

Economy

CRISP, CONCISE & COMPLETE

For UPSC CSE
PRELIMS 2025
JAN 2024 - APR 2025

CURRENT AFFAIRS MATERIAL



CURRENT AFFAIRS – INDIAN ECONOMY

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Day 52

Topic 511

511. Cruise Bharat Mission

- The **Union Minister of Ports, Shipping & Waterways**, Sarbananda Sonowal, launched the **"Cruise Bharat Mission"** in Guwahati to boost the potential of cruise tourism in India, aiming to double passenger traffic by 2029.

Mission Goals:

1. Increase river cruise passengers from 0.5 million to 1.5 million (by 2029).
2. Propel India as a global leader in the cruise tourism sector.
3. Integrate cruise circuits across the Indian subcontinent.
4. Expand international cruise terminals from 2 to 10.
5. Increase river cruise terminals from 50 to 100.

To be implemented in 3 phases-

1. **Phase 1 (October 1, 2024 – September 30, 2025)**
 - Focuses on conducting studies, master planning, forming cruise alliances with neighboring countries.
2. **Phase 2 (October 1, 2025 – March 31, 2027)**
 - Involves developing new cruise terminals, marinas, and destinations to activate high-potential cruise locations and circuits.
3. **Phase 3 (April 1, 2027 – March 31, 2029)**
 - Aims to integrate all cruise circuits across the Indian subcontinent, marking the maturation of the cruise ecosystem.



When to use in Mains?

- If a question is asked in Mains regarding **steps taken to promote tourism.**

Q1531. What is the name of mission recently launched by Ministry of Ports, Shipping, and Waterways to promote cruise tourism in India?

- (a) Kalash mission
(b) Cruise Bharat Mission
(c) Samudraya mission
(d) None of the Above

Ans: b

Sol: The mission aims to make India a global hub for cruise tourism and top cruise destination. The Union Ministry of Ports, Shipping, and Waterways will implement the mission.

Q1532. Consider the following statements regarding the Cruise Bharat Mission:

1. The Cruise Bharat Mission aims to increase river cruise passengers from 0.5 million to 2 million by 2029.
2. The mission plans to expand international cruise terminals from 2 to 10 and river cruise terminals from 50 to 150 by 2029.
3. Phase 2 of the mission (October 1, 2025 – March 31, 2027) will focus on forming cruise alliances with neighbouring countries.
4. The final phase of the mission will aim to integrate all cruise circuits across the Indian subcontinent.

How many of the statement(s) given above is/are incorrect?

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

Ans: c

Sol:

1. **Incorrect** – The mission aims to increase river cruise passengers from 0.5 million to 1.5 million by 2029, not 2 million.
2. **Incorrect** – The mission targets expanding international cruise terminals from 2 to 10 and river cruise terminals from 50 to 100 by 2029.
3. **Incorrect** – Phase 2 focuses on developing new cruise terminals, marinas, and



destinations, while cruise alliances are part of Phase 1.

4. **Correct** – Phase 3 aims to integrate all cruise circuits across the Indian subcontinent, marking the full development of the cruise ecosystem.

Q1533. With reference to the Cruise Bharat Mission, consider the following statements:

1. The mission will be implemented in two phases with the final phase ending by March 31, 2029.
2. Phase 1 of the mission will focus on conducting studies, master planning, and forming cruise alliances with neighbouring countries.
3. The mission aims to triple the number of river cruise passengers by 2029.
4. Developing new marinas and high-potential cruise destinations is a key focus of Phase 3.

Which of the statement(s) given above is/are correct?

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

Ans: b

Sol:

1. **Incorrect** – The mission will be implemented in three phases, not two.
2. **Correct** – Phase 1 focuses on conducting studies, master planning, and forming cruise alliances with neighbouring countries.
3. **Correct** – The mission aims to increase river cruise passengers from 0.5 million to 1.5 million (which is tripling the number).
4. **Incorrect** – Developing new marinas and destinations is part of Phase 2, not Phase 3.

Topic 512

512. PM-KISAN scheme

PM-KISAN

- Rs. **6,000 per year**-landholding farmers'
- DBT
- **three equal installments** of Rs. 2,000 each.
- **Central Sector Scheme (100% funding by Central government)**
- Launched on **24th Feb 2019**
- implemented by the **Ministry of Agriculture and Farmers Welfare.**

Who is covered under the scheme?

- The scheme was **initially** meant for Small and Marginal Farmers (SMFs) having **landholding upto 2 hectares** but scope of the scheme **was extended to cover all landholding farmers.**

Current news?

- **PM-KISAN** beneficiaries have **dropped over 20%** from **10.47 crore** in **April-July 2022** to **8.12 crore.**

Why?

- a. Introduction of **mandatory land seeding provision** for the **farmers and**
- b. **Linking of Aadhaar** with their **active bank account**



Q1534. Consider the following statements regarding Pradhan Mantri Kisan Samman Nidhi (PM KISAN):

1. It is a Central Sector Scheme to provide income support to all small and marginal land-holding farmer families.
2. The benefit is provided in four equal instalments for every 3 months period into the bank account.
3. Individual or farmer families owning more than 2 hectares of cultivable land are eligible for only half of the entitled amount.

How many of the statement(s) given above is/are correct?

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

Ans: a

Sol: Benefit is provided in 3 equal instalments of Rs. 2000 each for every 4 months. Any individual or farmer family owning more than 2 hectares of



cultivable land do not get any benefit under the scheme.

Q1535. Consider the following statements regarding National Agriculture Code (NAC):

1. National Agriculture Code (NAC) is being formulated by the FSSAI.
 2. NAC will cover natural farming and organic farming.
 3. NAC will not cover post-harvest operations.
- Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: National Agriculture Code (NAC) is being formulated by the FSSAI.

- The National Agriculture Code is not being formulated by the FSSAI (Food Safety and Standards Authority of India). It is being formulated by the Ministry of Agriculture and Farmers Welfare. Therefore, this statement is incorrect.

Statement 2: NAC will cover natural farming and organic farming.

- The NAC is intended to cover various aspects of agriculture, including natural farming and organic farming. This statement is correct.

Statement 3: NAC will not cover post-harvest operations.

- The aim of the NAC is to create a unified code for agricultural practices, which also includes post-harvest operations. Therefore, this statement is incorrect.

Q1536. In reference to Global Framework on Water Scarcity in Agriculture (WASAG), consider the following statements.

1. The framework was established by the Food and Agricultural Organization of United Nations.
2. It aims to tackle the collective challenge of using water better in agriculture to ensure food security for all.
3. India is a part of the Global Framework on Water Scarcity in Agriculture (WASAG).

Which of the above statement(s) is/are correct?

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

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

Ans: d

Sol: Statement 1: The framework was established by the Food and Agricultural Organization of United Nations.

- Yes, the Global Framework on Water Scarcity in Agriculture (WASAG) was indeed established by the Food and Agriculture Organization of the United Nations (FAO). So, this statement is correct.

Statement 2: It aims to tackle the collective challenge of using water better in agriculture to ensure food security for all.

- This accurately reflects the core objective of WASAG. It focuses on improving water management in agriculture to enhance food security. So, this statement is also correct.

Statement 3: India is a part of the Global Framework on Water Scarcity in Agriculture (WASAG).

- Yes, India is a participating member of WASAG. So, this statement is also correct.

Topic 513

513. Kisan Credit Card scheme

- The Kisan Credit Card (KCC) scheme was **launched in 1998** by the **National Bank for Agriculture and Rural Development (NABARD)** to provide farmers with timely access to credit.
- recommendation of **V Gupta committee**
- **implemented by** the all-Co-operative **banks, Regional Rural Banks, Small Finance Banks and Public Sector Banks** throughout the country.
- **Credit card** to farmers utilised **for-land development, pump sets, plantation, drip irrigation etc.**
- **Support insurance cover** for crops and farmers under schemes like **PMFBY (Pradhan Mantri Fasal Bima Yojana).**





Q1537. Arrange them into chronological order -

1. Establishment of NABARD
2. Bank linkage programme of self-help group
3. Kisan Credit Card Yojana
4. Establishment of RRB

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

Ans: c

Sol: Establishment of RRB (Regional Rural Banks): RRBs were established in 1975.

- Establishment of NABARD (National Bank for Agriculture and Rural Development): NABARD was established in 1982.
- Bank linkage programme of self-help group: The SHG bank linkage programme gained significant momentum in the 1990s, with pilot projects and expansion.
- Kisan Credit Card Yojana: The Kisan Credit Card scheme was launched in 1998.

Therefore, the correct chronological order is: 4-1-2-3

Q1538. Consider the following statements regarding Kisan Credit Cards:

1. The model of the KCC scheme was prepared by NABARD (National Bank for Agriculture and Rural Development) on the recommendations of the RV Gupta Committee (1995).
2. The RBI provides interest subvention of 2% and a Prompt Repayment Incentive of 3% to the farmers on KCC.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: The model of the KCC scheme was prepared by NABARD (National Bank for Agriculture and Rural Development) on the recommendations of the RV Gupta Committee (1995).

- This is correct. NABARD did prepare the model of the Kisan Credit Card (KCC) scheme based on the recommendations of the RV Gupta Committee.

Statement 2: The RBI provides interest subvention of 2% and a Prompt Repayment Incentive of 3% to the farmers on KCC.

- This is also incorrect. The Government of India provides interest subvention on KCC loans. Currently, it includes a 2% interest subvention and a 3% prompt repayment incentive, effectively allowing farmers to access loans at a 4% interest rate if they repay on time.

Q1439. Consider the following statements about the Kisan Rin Portal

1. It aims to revolutionize credit services under the Kisan Credit Card.
2. The portal was developed by the National Informatics Centre in collaboration with the Department of Financial Services.

Choose the correct statements:

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

Ans: a

Sol: Statement 1: It aims to revolutionize credit services under the Kisan Credit Card.

- This is correct. The Kisan Rin Portal is designed to streamline and improve the accessibility of credit services for farmers, specifically related to the Kisan Credit Card.

Statement 2: The portal was developed by the National Informatics Centre in collaboration with the Department of Financial Services.

- This is also incorrect. It was developed in collaboration with multiple government departments.



Topic 514

514. NABARD

- Established: 12 July 1982 (based on the recommendations of the **Shivraman Committee**)
- Parent Organization: **Ministry of Finance**, Government of India
- It is a **Development Financial Institution** ie it provides fund to **refinance support**

Key Functions of NABARD

1. Refinancing and Credit Support

- Provides refinancing to Regional Rural Banks (RRBs), Cooperative Banks, and Commercial Banks for lending to farmers and rural enterprises.

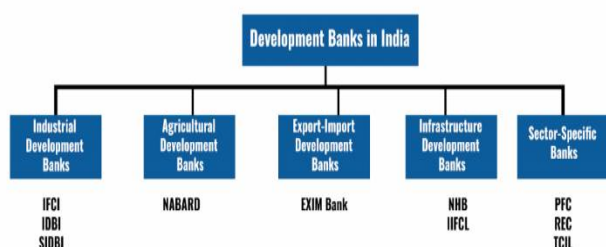
2. Implements the **Kisan Credit Card (KCC) scheme for farmers.**

3. **Rural Infrastructure Development**

- Manages the Rural Infrastructure Development Fund (RIDF) to finance irrigation, roads, bridges, and storage.

Other informations

- NABARD has its **head office in Mumbai**, India, and **regional offices in all states**, and **one special cell at Srinagar J&K**.
- It has been **accredited as the National Implementing Entity for Adaptation Fund** under **United Nations Framework Convention on Climate Change (UNFCCC)** in India.



- Development Banks** are also known as **Term-Lending Institutions (TLIs)** or **Development Finance Institutions (DFIs)**.
- They are **specialized financial institutions** under the Banking System in India that **provide long-term finance** and support to the **sectors of the Indian economy** which possess higher risks and **cannot have access to adequate loans** from **Commercial Banks**.

The **first development bank** of India was the **Industrial Finance Corporation of India (IFCI)**, established in **1948**.

Q1540. Consider the following statements regarding NABARD:

- NABARD was established based on the recommendations of the Nariman Committee.
- NABARD provides refinancing to Regional Rural Banks (RRBs), Cooperative Banks, and Commercial Banks for lending to farmers and rural enterprises.
- NABARD manages the Rural Infrastructure Development Fund (RIDF) to finance irrigation, roads, bridges, and storage.
- NABARD is a statutory body under the Ministry of Agriculture.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:

- Incorrect** – NABARD was established based on the recommendations of the Shivraman Committee, not the Nariman Committee.
- Correct** – NABARD provides refinancing to RRBs, Cooperative Banks, and Commercial Banks for lending to farmers and rural enterprises.
- Correct** – NABARD manages the Rural Infrastructure Development Fund (RIDF) to finance infrastructure projects in rural areas.
- Incorrect** – NABARD is under the Ministry of Finance, not the Ministry of Agriculture.

Q1541. With reference to Development Financial Institutions (DFIs) in India, consider the following statements:

- NABARD is a Development Financial Institution that provides long-term financing to high-risk sectors in the Indian economy.
- Development Banks are also known as Term-Lending Institutions (TLIs).
- The first development bank in India was the Industrial Credit and Investment Corporation of India (ICICI), established in 1948.



4. Development Banks provide short-term working capital loans to commercial enterprises.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- Correct** – NABARD is a Development Financial Institution that provides long-term refinancing and credit support for rural development.
- Correct** – Development Banks are also known as Term-Lending Institutions (TLIs) because they provide long-term loans.
- Incorrect** – The first development bank in India was the Industrial Finance Corporation of India (IFCI), not ICICI, and it was established in 1948.
- Incorrect** – Development Banks provide long-term finance, not short-term working capital loans (which are typically handled by commercial banks).

Q1542. Consider the following statements regarding NABARD's role in climate action and international partnerships:

- NABARD has been accredited as the National Implementing Entity for the Adaptation Fund under the United Nations Framework Convention on Climate Change (UNFCCC).
- NABARD has a special regional office in Leh to oversee projects in the Union Territories of Ladakh and Jammu & Kashmir.
- The Adaptation Fund supports projects aimed at mitigating greenhouse gas emissions in developing countries.
- NABARD acts as a coordinating agency for the implementation of the Kisan Credit Card (KCC) scheme for farmers.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- Correct** – NABARD is the National Implementing Entity for the Adaptation Fund under the UNFCCC in India.
- Incorrect** – NABARD has a special cell in Srinagar, not Leh, for overseeing projects in Jammu & Kashmir.
- Incorrect** – The Adaptation Fund supports adaptation projects (climate resilience), not mitigation projects.
- Correct** – NABARD plays a key role in the implementation of the Kisan Credit Card (KCC) scheme.

Topic 515

515. Concept of 'Middle Income Trap'

- The **World Bank** classifies countries into four groups as **per-capita gross national income (GNI)** in US dollars-
 - Low income
 - Lower-middle income
 - Upper-middle income
 - High income
- India** with approximately **\$2600 per year per capita** is categorised in **Lower Middle-Income category**.

