



PRELIMS MISSION TEST-14 (16-03-2024)

EXPLANATION

1. Consider the following statements about Agriculture Produce Market Committees (APMCs)

1. These are statutory committees formed by the state governments.
2. These committees oversee the trading of both notified agricultural products as well as livestock products
3. The committees prohibit the involvement of any kind of intermediaries or commissioning agents in the trade between the farmers and buyers.
4. Exporters and Retail chain operators can directly procure from APMCs

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 and 2 are correct: Under the Constitution, of India, agricultural marketing is a state (provincial) subject. While intrastate trades fall under the jurisdiction of state governments, inter-state trading comes under Central or Federal Government. Agricultural Produce Market Committee (APMC) is a statutory market committee constituted by a State Government in respect of trade in certain notified agricultural or horticultural or livestock products, under the Agricultural Produce Market Committee Act issued by that state government.

Statement 3 is incorrect: Once a particular area is declared as a market area and falls under the jurisdiction of a Market Committee, no person or agency is allowed to freely carry on wholesale marketing activities. APMC Acts provide that the first sale in the notified agricultural commodities produced in the region such as cereals, pulses, edible oilseed, etc. can be conducted only under the aegis of the APMC, through its licensed commission agents, and subject to payment of various taxes and fee. APMCs charge a market fee from buyers, and a licensing fee from the commissioning agents (they are not prohibited) who mediate between buyers and farmers.

Statement 4 is incorrect: Exporters, processors, and retail chain operators cannot procure directly from the

farmers as the product is required to be channelized through regulated markets and licensed traders.

2. The Ministry of Commerce has identified 12 Champion Service Sectors. Which of the following are included under the 12 sectors?

1. Tourism and Hospitality
2. Transport and Logistics
3. Environmental Services
4. Biotechnology and pharmaceuticals

How many statements given above are correct?

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

Ans: c (Only three)

Explanation: Champion Service Sectors refers to the 12 identified sectors (identified by the Ministry of Commerce) where the Government wants to give focused attention to promoting their development and realizing their potential. It is a Central Sector, umbrella scheme of the Department of Commerce for the period 2019-20 to 2023-24. A dedicated fund of Rs. 5000 crores have been proposed to be established to support initiatives for sectoral Action Plans of the Champion Sectors.

These include

- Information Technology & Information Technology enabled Services (IT& ITeS)
- Tourism and Hospitality Services
- Medical Value Travel, Transport, and Logistics Services
- Accounting and Finance Services
- Audio Visual Services
- Legal Services
- Communication Services
- Construction, and Related Engineering Services
- Environmental Services
- Financial Services
- Education Services.

Note: The biotechnology sector and Pharmaceuticals and Medical Devices sector have been classified under Champion manufacturing sectors and not services sectors.



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3. Consider the following statements about Production Linked Incentive Scheme (PLI)

1. Under PLI, incentives are provided based on increment in production levels
2. One of the objective of this scheme is import substitution
3. Incentives are provided in the range of 10-15% of production increase
4. White goods is one of the sector covered under PLI

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 is incorrect: Production Linked Incentive, or PLI, scheme of the Government of India is a form of performance-linked incentive to give companies incentives on incremental sales from products manufactured in domestic units.

Statement 2 is correct: The thought process behind the PLI has been manifold. First, the idea was to provide a stimulus to the manufacturing sector. Second, there is a pressing call for becoming Atmanirbhar in the sense of lowering imports. The old dogma of import substitution has been remodelled through the PLI.

Statement 3 is incorrect: Under the PLI scheme, the government, with an outlay for ₹2-lakh crore over a period of five years, gives an incentive in the form of a payback to the extent of 4-6 per cent (modified at different points of time).

Statement 4 is correct: There are 14 sectors are covered under PLI. They are

- Mobile Manufacturing and Specified Electronic Components
- Critical Key Starting Materials/Drug Intermediaries & Active Pharmaceutical Ingredients
- Manufacturing of Medical Devices
- Automobiles and Auto Components
- Pharmaceuticals Drugs
- Specialty Steel
- Telecom & Networking Products
- Electronic/Technology Products

- White Goods (ACs and LEDs)
- Food Products
- Textile Products: MMF segment and technical textiles
- High efficiency solar PV modules
- Advanced Chemistry Cell (ACC) Battery
- Drones and Drone Components.

4. EASE 5.0 'Common Reform Agenda' sometimes seen in news related to which of the following sector?

- (a) Railways
- (b) Public Sector Banks
- (c) MSME Sector
- (d) Digital Payments

Ans: b (Public Sector Banks)

Explanation: Enhanced Access and Service Excellence-EASE evolved for four annual editions from Financial Year 2019 to Financial Year 2022. It has also catalysed reforms in diverse areas in Public Sector Banks. EASE 5.0 'Common reforms agenda' has been developed for Public Sector Banks.

EASENext: PSB Manthan, 2022 was organised in April 2022. This program paved the way for broader program "EASENext". The EASENext will comprise of two initiatives:

- EASE 5.0 (common PSB reforms agenda) and
- Bank specific strategic 3-year roadmap (on the basis of individual bank's business priorities).

EASE 5.0:

Under EASE 5.0, PSBs will be investing in new-age capabilities. It will also deepen the ongoing reforms for responding to evolving customer needs, technology environment and changing competition. It will focus on digital customer experience, as well as integrated & inclusive banking. It will also emphasise on supporting agriculture and small businesses. All PSBs will create a bank-specific 3-year strategic roadmap, which will entail strategic initiatives beyond EASE 5.0. The initiatives will implemented be across diverse themes namely, business growth, risk, profitability, operation, customer service, and capability building.



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5. With reference to the term 'spread' in banking system, which one of the following statements is correct?

- It is the rate charged by the central bank for lending funds to commercial banks.
- It is the rate at which the central bank of a country lends money to commercial banks in the event of any shortfall of funds
- It is the difference between the interest rates of borrowers and depositors in a bank
- It is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves with the central bank

Ans: c (It is the difference between the interest rates of borrowers and depositors in a bank)

Explanation: The rate of interest offered by the bank to deposit holders is called the 'borrowing rate' and the rate at which banks lend out their reserves to investors is called the 'lending rate'. The difference between the two rates is called 'spread'. Thus, it is the difference between the interest rates of borrowers and depositors in a bank, which is often referred to as the profit appropriated by the bank.

6. Consider the following statements about Factor Cost in an economy

- Factor cost includes the payments to the factors of production only
- Factor cost does not include any tax

Which of the statements given above are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: c (Both 1 and 2)

Explanation: Factor cost is the cost of an item of goods or a service in terms of the various factors which have played a part in its production or availability. The main factors of production are-Land, Labour, Capital and Entrepreneurship, which provides for Rent, Wages, Interest and Profit respectively. Factor cost includes only payment to the factors of production. It doesn't include any tax.

7. With reference to capital market 'Rights issue' essentially refers to

- An offering of shares to the new shareholders by a company to generate additional capital.
- Buying of shares from the secondary markets by the existing shareholders of a company.
- An invitation to existing shareholders of a company to buy additional shares directly from the company
- Buying back of shares by the company to increase the rights of existing shareholders

Ans: c (An invitation to existing shareholders of a company to buy additional shares directly from the company)

Explanation: A rights issue is an offering of rights to the existing shareholders of a company that gives them an opportunity to buy additional shares directly from the company at a discounted price rather than buying them in the secondary market. The number of additional shares that can be bought depends on the existing holdings of the shareowners.

Features of a Rights Issue:

- Companies undertake a rights issue when they need cash for various objectives. The process enables the company to raise money without incurring underwriting fees.
- A rights issue gives preferential treatment to existing shareholders, where they are given the right (not obligation) to purchase shares at a lower price on or before a specified date.
- Existing shareholders also enjoy the right to trade with other interested market participants until the date at which the new shares can be purchased. The rights are traded in a similar way as normal equity shares.

8. Consider the following statements about Global Regulatory Framework for Crypto Assets developed by Financial Stability Board

- This framework is based on 'Same Activity, Same Risk, Same Regulation' principle
- Adequate safeguarding of client assets
- Addressing risks associated with conflict of interests
- Central Bank Digital Currencies are subject to these regulations



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How many statements given above are correct?

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

Ans: c (Only three)

Explanation: The G20 tasked the FSB to coordinate the delivery of an effective regulatory, supervisory and oversight framework for crypto-assets. The framework takes account of lessons from events of the past year in crypto-asset markets and feedback received during the FSB's public consultation.

The framework consists of two distinct sets of recommendations:

- High-level recommendations for the regulation, supervision and oversight of crypto-asset activities and markets.
- Revised high-level recommendations for the regulation, supervision, and oversight of "global stablecoin" arrangements.

The final recommendations draw on the implementation experiences of jurisdictions and build on the principles – 'same activity, same risk, same regulation'; high-level and flexible; and technology neutral – that informed the consultative framework. In light of events of the past year, the FSB has strengthened both sets of high-level recommendations in three areas: (i) ensuring adequate safeguarding of client assets; (ii) addressing risks associated with conflicts of interest; and (iii) strengthening cross-border cooperation.

The recommendations focus on addressing risks to financial stability and do not comprehensively cover all specific risk categories related to crypto-asset activities. Central Bank Digital Currencies (CBDCs), envisaged as digitalised central bank liabilities, are not subject to these recommendations.

9. Consider the following statements about 'Multi-bagger stocks'

1. A stock is considered a multi-bagger if it gives a return of 100% or more.
2. They are highly overvalued stocks with a low price-to-earnings ratio

Which of the statements given above are correct?

- (a) Only 1

- (b) Only 2
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: a (Only 1)

Statement 1 is correct: A stock that offers exponential returns on its original investment is called a multi-bagger stock. The term multi-bagger was coined by legendary fund manager Peter Lynch in his best-such stocks should be at least 100 percent and can go up to more than 1000 percent within a specific period of time.

Statement 2 is incorrect: Multibagger stocks are not a category of stocks like large caps or small caps. Instead, they explain the nature of stocks that have high growth potential. Multibagger stocks are undervalued and are often found in high-growth industries. These stocks have strong fundamentals, such as sound management and innovative production techniques, making them ideal investment opportunities. They often look like risky bets and take a very long time to show results. However, once they start growing, it takes less time to deliver multibagger returns. Multibagger stocks can be low-priced or high-priced but are definitely undervalued.

Price Earnings Ratio or Price to Earnings Multiple is the ratio of the share price of a stock to its earnings per share (EPS). PE ratio is one of the most popular valuation metrics of stocks. It provides an indication of whether a stock at its current market price is expensive or cheap. The P/E ratio of multibagger stocks tends to grow at a faster rate than its stock price

10. Consider the following statements about Priority Sector Lending norms

1. Under the norms, small finance banks must allocate 75 percent of Adjusted Net Bank Credit (ANBC) to the priority sectors
2. MSME credit and export credit are included under the category of PSL
3. The provisions of priority sector lending shall not apply to foreign banks.

How many statements given above are correct?

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



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Ans: b (Only two)

Statement 1 is correct: Small Finance Banks and Regional Rural Banks must allocate 75% of their total net credit to the priority sectors.

Statement 2 is correct: Priority Sector means those sectors which the Government of India and Reserve Bank of India consider as important for the development of the basic needs of the country and are to be given priority over other sectors. The banks are mandated to encourage the growth of such sectors with adequate and timely credit.

Categories of Priority Sector lending:

- Agriculture
- Micro Small and Medium enterprises
- Export Credit
- Education
- Housing
- Social Infra
- Renewable energy

Statement 3 is incorrect: Domestic scheduled commercial banks and foreign banks with 20 branches or more shall provide 40% of their total credit to priority sector. And Foreign banks with less than 20 branches shall also maintain 40% of their total credit as part of priority sector lending.

11. Consider the following statements about 'off-budget borrowings' of the governments

1. These loans are not taken by the centre directly, but by another public institution that borrows on the directions of the central government
2. These loans are included in the national fiscal deficit.
3. These borrowings can be used to fund both capital and revenue expenditure.
4. Constitution of India implicitly prohibited the off-budget borrowings by the state governments

How many statements given above are correct?

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

Ans: c (Only three)

Statement 1 is correct: Off-budget borrowings are loans that are taken not by the Centre directly, but by another public institution that borrows on the directions of the central government. Such borrowings are used to fulfil the government expenditure needs. But since the liability of the loan is not formally on the central government, the loan is not included in the fiscal deficit. This keeps the country fiscal deficit within acceptable limits. Both the centre and states are making such borrowings.

Statement 2 is incorrect: Off-budget borrowing figures did not include the loans that public sector undertakings were supposed to take on their behalf or the deferred payments of bills and loans by the Centre. These items constitute off-budget borrowings because these loans and deferred payments are not part of the fiscal deficit calculation.

Statement 3 is correct: Such borrowings are made by state-owned firms to fund government schemes but are not part of the official budget calculations. Other public sector undertakings have also been borrowed from the government. For instance, public sector oil marketing companies were asked to pay for subsidized gas cylinders for Pradhan Mantri Ujjwala Yojana beneficiaries in the past. Public sector banks are also used to fund off-budget expenses. For example, loans from PSU banks were used to make up for the shortfall in the release of fertilizer subsidies.

Statement 4 is correct: The CAG, in successive audits of state budgets, has noted that even though off-budget borrowings are implicitly prohibited under Article 293(3), there is a general lack of transparency in reporting such borrowings practices. State governments have often been able to project that borrowed funds for State Plan programs undertaken by public sector corporations would be met out of the resources mobilised by these entities, which are strictly outside the state budget. In reality, however, the borrowings of many of these undertakings turn out to be liabilities that are ultimately borne by the state government.

Article 293(3): (3) A State may not without the consent of the Government of India raise any loan if there is still outstanding any part of a loan which has been made to the State by the Government of India or



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by its predecessor Government, or in respect of which a guarantee has been given by the Government of India or by its predecessor Government.

12. Which of the following funds invest exclusively in government securities?

- (a) Index funds
- (b) Open-ended funds
- (c) Equity oriented funds
- (d) Gilt funds

Ans: d (Gilt funds)

Explanation: Gilt funds are debt funds that invest in government securities. These funds invest exclusively in government securities. Government securities have no default risk. Net Asset Value (NAVs) of these schemes also fluctuate due to change in interest rates and other economic factors as is the case with income or debt-oriented schemes. These funds have no risk of non-payment of interest or principal amount but get affected by interest rate movements as the Government borrowing typically happens to be for a longer duration.

Gilt funds only invest in fixed-interest-generating securities issued by the Central and state governments. Advantages of Gilt Funds.

- Suitable when interest rates in the economy are expected to come down
- Ideal for an investment horizon of at least 3-5 years
- Might see volatility during times of important economic events

13. In the context of government financing, the term helicopter drop is best defined as

- (a) The recovery of unpaid taxes from tax havens and using the same for government expenses
- (b) The abrupt increase in government subsidies to give a boost to ailing sectors in an economy.
- (c) A monetary stimulus strategy to spur inflation and economic output
- (d) A situation in which the revenue income of a government in a given financial year is more than the estimated amount.

