended beyond the Indus system, encompassing the northernmost site of **Manda** in Jammu and the southernmost site of **Daimabad** in Maharashtra.

**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

**Correct Answer: (c)**

**Explanation:**

- **Statement 1: Correct.** Lothal (Gujarat) is well-known for its dockyard and clear evidence of external trade (e.g., Persian Gulf seals). Sutkagendor (Balochistan, Pakistan) is the westernmost site and is believed to have acted as a crucial coastal outpost for trade with Mesopotamia.
- **Statement 2: Correct.** The IVC covered a vast area:
  - **North:** Manda (Jammu and Kashmir, on the Chenab river).
  - **South:** Daimabad (Maharashtra, on the Pravara river, a tributary of the Godavari).
  - **East:** Alamgirpur (Uttar Pradesh, on the Hindon river).
  - **West:** Sutkagendor (Balochistan).

**10. Which one of the following ancient sites of the Indus Valley Civilization is well-known as a major trade point between Harappa and Babylon, located in the west at Dasht?**

- (a) Mohenjo-Daro
- (b) Chanhudaro
- (c) Sutkagendor
- (d) Kalibangan

**Correct Answer:**

**(c) Explanation:**

Sutkagendor (1929, Dasht) served as a trade link between Harappa and Babylon. Mohenjo-Daro had Mesopotamian seals but was not primarily a western trade point; Chanhudaro focused on bead-making; Kalibangan on ploughed fields.