What is middle-income trap?

- The middle-income trap refers to the **slowdown of growth** as **economies reach middle-income status**.

Data to prove that world economies are facing middle-income trap-

- Only 34 countries** successfully **transitioning to high-income** levels in the **last 34 years**.

Recent transitions

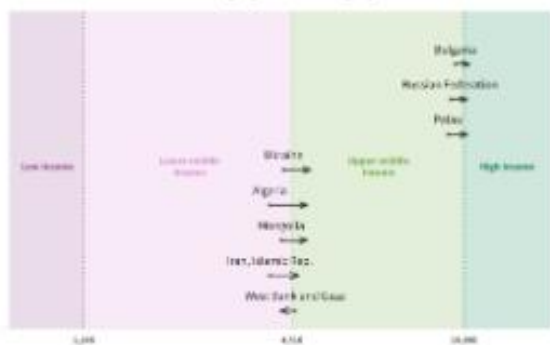
- Upgradation**
 - Russia, Bulgaria** and **Palau** from an **'upper-middle income'** country to a **'high-income'**.
 - Ukraine upgraded** in to **upper middle-income category**.
- Degradation**
 - Palestine** (West Bank and Gaza) has been downgraded to **Lower Middle Income** from **Upper Middle income**



	Low income	Lower-middle income	Upper-middle income	High income
July 1, 2025 – for FY25 (new)	\$1,145	\$1,146 – \$4,045	\$4,046 – \$12,045	> \$12,046
July 1, 2023 – for FY24 (previous)	\$1,125	\$1,126 – \$4,045	\$4,046 – \$12,045	> \$12,046



Countries changing income category in FY25



Q1543. Consider the following wing statements regarding Skill Strengthening for Industrial Value Enhancement (STRIVE) project in India.

1. The project is assisted by the World Bank.
2. It is aimed at improving the relevance and efficiency of skills training provided through Industrial Training Institutes (ITIs) and apprenticeships.

Select the correct code.

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

Ans: c

Sol: Skills Strengthening for Industrial Value Enhancement (STRIVE) project is a World Bank Assisted Government of India project with the objective of improving the relevance and efficiency of skills training provided through Industrial Training Institutes (ITIs) and apprenticeships. The financial agreement was signed between Government of India and International Bank for Reconstruction and Development (IBRD) on 19th December. It is an outcome focused scheme marking shift in government's implementation

strategy in vocational education and training from inputs to results.

Q1544. Consider the following statements regarding the Middle-Income Trap:

1. The middle-income trap refers to the stagnation in economic growth when a country transitions from a low-income to a middle-income status.
2. According to the World Bank classification, a country with a per capita GNI of \$2600 is categorized under the upper-middle income group.
3. In the last 34 years, only 34 countries have successfully transitioned from middle-income to high-income status.
4. Ukraine was recently upgraded from an upper-middle income country to a high-income category.

How many of the statement(s) given above is/are correct?

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

Ans: b

Sol:

1. **Correct** – The middle-income trap describes the economic stagnation countries experience when they reach middle-income status.
2. **Incorrect** – India, with a per capita GNI of approximately \$2600, is categorized under the lower-middle income group, not upper-middle income.
3. **Correct** – Only 34 countries have successfully transitioned to high-income levels in the last 34 years.
4. **Incorrect** – Ukraine was upgraded to the upper-middle income category, not the high-income category.

Q1545. With reference to the recent classification and status changes under the World Bank's income categories, consider the following statements:

1. Russia, Bulgaria, and Palau have been upgraded from upper-middle income to high-income category.



2. Palestine (West Bank and Gaza) was downgraded from a lower-middle income to a low-income category.
3. India's current per capita GNI places it in the lower-middle income category according to the World Bank.
4. The middle-income trap explains why some countries face long-term economic stagnation despite achieving middle-income status.

Which of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – Russia, Bulgaria, and Palau have recently transitioned to the high-income category from upper-middle income.
2. **Incorrect** – Palestine (West Bank and Gaza) was downgraded from upper-middle income to lower-middle income, not to low-income.
3. **Correct** – India, with a per capita GNI of about \$2600, is categorized as a lower-middle income country.
4. **Correct** – The middle-income trap explains the stagnation of growth faced by economies after reaching middle-income status.

Topic 516

516. Nobel Prize in Economics

- The Royal Swedish Academy of Sciences on awarded the **Sveriges Riksbank Prize in Economic Sciences (commonly known as Nobel prize in Economics)** in **2024** to three **US-based economists** — **Daron Acemoglu, Simon Johnson, and James A Robinson.**

Areas of research that won them the prize?

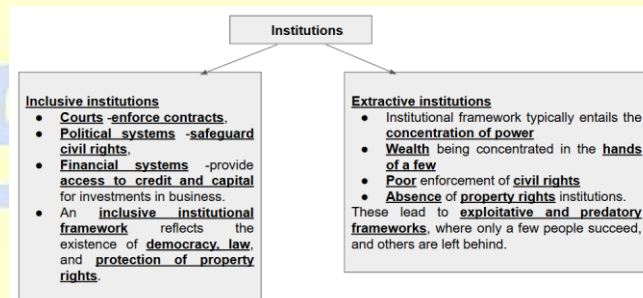
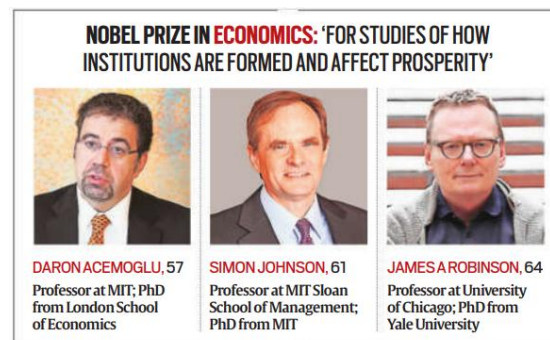
- Why are **some nations rich and others poor?**

Why are some nations rich and others poor?

- Over the years, many explanations have been put forward — **everything from biology to geographical location to climate to culture.**
- But in **recent decades, economists say** some nations have done better than others

when institutions (social, economic and political) turned out better.

- Daron Acemoglu, Simon Johnson, and James A Robinson's** body of work provides **substantial evidence** of how **institutions play significant role in prosperity.**
- Their work **classifies institutions** in **2 broad categories-**
 1. Inclusive
 2. Extractive



Q1546. Daniel Kahneman who died in March 2024 was given Nobel Prize in 2002 for his contribution to:

- (a) Literature
- (b) Sociology
- (c) Psychology
- (d) Economics

Ans: d

Sol: Daniel Kahneman received the Nobel Memorial Prize in Economic Sciences in 2002 for his work in behavioural economics.

Q1547. Consider the following statements regarding the 2024 Nobel Prize in Economics:

1. The 2024 Nobel Prize in Economics was awarded to Daron Acemoglu, Simon Johnson, and James A. Robinson for their research on



the impact of technological innovation on economic prosperity.

2. Their research highlights the role of institutions — social, economic, and political — in determining why some nations are rich while others remain poor.
3. According to their classification, inclusive institutions are characterized by a lack of legal protections and concentration of power in the hands of a few.
4. Extractive institutions encourage long-term investment by creating a stable and secure environment for individuals and businesses.

How many of the statement(s) given above is/are incorrect?

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

Ans: c

Sol:

1. **Incorrect** – The 2024 Nobel Prize in Economics was awarded for research on the role of institutions (social, economic, and political) in economic prosperity, not technological innovation.
2. **Correct** – Their research emphasizes the critical role of institutions in explaining economic disparities among nations.
3. **Incorrect** – Inclusive institutions provide legal protections, democratic governance, and property rights — not the concentration of power.
4. **Incorrect** – Extractive institutions discourage long-term investment by creating an unstable and insecure environment.

Q1548. With reference to the work of Daron Acemoglu, Simon Johnson, and James A. Robinson, consider the following statements:

1. Their research provides evidence that inclusive institutions, such as strong rule of law and democratic governance, foster long-term economic growth.
2. Extractive institutions are characterized by a concentration of power and lack of legal protections, which discourage long-term investment.
3. Their work challenges the idea that geographical location, climate, and culture are

the primary reasons for economic disparities among nations.

4. The Royal Swedish Academy of Sciences awards the Sveriges Riksbank Prize in Economic Sciences, which is distinct from the original Nobel Prizes established by Alfred Nobel.

Which of the statements given above is/are correct?

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

Ans: d

Sol:

1. **Correct** – Inclusive institutions foster a stable and secure environment, encouraging long-term growth.
2. **Correct** – Extractive institutions discourage long-term investment by creating uncertainty and concentrating power.
3. **Correct** – Their work shifts the focus from geography and culture to the strength of institutions as key determinants of prosperity.
4. **Correct** – The Sveriges Riksbank Prize in Economic Sciences was established in 1968 and is distinct from the original Nobel Prizes created by Alfred Nobel in 1895.

Topic 517

517. PLI scheme

Production Linked Incentive (PLI) Scheme

- **Launched in 2020.**

The PLI scheme was conceived with aim to-

- a. Scale up domestic manufacturing capability,
- b. Higher import substitution
- c. Employment generation.

Key Features

1. Incentives are provided as a percentage of the incremental sales (over a base year).
2. The scheme applies to both domestic and foreign manufacturers.
3. It is sector-specific, focusing on 14 industries critical for India's economic growth.

White goods

- White goods encompass **large household appliances** like **air conditioners**.



refrigerators, washing machines and dryers, dishwashers, and LED Lights.

- The term "white goods" originally comes from the traditional white enamel finish of these appliances.
- Although they're now available in various colors, they retain the name "white goods."

As of now, the PLI scheme has been extended to 14 key sectors, including:

1. Mobile Phones & IT Hardware
2. Pharmaceuticals (Key Starting Materials, APIs, and Drug Intermediaries)
3. Medical Devices
4. Automobiles & Auto Components
5. Telecom & Networking Products
6. Food Processing
7. Textiles (Man-Made Fiber & Technical Textiles)
8. White Goods (ACs & LEDs)
9. Specialty Steel
10. Solar PV Modules
11. Advanced Chemistry Cell (ACC) Batteries
12. Drones & Drone Components
13. Semiconductors & Display Manufacturing
14. Shipping Containers (recent addition)

Q1549. Consider the following statements regarding the Production Linked Incentive (PLI) Scheme:

1. Launched in March 2020 the PLI scheme was conceived to scale up domestic manufacturing capability, accompanied by higher import substitution and employment generation.
2. At present the scheme covers 14 industrial sectors.
3. Under the scheme, domestic companies receive financial rewards for manufacturing in India, based on a percentage of their revenue over up to ten years.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Correct** – The Production Linked Incentive (PLI) Scheme was launched in March 2020 to enhance domestic manufacturing capabilities,

reduce import dependency, and generate employment.

- **Correct** – The scheme currently covers 14 sectors including electronics, pharmaceuticals, automobiles, textiles, and others.
- **Incorrect** – The incentives are provided based on incremental sales (not total revenue) over a period of up to five to seven years, depending on the sector, not ten years.

Q1550. Regarding the Production Linked Incentive Scheme (PLI), consider the following:

1. It offers a production-linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components.
2. The Scheme is implemented through a Nodal Agency which acts as a Project Management Agency (PMA).
3. It will drastically increase India's Gross Domestic Product (GDP).

How many of the statement(s) given above is/are correct?

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

Ans: b

Sol:

- **Correct** – The PLI scheme aims to boost domestic manufacturing and attract large investments, including in the mobile phone and electronic components sector.
- **Correct** – The scheme is implemented through a Nodal Agency which functions as a Project Management Agency (PMA) to oversee and manage the scheme's operations.
- **Incorrect** – While the PLI scheme is expected to boost manufacturing and exports, its impact on India's GDP will be indirect and incremental rather than drastic.

Q1551. Consider the following statements regarding Network Readiness Index (NRI) 2024.

1. The NRI is published annually by World Trade Organization.
2. India has improved the ranking in 2024 as compared to last year.



3. The NRI 2024 evaluates the network readiness of economies based on four key pillars: Technology, People, Governance, and Impact. Which of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. The NRI is published annually by World Trade Organization.

- **This is incorrect.** The Network Readiness Index is published by the Portulans Institute.

2. India has improved the ranking in 2024 as compared to last year.

- **This is correct.** To verify this, it is necessary to check the latest NRI report. This is generally true that India has shown improvement in recent NRI reports.

3. The NRI 2024 evaluates the network readiness of economies based on four key pillars: Technology, People, Governance, and Impact.

- **This is correct.** These are indeed the four key pillars of the NRI.

Topic 518

518. Champion services sectors of Indian Economy

- Service Sectors identified for driving India's economic growth, competitiveness, and exports.
- Recognition given by Ministry of Commerce & Industry.
- Includes 12 sectors.



Q1552. In the context of Indian Economy, consider the following:

1. An individual aged 68 years and is actively employed in a firm.
2. A working individual aged 16 years.
3. An unemployed individual pursuing job opportunity.
4. A retired individual receiving pension.

How many of the above are included in the country's labour force?

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

Ans: c

Sol: Option c is the correct answer. The labor force of a country consists of individuals who are either employed or actively seeking employment. It excludes those who are not willing to work or not participating in economic activities. Thus, the Labour force is defined as the total persons working (or employed) and seeking or available for work (or unemployed). Options 1 and 2 are correct: An individual aged above 68 years or working individual aged 16 years are both employed so they will be part of the Labour force. In some countries they have adopted non-standard upper-age limits for inclusion in the labour force, with a cut-off point of 65 or 70 years. But that is not the case in India. In India it simply mentions 15 and above.

Option 3 is correct: Individuals actively seeking employment (pursuing job opportunities) are considered part of the labor force even if they are unemployed, as they are available for work and contributing to the labor market. Option 4 is incorrect: Students, rentiers, pensioners, recipients of remittances, beggars, infirm or disabled persons, persons too young to work are considered out of the labour force. Thus, a retired individual receiving pension will not be part of the labour force.

Q1553. In the context of the Indian economy, which of the given below is most closely associated with 'Golden Handshake'?

- (a) Merger of two profitable companies.
- (b) Voluntary Retirement scheme
- (c) Privatization of loss-making State-owned company



(d) Trade Agreement on Critical minerals

Ans: b

Sol: A Voluntary Retirement Scheme (VRS), also known as the golden handshake, is a mechanism offered by organisations that allows eligible employees to retire earlier than their stipulated retirement age. It is a mutually agreed-upon arrangement between the employer and employee. A considerable amount is to be paid to an employee ex- gratia besides the terminal benefits in case he/she opts for voluntary retirement under the Scheme and his option is accepted. The amount is paid not for doing any work or rendering any service. It is paid in lieu of the employee himself leaving the services of the company or the industrial establishment and foregoing all his claims or rights in the same. It is a package deal of give and take. That is why in the business world it is known as "Golden Handshake".