Ans: c (A monetary stimulus strategy to spur inflation and economic output)

Explanation: Helicopter Drop (a metaphorical descriptor), first coined by Nobel laureate Milton Friedman, is an unconventional policy tool, where the country's central bank prints large sums of currency notes. These are printed specifically to allow the government to distribute it among citizens to raise their income levels, enable more spending and stimulate a falling economy. It refers to a last resort type of monetary stimulus strategy to spur inflation and economic output. Though it would appear to be theoretically feasible, from a practical standpoint, it is considered to be a hypothetical, unconventional monetary policy tool whose implementation is highly improbable. The Helicopter Drop Theory is predicated on the theory that if the central bank prints money and bank accounts will prompt them to spend parts of it on goods and services, boost demand for products and help keep the economy stay afloat.

14. Consider the following statements about National Small Saving Funds (NSSFs) in India

1. All deposits under small savings schemes are credited to the NSSF which forms the part of Consolidated Fund of India.
2. NSSF invests the net collections of small savings in the special state government securities (SSGS) and special central government securities (SCGS).
3. The investments from NSSF in special central government securities (SCGS) carry a rate of interest fixed by the Reserve Bank of India from time to time.
4. Moratorium of 5 years will be applicable on these funds

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 is incorrect: Small Saving schemes have been always an important source of household savings in India. Small savings instruments can be classified under three heads. These are: (i) postal deposits [comprising savings account, recurring deposits, time deposits of varying maturities, and monthly income scheme(MIS)]; (ii) savings



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certificates and (iii) social security schemes such as public provident fund (PPF) and Senior Citizen's Saving Scheme (SCSS)

A (NSSF) in the Public Account of India has been established with effect on 1.4.1999. All small savings collections are credited to this fund. The Fund is administered by the Government of India, Ministry of Finance (Department of Economic Affairs) under National Small Savings Fund (Custody and Investment) Rules, 2001, framed by the President under Article 283(1) of the Constitution.

The objective of NSSF is to de-link small savings transactions from the Consolidated Fund of India and link to the Public Account of India to ensure their operation in a transparent and self-sustaining manner. Since NSSF operates in the public account, its transactions do not impact the fiscal deficit of the Centre directly. As an instrument in the public account, the balances under NSSF are direct liabilities and constitute a part of the outstanding liabilities of the Centre. The NSSF flows affect the cash position of the Central Government.

Statement 2 and 4 are correct: NSSF invests the net collections of small savings in the special State Government securities (SSGS) as per the sharing formula decided by the Government of India. The remaining amount is invested in special Central Government securities (SCGS) with the same terms like that for the States. These securities are issued for a period of 25 years, including a moratorium of five years on the principal amount.

Statement 3 is incorrect: The special securities carry a rate of interest fixed by the Government of India from time to time. The rate of interest has remained unchanged at 9.5 percent per annum since April 1, 2003. The NSSF is also permitted to invest in securities issued by IIFCL.

15. Consider the following statements about National Bank for Financing Infrastructure Development (NaBFID)

1. It will solve the long-term credit bottlenecks of infrastructural projects.
2. It will be regulated and supervised as an All-India Financial Institution by RBI.

3. They are allowed to take deposits from general public to invest in infrastructure development projects

4. No investigation can be employed against the employees of NaBFID

How many statements given above are correct?

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

Ans: c (Only three)

Statement 1 is correct: The National Bank for Financing Infrastructure and Development (NaBFID) has been set up as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing in India. In its February 2021 budget, the Indian government had announced the creation of this financial institution to finance crucial infrastructure projects across the country.

Statement 2 is correct: According to the RBI, NaBFID shall be regulated and supervised as an All India Financial Institution (AIFI) by the Reserve Bank under Sections 45L and 45N of the Reserve Bank of India Act, 1934. It shall be the fifth AIFI after EXIM Bank, NABARD, NHB and SIDBI, said the apex bank.

Statement 3 is incorrect: As per the National Bank for Financing Infrastructure Development Act: 2001, NaBFID may raise money in the form of loans or otherwise both in Indian rupees and foreign currencies, or secure money by the issue and sale of various financial instruments including bonds and debentures. NaBFID may borrow money from: (i) central government, (ii) Reserve Bank of India (RBI), (iii) scheduled commercial banks, (iii) mutual funds, and (iv) multilateral institutions such as World Bank and Asian Development Bank. But they are not allowed to take deposits directly from the general public.

Statement 4 is correct: Prior sanction for investigation and prosecution: No investigation can be initiated against employees of NaBFID without the prior sanction of: (i) the central government in case of the chairperson or other directors, and (ii) the managing director in case of other employees. Courts will also require prior sanction for taking cognisance



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of offences in matters involving employees of NBFID as provided under the 2001 act.

16. Consider the following statements about National Bank for Agriculture and Rural Development (NABARD)

1. NABARD was established based on the recommendations of B. Sivaramman committee on 1982
2. It maintain liaison officers with government of India, State government and RBI to coordinate policy formulation
3. It supervise the cooperative and regional rural banks
4. It provides financial assistance to banks for issuance of Kisan credit cards

How many statements given above are correct?

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

Ans: d (All four)

Statement 1 is correct: NABARD was established on the recommendations of B. Sivaramman Committee (by Act 61, 1981 of Parliament) on 12 July 1982 to implement the National Bank for Agriculture and Rural Development Act 1981. It replaced the Agricultural Credit Department (ACD) and Rural Planning and Credit Cell (RPCC) of Reserve Bank of India, and Agricultural Refinance and Development Corporation (ARDC).

Statement 2 is correct: Co-ordinates the rural financing activities of all institutions engaged in developmental work at the field level and maintains liaison with Government of India, state governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation.

Statement 3 is correct: It regulates and supervise the cooperative banks and the RRB's, throughout entire India.

Statement 4 is correct: NABARD provides financial support to banks for the issuance of Kisan Credit Cards to farmers. It facilitates the flow of credit to the agriculture sector by refinancing the credit extended by financial institutions under the KCC scheme.

17. Consider the following statements about Written-off of bank loans

1. Written-off loans are still counted as assets as the borrowers are still liable for repayment.
2. The tax liability of a bank reduces if it writes off a loan
3. Banks written of loans when they are classified as Doubtful assets
4. Private sector banks accounts for more than 50% of the total banking sector write-offs in India

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 is correct: Writing off a loan or asset means considering that it does not have future value or no longer serves the purpose. A non-performing asset is written off after all avenues of recovery are exhausted and chances of recovery of the due loan seem remote. To clear the balance sheet, all such kinds of loans are written off once for all. It is a regular exercise that banks conduct in order to clean their balance sheet as well as to achieve tax efficiency. Although bad loans are written off, borrowers of such loans remain liable for repayment. There are several cases when such bad accounts were written off but loan recovery was done. Recovery of such accounts, however, happens on an ongoing basis under the legal mechanism. Writing off a loan essentially means it will no longer be counted as an asset. By writing off loans, a bank can reduce the level of non-performing assets (NPAs) on its books.

Statement 2 is correct: An additional benefit is that the amount so written off reduces the bank's tax liability.

Statement 3 is incorrect: Banks written of loans when they are classified as 'Loss Making Assets'.

A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted



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although there may be some salvage or recovery value.

Statement 4 is incorrect: Public s -offs at Rs 734,738 crore accounting for 72.78 percent of the exercise and private banks accounted for 27.28 per cent of the total banking sector write-offs over the last five years.

Additional Information:

4.1.1 Sub-standard Assets

A sub-standard asset was one, which was classified as NPA for a period not exceeding two years. With effect from 31 March 2001, a sub-standard asset is one, which has remained **NPA for a period less than or equal to 18 months**. In such cases, the current net worth of the borrower/ guarantor or the current market value of the security charged is not enough to ensure recovery of the dues to the banks in full. In other words, such an asset will have well defined credit weaknesses that jeopardise the liquidation of the debt and are characterised by the distinct possibility that the banks will sustain some loss, if deficiencies are not corrected.

4.1.2 Doubtful Assets

A doubtful asset was one, which remained NPA for a period exceeding two years. With effect from 31 March 2001, an asset is to be classified as doubtful, if it has remained **NPA for a period exceeding 18 months**. A loan classified as doubtful has all the weaknesses inherent in assets that were classified as sub-standard, with the added characteristic that the weaknesses make collection or liquidation in full, – on the basis of currently known facts, conditions and values – highly questionable and improbable.

4.1.3 Loss Assets

A loss asset is one where loss has been identified by the bank or internal or external auditors or the RBI inspection but the amount has not been written off wholly. In other words, such an asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value.

18. Which of the following is not correct with respect to Phillips Curve?

- (a) A higher unemployment rate is associated with lower inflation

- (b) A higher unemployment rate is associated with higher inflation
- (c) A lower unemployment rate is associated with higher inflation
- (d) High levels of employment can be achieved at high levels of inflation

Ans: b (A higher unemployment rate is associated with higher inflation)

Explanation: What is the 'Phillips Curve' - The inverse relationship between the unemployment rate and inflation when graphically charted is called the Phillips curve. William Phillips pioneered the concept first in his paper "The Relation between Unemployment and the Rate of Change of Money Wage Rates in the United Kingdom, 1861-1957," in 1958.

The theory states that the higher the rate of inflation, the lower the unemployment and the lower the rate of inflation, the higher the unemployment. Thus, high levels of employment can be achieved only at high levels of inflation.

19. "Digital Innovation Alliance" recently in the news, is related to the affairs of which of the following?

- (a) Shanghai Cooperation Organisation
- (b) G20
- (c) Organisation for Economic Cooperation and Development
- (d) World Economic Forum

Ans: b (G20)

Explanation: Recently, India's G20 presidency, the Ministry for Electronics & Information Technology (MeitY) has launched the "Stay Safe Online" campaign and the "G20 Digital Innovation Alliance". G20 Digital Innovation Alliance (G20-DIA), aims to identify, recognize, and enable the adoption of innovative and impactful digital technologies developed by start-ups, from G20 nations as well as the invited non-member nations. It envisages to address the needs of humanity in the six critically important sectors i.e., Agri-tech, Healthtech, Ed-tech, Fin-tech, Secured Digital Infrastructure, and Circular Economy.



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20. Consider the following statements about non-accelerating inflation rate of unemployment (NAIRU)

1. It accounts for the impact of inflation on unemployment in an economy
2. The economy operates above its full capacity when the unemployment rate is lower than the NAIRU.

Which of the statements given above are correct?

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

Ans: c (Both 1 and 2)

Statement 1 is correct: The NAIRU is the rate of unemployment which is consistent with a constant rate of inflation. It means at NAIRU, the upward and downward forces on price (inflation) and wage (unemployment) neutralise each other and there is no tendency for change in the rate of inflation. When unemployment is at the NAIRU level, inflation is steady; when unemployment rises, inflation decreases; when unemployment drops, inflation increases.

Statement 2 is correct: The natural rate of unemployment is sometimes called the non accelerating inflation rate of unemployment (NAIRU) because it is consistent with an economy that is growing at its long-term potential, so there is no upward or downward pressure on inflation. If the unemployment rate is lower than the NAIRU, the economy is operating above its full capacity, and there is upward pressure on inflation.

21. Consider the following statements regarding the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002

1. The SARFAESI Act is applicable to all secured and unsecured loans
2. Cooperative Banks can invoke the SARFAESI Act to recover the loans

Which of the statements given above are correct?

- (a) Only 1
- (b) Only 2
- (c) Both 1 and 2

(d) Neither 1 nor 2

Ans: b (Only 2)

Statement 1 is incorrect: The SARFAESI Act of 2002 was brought in to guard financial institutions against loan defaulters. To recover their bad debts, the banks under this law can take control of securities pledged against the loan, and manage or sell them to recover dues without court intervention. The law is applicable throughout the country and covers all assets, movable or immovable, promised as security to the lender. The Act comes into play if a borrower defaults on his or her payments for more than six months. The lender financial institution has the right to take possession of the secured assets and sell, transfer or manage them. One of the major drawbacks of the Act is that it is not applicable to unsecured creditors. This drawback in the recovery mechanisms was plugged into the Insolvency and Bankruptcy Code, 2016.

Statement 2 is correct: Co-operative banks initially were not covered under the definition of banks for which the SARFAESI Act was applicable. In 2003, a notification was issued (without amending the law) to bring cooperative banks within the class of banks entitled to use SARFAESI. In 2013, the government amended the Act to include cooperative banks formally under the definition of banks eligible to use it.

22. Consider the following statements about Capital markets

1. The cut-off price is the offer price at which the shares get issued to the investors, which could be any price within the price band
2. The cut-off price is the offer price at which the shares get issued to the investors, which could be any price within the price band
3. The face value of a share is the value at which the share is listed on the stock market
4. Arbitrage is the practice of buying an asset in one market and simultaneously selling it in another, but at a higher price

How many statements given above are correct?

- (a) Only one
- (b) Only two
- (c) Only three



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(d) All four

Ans: c (Only three)

Statement 1 is correct: Cut-off price: The cut-off price is the offer price at which the shares get issued to the investors, which could be any price within the price band. In other words, the investor is ready to pay whatever price the company decides at the end of the book-building process. Retail investors pay the highest price while placing the bid at the cut-off price. If the company chooses the final price lower than the highest price, the remaining amount is returned to the investor

Statement 2 is incorrect: Floor price: The floor price is the lowest price in the share price band. It is the price at and above which investors can place their bids. On the other hand, the highest price in the price band is called the cap price.

Statement 3 is correct: The face value of a share is the value at which the share is listed on the stock market. Face value is also called par value. The face value is determined when the company issues shares to raise capital. Hence, one cannot calculate the face value. It remains fixed and never changes. However, if a company decides to split the shares, then the face value can change.

Statement 4 is correct: Arbitrage is the practice of buying an asset in one market and simultaneously selling it in another, but at a higher price. As a result, the transitory difference in share price benefits the traders. Stocks, commodities, and currencies are all used in arbitrage transactions. Arbitrage trading is the trading of assets across different markets when the price of the same asset is different in every market.

23. With reference to banking operations, which of the following best defines the term “Fractional Reserve Banking”?

- (a) A system where the government shares the responsibility of inflation targeting with the central bank
- (b) A system in which banks hold a portion of customer deposits and use the rest in loans to other customers.
- (c) A new age supervisory method to tackle blockchain based transactions outside of the traditional banking system

(d) A system of banking where banks do not lend demand deposits and instead, only lend from time deposits

Ans: b (A system in which banks hold a portion of customer deposits and use the rest in loans to other customers)

Explanation: Fractional-reserve banking is a banking system in which banks hold a portion of customer deposits in reserves and use the rest in loans to other customers. This system uses money that would otherwise be idle in bank accounts for lending, allowing consumers to continue borrowing and spending, which helps the economy grow.

Full-reserve banking is a system of banking where banks do not lend demand deposits and instead, only lend from time deposits. It differs from fractional-reserve banking, in which banks may lend funds on deposit, while fully reserved banks would be required to keep the full amount of each customer's demand deposits in cash, available for immediate withdrawal.