Q1554. Consider the following sectors:

1. Manufacturing
2. Construction
3. Mining and quarrying
4. Trade, hotel and restaurant

Which of the following is the correct descending order of the above sectors based on their share of total workforce they employ as per the recent annual Periodic Labour Force Survey (PLFS) reports?

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

Ans: a

Sol: The data from the Periodic Labour Force Survey (PLFS) for the financial year 2022-23 provides for the percentage distribution of workers across different industrial sectors. Option 2: The construction sector, which provides employment opportunities for unskilled and semiskilled workers, accounts for 13.0% of total workers. Option 4: The trade, hotel and restaurant sector, which offers jobs in retail, hospitality, and food services, employs 12.1% of total workers. Option 1: The manufacturing sector, which engages workers in production and industrial activities, contributes to

11.4% of total employment. Option 3: The mining & quarrying sector, which is highly mechanized and employs a limited workforce, accounts for only 0.3% of total workers. Hence the correct descending order is Option a i.e. 2 - 4 - 1 - 3: Construction (13.0%) → Trade, Hotel & Restaurant (12.1%) → Manufacturing (11.4%) → Mining & Quarrying (0.3%).

Topic 519

519. Global Hunger Index 2024

- It is an annual report- Jointly published by **Concern Worldwide** and **Welthungerhilfe**.
- It was first produced in **2006**.
- It is published **every October**.

Aim

- To comprehensively measure and **track hunger at the global, regional, and country levels**.

It is calculated on the basis of four indicators:

1. **Undernourishment:** Share of the population with insufficient **caloric intake**.
2. **Child Wasting:** Share of children **under age five who have low weight for their height**, reflecting **acute undernutrition**.
3. **Child Stunting:** Share of children under age five who have **low height for their age**, reflecting **chronic undernutrition**.
4. **Child Mortality:** The mortality rate of children under the age of five.

Scoring

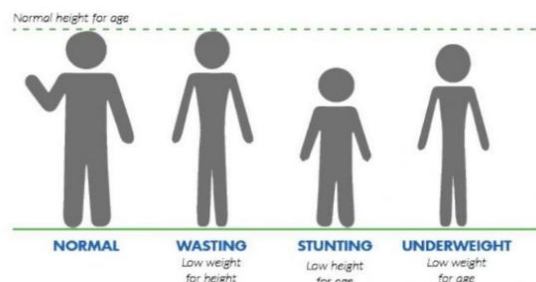
- **100-point scale** where **0 is the best possible score** (no hunger) and **100 is the worst**.

India's performance

- **India** is ranked **105th out of 127 countries** in the Global Hunger Index (GHI) 2024.

With a score of **27.3**, India has been categorised in **'serious'** level of hunger.

DIFFERENT TYPES OF UNDERNUTRITION



Q1555. Consider the following statements regarding the Global Hunger Index (GHI) 2024:

1. The Global Hunger Index (GHI) is jointly published by Concern Worldwide and World Food Programme every October.
2. Child Stunting in the GHI reflects acute undernutrition among children under the age of five.
3. A country with a score of 0 on the GHI indicates the worst possible level of hunger.

India, with a score of 27.3 in GHI 2024, is categorised in the moderate level of hunger.

How many of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Incorrect** – The GHI is jointly published by Concern Worldwide and Welthungerhilfe (not the World Food Programme).
- **Incorrect** – Child Stunting reflects chronic undernutrition (not acute).
- **Incorrect** – A score of 0 represents the best possible score (no hunger), not the worst.
- **Correct** – India, with a score of 27.3, is categorised in the serious level of hunger, not moderate.

Q1556. With reference to the Global Hunger Index (GHI), consider the following statements:

1. The GHI is calculated based on four indicators: Undernourishment, Child Wasting, Child Stunting, and Child Mortality.
2. A country's GHI score ranges from 0 to 100, where a higher score indicates a better hunger situation.
3. India's ranking in the GHI 2024 is among the bottom 30 countries.
4. The report was first produced in 2016.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Correct** – The GHI is calculated based on the four indicators mentioned.
- **Incorrect** – A higher score indicates a worse hunger situation, not a better one.
- **Correct** – India ranked 105th out of 127 countries, placing it among the bottom 30 countries.
- **Incorrect** – The GHI was first produced in 2006, not 2016.

Q1557. Regarding the scoring and classification of the Global Hunger Index (GHI), consider the following statements:

1. A score between 20 and 34.9 on the GHI reflects a serious level of hunger.
2. India's score of 27.3 in GHI 2024 places it in the alarming category.
3. The GHI aims to comprehensively measure and track hunger at the global, regional, and country levels.
4. The report considers only the child mortality rate as the direct indicator of hunger.

How many of the statement(s) given above is/are correct?

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

Ans: b

Sol:

- **Correct** – A score between 20 and 34.9 reflects a serious level of hunger.
- **Incorrect** – India's score of 27.3 places it in the serious category, not alarming.
- **Correct** – The GHI measures hunger at global, regional, and country levels.
- **Incorrect** – The GHI considers four indicators (undernourishment, child wasting, child stunting, and child mortality), not just child mortality.

Topic 520

520. Poshan Tracker App and World Food Day

- The government has termed Global Hunger Index 2024 "**erroneous**".
- As per the government the report does **not correlate with data of Poshan Tracker App**.



Poshan Tracker App

- Implemented as part of **National Nutrition Mission (NNM)**.
- Developed by **MoWCD**, the Poshan Tracker app enables **real-time monitoring and tracking** of all **Anganwadi Centre (AWC)**, **Anganwadi Workers (AWWs)** and beneficiaries.

How Poshan Tracker works?

- The **Anganwadi workers** are being provided **smartphones** procured through **Government e-Market (GeM)** for **efficient service delivery**.

World Food Day

- **October 16, 2024** is **World Food Day**.
- **Theme** this year being **'right to foods for a better life and a better future'**.
- On this occasion **State of Food Insecurity (SOFI) report is published** by Food and Agriculture Organization (**FAO**).



Q1558. Navchetna and Aadharshila initiatives, sometimes seen in news, are related to which one of the following?

- To strengthen the Early Childhood Care and Education landscape.
- Prevention of sexual harassment of women at workplaces.
- Capacity building and financial support to women entrepreneurs in rural areas.
- Promotion of socio-economic welfare of the Particularly Vulnerable Tribal Groups (PVTGs)

Ans: a

Sol: Option a is correct: To strengthen the Early Childhood Care and Education (ECCE) landscape, the government launched the National Curriculum for ECCE, Aadharshila, and the National

Framework for Early Childhood Stimulation, Navchetana. "Navchetana- National Framework for Early Childhood Stimulation for Children from Birth to Three Years, 2024" and "Aadharshila - National Curriculum for Early Childhood Care and Education for Children from Three to Six Years 2024" are two curriculum frameworks launched by the Ministry of Women and Child Development under Poshan Bhi Padhai Bhi programme. • Navchetana focuses on holistic development for children from birth to three years, offering 140 agespecific activities through a 36-month stimulation calendar.

• Aadharshila promotes play-based learning with over 130 activities for children aged three to six years that support child-led and educator-led learning. It aims to lay a strong foundation for lifelong learning, aligning with the National Curriculum Framework for Foundational Stage 2022 (NCF-FS) and improving the quality of Early Childhood Care and Education (ECCE).

Q1559. With reference to the Poshan Tracker App and the Global Hunger Index (GHI) 2024, consider the following statements:

- The Poshan Tracker App is implemented under the National Health Mission (NHM) to monitor the health status of Anganwadi beneficiaries.
- The Government of India rejected the findings of the Global Hunger Index (GHI) 2024 on the grounds that the data does not align with the Poshan Tracker App's findings.
- The Poshan Tracker App provides real-time monitoring of Anganwadi Centres (AWCs) and workers through smartphones procured from the Government e-Market (GeM).
- The Ministry of Health and Family Welfare developed the Poshan Tracker App.

How many of the statement(s) given above is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:

- Incorrect** – The Poshan Tracker App is implemented under the National Nutrition Mission (NNM), not the National Health Mission (NHM).



2. **Correct** – The Government of India termed the GHI 2024 “erroneous” because it contradicts the data from the Poshan Tracker App.
3. **Correct** – The app provides real-time monitoring through smartphones procured from GeM.
4. **Incorrect** – The app was developed by the Ministry of Women and Child Development (MoWCD), not the Ministry of Health and Family Welfare.

Q1560. With reference to World Food Day 2024 and the State of Food Insecurity (SOFI) Report, consider the following statements:

1. World Food Day is observed annually on October 16 to mark the founding of the Food and Agriculture Organization (FAO).
2. The theme for World Food Day 2024 is "Right to food for a better life and a better future."
3. The World Health Organization (WHO) publishes the State of Food Insecurity (SOFI) Report annually on World Food Day.
4. India ranked 105th out of 127 countries in the Global Hunger Index (GHI) 2024, categorising it in the moderate level of hunger.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

1. **Correct** – World Food Day is observed on October 16 to commemorate the founding of the FAO in 1945.
2. **Correct** – The theme for World Food Day 2024 is "Right to food for a better life and a better future."
3. **Incorrect** – The Food and Agriculture Organization (FAO) (not WHO) publishes the State of Food Insecurity (SOFI) Report.
4. **Incorrect** – India ranked 105th in GHI 2024, but it was placed in the serious level of hunger, not moderate.

Day 53

Topic 521

521. NBFC upper layer list

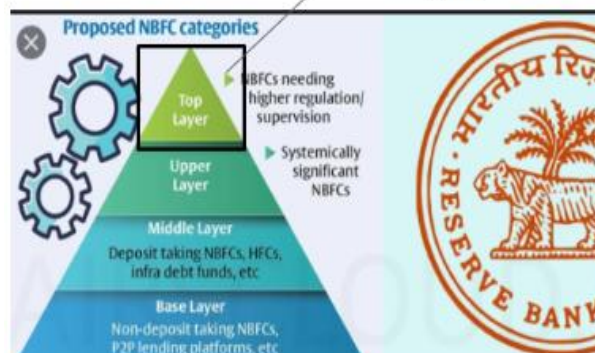
- A Non-Banking Financial Company (NBFC) is a **company registered** under the **Companies Act, 1956** engaged in the **business of loans and advances etc.**
- As part of the **2021 NBFC reforms**, the RBI classifying **NBFCs (based on Scale of Operation and Asset size)**.
- **Higher the order** more **important is the NBFC.**
- Those NBFC are placed in **higher order** whose failure can **create risk for entire economic system.**

Current development

- RBI released the list of **15 non-banking finance companies (NBFCs)** in the **upper layer (UL)** for the financial year 2024-25.
- **Tata Sons continues** to be on the Reserve Bank of India's **(RBI) upper-layer** despite the fact that the **company has applied for de-registration** as a NBFC.

Aspect	Banks	NBFCs
Regulation	Regulated under the Banking Regulation Act, 1949	Regulated under the Companies Act and RBI
Acceptance of Deposits	Can accept demand deposits (savings, current accounts)	Cannot accept demand deposits
Payment & Settlement	Part of the payment system (clearing, remittance, money)	Not part of the payment system
Deposit Insurance	Deposits insured by DICGC	Deposits are not insured by DICGC
Members' Control	Subject to CRR and SLR requirements	Not subject to CRR and SLR
Credit Creation	Can create credit through deposits	Cannot create credit
Interest Rates	Interest rates set by public deposits	Generally higher interest rates
Priority Sector Lending	Mandatory priority sector lending	No priority sector lending norms
Foreign Exchange Services	Can provide forex services	Cannot provide forex services
Cheques and Drafts	Can issue cheques and drafts	Cannot issue cheques or drafts
Capital Adequacy	Must stringent under Basel II guidelines	Less stringent than banks

The top layer would ideally remain empty and NBFCs will be slotted into this layer from the upper layer of the scale-based framework at the discretion of RBI if there is high systemic potential risk



Q1561. With reference to the Trade Receivables Discounting System (TReDS) in India, consider the following statements:



1. It allows certain companies to obtain financing by leveraging their trade receivables.
2. Only Micro, Small and Medium Enterprises (MSMEs) can participate as sellers in TReDS.
3. Non-Banking Financial Companies (NBFCs) engaged in the principal business of factoring are not permitted to participate as financiers on the TReDS platform.

Which of the statements given above is/are correct?

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

Ans: a

Sol: The Trade Receivables Discounting System (TReDS) is an electronic platform introduced in India to facilitate the financing of trade receivables for Micro, Small, and Medium Enterprises (MSMEs).

- **Statement 1 is correct.** TReDS is an electronic platform for facilitating the financing / discounting of trade receivables of Micro, Small and Medium Enterprises (MSMEs) through multiple financiers. These receivables can be due from corporates and other buyers, including Government Departments and Public Sector Undertakings (PSUs). TReDS provides a digital platform where MSMEs can sell their trade receivables (invoices) to financiers such as banks and NBFCs. This helps MSMEs access funds quickly through invoice discounting rather than waiting for buyers to clear payments, which can often be delayed.
- **Statement 2 is correct:** Only Micro, Small and Medium Enterprises (MSMEs) can participate as sellers in TReDS. MSMEs face challenges in accessing credit from traditional financial institutions due to their size and creditworthiness, and TReDS helps alleviate this issue by providing a mechanism to convert receivables into working capital.
- **Statement 3 is incorrect.** Both banks and Non-Banking Financial Companies (NBFCs)-Factors are allowed to participate as financiers in the TReDS platform. In June 2023, the RBI has allowed all entities which can undertake factoring business, to participate as financiers on TReDS platforms. NBFC-Factor is a non-

deposit taking NBFC engaged in the principal business of factoring.

Q1562. Consider the following statements:

Non-Banking Financial Companies (NBFCs):

1. must be registered as special financial institutions under Banking Regulation Act, 1949.
2. cannot issue cheques drawn on themselves.
3. are not part of the Payment and Settlement System.
4. cannot accept demand deposits

How many of the above given statement(s) is/are correct?

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

Ans: c

Sol: NBFCs are financial institutions that provide services similar to banks but do not have a banking license. They are regulated by the Reserve Bank of India (RBI) and registered under the Companies Act, 2013.

- **Statement 1 is incorrect:** A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956/2013 and engaged in the business of loans and other financial services. Further, some NBFCs which are not regulated by other regulators, are required to be registered with the Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934, to commence or continue business as a non-banking financial institution.
- **Statements 2, 3 and 4 are correct.** NBFCs are different from banks in several ways:
 1. NBFCs cannot accept demand deposits; however, they can accept time deposits
 2. NBFCs do not form part of the payment and settlement system
 3. NBFCs cannot issue cheques drawn on themselves; Deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation is not available to depositors of NBFCs, unlike in the case of banks.