24. Consider the following statements about Small Industrial Development Bank of India (SIDBI)

1. The primary function of the Small Industries Development Bank of India (SIDBI) is to provide finance to small and medium enterprises
2. SIDBI provides credit support for skill development and technology modernisation
3. RBI is the largest shareholder of SIDBI
4. SIDBI launched the ‘Ubharte Sitaare’ fund to support MSMEs

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 is correct: Small Industries Development Bank of India (SIDBI) set up in 1990 under an Act of Indian Parliament, acts as the principal financial Institution for promotion, financing and development of the Micro, Small and Medium Enterprise (MSME) sector as well as for co-ordination of functions of institutions engaged in similar activities. It is a development financial



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institution in India, with the primary function of providing finance and promoting the growth of small-scale and medium industries in the country. It provide loans such as term loan, working capital loan etc.

Statement 2 is correct: SIDBI provides financial assistance for setting up new enterprises, technology upgradation and modernization of existing enterprises and marketing support etc.

Statement 3 is incorrect: The shares of SIDBI are held by the Government of India (largest shareholder with 20%) and twentytwo other institutions / public sector banks / insurance companies owned or controlled by the Central Government. RBI does not hold any shares in SIDBI.

Statement 4 is incorrect: Recently, the Ministry of Finance has launched 'Ubharte Sitaare' Alternative Investment Fund to facilitate debt and equity funding to export-oriented MSMEs (Micro Small and medium Enterprises) not by SIDBI.

25. Which of the following can be possible impacts of the monetization of the deficit from the Reserve Bank of India?

1. Increase in aggregate demand
2. Downgrade rating of government bonds
3. Depreciation of the rupee
4. Reduction in fiscal deficit of government of India

How many statements given above are correct?

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

Ans: c (Only three)

Explanation: Before 1997, Govt. of India used to finance its deficit directly from RBI by issuing ad hoc Treasury Bills to RBI. So, Govt. used to issue bonds to RBI, which in return used to print currency and give it to Govt., which used to create a debt on Govt. of India. This is called (direct) monetization of the deficit from RBI and it's a primary market transaction between Government of India and RBI.

The impact of "Monetization of Deficit" helps in increasing aggregate demand in the economy thereby resulting in economic growth.

This results in an increase in debt on the Government thereby impacting overall macroeconomic stability and may result in a rating downgrade

Increases inflation due to increased money supply. Increased money supply may result in the depreciation of the rupee which can lead to a flight of capital from the country.

Monetisation of deficit, creates a debt on govt of India, it will not decrease the fiscal deficit rather it increases the fiscal deficit.

26. 'UDGAM' portal recently launched by RBI is related to?

- (a) To known the information about the unclaimed deposits across multiple accounts
- (b) To known the information about the Interest rates and other charges to promote transparency
- (c) Portal to get the credit information of account holders
- (d) Portal to clear all debts across the different banks

Ans: a (To know the information about the unclaimed deposits across multiple accounts)

Explanation: UDGAM refers to **U**nclaimed **D**eposits-**G**ateway to **A**ccess infor**M**ation, which is an online portal developed by RBI. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks at one place in a centralised manner. As on March 4, 2024, there are 30 banks, which are part of UDGAM portal, and they cover around 90% of unclaimed deposits (in value terms) in Depositor Education and Awareness (DEA) Fund of RBI.

27. Consider the following statements about e-Kisan Upaj Nidhi Platform

1. It is an initiative of Warehousing Development and Regulatory Authority (WDRA)
2. This platform allows the farmers to store their produce in WDRA registered warehouses with no collateral and extra security deposit policy
3. It helps the farmers to get fair price for their produce by preventing the distress sales.

Which of the statements given above are correct?



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

Ans: d (1, 2 and 3)

Statement 1 is correct: Recently, the Minister of Consumer Affairs, Food & Public Distribution launched the 'e-Kisan Upaj Nidhi' (Digital Gateway) of Warehousing Development and Regulatory Authority (WDR) to leverage technology for easing farmers' warehousing logistics and ensuring fair prices for their produce.

Statement 2 is correct: This initiative, featuring a no collateral, extra security deposit policy, aims to prevent distress sales by farmers, enabling better post-harvest storage opportunities. The 'e-Kisan Upaj Nidhi' platform simplifies the digital process, allowing farmers to store their produce at any registered WDR warehouse for up to six months at 7% interest per annum.

Statement 3 is correct: The integration of e-Kisan Upaj Nidhi and e-NAM enables farmers to leverage interconnected markets, extending benefits beyond government Minimum Support Price (MSP) to get fair price and will prevent the distress sale.

28. 'Chakshu' portal recently seen in news is related to?

- (a) Cyber crimes
- (b) Online fraud
- (c) Honey trapping
- (d) Women Safety

Ans: b (Online fraud)

Explanation: The Chakshu portal has been developed under the Sanchar Saathi Initiative, is a Digital Intelligence Platform (DIP), which integrates with Sanchar Saathi. Stakeholders could take quick action on numbers, messages and more, which were reported on the portal. Piyush Goyal, the Union IT and Communications Minister said that the Chakshu portal will help the government fight online fraud. This portal will enable the user to complain about fraudulent calls and messages. Earlier, TRAI has further asked telecom companies to introduce the Caller Name Presentation (CNAP) service to prevent fake calls.

29. Consider the following statements about Domestically-Systematically Important Banks (D-SIB)

1. They shall maintain assets that exceeds 2% of the national GDP
2. All D-SIBs has to maintain Additional Common Equity Tier 1 at 0.60% of its Risk Weighted Assets
3. Only 3 banks are identified as D-SIBs in India

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 is correct: Since 2015, the RBI has been releasing the list of all D-SIBs. They are classified into five buckets, according to their importance to the national economy. In order to be listed as a D-SIB, a bank needs to have assets that exceed 2 percent of the national GDP. The banks are then further classified on the level of their importance across the five buckets.

Statement 2 is incorrect: Due to their economic and national importance, the banks need to maintain a higher share of risk-weighted assets as tier-I equity. SBI, since it is placed in bucket three of D-SIBs, has to maintain Additional Common Equity Tier 1 (CET1) at 0.60 percent of its Risk-Weighted Assets (RWAs). ICICI and HDFC on the other hand, have to maintain Additional CET1 at 0.20 percent of their RWA due to being in bucket one of D-SIBs.

Statement 3 is correct: State Bank of India (SBI), HDFC Bank, and ICICI Bank continue to be identified as domestic systemically important banks (D-SIBs).

30. Consider the following statements about Basel norms

1. These are international banking regulations issued by Basel Committee on Banking Supervision (BCBS).
2. Under the norms, Tier 2 capital is more liquid and considered more secure than Tier 1 capital



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3. Basel III norms prescribe the capital conservation buffer and the countercyclical capital buffer to mitigate systemic risk.
4. Both Capital conservation buffer and Countercyclical capital buffer shall be maintained with Tier 1 capital

How many statements given above are correct?

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

Ans: c (Only three)

Statement 1 is correct: The Basel norms are a set of international banking regulations that set out minimum capital requirements for banks and other financial institutions. The regulations are developed by the Basel Committee on Banking Supervision, which is an organization that is made up of central bank officials from around the world.

Statement 2 is incorrect: Tier 1 capital is the primary funding source of the bank. Tier 1 capital consists of shareholders' equity and retained earnings. Tier 2 capital includes revaluation reserves, hybrid capital instruments and subordinated term debt, general loan-loss reserves, and undisclosed reserves. Tier 2 capital is considered less reliable than Tier 1 capital because it is more difficult to accurately calculate and more difficult to liquidate. Tier 1 capital is more liquid and considered more secure than Tier 2 capital.

Statement 3 is correct: To promote financial stability and mitigate systemic risk, Basel III introduces two buffers that apply to all banks: the capital conservation buffer and the countercyclical capital buffer. The capital conservation buffer was introduced to ensure that banks have an additional layer of usable capital that can be drawn down when losses are incurred. The countercyclical capital buffer (CCyB) aims to protect the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risks.

Statement 4 is correct: Capital conservation buffer is set at 2.5% of total risk-weighted assets. It must be met with Common Equity Tier 1 (CET1) capital only, and it is established above the regulatory minimum capital requirement. The CCyB varies between 0 and

2.5% of total risk-weighted assets and must be met with CET1 capital.

31. Consider the following statements about 'Operation Twist'

1. It is a phenomenon of simultaneous buying of long term securities and selling of short term government securities
2. It will make the government and the industry to borrow from the banks at lower rate of interests

Which of the statements given above are correct?

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

Ans: c (Both 1 and 2)

Statement 1 is correct: Operation Twist is an Open Market Operation conducted by a country's Central Bank. Operation Twist involves selling Short Term Securities with the simultaneous purchase of Long Term Securities. The main objective of using Operation Twist is to control Money Supply to bring down long-term interest rates

Statement 2 is correct: The impact of Operation Twist can be summarized as follows:

- Demand rises through a central bank buying bonds which in turn pushes up their prices.
- The interest rate in an economy is determined through yield. In the event that the yield is low, the interest rate decreases.
- If long-term interest rates are lowered, then it will be possible for the common folk to obtain long-term loans at reasonable rates.
- With this boost in consumption and spending in the economy which will lead to its revival.

32. With reference to the Fiscal Responsibility and Budget Management (FRBM) Act, 2003, which of the following fiscal indicators have to be projected in the Medium Term Fiscal Policy statement?

1. Revenue Deficit
2. Fiscal Deficit
3. Effective Revenue Deficit
4. Tax to GDP Ratio

How many statements given above are correct?



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

Ans: c (Only three)

Explanation: Fiscal Responsibility and Budget Management (FRBM) became an Act in 2003. The objective of the Act is to ensure inter-generational equity in fiscal management, long-run macroeconomic stability, better coordination between fiscal and monetary policy, and transparency in the fiscal operation of the Government. The FRBM act provided for certain documents to be tabled in the Parliament of India, along with the Budget. These are

- Medium-term Fiscal Policy Statement
- Fiscal Policy Strategy Statement
- Macro-Economic Framework statement
- Medium-Term Expenditure Framework statement

The Medium-term Fiscal Policy Statement, presented to Parliament sets out three-year rolling targets for specific fiscal indicators in relation to the gross domestic product (GDP) at market prices:

- Revenue deficit
- Fiscal deficit
- Tax to GDP ration
- Total outstanding debt
- Primary deficit
- Non-tax revenue

The statement includes the underlying assumptions, an assessment of sustainability relating to the balance between revenue receipts and revenue expenditure, and the use of capital receipts, including market borrowings for the generation of productive assets.

33. Consider the following statements about call money and notice money

1. Under the notice money market, funds are transacted on an overnight basis
2. The Reserve Bank of India decides the interest rates in the call money markets
3. All banks are eligible to participate in call money market

Which of the statements given above are incorrect?

- (a) 1 and 2 only
- (b) 1 and 3 only

- (c) 2 and 3 only

- (d) 1, 2 and 3

Ans: d (1, 2 and 3)

Statement 1 is incorrect: The call/notice money market forms an important segment of the Indian money market. Under the call money market, funds are transacted on an overnight basis, and under the notice money market, funds are transacted for a period between 2 days and 14 days

Statement 2 and 3 are incorrect: Participants in the call/notice money market currently include scheduled commercial banks (excluding RRBs), cooperative banks (other than Land Development Banks), and Primary Dealers (PDs), both as borrowers and lenders. Non-bank institutions (other than PDs) are not permitted in the call/notice money market. Eligible participants are free to decide on interest rates in the call/notice money market.

34. Consider the following statements about Gross National Product (GNP)

1. It is the total value of finished goods and services produced by a country's citizens minus depreciation
2. Income earned by Indian citizens from outside the country is excluded from the GNP
3. GNP includes the income earned by foreign residents within the country.
4. India's GNP is lower than its Gross Domestic Product

How many statements given above are correct?

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

Ans: a (Only one)

Statement 1 is incorrect: The total value of all finished goods and services provided by a country's citizens during a given financial year is known as Gross National Product (GNP). It is irrespective of their location. Net National Product is the total value of finished goods and services produced by a country's citizens overseas and domestically, minus depreciation. NNP is often examined on an annual basis as a way to measure a nation's success in continuing minimum production standards



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Statement 2 is incorrect: GNP also approximates the output of a country's businesses, whether they are established within the country or abroad. It includes Gross Domestic Product (GDP) and income obtained by India's residents from investments made overseas.

Statement 3 is incorrect: GNP suggests how a country's people pledge to its economy. It reflects citizenship, notwithstanding the site of the ownership. GNP does not include the income of foreign residents within the country. It also does not tally the money earned in India by foreign residents and ignores products that have been manufactured by foreign companies.

Statement 4 is correct: Gross National Product (GNP) is the GDP of a country added to its income from abroad. The income from abroad segment in India's case has been negative due to heavy outflow on account of trade deficit and interest payment on foreign loans. Hence India's GDP is greater than GNP.

35. Consider the following statements about the components of Reserve Money (M0) in India?

1. Balances in the accounts of foreign Central banks and Governments
2. Banks deposits with RBI
3. Accounts of international agencies such as the International Monetary Fund
4. Net RBI credit to the government

How many statements given above are correct?

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

Ans: d (All four)

Explanation: Reserve money is the most important form of money supply. It is also called as high-powered money, base money and central bank money. All these names suggest that reserve money represents the base level for money supply or it is the high-powered component of money supply.

Reserve Money (M0) = Currency in circulation + Banker's deposits with RBI + Other deposits with RBI

- Currency in circulation: includes notes in circulation, rupee coins and small coins

- Banker's deposits with RBI: Comprises of balances maintained by banks in the current account with the Reserve Bank mainly for maintaining Cash Reserve Ratio (CRR) and as working funds for clearing adjustments
- Other Deposits with the RBI:
 - ✓ Deposits of quasi-government and other financial institutions including primary dealers
 - ✓ Balances in the accounts of foreign Central banks and Governments
 - ✓ Accounts of international agencies such as the International Monetary Fund, etc.
 - ✓ Net RBI credit to the Government which includes the Reserve bank's credit to the central as well as State Governments

36. Consider the following statements about Zero Coupon Bonds

1. They are issued at a discount and redeemed at par
2. Unlike other bonds, they do not give a regular interest pay-out to investors.
3. These bonds have high reinvestment risk.
4. Zero-coupon bonds can be traded in the secondary market.

How many statements given above are incorrect?

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

Ans: a (Only one)

Statement 1 is correct: Zero-coupon bonds, unlike other bonds, do not give investors a regular interest payout. Instead, they are issued at a steep discount to the bond's face value at the time of issuance. That is why they are also called discount bonds.

Statement 2 is correct: Zero-Coupon Bonds are issued at a discount and redeemed at par. No interest payment is made on such bonds at periodic intervals before maturity. At maturity, the investor receives the entire face value. The difference between the invested amount and the face value is your return as an investor. The most significant advantage of a zero-



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coupon bond is that the returns that you receive on them are known in advance.

Statement 3 is incorrect: Reinvestment risk refers to the financial risk of reinvesting pay-out, like the periodic interest amount, you get on an investment. There is a possibility that the rate of return may be lower at the time of pay-out and you invest that amount at a lower interest rate. Since zero-coupon bonds do not offer regular returns, reinvestment risk is eliminated.

Statement 4 is correct: Zero-coupon bonds are traded in the secondary market. If one doesn't want to hold the bond to maturity, one can sell it before maturity on the stock exchange.