Q1563. With reference to Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021, consider the following statements:



1. It aims to provide cost-free redressal of customer complaints against RBI regulated entities.
2. The Credit Information Companies come under the ambit of the scheme.
- Which of the statements given above is/are correct?
- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: c

Sol: The RB-IOs, 2021 integrates three previous ombudsman schemes into a single, unified framework for easier grievance redressal. The scheme merges multiple ombudsman schemes (Banking Ombudsman, NBFC Ombudsman, and Digital Transactions Ombudsman) into one unified framework. Customers can file complaints through a single point of contact.

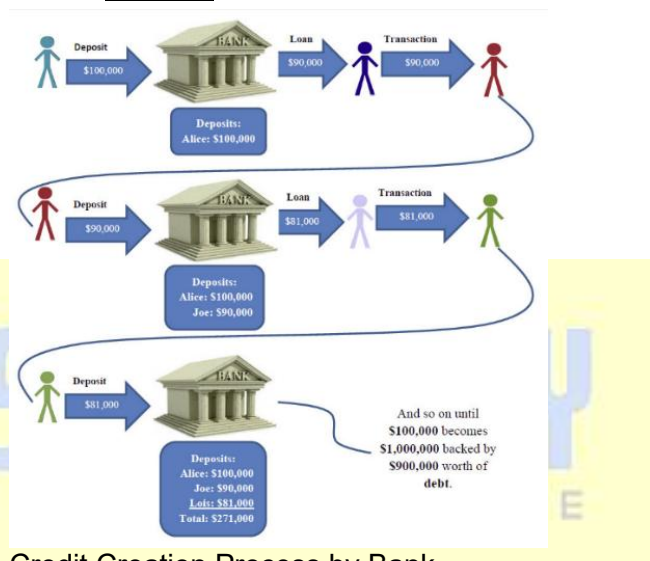
- **Statement 1 is correct:** Reserve Bank – Integrated Ombudsman Scheme (RB-IOS), 2021 aims to provide a cost-free and expeditious redressal mechanism for customer complaints involving deficiencies in services rendered by entities regulated by the Reserve Bank of India (RBI).
- **Statement 2 is correct:** The RB-IOS 2021 is not only limited to the banks. The scheme applies to:
 1. Banks: All commercial banks, including Public Sector Banks, Private Sector Banks, Foreign Banks, Local Area Banks, Small Finance Banks, Payment Banks, Regional Rural Banks, Scheduled Primary (Urban) Cooperative Banks and Non-scheduled Primary (Urban) Co-operative Banks with deposit size of ₹50 Crore and above.
 2. NBFCs registered with RBI with assets of ₹100 crore and above.
 3. Credit Information Companies (CICs).

Topic 522

522. Credit Creation Process in Banks (Money Multiplier)

- A bank accepts deposits (time and demand) from customers.
- The bank keeps a fraction of these deposits in reserve (CRR/SLR).

- The remaining portion is lent out as loans.
- This is also known as money multiplier effect of Bank.
- Non-Banking Financial Companies (NBFCs) in India cannot accept demand deposits.
- They can accept time deposit only.
- Thus, NBFCs can't do money creation/money multiplier.
- Since they can only lend the funds, they have from their own capital or borrowings, without creating new money.



Credit Creation Process by Bank

Q1564. Which one of the following can increase the money multiplier in an economy?

- (a) Increased banking habits of the people
- (b) Increase in the interest rates by Central bank
- (c) Higher cash reserve ratio (CRR)
- (d) Increase in the yield of Government Bonds

Ans: a

Sol: In economics, the money multiplier is the ratio of the money supply to the monetary base. It explains how an increase in the monetary base leads to a larger increase in the money supply. Increased banking habits mean more deposits, allowing banks to lend more, thereby increasing the money multiplier. Banks receive deposits from customers and keep a portion on reserve. The remaining funds are lent out to borrowers. The borrowers deposit the money they receive back



into banks. This process repeats, creating more money.

Q1565. In context of Economy, consider the following statements with regards to Trade secret:

1. It refers to confidential business information that provides a competitive advantage and remains protected as long as they remain secret.
2. Currently there is no dedicated act for protection of trade secrets in India, and they are protected under the principles of the Indian Contract Act, 1872.

Which of the statements given above is/are correct?

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

Ans: c

Sol:

- **Statement 1 is correct:** Trade secrets are confidential pieces of information that businesses use to gain a competitive edge. This can include anything from manufacturing processes and customer lists to software algorithms and marketing strategies. The key element is that the information must be kept secret to maintain its value.
- **Statement 2 is correct:** In India, trade secrets are primarily protected under the principles of the Indian Contract Act, 1872, as there is no dedicated "Trade Secrets Act" and protection largely relies on enforcing confidentiality clauses and non-disclosure agreements (NDAs) through contract law.

Q1566. Consider the following statements about Cash Management Bills (CMBs):

1. In India, the state Governments cannot issue CMBs.
2. The investments made by scheduled commercial banks in CMBs are eligible to be counted under their Statutory Liquidity Ratio requirements.

Which of the statements given above is/are correct?

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

Ans: c

Sol: Cash Management Bills are short-term money market instruments issued to meet the temporary mismatch in cash flows of the Government. They are discounted instruments issued for maturities less than 91 days.

- **Statement 1 is correct.** State Governments cannot issue Cash Management Bills in India. Only the Central Government is allowed to issue it. Cash Management Bills are discounted instruments issued for maturities of less than 91 days. They are issued at a discount to the face value and are tradable.
- **Statement 2 is correct.** The cash management bill will be treated as Government of India Treasury Bill and accordingly shall be treated as Statutory Liquidity Ratio securities. Thus, Banks can consider investment in CMBs as a valid investment in government securities for SLR purposes, as recognised under Section 24 of the Banking Regulation Act, 1949.

Topic 523

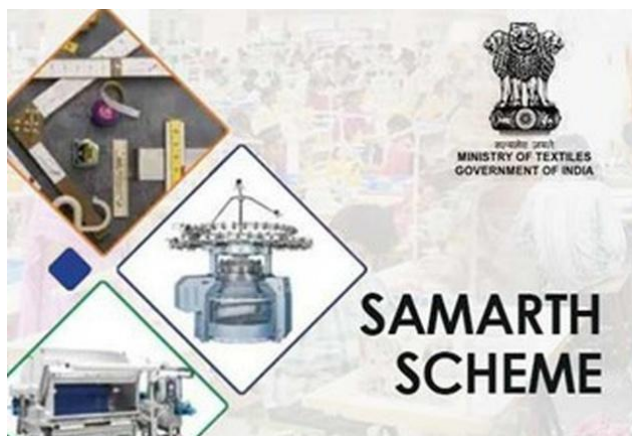
523. SAMARTH Scheme

- The SAMARTH (Scheme for Capacity Building in Textile Sector) scheme is an initiative of the Ministry of Textiles, Government of India, aimed at providing skill development training to boost employment in the textile and related sectors.
- It focuses on creating employment opportunities for youth.
- Special focus on women, rural populations, SC/ST/OBC, minorities, and differently-abled individuals.
- One of the significant aims of SAMARTH is to ensure that at least 70% of the trained individuals are placed in relevant jobs in the textile and related sectors.

Current news?

Inauguration of Skill Training under SAMARTH Scheme for Kaziranga Forest Fringe communities.





Q1567. Consider the following statements regarding the SAMARTH (Scheme for Capacity Building in Textile Sector) scheme:

1. The SAMARTH scheme is implemented by the Ministry of Skill Development and Entrepreneurship to boost employment in the textile sector.
2. The scheme focuses on creating employment opportunities primarily for urban youth with a special emphasis on IT and service sectors.
3. One of the key targets of the scheme is to ensure that at least 70% of trained individuals are placed in jobs related to the textile sector.
4. A recent initiative under SAMARTH includes skill training for communities residing near the Kaziranga Forest.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – The SAMARTH scheme is implemented by the Ministry of Textiles, not the Ministry of Skill Development and Entrepreneurship.
2. **Statement 2 is incorrect** – The scheme focuses on providing employment opportunities for rural youth and marginalized sections, not urban youth and the IT sector.
3. **Statement 3 is correct** – The scheme aims to ensure that at least 70% of the trained individuals are placed in relevant jobs within the textile sector.

4. **Statement 4 is correct** – A recent initiative under SAMARTH includes skill training for communities residing near the Kaziranga Forest.

Q1568. With reference to the SAMARTH scheme, consider the following statements:

1. The scheme places a special focus on providing skill development to women, SC/ST/OBC, minorities, and differently-abled individuals.
2. The SAMARTH scheme includes training for both traditional textile crafts and modern textile technologies.
3. SAMARTH aims to create employment opportunities only in the domestic textile sector, excluding exports.
4. The scheme also provides financial assistance to textile manufacturers for setting up training infrastructure.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

1. **Statement 1 is correct** – The scheme has a special focus on marginalized groups like women, SC/ST/OBC, minorities, and differently-abled individuals.
2. **Statement 2 is correct** – The scheme covers training for both traditional textile crafts and modern textile technologies.
3. **Statement 3 is incorrect** – The scheme targets employment opportunities in both domestic and export markets.
4. **Statement 4 is incorrect** – The scheme does not provide financial assistance to manufacturers for setting up training infrastructure; it focuses solely on skill development.

Q1569. Consider the following pairs:

Geographical Indication (GI) tag	Associated states
1. Majuli Mask	Assam
2. Rupa Tarakasi (Silver Filigree)	Odisha



3. Risa Textile

Meghalaya

How many of the pairs given above is/are correctly matched?

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

Ans: b

Sol:

- **Pair 1 is correctly matched:** In March 2024, the Geographical Indications (GI) Registry of India awarded the Majuli mask of Assam a GI tag to recognize the mask-making tradition's cultural heritage and historical significance. The craft dates back to the 15th century and is made on bamboo frames, with unique clay.
- **Pair 2 is correctly matched:** Cuttak Rupa Tarakasi (silver filigree) of Odisha was granted a Geographical Indication (GI) tag on March 15, 2024. The Cuttack Rupa Tarakasi is known for its intricate craftsmanship, unique designs, and good quality crochet craft. Filigree is ornamental work, especially of fine wire of gold, silver, or copper applied chiefly to gold and silver surfaces.
- **Pair 3 is incorrectly matched:** Risa Textile of Tripura was granted a Geographical Indication (GI) tag. Risa is primarily used as a female upper garment, but can also be worn as headgear, a stole, or as a gift to express respect. It's often worn during festivals and social gatherings.

Topic 524

524. Pradhan Mantri Mudra Yojana

- **Launched in 2015.**
- PMMY provides **collateral free loans to the non-corporate, non-farm small/micro enterprises.**
- For this purpose, **GOI** has instituted a **refinance institution MUDRA** (Micro Units Development & Refinance Agency Ltd).

Eligibility for PMMY

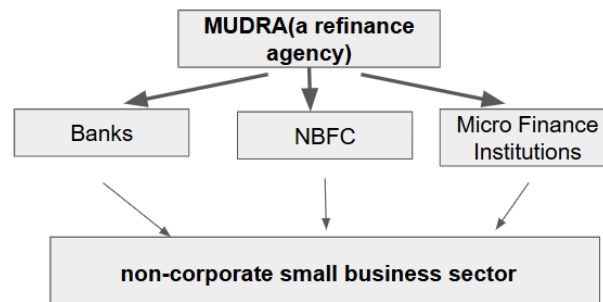
- Any Indian Citizen who has a business plan for a **non-farm income generating activity.**
- The applicant should **not be a defaulter to any bank.**

Categories of Loans under PMMY:

- 'Shishu', 'Kishore' 'Tarun' and 'Tarun Plus'(Recently launched)

Loan categories-

1. **Shishu:** Loans up to ₹50,000.
2. **Kishore:** Loans between ₹50,001 and ₹5 lakh.
3. **Tarun:** Loans between ₹5,00,001 and ₹10 lakh.
4. **Tarun Plus:** Loans between ₹10,00,001 and ₹20 lakh.



Q1570. With reference to Pradhan Mantri Mudra Yojana, consider the following statements:

1. It aims to facilitate collateral free loans of up to 1 crore to small and micro businesses.
2. Under the scheme, commercial banks are mandated to provide a minimum 25% loans to the agriculture sector.
3. Loans under the yojana can be issued by both Commercial Banks and Non-Banking Financial Companies (NBFCs).

Which of the statements given above is/are correct?

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

Ans: d

Sol: Launched in 2015, the Pradhan Mantri MUDRA Yojana (PMMY) is a flagship scheme of the Government of India aimed at providing affordable credit to micro and small enterprises. It has played a crucial role in empowering non-corporate, non-farm small and micro businesses by offering loans.

- **Statement 1 is incorrect:** The Pradhan Mantri Mudra Yojana (PMMY) facilitates collateral-free loans to small and micro businesses up to maximum of 20lakh (not 1 crore) under four



categories based on their funding needs and growth stage. These categories include Shishu (loans up to ₹50,000), Kishore (loans above ₹50,000 and up to ₹5 lakhs), Tarun (loans above ₹5 lakhs and up to ₹10 lakhs), and Tarun Plus (loans above ₹10 lakhs and up to ₹20 lakhs).

- **Statement 2 is incorrect:** The scheme primarily supports micro and small enterprises in non-agricultural sectors, including manufacturing, trading, and services. However, allied agricultural activities (such as dairy, poultry, and beekeeping) are eligible to obtain the loan under the scheme. There is no such specific mandate regarding the agriculture sector in the Mudra scheme.
- **Statement 3 is correct:** Loans under the Yojana are available through all branches of Commercial Banks, Small Finance Banks (SFBs), and Regional Rural Banks (RRBs) across the country under the scheme. Additionally, Non-Banking Financial Companies (NBFCs) and Microfinance Institutions (MFIs) that specialize in financing micro-enterprises engaged in small business activities also provide Mudra loans.

Q1571. Consider the following statements regarding the Pradhan Mantri Mudra Yojana (PMMY):

1. PMMY was launched in 2016 to provide collateral-free loans to small businesses in both farm and non-farm sectors.
2. The loans under PMMY are provided by the Micro Units Development & Refinance Agency Ltd. (MUDRA) directly to the borrowers.
3. The recently introduced 'Tarun Plus' category under PMMY allows loans ranging from ₹10 lakh to ₹20 lakh.
4. Any Indian citizen with a business plan for a non-farm income-generating activity is eligible for PMMY, provided they are not a defaulter to any bank.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – PMMY was launched in 2015, not 2016.
2. **Statement 2 is incorrect** – Loans under PMMY are not provided directly by MUDRA; they are provided by banks and financial institutions. MUDRA acts as a refinance agency.
3. **Statement 3 is correct** – The 'Tarun Plus' category was recently introduced, and it covers loans between ₹10 lakh to ₹20 lakh.
4. **Statement 4 is correct** – Any Indian citizen with a business plan for a non-farm income-generating activity is eligible for PMMY, subject to no default with any bank.

Q1572. With reference to the categories of loans under the Pradhan Mantri Mudra Yojana (PMMY), consider the following statements:

1. The 'Shishu' category covers loans of up to ₹1 lakh for early-stage micro businesses.
2. The 'Kishore' category covers loans between ₹50,001 and ₹5 lakh for growing businesses.
3. The 'Tarun' category covers loans between ₹5,00,001 and ₹15 lakh for well-established businesses.
4. The recently introduced 'Tarun Plus' category expands the loan limit to ₹20 lakh for high-growth enterprises.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – The 'Shishu' category covers loans of up to ₹50,000, not ₹1 lakh.
2. **Statement 2 is correct** – The 'Kishore' category covers loans between ₹50,001 and ₹5 lakh for growing businesses.
3. **Statement 3 is incorrect** – The 'Tarun' category covers loans between ₹5,00,001 and ₹10 lakh, not ₹15 lakh.
4. **Statement 4 is correct** – The recently introduced 'Tarun Plus' category extends the loan limit to ₹20 lakh.



Topic 525
525. PM Gati Shakti Scheme

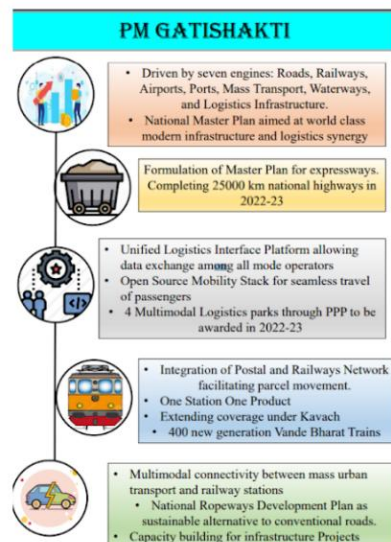
- To provide **speed (Gati)** and **power (Shakti)** to **infrastructure projects**.
- It envisages a **centralised portal** to unite the infrastructural initiatives planned and initiated by as many as **16 central ministries and departments**.
- Infrastructure schemes** of various Ministries and State Governments like **Bharatmala, Sagarmala, inland waterways, dry/land ports, UDAN** will be subsumed etc.

It targets to-

- Cut logistic costs
- Increase cargo handling capacity
- Reduce the turnaround time

Progress so far

- 208 big-ticket infrastructure projects** of different ministries, including roads and railways, worth **Rs 15.39 lakh crore** have been recommended for approval **under the PM Gati Shakti initiative so far**.



Q1573. Consider the following statements regarding the PM Gati Shakti Scheme:

- PM Gati Shakti aims to integrate infrastructure development across 16 central ministries through a centralised portal.
- The scheme includes major infrastructure schemes like Bharatmala, Sagarmala, inland waterways, dry/land ports, and UDAN under a single framework.
- The scheme's key goals include cutting logistics costs, increasing cargo handling

capacity, and improving ease of doing business.

- As of now, 208 projects worth ₹15.39 lakh crore have been approved under the PM Gati Shakti initiative.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: c

Sol:

- Statement 1 is correct** – PM Gati Shakti integrates infrastructure planning across 16 central ministries through a centralised portal.
- Statement 2 is correct** – The scheme subsumes infrastructure schemes like Bharatmala, Sagarmala, inland waterways, dry/land ports, and UDAN.
- Statement 3 is incorrect** – The scheme focuses on cutting logistics costs, increasing cargo handling capacity, and reducing turnaround time — not directly on improving ease of doing business.
- Statement 4 is correct** – 208 projects worth ₹15.39 lakh crore have been recommended for approval under the PM Gati Shakti initiative.

Q1574. With reference to the PM Gati Shakti Scheme, consider the following statements:

- The scheme aims to reduce logistics costs and turnaround time to make Indian exports more competitive.
- PM Gati Shakti exclusively focuses on developing road and railway infrastructure.
- Infrastructure projects under the scheme are planned using satellite imagery and GIS-based planning tools.
- The scheme also facilitates better coordination between the central and state governments for infrastructure development.

Which of the statements given above is/are correct?

- 1 and 2 only
- 1, 3, and 4 only
- 2, 3, and 4 only
- 1, 2, 3, and 4

Ans: b



Sol:

- Statement 1 is correct** – Reducing logistics costs and improving turnaround time are key goals to enhance the competitiveness of Indian exports.
- Statement 2 is incorrect** – The scheme covers multiple sectors beyond road and rail, including inland waterways, ports, and air connectivity.
- Statement 3 is correct** – Projects under PM Gati Shakti are planned using satellite imagery and GIS-based tools for better accuracy and planning.
- Statement 4 is correct** – The scheme promotes improved coordination between the central and state governments for efficient infrastructure development.

Q1575. Consider the following statements about the National Bank for Financing Infrastructure and Development (NaBFID):

1. It is a statutory body under the Ministry of Finance, Government of India.
 2. It primarily issues short-term loans to the corporates to meet their working capital requirements.
 3. It is allowed to raise funds by issuing bonds in the financial market.
- Which of the statements given above is/are correct?

- (a) 1 only
(b) 1 and 3 only
(c) 2 and 3 only
(d) None of the above

Ans: b

Sol: The National Bank for Financing Infrastructure and Development (NaBFID) is a specialized Development Finance Institution in India aimed at supporting the country's infrastructure sector.

- **Statement 1 is correct.** NaBFID is a statutory body under the Department of Financial Services, Ministry of Finance, Government of India. It was set up in 2021 by an Act of the Parliament-The National Bank for Financing Infrastructure and Development Act, 2021. It is regulated by the Reserve Bank of India as an All-India Financial Institution, under Section 45L and 45N of the Reserve Bank of India Act, 1934.

- **Statement 2 is incorrect.** NaBFID primarily issues long-term loans to the corporates to meet their credit requirements for building infrastructure. It has been established to support the development of infrastructure in the country, which are long gestation projects having long-term credit needs.
- **Statement 3 is correct.** NaBFID can raise funds by issuing bonds in the financial market. It also gets grants from the Central Governments and loans from multilateral agencies like the World Bank.

Topic 526

526. National Infrastructure Pipeline project

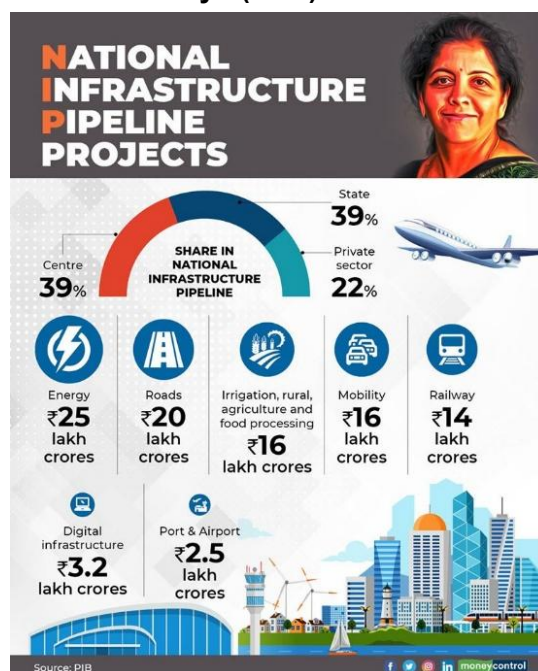
- The Gati Shakti scheme **subsumed National Infrastructure Pipeline** that was launched in 2019.
- **National Infrastructure Pipeline is Rs 110 Lakh crore** to be invested in next 5 years in infrastructure.
- Projects will be brought in **PPP model**. Where **investment ratio** will be-

Centre- 39%

States- 39%

Private sector- 22%

- **Private sector**-projects like **toll roads** where private players may be **interested**.
- **Major Investment areas**- **Energy (24%)**, **Roads (19%)**, **Urban (16%)**, and **Railways (13%)**.



Q1576. In the context of the Indian economy, which of the following is/are the purpose/purposes of 'National Monetisation Pipeline'?

1. To raise funds through the transfer of ownership rights of public assets to private entities.
2. To raise funds through leasing of both greenfield and brownfield projects.
3. To raise funds through disinvestment and monetization of primarily non-core assets of the Government.

Select the correct answer using the code given below:

- (a) 1 only
(b) 1 and 3 only
(c) 2 and 3 only
(d) None

Ans: d

Sol: The 'National Monetisation Pipeline' was launched in 2021. The pipeline has been developed by NITI Aayog. It aims to lease out public assets to private entities for revenue generation. It involves engaging private operators for government-owned, revenue-generating assets. The NMP included assets with monetisation potential of Rs. 6 lakh crores during the four-year period.

In an asset monetisation transaction, the government is basically transferring revenue rights to private parties for a specified transaction period in return for upfront money, a revenue share, and commitment of investments in the assets.

- **Statement 1 is incorrect.** NMP aims to unlock value in brownfield projects by engaging the private sector. The asset is to be transferred to the private sector with revenue rights and not ownership in the projects. The primary ownership of the assets under these structures, hence, continues to be with the Government. The funds so generated are to be used for infrastructure creation across the country.
- **Statement 2 is incorrect.** NMP involves monetization of only brownfield projects, and not greenfield projects.
- **Statement 3 is incorrect.** The Monetization through NMP only includes core assets. Monetization through disinvestment and monetization of non-core assets have not been included in the NMP. Further, currently, only

assets of central government line ministries and CPSEs in infrastructure sectors have been included.

Of the core assets which are generating revenue or those which have substantially completed facilities and can be augmented for future operations have been considered as potential core assets for monetization therein. Knowledge Base:

1. Roads, railways and power sector assets will comprise over 66% of the total estimated value of the assets to be monetised.
2. The sectors included are roads, ports, airports, railways, warehousing, gas & product pipeline, power generation and transmission, mining, telecom, stadium, hospitality and housing.
3. The top 5 sectors (by estimated value) capture ~83% of the aggregate pipeline value. These top 5 sectors include: Roads (27%) followed by Railways (25%), Power (15%), oil & gas pipelines (8%) and Telecom (6%).

Q1577. Consider the following statements regarding the National Infrastructure Pipeline (NIP) project:

1. The National Infrastructure Pipeline (NIP) was launched in 2019 with an investment target of ₹110 lakh crore over the next five years.
2. The NIP follows a Public-Private Partnership (PPP) model, where the Centre and State Governments contribute 50% each.
3. The major sectors covered under NIP include Energy, Roads, Urban Infrastructure, and Railways.
4. Private sector investment under NIP is focused on projects like toll roads where private players may be interested.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- Statement 1 is correct** – The NIP was launched in 2019 with an investment target of ₹110 lakh crore over the next five years.
- Statement 2 is incorrect** – The investment contribution under the NIP is structured as Centre – 39%, States – 39%, and Private



Sector – 22%, not 50% each for Centre and State.

3. **Statement 3 is correct** – The major sectors covered under NIP are Energy (24%), Roads (19%), Urban Infrastructure (16%), and Railways (13%).
4. **Statement 4 is correct** – Private sector investment is encouraged for projects like toll roads where profitability and direct user payments are possible.

Q1578. With reference to the National Infrastructure Pipeline (NIP), consider the following statements:

1. The NIP has been integrated under the PM Gati Shakti Scheme to improve infrastructure coordination and execution.
2. Private sector participation in the NIP is limited to infrastructure sectors like energy and railways due to high capital requirements.
3. The NIP aims to allocate the largest share of investment to the urban sector to support rapid urbanization.
4. The NIP promotes a balanced investment structure, with equal shares from the Centre, States, and Private Sector.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

1. **Statement 1 is correct** – The NIP has been integrated into the PM Gati Shakti Scheme to enhance execution and reduce project delays.
2. **Statement 2 is correct** – Private sector participation is encouraged in infrastructure projects like energy and railways due to their capital-intensive nature.
3. **Statement 3 is incorrect** – The energy sector (24%) receives the largest share of NIP investment, not the urban sector (16%).
4. **Statement 4 is incorrect** – The investment structure under NIP is Centre – 39%, States – 39%, and Private Sector – 22%, not equal shares.

Topic 527

527. National Monetisation Pipeline

What is Asset Monetization?

- It's the process of **conversion of assets into economic value** through process like **leasing out or renting**.

National Monetisation pipeline plan

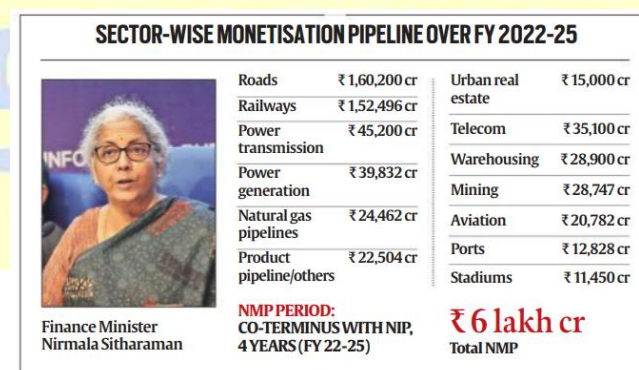
- Government of India introduced a 4-year period (2022-25) of ₹6 lakh-crore National Monetisation Pipeline (NMP)

The top five sectors

- **roads (27%), railways (25%), power (15%), oil and gas pipelines (8%) and telecom (6%)**
- The funds will then be used to **build new infrastructure** assets.

National Land Monetisation Corporation

- Government has set up **NLMC as wholly owned company**
- NLMC will **monetise the surplus land of other CPSEs** and government agencies
- NLMC will be **under the Finance ministry**



Q1579. Consider the following statements regarding the National Monetisation Pipeline (NMP):

1. The National Monetisation Pipeline (NMP) aims to raise ₹6 lakh crore over a 4-year period (2022–25) through asset monetisation.
2. The top three sectors contributing to the NMP are roads, railways, and power.
3. The funds raised through NMP will be used to reduce the fiscal deficit and pay off government debt.
4. The oil and gas sector contributes more to the NMP target than the telecom sector.

How many of the above statement(s) is/are correct?

- (a) Only one
(b) Only two



- (c) Only three
(d) All four

Ans: c

Sol:

- Statement 1 is correct** – NMP targets raising ₹6 lakh crore over a 4-year period (2022–25) through asset monetisation.
- Statement 2 is correct** – The top three contributing sectors are roads (27%), railways (25%), and power (15%).
- Statement 3 is incorrect** – The funds raised from NMP are to be used to build new infrastructure assets, not to reduce fiscal deficit or pay government debt.
- Statement 4 is correct** – The oil and gas sector contribute 8%, which is higher than the telecom sector's 6% share in NMP.