37. In the context of economy, which of the following best describes the term 'Terms of Trade'?

- (a) It refers to the difference between the monetary value of a country's import and exports over a given time period
- (b) It is the difference in total value of fuel exports and imports of a country
- (c) It is the ratio of country's export prices and import prices
- (d) It is a set of rules established by the WTO for trading between any two nations.

Ans: c (It is the ratio of country's export prices and import prices)

Explanation: Terms of Trade (TOT) represent the ratio between a country's export prices and its import prices. The ratio is calculated by dividing the price of the exports by the price of the imports and multiplying the result by 100. When more capital is leaving the country than is entering the country then, the TOT will be less than 100%. When the TOT is greater than 100%, the country is accumulating more capital from exports than it is spending on imports. The TOT is used as an indicator of a countries economic health. An improvement or increase in a countries spending on imports. TOT generally indicates that export prices have gone up as import prices have either maintained or dropped.

38. RBI recently increased the repo rate aggressively to counter the increasing inflation. Which of the

following could be its possible impact on Indian economy?

- 1. Slump in Indian Stock market
- 2. Increase in short term bond yields
- 3. Decrease in long term bond yields
- 4. Outflow of funds from equities towards a less risky debt instrument

How many statements given above are correct?

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

Ans: c (Only three)

Statement 1 is correct: Repo rate's relation with the stock market: The stock market and the interest rates have an inverse relationship. Every time the central bank increases the repo rate, its immediate impact is seen on the stock markets. This means that following the hike in the repo rate prompts companies to also cut back on the spending on the expansion, which leads to a dip in growth and affects the profit and future cash flows, resulting in a fall in stock prices. If several companies follow this suit, it eventually leads to a fall in markets. In a nutshell, an increase in interest rates means an increase in savings and a reduction in the flow of capital to the economy, which results in a slump in stock markets.

Statement 2 is correct and Statement 3 is incorrect: Relationship between interest rates and bond prices: Bonds have an inverse relationship to interest rates. When the cost of borrowing money rises (when interest rates rise), bond prices usually fall, and vice-versa. When the bond price falls bond yield increases. With the Reserve Bank of India hiking rates to rein in inflation, bond yields have risen to their highest levels in three years. The yield on benchmark 10-year government bonds has shot up by 149 basis points to 7.50% in the last one year. Since the start of the year, long-term yields have risen by over 100 bps, and short-term yields by over 150 bps.

Statement 4 is correct: Rising bond yields are generally not good for equity investors as they raise the cost of funds for companies and start hurting their earnings. It thus leads to outflow of funds from equities towards a less risky debt instrument because



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if a sovereign instrument starts paying 8%, it definitely attracts investors.

39. In the context of National Income Accounting, which of the following constitutes the domestic territory of India?

1. Ships and aircraft operated by the normal residents of the country
2. Natural gas rigs operated by the residents of the country in the international waters
3. Embassies and consulates of a foreign country located in India

How many statements given above are correct?

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

Ans: b (Only two)

Explanation: The concept of domestic territory (Economic territory) is different from the geographical or political territory of a country. The domestic territory of a country includes the following:

- Political frontiers of the country including its territorial waters.
- Ships and aircraft operated by the normal residents of the country between two or more countries services between different countries.
- Fishing vessels, oil, and natural gas rigs and floating platforms operated by the residents of the country in international waters or engaged in the extraction in areas where the country has exclusive rights of operation.
- Embassies, consulates and military establishments of the country are located in other countries, for example, the Indian embassy in the U.S.A., Japan, etc.

It excludes all embassies, consulates and military establishments of other countries and offices of international organizations located in India.

Thus, the domestic territory may be defined as the political frontiers of the country including its territorial waters, ships, aircrafts, fishing vessels operated by the normal residents of the country, embassies and consulates located abroad etc.

40. Consider the following statements

1. All direct taxes are progressive in nature
2. All indirect taxes are regressive in nature

Which of the statements given above are correct?

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

Ans: b (Only 2)

Statement 1 is incorrect: Direct taxes are generally progressive in nature, meaning that they take a larger percentage of income from high-income earners than from low-income earners. This is because direct taxes are typically based on the ability to pay, with the assumption being that people with higher incomes have a greater ability to pay taxes than those with lower incomes. Some examples of direct taxes include income taxes and property taxes. However, it is worth noting that the progressivity of a direct tax can vary depending on the specific tax rate structure and the exemptions, deductions, and credits that are available. For example, a flat tax, which applies the same tax rate to all taxpayers regardless of income level, would not be progressive.

Statement 2 is correct: All indirect taxes are regressive in nature. Let us consider an example: Suppose a rich person (income 10 lacs) is purchasing bread worth Rs. 25 (including Rs. 5 tax). Then he is paying tax of Rs 5. But if the same bread is purchased by a poor person whose income is Rs. 1 lac then he is also paying the same tax of Rs. 5. This means the poor person is paying a higher tax percentage with respect to his income ($.005\% = \text{Rs. } 5 / \text{Rs. } 1,00,000$) and the rich person is paying less tax percentage with respect to his income ($.0005\% = \text{Rs. } 5 / \text{Rs. } 10,00,000$).

41. In the context of banking, which of the following statements best describes the term 'haircut'?

- (a) It is the difference between the loan amount and the actual value of the asset used as collateral.
- (b) It is the reserve requirement that the commercial banks are required to maintain in the form of gold and government approved securities.



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(c) It is a process whereby all new restructured loans are classified as bad loans.

(d) It is the downsizing of the banking staff by restructuring the processes and reducing the employees.

Ans: a (It is the difference between the loan amount and the actual value of the asset used as collateral)

Explanation: A haircut is the difference between the loan amount and the actual value of the asset used as collateral. It reflects the lender's perception of the risk of fall in the value of assets. But in the context of loan recoveries, it is the difference between the actual dues from a borrower and the amount he settles with the bank.

42. In the context of the Indian economy, which of the following are included in the Gross Capital Formation (GCF)?

1. Machinery and Equipment
2. Livestock
3. Semi manufactured products
4. Defense equipment

How many statements given above are correct?

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

Ans: c (Only three)

Explanation: Gross capital formation (GCF) is classified into two categories: Gross fixed capital formation (GFCF) and Increase in stocks.

Gross Fixed Capital Formation in India further classified into:

- Construction: building construction; and land improvement and development of plantation and orchard.
- Machinery and equipment
- Additions to all kinds of live stocks, i.e., breeding stocks, drought animals, dairy cattle and other live stock.

Increase in stocks is further classified into:

- Materials and Supplies
- Semi-manufacturing goods
- Finished goods

- Stocks of strategic materials and other important commodities (like food-grains) held by the government
- Young Live Stock

Construction for military purposes (other than construction or alteration of family dwellings for military personnel), defense equipment, durable goods in the hands of the households and an increase in the stocks of defense materials are excluded from the scope of gross capital formation.

43. Consider the following statements about 'Gender Budgeting' in India

1. Gender budget statement was first released in the budget 2005-06
2. Gender budget is introduced based on the recommendations of Ashok Lahiri committee
3. Gender budget statement includes only those schemes in which there is at least 50 percent provision for women.

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

Ans: a (1 and 2 only)

Statement 1 is correct: Gender Budget Statement was first introduced in Budget 2005-06. On the basis of the information furnished by the Ministries/ Departments, the Gender Budget Statement is prepared. The rationale of Gender Budgeting arises from the recognition of the fact that the national budget impacts various sections of society differently, through the pattern of resource allocation and priority accorded to competing sectors. The purpose of gender budgeting is to monitor expenditure and public service delivery from a gender perspective, as a means of mainstreaming women's concerns in all activities and improving their access to public resources.

Statement 2 is correct: The Ashok Lahiri Committee recommendations provided a clear roadmap for preparing the analytical matrices for gender budgeting and institutional mechanisms like Gender Budgeting Cells at the national and sub-national government levels in India.



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Statement 3 is incorrect: This statement indicates, in two parts, the budget provisions for schemes that are substantially meant for the benefit of women. Part A details schemes in which 100% provision is for women, and Part B reflects schemes where the allocations for women constitute at least 30% of the provision.

44. Which of the following can serve as underlying assets for 'derivatives'?

1. Currencies
2. Gold
3. Bonds
4. Stocks

How many statements given above are correct?

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

Ans: d (All four)

Explanation: Derivatives: Derivatives are the instruments of the capital market that derive their values from the underlying assets. These assets include currency, bonds, stocks, Gold, real estate documents etc.

- Derivatives: Derivatives are the instruments of the capital market that derive their values from the underlying assets. These assets include currency, bonds, stocks, etc
- Bonds: Bonds are debt securities that trade on the stock exchange. Companies and firms issue bonds to raise money for the growth and expansion of the company. Bonds are debt instruments, hence bondholders receive interest. At the end of the maturity period, the company pays back the principal amount along with interest.
- Exchange-Traded Funds: Exchangeused to purchase a variety of capital market instruments, including shares, debt securities like bonds, and derivatives
- Currency: Foreign markets represent currency as a financial instrument. Spot, outright forwards, and currency swaps are the three types of currency agreements.

45. Consider the following statements about 'Mutual Funds'

1. All mutual funds are required to be registered with SEBI before they launch any scheme.
2. Investors of mutual funds are known as trustees.
3. Mutual funds promoted by foreign entities are currently not allowed to operate in India
4. Unit Trust of India is India's first mutual fund

How many statements given above are correct?

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

Ans: b (Only two)

Statement 1 is correct: A mutual fund is a mechanism for pooling resources by issuing units to the investors and investing funds in securities in accordance with objectives as disclosed in the offer document. Investments in securities are spread across a wide cross-section of industries and sectors and thus the risk is reduced. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. The profits or losses are shared by the investors in proportion to their investments. A mutual fund is required to be registered with the Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public.

Statement 2 is incorrect: A mutual fund is set up in the form of a trust, which has a sponsor, trustees, asset management company (AMC) and custodian. The trust is established by a sponsor or more than one sponsor who is like a promoter of a company. The trustees of the mutual fund hold its property for the benefit of the unitholders. Investors of mutual funds are known as unitholders.

Statement 3 is incorrect: All mutual funds whether promoted by the public sector or private sector entities including those promoted by foreign entities are governed by the same set of regulations. There is no distinction in regulatory requirements for these mutual funds and all are subject to monitoring and inspections by SEBI. The risks associated with the schemes launched by the mutual funds sponsored by these entities are of a similar type. Thus, Mutual



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Funds promoted by foreign entities are not prohibited in India.

Statement 4 is correct: Unit Trust of India was the first mutual fund set up in India in the year 1963. In the early 1990s, the Government allowed public sector banks and institutions to set up mutual funds.

46. Consider the following statements about Digital Banking Units (DBU) in India

1. Regional Rural Banks and Local Area Banks are allowed to open DBUs
2. DBUs can issue both debit and credit cards
3. No physical cash acceptance/disbursal is allowed through physical counters.
4. DBUs help in promoting financial inclusion in the country

How many statements given above are correct?

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

Ans: c (Only three)

Statement 1 is incorrect: Scheduled Commercial Banks (other than RRBs, PBs and LABs) with past digital banking experience are permitted to open DBUs in Tier 1 to Tier 6 centers, unless otherwise specifically restricted, without having the need to take permission from the Reserve Bank of India in each case.

Statement 2 is correct: In addition to cash withdrawal/deposit through ATMs/CRMs, the DBUs will offer users a complete digital experience including the opening of bank accounts, fixed deposits & recurring deposits, the printing of passbooks, mobile banking, internet banking, issuance of debit cards, credit cards, and mass transit system cards, etc., through various digital touch points. These services will also include end to-end processing of paperless loans for merchants and MSMEs.

Statement 3 is correct: Cash withdrawal and Cash Deposit only through ATM and Cash Deposit Machines respectively- no physical cash acceptance/disbursal across counters.

Statement 4 is correct: The DBUs will enable those who do not have ICT infrastructure to access banking

services digitally. They will also assist those who are not tech-savvy to adopt digital banking. Unlike a traditional bank branch, DBUs will be completely paperless and thus promotes the financial inclusion in the country.

47. Consider the following pairs about various departments of Ministry of Finance and their functions

Department	Function
Department of Expenditure	Overseeing the Public Financial Management System
Department of Investment and Public Asset Management	Strategic disinvestment
Department of Financial Services	International Banking Relations
Department of Economic Affairs	Maintains the cadre of the Indian Economic Service

How many pairs given above are correct?

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

Ans: d (All four)

Pair 1 is correctly matched: The Department of Expenditure is the nodal Department for overseeing the public financial management system in the Central Government and matters connected with state finances.

Pair 2 is correctly matched: The Department of Investment and Public Asset Management (DIPAM) deals with all matters relating to the management of Central Government investments in equity including disinvestment of equity in Central Public Sector Undertakings. The Four major areas of its work are related to Strategic Disinvestment, Minority Stake Sales, Asset Monetisation, and Capital Restructuring.

Pair 3 is correctly matched: The Department of Financial Services (DFS) oversees several key programs/initiatives and reforms of the Government concerning the Banking Sector, the Insurance Sector, and the Pension Sector in India including International Banking Relations



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Pair 4 is correctly matched: Department of Economic Affairs, inter-alia, is responsible for advice on economic issues having a bearing on internal and external aspects of the Indian Economy including inflation, price control, foreign exchange management, Official Development Assistance, domestic finance and preparation of Union Budget, bilateral and multilateral engagement with international financial institutions and other countries. The Department maintains the cadre of the Indian Economic Service.

48. Consider the following statements about State Development Loans (SDL)

1. They can be used as collateral under Statutory Liquidity Ratio (SLR) securities
2. Their maturity cannot exceed one year
3. They are traded in the capital markets like BSE/NSE
4. SDLs are issued in the primary market through normal auction conducted by RBI

How many statements given above are correct?

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

Ans: c (Only three)

Statement 1 is correct: SDLs issued by the State Governments also qualify under SLR (Statutory liquidity ratio) as collateral.

Statement 2 is incorrect: State Development Loans (SDL): State Governments also raise loans from the market which are called SDLs with a maturity of more than one year. In effect, the SDL is similar to the dated securities issued by the central government. The purpose of issuing State Development Loans is to meet the budgetary needs of state governments.

Statement 3 is correct: Since the maturity of "Dated Securities" and "State Development Loans" are more than one year, these government securities are also traded in Capital markets like BSE/NSE

Statement 4 is correct: RBI facilitates the issue of State Development Loans securities in the market to help States. SDL securities are considered as superior to loans mobilized or bonds issued by state government entities. The RBI as the facilitator of the

issue of SDLs has the power to make repayments to SDLs out of the central government allocation to states. SDLs are issued in the primary market through normal auctions conducted by the RBI and traded in the secondary market. SDLs are traded electronically on the RBI-managed NDS-OM (Negotiated Dealing System-Order Matching) and traded in the voice market (NDS).

49. Which of the following organisation releases 'Financial Stability' report?

- (a) World Economic Forum
- (b) Reserve Bank of India
- (c) World Trade Organisation
- (d) Financial Stability Board

Ans: b (Reserve Bank of India)

Explanation: The Financial Stability Report (FSR) is published biannually by Reserve Bank of India (RBI) and includes contributions from all the financial sector regulators. It presents an assessment of the health of the financial system. It details the current status of different financial institutions such as all the different types of banks and non-banking lending institutions. It also maps the state of credit growth and the rate at which borrowers are defaulting on paying back loans.