Q1580. With reference to the National Land Monetisation Corporation (NLMC), consider the following statements:

- NLMC is a wholly owned government company set up to monetise surplus land held by Central Public Sector Enterprises (CPSEs) and government agencies.
- NLMC operates under the administrative control of the Ministry of Commerce and Industry.
- The primary objective of NLMC is to generate non-tax revenue and reduce budgetary dependence on borrowings.
- NLMC is authorised to sell surplus land to private entities and foreign investors through direct allocation.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

- Statement 1 is correct** – NLMC is a wholly owned company set up to monetise surplus land held by CPSEs and government agencies.

- Statement 2 is incorrect** – NLMC operates under the Ministry of Finance, not the Ministry of Commerce and Industry.
- Statement 3 is correct** – The objective of NLMC is to generate non-tax revenue and reduce budgetary dependence on borrowings.
- Statement 4 is incorrect** – NLMC can monetise land through leasing or renting, but direct sale to private entities and foreign investors is not permitted under the current framework.

Q1581. Consider the following statements:

Statement I: Non-major ports in India fall outside the ambit of the Indian Ports Act, 1908.

Statement II: Non-major ports in India are under the jurisdiction of respective State Maritime Boards/State Government.

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

- (a) Both Statement-I and Statement-II are correct, and Statement-II explains Statement-I.
(b) Both Statement-I and Statement-II are correct, but Statement-II does not explain Statement-I.
(c) Statement-I is correct, but Statement-II is incorrect.
(d) Statement-I is incorrect, but Statement-II is correct.

Ans: d

Sol: India has 12 Major ports and 200+ minor (non-major) ports along its coastline, which play a crucial role in regional trade, coastal shipping, and industrial development. Out of all minor ports, around 65 handle cargo, while the remaining ports fall under "Port Limits", serving as hubs for fishing vessels and small ferries that transport passengers across creeks and waterways.

- Statement I is incorrect:** All minor (non-major) ports in India, are governed under the Indian Ports Act, 1908 (IPA, 1908).
 - This Act, which consists of 69 sections and two schedules, regulates various aspects of port operations, including berths, stations, anchoring, fastening, mooring, and unmooring of vessels.
 - Also, the Major Ports in India are governed under the Major Port Trusts act, 1963.
- Statement II is correct:** While major ports are under the direct administrative control of the Ministry of Ports, Shipping & Waterways,



Government of India. The minor (non-major) ports fall under the jurisdiction and administrative control of State Maritime Boards or State Governments. The Ministry of Ports, Shipping & Waterways, Government of India plays a policy-making and regulatory role but does not directly administer minor ports. **Therefore, Statement-I is incorrect, but Statement-II is correct.**

Topic 528

528. 21st Livestock Census

- The Livestock Census is **conducted every five years.**
- The census carries out a **headcount** of the number of **domesticated animals, poultry, and stray animals** in the country.
- **Since 1919**, a total of **20 livestock censuses have been carried out so far,** with the last being conducted in 2019.

Current news?

- Recently, the Union Minister of Fisheries, Animal Husbandry and Dairying launched the **21st Livestock Census in New Delhi**.
- Information on **sixteen animal species** will be collected in the 21st census.

These include: cattle, buffalo, Mithun, yak, sheep, goat, pig, camel, horse, ponies, mule, donkey, dog, rabbit, and elephant.

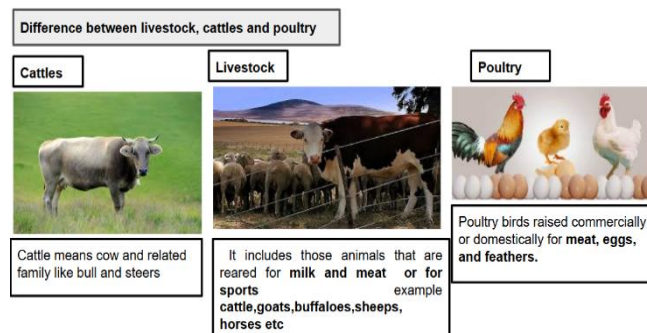
WHAT THE 2019 LIVESTOCK CENSUS FOUND

535.78 mm

was the total livestock population. This included:

Cattle	192.9 mm
Goats	148.88 mm
Buffaloes	109.85 mm
Sheep	74.26 mm
Pigs	9.06 mm

All other animals taken together contributed just **0.23%** of the total livestock population in India



Q1582. Which of the following are included in the ambit of Gross Fixed Capital Formation in the Indian economy?

1. Increments in livestock in respect of breeding stock
 2. Intangible assets like software's
 3. Transactions which are part of intermediate consumption
 4. Durable goods in the hands of the households.
- Select the correct answer using the code given below.

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

Ans: a

Sol: The investments made in fixed assets is termed as Gross Fixed Capital Formation.

- **Option 1 is correct.** Increments in livestock in respect of breeding stock, drought animals, dairy cattle and other animals raised for wool clippings are also part of Gross Fixed Capital Formation.
- **Option 2 is correct.** Intangible assets like softwares are a part of Gross Fixed Capital Formation. They are thus include along with tangible assets like construction and machinery.
- **Option 3 is incorrect.** Transactions which are part of intermediate consumption is not a part of Gross Fixed Capital Formation. Gross Fixed Capital Formation refers to the acquisition of new fixed assets like buildings, machinery, and equipment, meaning that items classified as intermediate consumption are not considered part of capital formation.
- **Option 4 is incorrect.** Durable goods in the hands of the households is not part of Gross Fixed Capital Formation as it is used for



household consumption and not for further production.

Q1583. Consider the following statements regarding the 21st Livestock Census:

1. The Livestock Census is conducted every five years and includes a headcount of domesticated animals, poultry, and stray animals.
2. The 21st Livestock Census will collect information on 16 animal species including cattle, buffalo, and horses.
3. The Livestock Census was first conducted in 1921 and has been held regularly every five years since then.
4. The 21st Livestock Census was launched by the Prime Minister of India in New Delhi.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – The Livestock Census is conducted every five years and includes data on domesticated animals, poultry, and stray animals.
2. **Statement 2 is correct** – The 21st Livestock Census covers 16 animal species including cattle, buffalo, and horses.
3. **Statement 3 is incorrect** – The first Livestock Census was conducted in 1919, not 1921.
4. **Statement 4 is incorrect** – The 21st Livestock Census was launched by the Union Minister of Fisheries, Animal Husbandry and Dairying, not the Prime Minister.

Q1584. With reference to the Livestock Census in India, consider the following statements:

1. The Livestock Census includes information on both domesticated and wild animals for better understanding of biodiversity and ecological balance.
2. The 21st Livestock Census is expected to gather data on new categories like exotic pets and birds.
3. The census has been conducted regularly since 1919 without any gap or delay.

4. The 21st Livestock Census will provide data on the population of dogs, rabbits, and elephants in India.

Which of the statements given above is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is incorrect** – The Livestock Census includes information only on domesticated animals, poultry, and stray animals, not wild animals.
2. **Statement 2 is correct** – The 21st Livestock Census aims to collect data on new categories such as exotic pets and birds.
3. **Statement 3 is incorrect** – Although the first census was conducted in 1919, there have been gaps and delays in conducting some censuses.
4. **Statement 4 is correct** – The 21st Livestock Census includes data on dogs, rabbits, and elephants among the 16 listed species.

Topic 529

529. BioE3 Policy

- The Indian government has recently unveiled the **BioE3** (Biotechnology for Economy, Environment, and Employment) **policy**.

Aim

- Setting up **enzyme-manufacturing facilities** to **support 2G** (second-generation) **bio-ethanol plants**.

Benefit

- The **BioE3 policy** supports the **use of agricultural residues** and **municipal waste** as **feedstock** for ethanol production, which could help manage waste and **reduce pollution from burning stubble**.

Ethanol blending policy

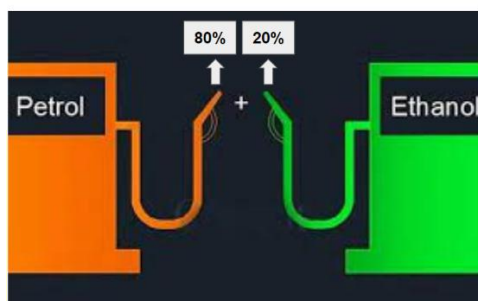
- Production of **E-20 petrol by 2025**.
- It means **blending 20 per cent ethanol** in petrol by **2025**.

2G ethanol plant in Assam



- The **expansion project** of the **Numaligarh refinery** aims to increase its capacity from **3 MMTPA to 9 MMTPA** and is expected to be **completed by December 2025**.
- The **2G biorefinery (uses bamboo as feedstock)**

Edible Sources:
Hence not
considered a
very good
option



Q1585. Consider the following statements regarding the BioE3 (Biotechnology for Economy, Environment, and Employment) policy:

1. The BioE3 policy supports the establishment of enzyme-manufacturing facilities to enhance the production of 2G bio-ethanol.
2. Under the ethanol blending policy, the government aims to produce E-10 petrol by 2025, which involves blending 10% ethanol in petrol.
3. The BioE3 policy encourages the use of agricultural residues and municipal waste as feedstock for ethanol production to reduce pollution and stubble burning.
4. The 2G biorefinery at Numaligarh refinery in Assam will use sugarcane as the primary feedstock for ethanol production.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – The BioE3 policy focuses on setting up enzyme-manufacturing facilities to support 2G (second-generation) bio-ethanol plants.
2. **Statement 2 is incorrect** – The target under the ethanol blending policy is to produce E-20 petrol (20% ethanol) by 2025, not E-10 petrol.
3. **Statement 3 is correct** – The policy promotes the use of agricultural residues and municipal waste for ethanol production to manage waste and reduce pollution.
4. **Statement 4 is incorrect** – The 2G biorefinery at Numaligarh refinery will use bamboo, not sugarcane, as the primary feedstock.

Q1586. With reference to the BioE3 policy and ethanol production in India, consider the following statements:

1. The Numaligarh refinery in Assam aims to expand its capacity from 3 MMTPA to 9 MMTPA by December 2025.
2. The BioE3 policy is expected to help India reduce its dependence on imported crude oil by encouraging domestic ethanol production.
3. The 2G bio-ethanol plants supported under the BioE3 policy primarily use food grains as feedstock.
4. The BioE3 policy also focuses on developing bio-based products beyond ethanol, such as bioplastics and biofertilizers.

Which of the statements given above is/are correct?

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

Ans: c

Sol:

- Statement 1 is correct** – The Numaligarh refinery's capacity is set to increase from 3 MMTPA to 9 MMTPA by December 2025 under the expansion project.
- Statement 2 is correct** – The increased ethanol production under BioE3 policy is expected to reduce dependence on imported crude oil by promoting domestic production.



3. **Statement 3 is incorrect** – 2G bio-ethanol plants use non-food biomass like agricultural residues and bamboo, not food grains.
4. **Statement 4 is correct** – The BioE3 policy includes broader goals like promoting the development of bio-based products such as bioplastics and biofertilizers.

Q1587. In context to financial markets in India, consider the following activities:

1. Impact Investing
2. Front Running
3. Circular Trading
4. Cross Margining
5. Dabba Trading

Which of the above-mentioned activities are prohibited in India?

- (a) 1, 3 and 4 only
- (b) 1, 2 and 5 only
- (c) 2, 3 and 5 only
- (d) 2, 3, 4 and 5 only

Ans: c

Sol:

- **Option 1 is incorrect.** Impact Investing is an investment strategy that aims to generate specific social or environmental effects in addition to financial gains. The impact investment provides capital to address the world's most pressing challenges in sectors including energy, microfinance, healthcare, sustainable agriculture, infrastructure and housing. It is allowed in India.
- **Option 2 is correct.** Front running is a malpractice where a dealer, or broker purchases some shares using information related to orders of investors. Brokers have access to information related to orders of investors in advance. If they illegally use this information to trade in securities to obtain profits on their personal account, such a practice is called front running. It is illegal in India.
- **Option 3 is correct.** A circular trade happens when two or more persons join hands and start trading in a scrip among themselves. Circular trading creates a false notion of active stock transaction, thus influencing the stock price. It is a practice to artificially inflate the volume of the stock and its price without any real change

in transaction. Circular trading is prohibited in India.

- **Option 4 is incorrect.** Cross margining is a concept whereby a trader can transfer excess margin from one account to another account to satisfy margin maintenance requirements. This process enables market participants to use all of their available margin across all of their accounts. This raises the liquidity by reducing margin requirements and lowering net settlements. NSE had started a cross-margining facility in January 2020.
- **Option 5 is correct.** Dabba trading is an illegal and unregulated form of trading in securities. In dabba trading, traders place deals in securities without the trades actually being executed on any official SEBI recognized stock exchange. Dabba trading is done by betting on the stock prices to make a profit without actually getting into the buying and selling of stocks in the stock market. These trades are settled internally by the dabba operator and are outside the purview of stock exchanges and regulatory bodies.

Topic 530

530. Digital Agriculture Mission

- Govt launched **Digital Agriculture Mission** with allocation of **Rs 2,800 crore**.

Key Components

1. **AgriStack**
 - A comprehensive database of farmers, capturing details such as landholding, crop cultivation, and income.
2. **Krishi Decision support system**
 - Enabling farmers to make informed decisions about fertilizers and crop selection.
3. **Crop Sown Registry**
 - Help farmers to make **claim under PM Fasal Bima Yojana**, an insurance scheme protecting farmers from crop failures.
4. **Digital Agricultural Marketplace**
 - An online platform connecting farmers with buyers, processors, and exporters.
5. **Digital Land Record System (help in land reforms)**
 - A digital platform for maintaining land records and ensuring secure ownership rights.
 - This will help landless farmers to get land on rent to practice agriculture.





DIGITAL AGRICULTURE MISSION

Core idea of Digital Agriculture Mission

- To **create DPI** in the agriculture sector similar to the government's flagship platforms such as the **Aadhaar and UPI**.

Q1588. Consider the following statements regarding the Digital Agriculture Mission:

- The Digital Agriculture Mission was launched by the Government of India with an allocation of ₹2,800 crore.
- The Agristack under the mission aims to create a comprehensive database of farmers, including details of their landholding, crop cultivation, and income.
- The Crop Sown Registry will assist farmers in making claims under the PM-KISAN scheme.
- The Digital Land Record System will help landless farmers gain ownership of agricultural land through state grants.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:

- Statement 1 is correct** – The Digital Agriculture Mission was launched by the Government of India with a total allocation of ₹2,800 crore.
- Statement 2 is correct** – The Agristack aims to create a detailed database of farmers, including their landholding, crop details, and income.

- Statement 3 is incorrect** – The Crop Sown Registry helps farmers make claims under the PM Fasal Bima Yojana (crop insurance scheme), not PM-KISAN.
- Statement 4 is incorrect** – The Digital Land Record System will help landless farmers get land on rent for agricultural purposes, but it does not provide ownership through state grants.