Whereas the Global Financial Stability report is published by World Economic Forum.

50. With reference to the 'living wage' and 'minimum wage' being in the news recently, consider the following statements

1. The minimum wage is based on labour productivity and skill sets.
2. The living wage is the minimum income necessary to pay for basic needs based on the cost of living in a specific community.
3. The living wages are indexed to inflation
4. Living wages helps in achieving the Sustainable Development Goal 1

How many statements given above are correct?

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

Ans: d (All four)



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Statement 1 is correct: The minimum wage is based on labour productivity and skill sets. It is the lowest amount of money a labourer can earn as mandated by the law.

Statement 2 is correct: Living wage is a income level that enable an individual or a family to afford adequate shelter, food, healthcare and other basic necessities.

Statement 3 is correct: Living wage changes with time, circumstances, and the place you live in. Living wages are indexed to inflation. The difference between the minimum wage and the living wage can range between 10 and 25 percent based on the cost of living in a specific place.

Statement 4 is correct: Living wage will help in achieving the SDG 1 that is to eliminate poverty by 2030.

51. Match the following five-year plans with their respective objectives.

1. Third Five-year plan.	A. Growth with stability
2. Fourth Five-year plan.	B. The stress was laid on agriculture and the improvement in the production of wheat.
3. Fifth Five-year plan.	C. Establishment of a self-reliant and self-generating economy
4. Sixth Five-year plan.	D. Removal of poverty and attainment of self-reliance'

Select the correct Answer.

- (a) 1-A,2-C,3-B,4-D
- (b) 1-B,2-A,3-C,4-D
- (c) 1-B,2-A,3-D,4-C
- (d) 1-A,2-B,3-C,4-D

Answer:(c) 1-B,2-A,3-D,4-C

Explanation:

-From 1947 to 2017, the Indian economy was premised on the concept of planning. This was carried through the Five-Year Plans, developed, executed, and monitored by the Planning Commission (1951–2014) and the NITI Aayog (2015–2017).

-Five-Year Plans (FYPs) are centralized and integrated national economic programs. Joseph Stalin implemented the first Five-Year Plan in the Soviet Union in 1928. Most communist states and several capitalist countries subsequently have adopted them.

China continues to use FYPs, although China renamed its Eleventh FYP, from 2006 to 2010, a guideline, rather than a plan, to signify the central government's more hands-off approach to development. India launched its First FYP in 1951, immediately after independence, under the socialist influence of India's first prime minister, Jawaharlal Nehru.

Option 1:

Third Five year plan: It was made for the duration of 1961 to 1966, under the leadership of Jawaharlal Nehru.

-This plan is also called 'Gadgil Yojna', after the Deputy Chairman of Planning Commission D.R. Gadgil.

-The main target of this plan was to make the economy independent. The stress was laid on agriculture and the improvement in the production of wheat.

-During the execution of this plan, India was engaged in two wars: (1) the Sino-India war of 1962 and (2) the Indo-Pakistani war of 1965. These wars exposed the weakness in our economy and shifted the focus to the defense industry, the Indian Army, and the stabilization of the price (India witnessed inflation). V. The plan was a flop due to wars and drought. The target growth was 5.6% while the achieved growth was 2.4%.

Option 2:

Fourth Five year plan: Its duration was from 1969 to 1974, under the leadership of Indira Gandhi.

-There were two main objectives of this plan i.e. growth with stability and progressive achievement of self-reliance.

-During this time, 14 major Indian banks were nationalized and the Green Revolution was started. The Indo-Pakistani War of 1971 and the Bangladesh Liberation War took place.

-Implementation of Family Planning Programmes was amongst major targets of the Plan

-This plan failed and could achieve a growth rate of 3.3% only against the target of 5.7%.

Option 3:

Fifth Five-year plan: Its duration was 1974 to 1978.

-This plan focused on Garibi Hatao, employment, justice, agricultural production and defense.



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-The Electricity Supply Act was amended in 1975, a Twenty-point program was launched in 1975, the Minimum Needs Programme (MNP) and the Indian National Highway System was introduced.

-Overall this plan was successful which achieved a growth of 4.8% against the target of 4.4%.

Option 4:

Sixth Five-year plan: Its duration was from 1980 to 1985, under the leadership of Indira Gandhi.

-The basic objective of this plan was economic liberalization by eradicating poverty and achieving technological self-reliance.

-It was based on investment Yojna, infrastructural changing, and trend to the growth model.

-Its growth target was 5.2% but it achieved a 5.7% growth.

52. Bond yield is the return investors get on bonds or on a particular government security. Which factors affect the bond yield in India?

1. Monetary policy of the Reserve Bank of India
2. Fiscal position of the government
3. Global markets
4. Inflation in the economy

Select the correct statements.

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

Answer:(d) All are correct

Explanation:

A bond's yield is the return an investor expects to receive each year over its term to maturity. For the investor who has purchased the bond, the bond yield is a summary of the overall return that accounts for the remaining interest payments and principal they will receive, relative to the price of the bond. For an issuer of a bond, the bond yield reflects the annual cost of borrowing by issuing a new bond.

Several factors affect bond prices:

Statement 1 is correct:

Monetary policy of the Reserve Bank of India: The RBI monetary policy has an impact on the long end and the short end of the debt markets. Fundamentally, there is a negative relationship between interest rates in the market and bond prices.

-When rates go up, bond prices tend to come down and when rates go down then bond prices tend to go up. Let us assume that you are holding an 8% bond maturing after 7 years. If the RBI cuts rate by 2% then you are at an advantage because you are locked in at 8% returns while fresh investors will get 2% lower.

-This advantage tends to get reflected in higher prices so that the yield to maturity (YTM) is maintained at the market level. In case you are holding government bonds or G-Sec bond funds, then you stand to benefit from falling interest rates as you gain from capital appreciation. That explains why G-Sec funds normally tend to outperform when the rates are falling. Longer tenure funds gain more when rates are falling

Statement 2 is correct:

Fiscal position of the government: High bond yields are driven by market demand and weakening fiscal position, impacting liquidity and stock market valuations.

Statement 3 is correct:

Global markets: Broad market conditions can affect bond prices. It is common for investors to move their money out of bonds and into equities when stock prices are rising and the country's economy is growing in a healthy state.

-However, when there is a correction or slump in equity markets, investors get risk averse and rush to the relative safety of bonds causing their prices to rise.

Statement 4 is correct:

Inflation in the economy: Higher wages due to inflation begin to eat away at profit margins, making them more vulnerable to slippage in economic growth. Inflation also raises the prices of things in the economy in general terms, and as things become more pricey the ability to pay for them rises, and so credit risk increases—a positive pressure on yields.

53. Consider the following statements regarding capital Intensive industry:

1. Capital-intensive industries require a high percentage of investment in labor.
2. A capital-intensive production process may have higher labor productivity.

Which of the following statements are correct?



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

Answer: (b) 2 only

Explanation: The term "capital intensive" refers to business processes or industries that require large amounts of investment to produce a good or service. As a result, these businesses have a high percentage of fixed assets, such as property, plant, and equipment. Examples of capital-intensive industries include automobile manufacturing, oil production and refining, steel production, telecommunications, and transportation sectors (e.g., railways and airlines). All these industries require massive amounts of capital expenditures, also referred to as CapEx.

Statement 1 is incorrect: A capital-intensive business requires a large amount of capital to operate whereas a labor-intensive business needs a significant amount of labor to operate. A business is considered labor-intensive if employee costs outweigh capital costs.

Statement 2 is correct: A capital-intensive production process will have a relatively low ratio of labor inputs and will have higher labor productivity (output per worker).

54. NBFC registered under Companies Act, 1956 whose primary business is related to

1. Lending of loans and advances to businesses.
2. Acquisition of shares/bonds/securities issued by Govt/local authority.
3. Insurance and chit business.
4. Lending of Loans for agricultural activity.

Select the correct option.

- (a) 1 and 2 only
- (b) 1, 2, and 3 only
- (c) 1, 3, and 4 only
- (d) All are correct.

Answer: (b) 1, 2, and 3 only

Explanation: The Companies Act 1956 was an Act of the Parliament of India, enacted in 1956, which enabled companies to be formed by registration, and set out the responsibilities of companies, their

directors and secretaries. It was repealed and replaced by the Companies Act 2013.

-NBFC is a company that provides loans, leases, insurance, and other financial services. It's registered under the Companies Act, 1956.

-There are two types of NBFCs based on their liability structure:

-Deposit-taking NBFCs (NBFC-D) accept deposits from customers and use that money to provide loans and other financial services.

-Non-deposit taking NBFCs (NBFC-ND) don't accept deposits from customers but raise funds through other means, such as issuing bonds or borrowing from banks.

Statement 1 is correct: Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, A non-banking institution which is a company and has the principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

Statement 2 is correct: It includes acquisition of shares/stocks/bonds/debentures/securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase

Statement 3 is correct: Its activity involves insurance business, chit business.

Statement 4 is incorrect: It does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property.

55. Consider the following statements with respect to the PM's Development Initiative for North-East.

1. Aims to rapidly and holistically develop infrastructure and social development projects in Northeastern region.
2. Tourism and connectivity sectors are eligible for funding under PM-DevINE scheme.

Which of the following statements are correct?

- (a) 1 only



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

Answer: (c) Both 1 and 2

Explanation: The PM-DevINE scheme as a Central Sector scheme, was introduced as a part of the Union Budget 2022-23.

-The Cabinet granted approval for the PM-DevINE scheme on 12th October 2022. It has been granted 100% Central funding, ensuring that resources are directly allocated to the development initiatives.

-It will be implemented by the Ministry of Development of North-East Region.

Statement 1 is correct:

-Infrastructure Development: In line with the spirit of PM GatiShakti, PM-DevINE aims to fund infrastructure projects in a cohesive manner, ensuring seamless connectivity and accessibility across the NER.

-Supporting Social Development Projects: Recognizing the unique needs and challenges of the NER, the scheme endeavors to support social development projects that address critical issues and improve the overall quality of life for the region's inhabitants.

-Empowering Youth and Women: PM-DevINE seeks to create livelihood opportunities specifically targeting the youth and women of the NER, enabling them to participate actively in the region's development and progress.

Statement 2 is correct: Tourism and connectivity sectors are eligible for funding under PM-DevINE scheme.

6. Consider the following statements regarding "Government e-Marketplace (GeM)":

1. It's a one-stop National Public Procurement Portal to facilitate online procurement of common use Goods & Services.
2. It is mandatory for the Central Public Sector Enterprises (CPSEs) to purchase goods and services available on GeM.

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

Answer: (d) Neither 1 nor 2

Explanation:

Statement 1 is correct: Gem facilitates online procurement of common use Goods & Services required by various Government Departments / Organisations / PSUs.

-The initiative was launched in August 2016, by the Ministry of Commerce and Industry, Government of India.

-The current version of GeM, i.e., GeM 3.0 was launched on January 26, 2018.

-It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users, achieve the best value for their money and aims to enhance transparency, efficiency and speed in public procurement.

Statement 2 is correct: The Procurement of Goods and Services by Ministries or Departments will be mandatory for Goods or Services available on GeM. The credentials of suppliers on GeM shall be certified by DGS&D. The procuring authorities will certify the reasonability of rates. -The GeM portal shall be utilized by the Government buyers for direct on-line purchases

Significance:

-GeM eliminates human interface in vendor registration, order placement and payment processing, thereby reducing delays and corruption.

-It provides complete visibility of all transactions on its platform, ensuring fair and equal opportunity for all sellers.

-It enables price comparison and selection of competitive and quality products.

-It ensures compliance with standards and specifications for all its listed products and services and offers a user-friendly online feedback system.

-It promotes innovation by providing opportunities for startups, MSMEs, women entrepreneurs and artisans to showcase their products and services.

57. Consider the following statements with respect to Unorganized Sector



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1. It includes a worker in the organized sector who is not covered by Unorganized Workers Social Security Act, 2008.
2. In this sector wage-paid labor is largely non-unionized due to the seasonal nature of employment.

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

Answer:(c) Both 1 and 2

Explanation:

Statement 1 is correct: The term unorganized worker has been defined under the Unorganized Workers' Social Security Act, 2008, as a home based worker, self-employed worker or a wage worker in the unorganized sector and includes a worker in the organized sector who is not covered by any of the Acts mentioned in Schedule-II of Act i.e. the Employee's Compensation Act, 1923 (3 of 1923), the Industrial Disputes Act, 1947 (14 of 1947), the Employees' State Insurance Act, 1948 (34 of 1948), the Employees Provident Funds and Miscellaneous Provision Act, 1952 (19 of 1952), the Maternity Benefit Act, 1961 (53 of 1961) and the Payment of Gratuity Act, 1972 (39 of 1972).

Statement 2 is correct: In this sector wage-paid labor is largely non-unionized due to casual and seasonal nature of employment and scattered location of enterprises. This sector is marked by low incomes, unstable and irregular employment, and lack of protection either from legislation or trade unions.

Government Initiatives:

1. eShram: The portal for the registration of Unorganized Workers across the Country was launched on 26th August 2021. This portal will help build a comprehensive National Database of Unorganized Workers (NDUW) in the country. The portal will prove to be a huge boost towards last mile delivery of the welfare schemes for crores of unorganized workers for more than 38 Crore workers. The registration is totally free for the workers.

2. Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM): Pradhan Mantri Shram Yogi Maandhan Yojana is a government scheme meant for old age

protection and social security of Unorganized workers.

3. Aam Admi Beema Yojana: The workers in the unorganized sector constitute about 93% of the total work force in the country. The Government has been implementing some social security measures for certain occupational groups but the coverage is miniscule. The majority of the workers are still without any social security coverage. Recognizing the need for providing social security to these workers, the Central Government has introduced a Bill in the Parliament.

58. Consider the following statements regarding Anti-Dumping Duties (ADD):

1. ADD is a customs duty on goods that have received government subsidies in the originating or exporting country.
2. The Directorate General of Trade Remedies' (DGTR) under the Ministry of Corporate Affairs administers Anti-Dumping Duties on products.

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

Answer:(c) Both 1 and 2

Explanation:

Statement 1 is incorrect: Dumping is said to occur when the goods are exported by a country to another country at a price lower than the price it normally charges in its own home market.

-This is an unfair trade practice which can have a distortive effect on international trade.

Objective:

-Imposition of Anti-dumping duty is a measure to rectify the situation arising out of the dumping of goods and its trade distortive effect.

-In the long-term, anti-dumping duties can reduce the international competition of domestic companies producing similar goods.

-It is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value.



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EXPLANATION

-The use of anti-dumping measures as an instrument of fair competition is permitted by the World Trade Organisation.

Statement 2 is incorrect: Directorate General of Trade Remedies: It is the apex national authority under the Ministry of Commerce and Industry for administering all trade remedial measures including anti-dumping, countervailing duties and safeguard measures.

-It provides trade defense support to the domestic industry and exporters in dealing with increasing instances of trade remedy investigations instituted against them by other countries.

59. Consider the following statements about LEED zero scheme.

Statement-1: India ranks first globally in LEED Zero certified green building projects surpassing the US and China

Statement-2: LEED Zero recognises projects that have reached net zero or net positive status in the categories of carbon, energy, water, or waste.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement-1 and Statement-2 are correct and Statement-2 is the correct explanation for Statement-1
- (b) Both Statement-1 and Statement-2 are correct and Statement-2 is not the correct explanation for Statement-1
- (c) Statement-1 is correct but Statement-2 is incorrect
- (d) Statement-1 is incorrect but Statement-2 is correct

Answer:(a)

Explanation:

Statement 1 is correct: In LEED Zero certified green building projects India got first rank in world in LEED Zero certified green building projects.

-With more than 70 LEED Zero green building projects, India is a top country according to US Green Building Council (USGBC) and Green Business Certification Inc (GBCI).

-It is followed by 47 such project certifications in the USA and only 15 LEED Zero certifications in China.

Statement 2 is correct: LEED is an acronym for Leadership in Energy and Environmental Design.

-LEED provides a framework to reduce Greenhouse Gas emissions for high performance buildings and spaces.

-It outlines various plans and strategies for land use, efficient energy, transportation with low carbon footprint, management of waste and materials.

-The LEED Zero projects are estimated to be as large as 35 million certified square feet.

-They projects can belong to various sector including office buildings, Shopping Malls, Factories

-In order to achieve a low emissions target USGBC has developed LEED Zero, to promote, recognize and verify net zero carbon emission goals in already constructed buildings.

Benefits/Significance

-As buildings play a significant role in reducing carbon emissions and making them carbon neutral, they contribute positively to the cause of climate change.

-It can make the Indian real estate sector more environmentally friendly by making construction of buildings sustainable.

-It promotes new innovations for better energy efficiency and adopt such best practices.

60.Consider the following statements with respect to Skill India Digital Platform

1. Digital Public Infrastructure for skilling, education, employment and entrepreneurship ecosystem in India.
2. Joint initiative of Ministry of Women and Child Development and Ministry of Education.

Which of the following statements are correct?

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

Answer: (a) 1 only

Explanation: This comprehensive digital platform aspires to provide every Indian with access to quality skill development, relevant opportunities, and entrepreneurial support.



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Statement 1 is correct: Skill India Digital (SID) is envisioned as the Digital Public Infrastructure (DPI) for skilling, education, employment, and entrepreneurship in India.

-It aims to bring together various skilling initiatives and create a seamless ecosystem for skill development, aligning with the principles of the G20 framework for building DPIs.

Core Features of SID:

-Comprehensive Skill Development: SID extends industry-relevant skill courses, job opportunities, and entrepreneurship support, ensuring comprehensive skill development.

-Digital Transformation: With a focus on digital technology and Industry 4.0 skills, SID seeks to make skill development more innovative, accessible, and personalized.

-Information Gateway: SID serves as a central information hub for all government skilling and entrepreneurship initiatives, facilitating easy access for citizens seeking career advancement and lifelong learning.

-Intersection of Skill India and Digital India: SID intersects with the government's vision of Skill India and Digital India, creating opportunities for the youth.

Statement 2 is incorrect: The Union Minister for Skill Development and Entrepreneurship, launched Skill India Digital (SID).

61. Consider the following statements with respect to Micro, Small, and Medium Enterprise (MSMEs):

1. It is India's largest employer outside of agriculture.
2. Majority of the manufacturing MSMEs are unregistered.
3. Organization registered as MSME face less competition in the market.

Which of the following statements are correct?

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

Answer:(a) 1 and 2 only

Explanation: According to the MSMED Act of 2006, all enterprises in the manufacturing and service sectors fall under the MSME tag. The primary reason

behind this classification was to help businesses acquire government incentives and gain access to various government schemes and products.

Statement 1 is correct: It is the second largest employment generating sector after agriculture. It provides employment to around 120 million persons in India. Contribution to GDP: With around 36.1 million units throughout the geographical expanse of the country, MSMEs contribute around 6.11% of the manufacturing GDP and 24.63% of the GDP from service activities. MSME ministry has set a target to up its contribution to GDP to 50% by 2025 as India becomes a \$5 trillion economy. Exports: It contributes around 45% of the overall exports from India.

Statement 2 is correct: More than 94 per cent of MSMEs are unregistered, with a large number established in the informal or unorganized sector. 1.12 The National Commission for Enterprises in the Unorganised Sector (NCEUS) defines an unorganized sector as an enterprise employing less than 10 workers.

Statement 3 is incorrect: Certain categories of wholesale and retail trades by MSMEs have been excluded from the requirement of pre-registration of Udyog Aadhar registration under the MSMED Act, 2006. MSMEs by virtue of their size are vulnerable to market abuses by larger enterprises enjoying greater market power.

62. Consider the statements with reference to India's aviation sector:

1. India has become the second-largest domestic aviation market in the world.
2. UDAN Scheme aims to improve the air connectivity to remote and regional areas of India.

Which of the following statements are correct?

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

Answer :(b) 2 only

Explanation:

Statement 1 is incorrect: As many as 685 million people are expected to fly in India in 2042 compared



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to the 165 million in 2019, according to Airbus's 20-year forecast released in June 2023.

This makes India the third largest civil aviation market after China and the United States and one of the fastest growing ones. India is expected to overtake China and the United States as the world's third-largest air passenger market.

Statement 2 is correct: The scheme was launched by the Ministry of Civil Aviation for regional airport development and regional connectivity enhancement. -It is a part of the National Civil Aviation Policy 2016.

-The scheme is applicable for a period of 10 years.

Objectives:

-Improve air connectivity to remote and regional areas of India.

-Development of remote areas and enhancing trade and commerce and tourism expansion.

-Enable common people to access air travel with affordable rates.

-Employment creation in the aviation sector.

63. With reference to Small Finance Banks (SFBs), Consider the following statements.

1. SFBs are required to allocate a specified portion of their lending to priority sectors.
2. SFBs offer investment banking services and stock trading.

Which of the following statements are correct?

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

Answer: (a) 1 only

Explanation: SFBs in India are a category of banks established to provide basic banking services and credit facilities to underserved sections of the population, including small business owners, micro and small industries, farmers, and the unorganized sector.

-They are regulated by the RBI.

Example: Capital Small Finance Bank, Ujjivan, Utkarsh etc.

-Small Finance Banks are registered as public limited companies under Companies Act 2013, and are

licensed under section 22 of the Banking Regulation, 1949.

-They are primarily governed by Banking Regulation Act, 1949 and RBI Act, 1934 and other relevant statutes.

Statement 1 is correct: Priority Sector Lending: Small Finance Banks have to allocate 75% of their total net credit to priority sector lending, as per the RBI guidelines.

-They will also have to ensure that 50% of their loan portfolio constitutes advances up to Rs 25 lakh.

-The maximum loan size and investment limit exposure to single/ group obligors will be restricted to 10% and 15% of its capital funds, respectively.

Statement 2 is incorrect: SFBs offer investment banking services and stock trading as its main Objective is:

-To increase financial inclusion by providing savings vehicles to underserved and unserved segments of the population.

-To provide credit to small farmers, micro and small businesses, and other unorganized sector entities through high-tech, low-cost operations.

-To Provide a full suite of basic banking products, such as deposits and credit supply, but in a limited geographic area.

64. India's growth's story from the eve of Independence to the liberalization phase is largely termed as 'Hindu rate of growth'. What does it refer to?

- (a) Non inclusive growth story of India before 1990's liberalization.
- (b) Religious belief of the successive government right from the independence.
- (c) Irrational developmental agenda driven by majoritarian society
- (d) The phenomenon of sluggishness in the growth rate of Indian economy before 1990's.

Answer: (d)

Explanation: Responding to the recently released GDP data, former RBI governor Raghuram Ranjan mentioned that India is 'dangerously close' to the Hindu rate of growth.

Option d is correct: The Hindu rate of growth is a term used to describe the lower rate of economic



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growth observed in the Indian economy during the 1950s to 1980s and it averaged around 4%.

This term was coined by an Indian economist, Raj Krishna in 1978.

Reasons for the perceived risk:

-Subdued private sector investment, high-interest rates and slowing global growth are capable enough to retard our economic growth and take us back to the Hindu rate of growth.

-Though the government has said that it is giving the necessary push to infrastructure investment, the manufacturing thrust is yet to pay dividends.

Observations made:

-Mr. Rajan mentioned that the success of the production-linked incentive (PLI) scheme is to be measured in terms of how many jobs were created and at what price per job.

-Based on statistics provided by the government, only 3% of the predicted jobs were created. And even if this scheme meets the government's full expectations, even then it will create only 0.6 crore jobs.

-He also mentioned that most developed economies of the world are largely service economies and one can be a large economy even without having a large presence in manufacturing.

-India has to work on both manufacturing and services to create the level of jobs that we aim for. Services are not just about unicorns, it also accounts for semi-skilled jobs in tourism, transport, retail, hospitality, etc.

65. Consider the following statements with respect to Build Operate Transfer (BOT) model.

1. It is a project delivery mechanism in which a government entity grants a private-sector party the right to build and operate a project for a set period of time.
2. The project is owned by the private-sector party.

Which of the following statements are correct?

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

Answer: (a) 1 only

Explanation:

Statement 1 is correct: Build Operate Transfer (BOT) is a project delivery mechanism in which a government entity grants a private-sector party the right to build and operate a project based on agreed-upon design specifications for a set period of time.

-This contract is a financing model for large infrastructure projects developed through public-private partnerships.

-The BOT scheme refers to a public entity, such as a local government, making an initial concession to a private firm to build and operate a project.

Statement 2 is incorrect: The project is not owned by the private-sector party. For instance, a highway road construction project under the BOT model results in a private company building the highway and collecting and maintaining the project for a predetermined time such as 15-20 years and transferring it to the government.

-BOT projects are typically large-scale, greenfield infrastructure projects that would otherwise be entirely funded, built and operated by the government.

-A 6 lane national highway in India, a wastewater treatment facility in China, and a power plant in the Philippines are just a few examples.

-BOT contractors are, in general, special-purpose companies formed specifically for a project.

-Revenues usually come from a single source, during the project period, when the contractor is operating the project it has built.

-It's possible that this is a government or state-owned company.

-This arrangement is evidenced by power purchase agreements, in which a government utility acts as an off-taker and purchases electricity from a privately-owned plant.

-In a traditional concession, the company would sell directly to customers, bypassing the government.

-BOT contracts frequently include minimum prices that the off-taker must pay.

66. Which one of the following international organizations plays a key role in monitoring and regulating nuclear activities to ensure compliance with the Global Nuclear Order (GNO)?

- (a) International Atomic Energy Agency (IAEA)



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- (b) United Nations Security Council (UNSC)
- (c) North Atlantic Treaty Organization (NATO)
- (d) Organization for the Prohibition of Chemical Weapons (OPCW)

Answer:(a)

Explanation:

Option a is correct: The International Atomic Energy Agency works with its Member States and multiple partners worldwide to promote the safe, secure and peaceful use of nuclear technologies. The IAEA’s relationship with the United Nations is guided by an agreement signed in 1957. It stipulates that: “The Agency undertakes to conduct its activities in accordance with the Purposes and Principles of the United Nations Charter to promote peace and international cooperation, and in conformity with policies of the United Nations furthering the establishment of safeguarded worldwide disarmament and in conformity with any international agreements entered into pursuant to such policies.”

-As of 2023, 32 countries worldwide are operating 413 nuclear reactors for electricity generation and 58 new nuclear plants are under construction. By the end of 2022, 12 countries relied on nuclear energy to supply at least one-quarter of their total electricity. India became a member in 1957 itself.

-Nuclear safety is the responsibility of every nation that utilizes nuclear technology. The IAEA, through the Department of Nuclear Safety and Security, works to provide a strong, sustainable and visible global nuclear safety and security framework for the protection of people, society and the environment.

-This framework provides for the harmonized development and application of safety and security standards, guidelines and requirements; but it does not have the mandate to enforce the application of safety standards within a country.

67.Consider the statements regarding ‘Tricholime’

1. It is often applied directly to the soil or along with seeds during planting.
2. Tricholime neutralizes soil acidity and effective against soil-borne pathogens in crop production.

Which of the following statements are correct.

- (a) 1 Only

- (b) 2 Only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer:(c) Both 1 and 2

Explanation: The Indian Institute of Spices Research (IISR) in Kozhikode has successfully developed a new granular lime-based Trichoderma formulation called ‘Tricholime.’

Statement 1 is correct: Trichoderma is a fungal biocontrol agent effective against soil-borne pathogens in crop production.

Tricholime: It is a lime-based formulation, developed by integrating Trichoderma and Lime into a single product. Lime helps in controlling soil acidity.

Statement 2 is correct: Benefits: Tricholime neutralizes soil acidity, promotes plant growth, protects against pathogens, and simplifies application for farmers. It serves as a bio-pesticide and bio-fertilizer, benefiting soil health and supporting sustainable organic farming.

68.Which of them will likely be the consequences when a state carries a substantial burden of debt?

1. Reduced Fiscal Flexibility
2. Increased Risk of Default
3. 3.Crowding In Investment
4. Credit Rating Downgrades

Select the correct answer:

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

Answer:(c) 1, 2 and 4 only

Explanation:

-Public debt refers to the total amount of money that a government owes to external creditors and domestic lenders.

-In India, public debt comprises all obligations of the Union government that are required to be settled using funds from the Consolidated Fund of India.

Public Debt is taken mainly for

- Financing Government Expenditure
- Stabilizing the Economy
- Managing Liquidity
- To Finance Development Plans
- Measuring Mechanisms



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-Public debt is expressed as a percentage of the country's Gross Domestic Product (GDP), known as the debt-to-GDP ratio.

-A higher ratio indicates a larger debt burden relative to the size of the economy.

Statement 1 is correct: Limitations on Fiscal Policy or reduced fiscal flexibility, restrict the government's capacity to enact counter-cyclical fiscal measures in times of economic downturns.

This limitation can impede the government's effectiveness in responding to shocks and economic challenges.

Statement 2 is correct: Increased Risk of Default: Rising debt can lead to concerns about its sustainability. If a country's debt grows faster than its economy, it may become increasingly challenging to service the debt in the long term without resorting to extreme measures.

Statement 3 is incorrect: Crowding Out Private Investment: Large government borrowings may crowd out private investment by absorbing available funds in the financial market, impacting economic growth.

-When private investment is crowded out, businesses may face challenges in expanding operations, adopting new technologies, or enhancing productivity, which could impact the overall competitiveness of the economy.

Statement 4 is correct: Lower Credit Ratings: Persistently high deficits and debt levels can lead to lower sovereign ratings by rating agencies which can increase the cost of external commercial borrowing, making it more expensive for the government to raise funds from international markets.

69. United Liberation Front of Assam (ULFA) has been involved in negotiations with the government. What significant development took place in 2011 regarding ULFA?

- (a) Complete disarmament
- (b) Recognition as a political party
- (c) Formation of an autonomous region
- (d) Exile of ULFA leaders

Answer: (a) Complete disarmament

The pro-talks faction of the United Liberation Front of Assam (ULFA) signed a tripartite peace deal with the Centre and the Assam government.