Q1589. With reference to the Digital Agriculture Mission, consider the following statements:

- The Krishi Decision Support System under the mission will assist farmers in selecting the right fertilizers and crop varieties.
- The Digital Agricultural Marketplace will allow farmers to sell their produce directly to international buyers without involving intermediaries.
- The Digital Land Record System will ensure transparent ownership rights and facilitate land leasing for agricultural purposes.
- The Agristack will also capture data related to livestock ownership and farm equipment.

Which of the statements given above is/are correct?

- 1 and 2 only
- 1, 3, and 4 only
- 2, 3, and 4 only
- 1 and 3 only

Ans: d

Sol:

- Statement 1 is correct** – The Krishi Decision Support System is designed to help farmers make informed decisions about fertilizer use and crop selection.
- Statement 2 is incorrect** – The Digital Agricultural Marketplace facilitates connections between farmers and buyers, processors, and exporters, but it does not explicitly target international buyers or bypass intermediaries altogether.
- Statement 3 is correct** – The Digital Land Record System will ensure transparent land ownership and also help landless farmers lease land for cultivation.
- Statement 4 is incorrect** – The Agristack focuses on farmers' landholding, crop cultivation, and income, but it does not include livestock or farm equipment data.



Q1590. With reference to the Khadi and Village Industries Commission (KVIC), consider the following statements:

1. It is a statutory body under the Ministry of Rural Development.
 2. It provides refinance facility to loans that are provided to the cottage industries in rural areas.
- Which of the statements given above is/are correct?

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

Ans: d

Sol:

- **Statement 1 is incorrect.** The Khadi and Village Industries Commission (KVIC) is a statutory body under the Ministry of Micro, Small and Medium Enterprises (MSME). It was established under the Khadi and Village Industries Commission (KVIC) Act of 1956, with the primary objective of promoting and developing Khadi and village industries in rural areas to generate employment and strengthen the rural economy.
- **Statement 2 is incorrect.** KVIC does not function as a financial institution or refinancing agency. This function is typically performed by NABARD (National Bank for Agriculture and Rural Development), which provides refinancing support for rural credit institutions. Knowledge Base: The functions of the KVIC are as follows:
 1. To build a strategic reserve of raw materials and implements for supply to producers.
 2. To create common service facilities for processing of raw materials as semi-finished goods and provisions of facilities for marketing of KVI products.
 3. To enhance the sale and marketing of Khadi and other products of village industries or handicrafts.
 4. To be responsible for encouraging and promoting research in the production techniques and equipment employed in the Khadi and Village Industries sector.
 5. To provide financial assistance to institutions and individuals for developing and guiding Khadi and Village industries

through the supply of designs, prototype and other technical information.

6. To assure genuineness of the products and to set standards for the quality of products from the Khadi and Village Industries.

Day 54

Topic 531

531. SWIFT system

- Society for World Interbank Financial Telecommunication System.
- It is a **global financial messaging service** that enables financial institutions worldwide to **send and receive information** about **financial transactions** in secure, standardized and reliable environment.
- **SWIFT** itself does **not transfer money or hold accounts**.
- It is used to **transmit messages** relating to **cross border financial transactions**.
- It was founded in **1973** and is headquartered in La Hulpe, **Belgium**.
- It is a **cooperative society** under **Belgian law**.

SWIFT Ban over Russia

- After beginning of Russia **Ukraine war**, the **European Union, US, UK and allies** agreed to **exclude a number of Russian banks from SWIFT**.

Current news?

- **Russia has proposed** that **India use its own financial messaging system** as an **alternative to the SWIFT** global network.
- This system is **designed to help** facilitate **rupee-ruble trade settlements** between the two countries.



Q1591. Consider the following statements regarding the SWIFT system:

1. SWIFT is a global financial messaging service that allows financial institutions to transfer money securely across borders.
2. SWIFT operates under the jurisdiction of the European Central Bank (ECB) and follows European Union regulations.
3. The headquarters of SWIFT is located in La Hulpe, Belgium.
4. SWIFT was established in 1973 as a cooperative society under Belgian law.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – SWIFT does not transfer money; it only facilitates secure messaging about financial transactions.
2. **Statement 2 is incorrect** – SWIFT is a cooperative under Belgian law, not regulated by the European Central Bank (ECB).
3. **Statement 3 is correct** – SWIFT is headquartered in La Hulpe, Belgium.
4. **Statement 4 is correct** – SWIFT was founded in 1973 as a cooperative society under Belgian law.

Q1592. With reference to the SWIFT ban on Russia, consider the following statements:

1. The decision to exclude Russian banks from SWIFT was taken by the United Nations Security Council (UNSC) through a unanimous resolution.
2. The ban on Russian banks from SWIFT was imposed by the European Union, the US, and their allies in response to the Russia-Ukraine conflict.
3. Russia has proposed that India use its own financial messaging system to facilitate trade settlements in rupees and rubles as an alternative to SWIFT.
4. The SWIFT ban on Russia has completely prevented all Russian banks from conducting international financial transactions.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – The ban on Russian banks from SWIFT was imposed by the EU, US, and allies, not through a UNSC resolution.
2. **Statement 2 is correct** – The SWIFT ban on Russian banks was a coordinated effort by the EU, US, UK, and their allies following the Russia-Ukraine conflict.
3. **Statement 3 is correct** – Russia has proposed using its own financial messaging system to settle trade in rupees and rubles as an alternative to SWIFT.
4. **Statement 4 is incorrect** – Not all Russian banks were banned from SWIFT; some banks were allowed to continue limited transactions for specific purposes, such as energy payments.

Q1593. With reference to the structure and functioning of the SWIFT system, consider the following statements:

1. SWIFT is used to transmit messages about financial transactions, but it does not hold accounts or transfer funds.
2. The SWIFT system operates on a secure platform, which ensures the authenticity and integrity of financial messaging through encryption.
3. SWIFT is governed by a board of directors consisting of representatives from the G7 countries.
4. SWIFT enables direct financial communication between governments and multinational corporations only, excluding private banks.

Which of the statements given above is/are correct?

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

Ans: a



Sol:

1. **Statement 1 is correct** – SWIFT transmits financial messages but does not hold accounts or transfer funds directly.
2. **Statement 2 is correct** – SWIFT operates on a secure encrypted platform to ensure the authenticity and security of financial messages.
3. **Statement 3 is incorrect** – SWIFT's board of directors includes representatives from member financial institutions, not just G7 countries.
4. **Statement 4 is incorrect** – SWIFT is used by a wide range of financial institutions, including private banks, not just governments and multinational corporations.

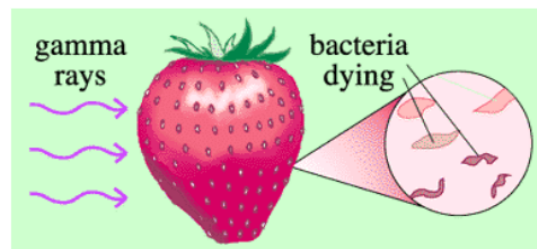
Topic 532

532. Food Irradiation Technology

- As per this technology **food products** are **exposed to ionizing radiation** in a **controlled environment**.
- This method is used to **eliminate harmful microorganisms, pests**, and insects from food.
- The technology **reduces the risk of foodborne illnesses**.
- The technology has been **endorsed by** global standards like the **Codex Alimentarius Commission**.
- The **Union budget for 2024-25** supports the setup of **50 multi-product food irradiation units** in the **MSME sector** to enhance food safety.

Positive example of Food Irradiation Technology-

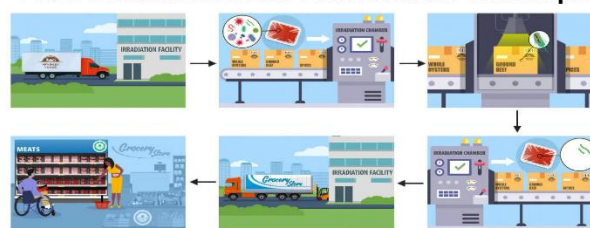
- India's agreement to **irradiate mangoes for export** to the **US**.
- **Earlier there was a ban on Indian mango of export for last 20 years due to food safety issues.**
- The recent agreement **showcases** the **potential of food irradiation** in enhancing export opportunities.



Codex Alimentarius Commission

- An **intergovernmental body** established by the **Food and Agriculture Organization** and the **World Health Organization (WHO)**.
- Provides **international standards**, guidelines for **food safety**.

Food Irradiation: Food Preservation Technique



Q1594. Consider the following statements regarding Food Irradiation Technology:

1. Food irradiation technology involves exposing food products to non-ionizing radiation in a controlled environment to eliminate pests and harmful microorganisms.
2. The technology helps in reducing the risk of foodborne illnesses and improving food safety.
3. The Codex Alimentarius Commission has endorsed food irradiation technology for its effectiveness and safety.
4. The Union Budget for 2024–25 has proposed setting up 100 multi-product food irradiation units in the MSME sector to enhance food safety.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – Food irradiation technology involves exposing food to ionizing radiation (not non-ionizing radiation) in a controlled environment.



2. **Statement 2 is correct** – Food irradiation helps reduce the risk of foodborne diseases by eliminating harmful microorganisms and pests.
3. **Statement 3 is correct** – The Codex Alimentarius Commission has endorsed food irradiation technology as safe and effective.
4. **Statement 4 is incorrect** – The Union Budget for 2024–25 supports setting up 50 multi-product food irradiation units, not 100.

Q1595. With reference to the positive impact of Food Irradiation Technology, consider the following statements:

1. The US lifted a 20-year ban on Indian mangoes after India agreed to irradiate them for export.
2. Food irradiation improves the shelf life of perishable food items by slowing down the ripening process and preventing spoilage.
3. Food irradiation technology increases the nutritional value of food by enhancing the vitamin and mineral content.
4. The recent success of mango exports to the US indicates the potential of food irradiation technology to enhance export opportunities for India.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – The US lifted a 20-year ban on Indian mangoes after India agreed to irradiate them for export, addressing food safety concerns.
2. **Statement 2 is correct** – Food irradiation helps extend the shelf life of perishable items by slowing ripening and preventing spoilage.
3. **Statement 3 is incorrect** – Food irradiation does not enhance the nutritional value of food; it mainly preserves food and prevents contamination.
4. **Statement 4 is correct** – The export of mangoes to the US highlights the potential of food irradiation technology in boosting international trade.

Q1596. Regarding the functioning and international acceptance of Food Irradiation Technology, consider the following statements:

1. Food irradiation is widely used in developed countries, including the United States and European Union, for treating meat, spices, and fresh produce.
2. The Codex Alimentarius Commission sets maximum allowable radiation levels for different food items to ensure safety and prevent overexposure.
3. In food irradiation, the food itself becomes radioactive after exposure to ionizing radiation, which raises health concerns.
4. The primary types of ionizing radiation used for food irradiation are gamma rays, X-rays, and electron beams.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – Food irradiation is widely used in the US and EU for treating various food products.
2. **Statement 2 is correct** – The Codex Alimentarius Commission sets limits for radiation exposure for different food items to ensure safety.
3. **Statement 3 is incorrect** – Food irradiation does not make the food radioactive after exposure to ionizing radiation.
4. **Statement 4 is correct** – The three primary types of ionizing radiation used for food irradiation are gamma rays, X-rays, and electron beams.

Topic 533

533. Right to disconnect

- The Right to Disconnect refers to a **worker's right to disengage from work** and not participate in **work-related communications** (such as emails, phone calls, or messages) outside of official working hours.



- “Right to Disconnect” law has been **recently passed in Australia.**

Global Examples

- **France: One of the first countries** to enact the Right to Disconnect law in 2017 **followed by Italy.**

There is **no such national law** yet in India.



Q1597. Consider the following statements regarding the "Right to Disconnect":

1. The Right to Disconnect allows workers to disengage from work-related communications like emails and phone calls outside of official working hours without facing penalties.
2. France was the first country to pass the Right to Disconnect law in 2017, followed by Italy.
3. Australia recently became the third country globally to enact a national Right to Disconnect law.
4. India has enacted a Right to Disconnect law, which applies to both government and private sector employees.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – The Right to Disconnect allows employees to avoid work-related communication outside working hours without penalties.
2. **Statement 2 is correct** – France passed the Right to Disconnect law in 2017, followed by Italy.
3. **Statement 3 is incorrect** – While Australia recently passed the law, it is not the third country globally to enact such a law.

4. **Statement 4 is incorrect** – India has not enacted any national Right to Disconnect law yet.

Q1598. With reference to the global status of the Right to Disconnect, consider the following statements:

1. The Right to Disconnect law is legally binding in France, but only advisory in Italy.
2. Australia's Right to Disconnect law applies only to government employees, excluding the private sector.
3. The Right to Disconnect aims to improve work-life balance and reduce burnout among employees.
4. India has drafted a Right to Disconnect bill, but it has not yet been passed into law.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – The Right to Disconnect law is legally binding in both France and Italy.
2. **Statement 2 is incorrect** – Australia's Right to Disconnect law applies to both government and private sector employees.
3. **Statement 3 is correct** – The objective of the Right to Disconnect is to enhance work-life balance and reduce employee burnout.
4. **Statement 4 is correct** – India has discussed a Right to Disconnect bill, but it has not been passed into law.

Q1599. Regarding the Right to Disconnect law and its international implementation, consider the following statements:

1. France's Right to Disconnect law mandates that companies with more than 50 employees must establish rules on out-of-hours communication.
2. Italy's Right to Disconnect law provides the right to disconnect only for government employees, not private sector workers.
3. Australia's Right to Disconnect law includes penalties for employers who violate an



employee's right to disengage after working hours.

4. The Right to Disconnect in France and Italy was introduced as part of broader labor reforms to address employee mental health issues.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- Statement 1 is correct** – France's Right to Disconnect law requires companies with more than 50 employees to define rules on after-hours communication.
- Statement 2 is incorrect** – Italy's Right to Disconnect law applies to both government and private sector employees.
- Statement 3 is correct** – Australia's Right to Disconnect law includes penalties for non-compliance by employers.
- Statement 4 is correct** – The Right to Disconnect laws in France and Italy were introduced as part of broader labor reforms addressing work-life balance and mental health.

Topic 534

534. Technical Textile

- Technical textile** material and products manufactured primarily for their **technical and performance rather than aesthetic property** for their aesthetic or decorative properties.
- India imports** a significant quantity of technical textiles worth \$16 billion every year.

Important initiatives taken by the government-

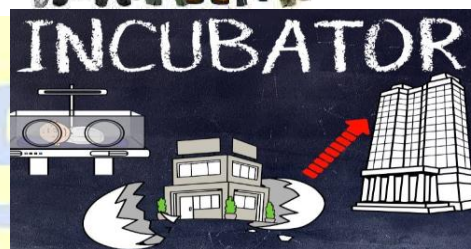
- National Technical Textile Mission
- PLI scheme for technical textile
- GREAT Scheme

National Technical Textile Mission

- Aimed to position India as a **global leader in Technical Textiles**.
- Mission cost: The estimated **outlay of Rs 1480 crore**.