ULFA was formed in 1979, advocating for an independent Assam through armed struggle against the Indian state.

-Over a decade, ULFA recruited and trained members in Myanmar, China, and Pakistan, resorting to abductions and executions to establish a sovereign Assam.

-In 1990, the government's Operation Bajrang resulted in the capture of a large number of ULFA rebels. Assam was labeled a 'disturbed area,' prompting the imposition of President's rule and invoking the Armed Forces Special Powers Act (AFSPA).

-Protracted Peace Talks: Negotiations between ULFA, the Indian government, and the Assam state government began in 2011.

Option a is correct: The Peace Pact:

Key Terms:

ULFA to:

- Renounce violence and disband their organization.
- Join the democratic process.
- Surrender weapons and camps.

Government to:

- Address ULFA's concerns regarding Assamese identity, culture, and land rights.
- A ₹1.5 lakh crore investment for Assam's holistic development
- Following the principles applied for the 2023 delimitation exercise for future delimitation exercises in Assam

Legislative Safeguards: The pact aims to restrict non-indigenous communities' representation in the Assam Assembly and seeks exemptions from specific sections of the Citizenship Act of 1955.

70. Consider the following statements about International Organisation of Legal Metrology (OIML)

1. It is an intergovernmental treaty organization that was established in 1955, headquartered at Paris.
2. India is a member of the organization.

Which of the following statements are correct.



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

Answer:(c) Both 1 and 2

Explanation:

Statement 1 is correct:

The International Organization of Legal Metrology, is an intergovernmental organization that was created in 1955 to promote the global harmonization of the legal metrology procedures that underpin and facilitate international trade.

-The mission of the OIML is to enable economies to put in place effective legal metrology infrastructures that are mutually compatible and internationally recognized, for all areas for which governments take responsibility, such as those which facilitate trade, establish mutual confidence and harmonize the level of consumer protection worldwide.

-Legal metrology is the application of legal requirements to measurements and measuring instruments. Very often, small errors in either direction average out over a large number of measurements. But biased errors can create considerable financial prejudice and can have serious economic consequences for the end consumer.

Key facts and figures:

- 91 active projects
- 1140 registered technical experts
- 195 technical publications
- 127 Members
- Since 1955

Statement 2 is correct: India is a member of the organization.

71. Which one of the following statements is correct with reference to the impact of the Insolvency and Bankruptcy Code (IBC), 2016 on the resolution of non-performing assets (NPAs)?

- (a) IBC has significantly reduced the time taken to resolve NPAs.
- (b) IBC has led to a decrease in the recovery rate of NPAs.

- (c) IBC has had no impact on the resolution of NPAs.
- (d) IBC has increased the number of NPAs in the banking system.

Answer:(a) IBC has significantly reduced the time taken to resolve NPAs.

Explanation: The Insolvency and Bankruptcy Code (IBC), introduced in 2016, has been a transformative tool in resolving stressed assets and improving the credit culture in India.

-However, a recent report by CRISIL Rating highlights certain challenges that are impacting the success of the IBC as it completes seven years.

-The IBC, 2016 is the bankruptcy law of India that consolidates and amends the existing laws relating to insolvency and bankruptcy of corporate persons, partnership firms, and individuals.

-Insolvency is a state where the liabilities of an individual or an organization exceeds its asset and that entity is unable to raise enough cash to meet its obligations or debts as they become due for payment.

-Bankruptcy is when a person or company is legally declared incapable of paying their due and payable bills.

-The IBC aims to provide a time-bound and creditor-driven process for insolvency resolution and to improve the credit culture and business environment in the country.

-IBC resolves claims involving insolvent companies. This was intended to tackle the bad loan problems that were affecting the banking system.

-Regulating Authority:

-The Insolvency and Bankruptcy Board of India (IBBI) was established under the Insolvency and Bankruptcy Code, 2016.

-It is a statutory body, responsible for making and implementing rules and regulations for insolvency and bankruptcy resolution of corporate persons, partnership firms, and individuals in India.

-The IBBI has 10 members, representing the Ministry of Finance, the Ministry of Corporate Affairs, and the Reserve Bank of India.

Achievements:

-Since its inception in 2016, IBC has resolved Rs. 3.16 lakh crore of debt stuck in 808 cases in seven years, according to CRISIL.



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-It has resolved a significant amount of stressed assets with better recovery rates compared to previous mechanisms like the Debt Recovery Tribunal, the Securitisation and Reconstruction of -Financial Assets and Enforcement of Security Interest Act, 2002 and Lok Adalat.

IBC has achieved higher recovery rates, with creditors realizing 32% of admitted claims on average and 169% of the liquidation value.

-In contrast, other mechanisms had recovery rates ranging from 5-20%.

-IBC's deterrent effect is evident as borrowers, fearing the loss of companies, have proactively settled over Rs. 9 lakh crore in debt before cases entered the insolvency process.

-This highlights a significant behavioral change among borrowers, showcasing the efficacy of the Insolvency and Bankruptcy Code in encouraging timely settlements.

72.Consider the following lakes and the locations.

Lakes	- Location
1. Lake Baikal	- South America
2. Lake Retba	- Africa
3. Lake Victoria	- Europe
4. Lake Volta	- Africa

How many of the above pairs are correctly matched?

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

Answer:(b) Only two pairs

Explanation:

Option 1 is incorrect: Lake Baikal is a rift lake located in southern Siberia, Russia.

-It is the largest freshwater lake by volume in the world, containing 22 to 23% of the world's fresh surface water.

-It is the seventh-largest lake in the world by surface area.

-Maximum depth: 1,642 m (5,387 ft)

-It is the world's oldest (25–30 million years) and deepest lake.

-It has a long, crescent shape.

-The region to the east of Lake Baikal is referred to as Transbaikalia or as the Trans baikal.

-The loosely defined region around the lake itself is sometimes known as Baikalia.

-UNESCO declared Lake Baikal a World Heritage Site in 1996.

Option 2 is correct: Lake Retba, located in Senegal(West Africa) , is under threat of extinction due to increase in Nitrate level and pollution.

About the lake Retba

-Location– Lake Retba is also known as Lac Rose (meaning “pink lake”). It is located in Senegal.

-Nearest ocean– Lake Retba is separated only by some narrow dunes from the Atlantic Ocean

-Salinity– The lake has high salinity content (comparable to that of the Dead Sea)

-World heritage listing– It is under consideration by UNESCO for World Heritage Site Status.

-Aquatic life– Due to high salinity, many living organisms are not able to survive (Exceptions being a few microscopic algae and bacteria).

Why is the color of lake pink?

1) Its distinct pink color is caused by the Dunaliella salina bacteria. This is attracted by the lake's salt content.

2) The bacteria produces a red pigment to absorb the sunlight, thus giving the lake its unique colour.

3) The Dunaliella salina bacteria is harmless to humans, and swimming in the lake is possible.

Option 3 is incorrect:

Lake Victoria Restoration

-Lake Victoria confronts a multitude of environmental challenges, necessitating united endeavors for its restoration and conservation.

-India-based think tank Centre for Science and Environment (CSE) and National Environment Management Council (NEMC), Tanzania conducted a multinational stakeholder consultation in Dar es Salaam,Tanzania recently to decide on strategies to restore the lake.

-Lake Victoria is the largest lake in Africa and the world's second-largest freshwater lake. Its shoreline is shared by Kenya (6%), Uganda (43%), and Tanzania (51%).

-The Kagera, Katonga, Sio, Yala, Nyando, Sondu Miriu, and Mara rivers feed the lake and the River Nile carries water out of the lake.



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Option 4 is correct: Lake Volta, artificial lake in Ghana.

-The lake is formed by the Akosombo Dam, which, begun in 1961 and completed in 1965, dammed the Volta River just south of Ajena and created a lake extending upstream from the Akosombo Dam to Yapei, beyond the former confluence of the Black Volta and White Volta rivers.

-The lake is navigable and provides a cheap route linking Ghana's northern savanna with the coast.

- It also is a major fishing ground and provides irrigation water for farmland in the dry Accra Plains lying immediately below the damsite.

-The generating capacity of the dam's hydroelectric power plant is 912 megawatts of electricity; this power is used by the aluminum smelter located at the port of Tema on the Gulf of Guinea and supplies most of Ghana's other electricity needs as well.

73. Consider the following statements about 'Madhika language'

1. Madhika language is spoken by the Kattunayakan community.
2. Madhika language does not have its own script.
3. As per UNESCO, any language spoken by less than 10,000 persons is considered "potentially endangered".

Select the correct statements:

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

Answer: (b) 2 and 3 only

Explanation:

Statement 1 is incorrect: In the remote colony of Kookanam, near Karivellur grama panchayat, Kerala the Chakaliya community is grappling with the imminent loss of its unique language Madhika.

-There are only two people left, who are the last fluent speakers of Madhika. They fear that with their passing, the language will be lost to the world.

About the Chakaliya Community:

-The Chakaliya community was originally nomadic and worshippers of Thiruvengkatramana and

Mariamamma. They migrated from the hilly regions of Karnataka to northern Malabar centuries ago.

-Originally categorized as a Scheduled Tribe (ST), the community was subsequently reclassified into the Scheduled Caste (SC) group in Kerala

Statement 2 is correct: Madhika is a language with no script and is a blend of Telugu, Tulu, Kannada, and Malayalam. Despite sounding similar to Kannada, it can bewilder listeners due to its diverse linguistic influences.

-Madhika is largely influenced by Havyaka Kannada, an old form of Kannada.

-The neglect of Madhika is attributed to the social stigma associated with the Chakaliya community. They were considered untouchables.

-Due to the lack of documentation (no script) and the passing of older speakers, there is a significant risk that Madhika may not survive beyond individuals.

Statement 3 is correct: During colonial rule the first linguistic survey was conducted during 1894 to 1928 and identified 179 languages and 544 dialects.

-In 1991, the Census of India listed 1576 mother tongues' with separate grammatical structures and 1796 speech varieties that are classified as other mother tongues'.

-As per UNESCO, any language spoken by less than 10,000 persons is considered "potentially endangered".

74. Consider the following statements regarding Climate forcing.

1. Total Radiative forcing is the difference between incoming and outgoing energy.
2. Higher forcing signifies more greenhouse gasses and a stronger warming effect.

Which of the following statements are correct.

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

Answer: (c) Both 1 and 2

Explanation:

Statement 1 is correct: In a steady climate the Earth receives as much energy from the Sun as it sends back into space. Some of the solar energy is reflected, for example by clouds and small particles (aerosols),



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some of it is absorbed by greenhouse gasses, such as carbon dioxide, ozone and water vapor, and some is reflected or absorbed by Earth's surface.

-Climate forcing measures the imbalance in the Earth's energy budget caused by a perturbation of the climate system, for example changes in atmospheric composition driven by human activities.

-Climate forcing, also known as Radiative Forcing, therefore determines the change in globally-averaged temperature change due to the natural or human-induced changes to the energy budget.

-Total radiative forcing is therefore the difference between incoming and outgoing energy, dominated by the positive radiative forcing of carbon dioxide. Methane and ozone also contribute positive radiative forcings. Those are partly offset by the negative forcing of aerosols.

Statement 2 is correct: Increases in greenhouse gas concentrations over the industrial era are responsible for a positive climate forcing, causing a gain of energy in the climate system.

-Higher forcing signifies more greenhouse gasses and a stronger warming effect.

In contrast, changes in atmospheric aerosol concentrations result in a negative climate forcing leading to a loss of energy. It is the balance between these various climate forcings that drive the change in global temperature.

75. Which one of the following statements is correct with reference to the "Mpemba effect", seen in the news recently?

- (a) It is a phenomenon where warmer solutions dissolve solids quicker than colder solutions.
- (b) It is a phenomenon in which hot water freezes faster than cold water under certain conditions.
- (c) It is a method of water purification.
- (d) It is a phenomenon in which water boils at a lower temperature under high pressure.

Answer: (b) It is a phenomenon in which hot water freezes faster than cold water under certain conditions.

Explanation:

Option b is correct: The Mpemba effect has intrigued scientists with its counterintuitive

observation that hot water can freeze faster than cold water in similar conditions.

-Researchers have conducted numerous experiments to determine the causes of the phenomenon, but a consensus conclusion remains wanting.

-Possible causes include microbubbles, evaporation, the presence of frost in cold water, and the effect of compounds precipitated by boiling.

-Microbubbles left suspended in water that has been heated by boiling. These promote convection and transfer heat faster as the water cools.

-Evaporation, an endothermic (heat absorb) process, contributes to faster heat loss in warmer water.

-Warmer water's lower density enhances convection and accelerates heat transfer, influencing the freezing process.

-The presence of frost in cold water may act as an insulator, this raises the freezing point of cold water and slows heat loss and affects freezing times.

-Compounds in water like calcium carbonate could be precipitated by boiling, and then dissolve, thus increasing the water's freezing point.

76. With reference to the Nuclear Battery, Consider the following statements:

- 1. Nuclear batteries have a longer lifespan than the traditional battery.
- 2. They use a chain reaction to generate energy like Nuclear reactors
- 3. They are rechargeable.
- 4. They are typically used as power sources spacecraft, pacemakers, underwater systems and automated scientific stations in remote parts of the world

How many of the above given statements is/are correct?

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

Answer: b

Explanation: Chinese startup Betavolt has developed a "nuclear battery" that can produce power for 50 years without charge.

Statement 1 is correct: The battery, which is smaller than a coin, contains 63 nuclear isotopes and converts



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radioisotope energy into electrical energy. Betavolt claims it is the world's first battery to achieve miniaturization of atomic energy production, challenging traditional notions of nuclear technology. When compared to chemical batteries, nuclear batteries are characterized by **higher volumetric energy density** (therefore longer battery life) and stronger endurance in harsh conditions.

Statement 2 is incorrect: Such batteries use energy from the decay of a radioactive isotope (Like nickel-63) to generate electricity. Unlike nuclear reactors, they do not rely upon nuclear fission for power generation.

Statement 3 is incorrect: Although commonly called batteries, they are technically not electrochemical and cannot be charged or recharged.

Statement 4 is correct: They are very costly, but have an extremely long life and high energy density, and so they are typically used as power sources for equipment that must operate unattended for long periods of time, such as spacecraft, pacemakers, underwater systems and automated scientific stations in remote parts of the world. The nuclear battery is fire-resistant, jerk-proof, and operational in temperatures from -60°C to 120°C.

77. Consider the statements regarding Gold.

1. Unrefined gold is pure gold.
2. Under a zero-duty policy, India imports unrefined gold from Least Developed Countries (LDCs) that are exempt from any import duties.

Which of the following statements are correct?

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

Answer: (b) 2 Only

Explanation: The government has asked bullion refineries to not import gold under zero duty from LDC (Least Developing Countries).

Statement 1 is incorrect: Unrefined gold or gold dore is any gold alloy in its natural state. Unrefined gold is a natural substance (found in nature), it is not

pure gold, but rather a high gold content precious metal alloy.

Statement 2 is correct: Issues: It is imported into India from Least Developed Countries (LDCs) under a zero-duty policy. This policy allows these imports without imposing any import duty. Example- Tanzania and Guinea.

Several items are being imported under the DFTP (duty-free tariff preference) scheme from LDCs.

-However, the government noticed that even gold dore was being imported at zero duty against the normal duty of 14.35 per cent.

-India must abide by the international treaty of WTO (world trade organization) and U.N. (United Nations) to allow zero duty import from LDCs. Hence the government cannot impose strict restrictions.

78. Consider the statements with respect to Chandaka-Dampara Wildlife Sanctuary:

1. It is located at the northeastern edge of the Eastern Ghats.
2. The sanctuary is famous for protecting the Olive Ridley Turtle.
3. Musi River flows through the sanctuary.

Which of the following statements are correct.

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

Answer: (a) 1 only

Explanation: After relocating deer from Cuttack, the Odisha state government is planning to introduce Sambar and Gaur (bison) in the Chandaka-Dampara wildlife sanctuary.

Statement 1 is correct: It is located in Khurda district of Odisha represents the north-eastern limits of Eastern Ghats.

-It is also a home to a number of threatened wild animals and birds.

-This landscape got sanctuary status in 1982.

-The climate of the area is tropical with three distinct and well-marked seasons i.e. summer, Rainy season and winter.

-Vegetation: Flora is moderately diverse with an intimate mixture of evergreen and deciduous



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elements. The area comes under semi-evergreen forest zone but the interplay of biotic factors has changed the original character of the vegetation.

Statement 2 is incorrect: The 175-sq-km Chandaka-Dampara Wildlife Sanctuary was created to preserve wild elephants and their habitat.

Statement 3 is incorrect: Mahanadi River flows through the sanctuary.

79. In recent years, there has been a rise in Indian states' spending on Capital Expenditure. Which one of the following ways would be the best for the central government to further assist and support this increased Capital Expenditure by states?

- (a) Providing financial assistance through grants and loans.
- (b) Streamlining approval processes for infrastructure projects.
- (c) Setting national priorities and goals for state-level investments.
- (d) Imposing stricter regulations on public spending to ensure efficiency.

Answer: (a) Providing financial assistance through grants and loans.

Explanation:

Option a is correct: "Investments in infrastructure and Productive capacity have a large multiplier impact on growth and employment" said the Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman in Parliament today while presenting the Union Budget 2023-24.

Capital Investment as a driver of growth and jobs

-To ramp up the virtuous cycle of Investment and job creation the budget took lead again by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to a whopping Rs.10 lakh crore over Rs. 7.28 lakh crore in RE 2022-23.

-The Statements of fiscal policy highlighted that the capex is almost 3 times of the capital expenditure in FY 2019-20. The key infrastructure and strategic Ministries such as Road Transport and Highways, Railways, Defense, etc. will lead in driving the capital expenditure in FY 2023-24. According to fiscal policy it magnifies the government's thrust on infrastructure development through enhanced capital expenditure. It also seeks to ensure equity and

equality of such investments across the country. This is in line with the Government's focus and commitment to Four I's - Infrastructure, Investment, Innovation and Inclusion in the next 25 years.

-To strengthen the hands of the States in the spirit of cooperative fiscal federalism, the scheme for providing financial assistance to the States for capital expenditure introduced in FY 2022-23 has been extended in FY 2023-24, with the enhanced outlay of Rs.1.30 lakh crore. This represents an increase of 30 per cent over BE 2022-23 allocation and accounts to nearly 0.4 per cent of GDP of FY 2023-24.

80. With reference to 'Pelagic birds', consider the following statements.

- 1. These are seabirds that live on open seas and oceans rather than inland
- 2. They have exceptionally long and thin wings that allow them to fly effortlessly for long periods.
- 3. They are herbivores.

How many of the above statements is/are not correct?

- (a) 1 Only
- (b) 2 Only
- (c) 3 Only
- (d) None

Answer: (a)

Explanation:

Bird enthusiasts were able to document rare 'pelagic' birds throughout 2023 just off the Karnataka coast.

Besides pelagic birds, Karnataka has drawn attention to land-based species, with the New Mangalore Port (NMP) transforming into a green port, fostering avian diversity.

Statement 1 and Statement 2 are correct:

-Pelagic birds are birds that spend a large portion of their lives on the open ocean.

-They can be found thousands of miles offshore but can get blown onto land during high winds and storms. The only other time they come inland is to breed.

Features:

-These birds vary greatly in size and description from each other, but they all live on open water, dive for food, and are excellent swimmers.



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-Pelagic birds possess remarkably long, slender wings enabling extended flights without rest.

-Some can stay airborne for days or weeks, even sleeping during flight.

-These birds feature a unique salt gland that extracts salt from seawater, preventing its accumulation to toxic levels.

Statement 3 is incorrect: They feed on planktonic crustaceans (related to shrimp and crabs), and squid and hunt fish far from land. Unique Feeding Strategy: Some pelagic seabirds have one astounding way of acquiring food; a technique called kleptoparasitism.

Examples:

-One of the better-known pelagic birds is the Laysan Albatross, which breeds almost exclusively on the Hawaiian Islands but roams the nutrient-rich waters of the Pacific to feed.

-Pelagic birds also include Sooty Shearwater, Brown Skua, Brown Booby, Streaked Shearwater and Masked Booby, Pomarine Skua, Arctic skua, Long-tailed skua, Swinhoe's storm-petrel, -Wilson's storm-petrel, and other oceanic wanderers.

Threats:

-Human activities pose threats to birds, including those in remote open oceans.

-Seabirds, globally, face significant threats, with issues arising both from terrestrial nesting grounds and oceanic factors.

-Oil spills, climate change-induced alterations to prey availability, and fishing nets contribute to the challenges.

-The decrease in pelagic bird density is attributed to a decline in fish populations, possibly influenced by factors such as sea rains pushing fish to deeper waters.

-Plastic pollution is a major concern for pelagic birds, as plastics persist in oceans, breaking into smaller pieces.

-Birds often mistake plastic fragments for prey, leading to ingestion and associated health risks.

81. Which of the following rivers' surplus monsoon water is planned to be utilized in the Eastern Rajasthan Canal Project (ERCP)?

- (a) Chambal, Betwa, Ken, Mahi
- (b) Chambal, Kalisindh, Parvati, Mej

(c) Ganga, Yamuna, Ghaghara

(d) Betwa, Indus, Sutlej

Answer: (b) Chambal, Kalisindh, Parvati, Mej

Explanation: The Eastern Rajasthan Canal Project (ERCP), an ambitious drinking and irrigation water project, was announced by the state government in the state budget 2017-18 as a permanent solution to the problem of drinking and irrigation water in 13 districts of eastern Rajasthan.

Option b is correct: ERCP aims to harvest surplus water available during rainy season in rivers in Southern Rajasthan such as Chambal and its tributaries, including Kunnu, Parvati, Kalisindh, mej and use this water in south-eastern districts of the state, where there is scarcity of water for drinking and irrigation.

-ERCP is planned to meet drinking and industrial water needs of the southern and south eastern Rajasthan, for humans and Livestock till the year 2051.

82. Consider the following statements with respect to Animal Welfare Board of India

1. It is a statutory body established under the Wild Life (Protection) Act, 1972
2. The nodal ministry of the board is the Ministry of Environment, Forest and Climate Change.

Which of the following statements are correct?

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

Answer: (d) Neither 1 nor 2

Explanation:

Statement 1 is incorrect: AWBI is a statutory advisory body.

-It derives its legal structure from the Prevention of Cruelty to Animals Act, 1960.

-It was established in 1962

-It was started under the stewardship of Late Smt. Rukmini Devi Arundale, well known humanitarian.

-Headquarters: Chennai

Mandate:

-It frames rules on how animals ought to be humanely treated everywhere.



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-It has also frequently litigated to have stricter laws to ensure animals were not unduly harassed or tortured.

Membership:

-Several government organizations, along with animal rights activists and parliamentarians, are represented on the Board.

-The Board consists of 28 Members.

-The term of office of Members is for a period of 3 years.

Statement 2 is incorrect: The Animal Welfare Board of India (AWBI), a statutory body of Department of Animal Husbandry and Dairying, Ministry of Fisheries, Animal Husbandry and Dairying, Government of India

83. Consider the following statements.

1. India aims to achieve 50% of its electric power capacity from non-fossil fuel sources by 2030.
2. As of 2023, Tamil Nadu has the highest rooftop solar capacity.

Which of the following statements are correct?

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

Answer:(a) 1 Only

Explanation:

Statement 1 is correct: Govt. of India has set a target for establishing 50% cumulative electric power installed capacity from non-fossil fuel-based energy resources by 2030. In this regard, the following additional initiatives have been taken toward integration of Renewable power in the grid.

Statement 2 is incorrect: Gujarat is the leading state in India in terms of rooftop solar capacity installed. The state had a capacity of almost 2.5 gigawatts as of that date. Maharashtra followed with a solar rooftop capacity of roughly 1.5 gigawatts.

84. Consider the following statements.

1. India has the largest area under bamboo cultivation and is the second richest in terms of bamboo genetic resources after China.
2. Bamboo plant is a type of shrub.

Which of the following statements are correct?

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

Answer:(a) 1 Only

Explanation:

Statement 1 is correct: Bamboo is a versatile group of plants which is capable of providing ecological, economic and livelihood security to the people. India has the highest area (13.96 million ha) under bamboo and is the second richest country, after China, in terms of bamboo diversity with 136 species (125 indigenous and 11 exotic).

Statement 2 is incorrect: Bamboo is a woody perennial grass species (family Poaceae), not a shrub.

85. Consider the following statements with respect to 'ciTRAN'

1. It is a DNA molecule in living cells that carries genetic information and protein production.
2. Unlike DNA, RNA is most often single-stranded.

Which of the following statements are correct?

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

Answer:(b) 2 Only

Explanation: Recently, researchers from the Indian Institute of Science Education and Research Bhopal (IISER Bhopal) identified a specific circular RNA (circRNA) called 'ciTRAN', which plays a crucial role in the multiplication of the AIDS-causing HIV-1 virus within the human body.

Statement 1 is incorrect:

Ribonucleic acid is a molecule in living cells that carries genetic information and helps in the production of proteins.

RNAs are in **general straight-chain**, free-end structures but these circular RNA ('**circRNA**') forms a **closed-loop**.

The circRNA plays a pivotal role in regulating **gene expression** and is essential for various biological processes.



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Its role in HIV-1 replication has remained unclear for a long time.

Characterizing circular RNA can be tricky **because it usually is less abundant**, making it further challenging to detect in the native form.

During viral infections, there's so much information from the virus that it can make it hard to find the less common ones like circular RNA.

Highlights about the recent findings

The researchers developed a novel approach called 'circDR-Seq', to successfully capture circRNAs from **T-cells** (white blood cells) infected with the HIV-1 virus and identified a specific **circRNA named ciTRAN**, which plays an important role in the multiplication of the virus.

HIV-1 **viral protein R (VpR)** is a multifunctional protein that plays specific roles at multiple stages of the HIV-1 viral life cycle and affects anti-HIV functions of the immune cells.

Further found that HIV-1 infection induces ciTRAN expression in a Vpr-dependent manner and that ciTRAN interacts with serine/arginine-rich splicing factor 1 (SRSF1), a protein known to repress HIV-1 transcription,"

Statement 2 is correct: Unlike DNA, however, RNA is most often single-stranded. An RNA molecule has a backbone made of alternating phosphate groups and the sugar ribose, rather than the deoxyribose found in DNA. Attached to each sugar is one of four bases: adenine (A), uracil (U), cytosine (C) or guanine (G).

86. ADVENTURE, DVENTURE, DVENTUR, ? , VENTU

- (a) DVENT
- (b) VENTURE
- (c) VENTUR
- (d) DVENTU

Answer: C

87. C, I, U, S

- (a) P
- (b) N
- (c) O
- (d) Q

Answer: C

Directions (88): What will be the next number in the series

88. 2 2 4 16 ? 2048

- (a) 138
- (b) 128
- (c) 256
- (d) 124

Answer: B

Directions (89): In each of the following questions, one term in the number series is wrong. Find out the wrong term.

89. 8, 27, 125, 343, 1331

- (a) 8
- (b) 343
- (c) 1331
- (d) None of these

Answer: D

Directions (90): Letters are arranged in a particular order with some criterion. Find out the right one to fill in the blank (or) question mark (?).

90. DEF, HIJ, MNO, ?

- (a) IKJ
- (b) STU
- (c) XYZ
- (d) None of these

Answer: B

Directions (91): In each of the following letter series, some of the letters are missing. Choose the correct alternatives.

91. ZYZ_W_YZZ_XWWXY_

- (a) WXYZ
- (b) WYXZ
- (c) XYZW
- (d) None of these

Answer: A

Directions (92-96): Study the following information to answer the given questions.



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V, U and T are seated in a circle facing the center. A, B and C are also seated in the same circle but two of them are not facing the center (facing opposite direction of the center.) V is second to the left of C. U is second to the right of A. B is third to the left of T. C is second to the right of T. A is seated next to V.

92. Which of the following are not facing the center?

- (a) BA
- (b) CA
- (c) BC
- (d) DB

Answer: C

93. Which of the following is T's Position with respect to B?

- (a) Third to the right
- (b) Second to the right
- (c) Third to the left
- (d) Third either to the right or to the left

Answer: D

94. Which of the following is V's position with respect to C?

- (a) Second to left
- (b) Third to left
- (c) Fourth to right
- (d) Both a & c

Answer: D

95. Which of the following is true regarding the seating arrangement?

- (a) A, B and C are seated adjacent
- (b) V, U and T are seated adjacent
- (c) There are two persons whose seating arrangement cannot be ascertained
- (d) Those not facing the center are seated adjacent

Answer: D

96. Which of the following is A's position with respect to U?

- (a) Second to the left
- (b) Second to the right
- (c) Third to the right
- (d) Cannot be determined

Answer: D

Directions (97-100): Read the given information carefully and answer the given questions.

Twelve students N, O, P, Q, R, S, T, U, V, W, X and Y of a school are in two parallel buildings. Building 1 is facing west and Building 2 is facing east. Students P, Q, R, S, T, U are in Building 1 and N, O, V, W, X, Y are in Building 2. Each student of Building 1 is exactly opposite the other student in Building 2.

- Student V, which is at one of the ends of the building, is second to the left of student Y
- There are two students between student N and O
- There is only one student between ward S and T
- Student U is third to the right of Q
- Student U is not opposite either V or Y
- Student S and T are not opposite V. Student P is adjacent to student S
- Student W, which is not opposite T, is not adjacent to N

97. Which student is opposite Q?

- (a) N
- (b) Y
- (c) W
- (d) O

Answer: D

98. How many students are there between student R and S?

- (a) Four
- (b) Three
- (c) Two
- (d) One

Answer: C

99. Student R is related to student X in the same way as student U is related to student O, based on the given arrangement. Who among the following is Q related to, following the same pattern?

- (a) N
- (b) V
- (c) W



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(d) S

Answer: A

100. Which of the following students are at the ends of the building?

- (a) V, O
- (b) U, Q
- (c) V, W
- (d) R, T

Answer: D