GREAT Scheme

- Grant for Research and Entrepreneurship across Aspiring Innovators in Technical Textiles (GREAT) Scheme focuses on **supporting individuals and companies** to translate prototypes to **technologies & products, including commercialisation**.
- A **grant-in-aid of up to Rs 50 lakh**.
- The textile ministry will **additionally provide 10 percent (up to Rs 5 lakhs)** of the total **grant-in-aid to incubators** like **IITs, NITs, Textiles Research Associations, and Centres of Excellence**.



Q1600. Consider the following statements regarding Technical Textiles and India's initiatives:

- Technical textiles are primarily valued for their performance and functional properties rather than their aesthetic appeal.
- India imports technical textiles worth approximately \$16 billion annually.
- The National Technical Textile Mission aims to position India as a global leader in technical textiles with an estimated outlay of ₹1,480 crore.
- The Production Linked Incentive (PLI) scheme for technical textiles focuses on promoting domestic production through financial incentives to exporters only.

How many of the above statement(s) is/are correct?

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



Ans: c

Sol:

- Statement 1 is correct** – Technical textiles are known for their functional and technical attributes rather than decorative value.
- Statement 2 is correct** – India imports technical textiles worth approximately \$16 billion every year.
- Statement 3 is correct** – The National Technical Textile Mission has an estimated budget of ₹1,480 crore to establish India as a global leader.
- Statement 4 is incorrect** – The PLI scheme promotes domestic production for both domestic and export markets — not just for exports.

Q1601. With reference to the GREAT Scheme under the National Technical Textile Mission, consider the following statements:

- The GREAT Scheme provides a grant-in-aid of up to ₹50 lakh for innovators and companies developing technical textile products.
- An additional 10% of the total grant-in-aid (up to ₹5 lakh) is provided to incubators such as IITs, NITs, and Textile Research Associations.
- The focus of the GREAT Scheme is primarily on funding market-ready products rather than research prototypes.
- The Ministry of Commerce and Industry is the nodal authority responsible for implementing the GREAT Scheme.

Which of the statements given above is/are correct?

- 1 and 2 only
- 2 and 3 only
- 1, 2, and 3 only
- 3 and 4 only

Ans: a

Sol:

- Statement 1 is correct** – The GREAT Scheme provides a grant-in-aid of up to ₹50 lakh for innovators and companies.
- Statement 2 is correct** – An additional 10% of the total grant (up to ₹5 lakh) is provided to incubators like IITs and NITs.
- Statement 3 is incorrect** – The GREAT Scheme focuses on translating prototypes to technologies, not just market-ready products.

- Statement 4 is incorrect** – The Ministry of Textiles (not Commerce and Industry) is responsible for implementing the GREAT Scheme.

Q1602. Regarding India's strategy for technical textiles and associated government initiatives, consider the following statements:

- The National Technical Textile Mission was launched with the goal of reducing India's dependency on imports of technical textiles.
- The GREAT Scheme supports the entire product lifecycle, from research and development to commercialisation.
- The PLI scheme for technical textiles is aimed at attracting foreign direct investment (FDI) in technical textile manufacturing.
- The National Technical Textile Mission has a duration of 5 years from the date of its launch.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: c

Sol:

- Statement 1 is correct** – The National Technical Textile Mission aims to reduce India's import dependency and promote domestic production.
- Statement 2 is correct** – The GREAT Scheme supports the entire product lifecycle, including research, development, and commercialisation.
- Statement 3 is incorrect** – The PLI scheme is aimed at promoting domestic production, but attracting FDI is not its primary objective.
- Statement 4 is correct** – The National Technical Textile Mission has a 5-year duration from its launch date.

Topic 535

535. PM E Drive scheme

- For promoting electric vehicles.
- The Ministry of Heavy Industries (MHI) will implement the new scheme with a total outlay of Rs 10,900 crore over a period of two years.



- **The PM E-DRIVE will replace** Faster Adoption and Manufacturing of Electric Vehicles in India (**FAME India scheme**).

Provisions

- The new scheme offers **incentives** for the **adoption** of electric **two-wheelers, electric three-wheelers, e-ambulances, e-trucks, and other emerging EVs.**
- **E-vouchers** will be given to **EV buyers** to **enhance demand of EV.**

Other Measures taken by the Government to promote use of EVs:

1. Electric Mobility Promotion Scheme

2024

- The scheme primarily focuses on **promoting the faster adoption of electric two-wheelers (e-2W) and three-wheelers (e-3W).**

2. E-AMRIT Portal:

- The e-AMRIT portal offers various resources to **help ease the migration to electric vehicles.**

3. Mission 50K-EV4ECO

Recently announced by **SIDBI** to boost the electric vehicle (EV) ecosystem in the country.



Cabinet Decision: 11th September, 2024

PM Electric Drive
Revolution in Innovative Vehicle Enhancement (PM E-DRIVE)

Cabinet approves PM E-DRIVE Scheme for promotion of electric mobility in the country with outlay of Rs 10,900 crore for 2 years

Components of the scheme:

- Subsidies/Demand incentives worth Rs.3,679 crore to incentivize e-2Ws, e-3Ws, e-ambulances, e-trucks and other emerging EVs
- E-vouchers for EV buyers to avail demand incentives under the scheme
- Allocation of Rs.500 crore for the deployment of e-ambulances
- Provision of Rs.4,391 crore for procurement of 14,028 e-buses by STUs/public transport agencies



Q1603. Consider the following statements regarding the PM E-DRIVE Scheme:

1. The Ministry of Heavy Industries (MHI) will implement the PM E-DRIVE scheme with a

total outlay of ₹10,900 crore over a period of five years.

2. The PM E-DRIVE scheme will replace the FAME India scheme for promoting electric vehicles.
3. The scheme includes incentives for the adoption of electric two-wheelers, electric three-wheelers, e-ambulances, and e-trucks.
4. E-vouchers will be issued to EV buyers to boost demand under the PM E-DRIVE scheme.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is incorrect** – The PM E-DRIVE scheme has a total outlay of ₹10,900 crore over a period of two years, not five years.
2. **Statement 2 is correct** – PM E-DRIVE will replace the FAME India scheme.
3. **Statement 3 is correct** – The scheme includes incentives for various EV types, including two-wheelers, three-wheelers, e-ambulances, and e-trucks.
4. **Statement 4 is correct** – E-vouchers will be provided to enhance demand for EVs under the scheme.

Q1604. With reference to the Government of India's measures to promote electric vehicles, consider the following statements:

1. The Electric Mobility Promotion Scheme 2024 focuses on promoting electric two-wheelers and three-wheelers.
2. The e-AMRIT portal was launched by the Ministry of Heavy Industries to provide resources related to electric vehicle adoption.
3. Mission 50K-EV4ECO was launched by the Ministry of Finance to support the electric vehicle ecosystem.
4. PM E-DRIVE scheme will extend benefits to both personal and commercial electric vehicle buyers.

Which of the statements given above is/are correct?

- (a) 1 and 2 only



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

Ans: c

Sol:

- Statement 1 is correct** – The Electric Mobility Promotion Scheme 2024 focuses on electric two-wheelers and three-wheelers.
- Statement 2 is correct** – The e-AMRIT portal provides information and resources to support EV adoption.
- Statement 3 is incorrect** – Mission 50K-EV4ECO was launched by SIDBI (Small Industries Development Bank of India), not the Ministry of Finance.
- Statement 4 is correct** – PM E-DRIVE will provide incentives to both personal and commercial electric vehicle buyers.

Q1605. Regarding the PM E-DRIVE scheme and other EV promotion measures, consider the following statements:

- The PM E-DRIVE scheme provides direct subsidies to manufacturers to lower the production cost of electric vehicles.
- Mission 50K-EV4ECO is designed to support the EV ecosystem through financing and infrastructure development.
- The PM E-DRIVE scheme includes incentives for the development of charging infrastructure and battery-swapping stations.
- The e-AMRIT portal helps users with EV-related information, including cost savings, charging station locations, and government incentives.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- Statement 1 is incorrect** – PM E-DRIVE provides incentives to buyers through e-vouchers, not direct subsidies to manufacturers.

- Statement 2 is correct** – Mission 50K-EV4ECO supports the EV ecosystem through financing and infrastructure development.
- Statement 3 is correct** – PM E-DRIVE includes incentives for setting up charging infrastructure and battery-swapping stations.
- Statement 4 is correct** – The e-AMRIT portal provides comprehensive EV-related information and resources.

Topic 536

536. Electric Vehicle policy of Assam govt

Targets of New Electric Vehicle policy

1. Two lakh electric vehicles

- 1 lakh two-wheelers
- 75,000 three-wheelers
- 25000 4 wheelers either under personal or commercial use by 2026.

2. 25% registration of new vehicles must be of electric vehicles by 2026.

3. In next one year the government will be looking to run only electric or CNG buses run by ASTC in Guwahati. Later on the private bus operators will also be encouraged to switch to CNG or electric vehicles.

4. Target to convert 100% of the public transport into electric buses by 2030. Similar target for all Government vehicles.

5. Monetary incentive- in form of tax rebate on buying Electric Vehicles.



Chief Minister Himanta Biswa Sarma flanked by AGP president Atul Bora and UPPL chief Pramod Boro releasing the report booklet 'Anirudha Yatra 100 Din' in Guwahati on Friday. – UB Photos



Q1606. Consider the following statements regarding the Electric Vehicle (EV) Policy of Assam:

1. Assam aims to have two lakh electric vehicles, including one lakh two-wheelers, 75,000 three-wheelers, and 25,000 four-wheelers by 2030.
2. The policy mandates that 25% of all new vehicle registrations in Assam should be electric by 2026.
3. The Assam government plans to convert 100% of public transport buses to electric or CNG by 2030.
4. Under the policy, private bus operators will be required to switch to electric or CNG buses within one year.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – The target to have two lakh electric vehicles (1 lakh two-wheelers, 75,000 three-wheelers, and 25,000 four-wheelers) is by 2026, not 2030.
2. **Statement 2 is correct** – The policy mandates 25% of new vehicle registrations to be electric by 2026.
3. **Statement 3 is correct** – Assam targets to convert 100% of public transport into electric buses by 2030.
4. **Statement 4 is incorrect** – Private bus operators will be encouraged (not required) to switch to electric or CNG buses.

Q1607. With reference to Assam's Electric Vehicle Policy, consider the following statements:

1. Assam targets to convert all government vehicles into electric by 2026.
2. ASTC (Assam State Transport Corporation) will transition to electric or CNG buses within the next five years.
3. The policy offers monetary incentives in the form of tax rebates for electric vehicle buyers.
4. The state policy aims to convert 100% of private vehicles into electric by 2030.

Which of the statement(s) given above is/are correct?

- (a) 1 and 2 only

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

Ans: c

Sol:

1. **Statement 1 is incorrect** – Assam targets to convert all government vehicles to electric by 2030, not 2026.
2. **Statement 2 is incorrect** – ASTC plans to switch to electric or CNG buses within one year, not five years.
3. **Statement 3 is correct** – The policy includes monetary incentives through tax rebates for EV buyers.
4. **Statement 4 is incorrect** – The target for 100% electric conversion applies to public transport and government vehicles, not private vehicles.

Q1608. Regarding the Electric Vehicle (EV) Policy of Assam, consider the following statements:

1. Assam targets to have 25,000 electric four-wheelers on the road by 2026.
2. The policy includes incentives for both commercial and personal electric vehicles.
3. ASTC will fully transition to electric or CNG buses within the next three years.
4. The policy does not include any incentives for two-wheeler electric vehicles.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – The target is to have 25,000 electric four-wheelers (under personal or commercial use) by 2026.
2. **Statement 2 is correct** – The policy covers incentives for both personal and commercial EVs.
3. **Statement 3 is incorrect** – ASTC is expected to switch to electric or CNG buses within one year, not three years.
4. **Statement 4 is incorrect** – The policy includes incentives for two-wheeler electric vehicles.



Topic 537

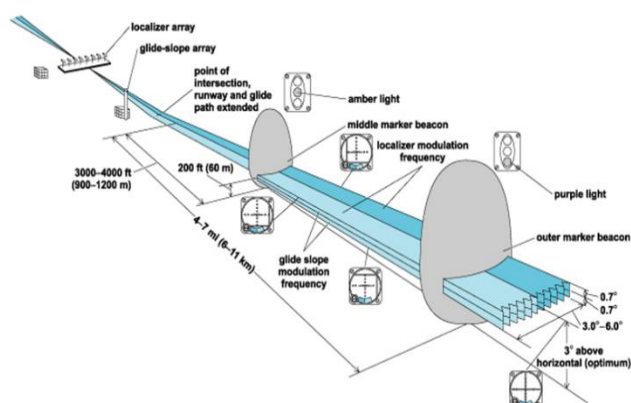
537. UDAN scheme

- Implemented as per National Civil Aviation Policy (NCAP)-2016
 - Airline operators-flights to un-connected routes
 - Viability Gap Funding(a financial support under PPP) – A government grant provided to the airlines to bridge the gap between the cost of operations and expected revenue.
 - Reverse Bidding-successful bidder-3 years
 - Capping-one hour journey of appx. 500 km - Rs. 2,500(at least 50% seats)
 - Airports Authority of India (AAI), the Implementing Agency
 - Scheme is applicable for a period of 10 years
- Reverse bidding**

- A reverse bidding is a type of auction in which sellers bid for the prices at which they are willing to sell their goods and services. **Lowest bidder gets to order.**

Current issue-

- UDAN scheme has **not been successful in Northeast region**
- Main reason-**frequent cancellation** of flights- due to **fast change in weather conditions** and **absence of ILS** at most of NE airports
- ILS provides the **lateral and vertical guidance necessary** to fly a precision approach



Q1609. Consider the following statements regarding the UDAN Scheme:

1. UDAN scheme was launched under the National Civil Aviation Policy (NCAP) in 2016 to connect underserved and unserved airports.
2. Airlines are selected through a process of forward bidding, where the highest bidder gets the contract.

3. Viability Gap Funding (VGF) is provided to the airlines for a period of 5 years.
4. The scheme is applicable for a period of 10 years from its launch.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – UDAN scheme was launched under NCAP in 2016 to improve air connectivity.
2. **Statement 2 is incorrect** – Airlines are selected through reverse bidding (not forward bidding).
3. **Statement 3 is incorrect** – VGF is provided for a period of 3 years, not 5 years.
4. **Statement 4 is correct** – The scheme is applicable for 10 years.

Q1610. With reference to the UDAN scheme, consider the following statements:

1. Under the scheme, at least 50% of the seats on UDAN flights are capped at ₹2,500 for a one-hour journey of approximately 500 km.
2. Airports Authority of India (AAI) is the implementing agency for the scheme.
3. The UDAN scheme has been highly successful in the Northeast region due to the availability of modern navigation systems like ILS (Instrument Landing System).
4. The reverse bidding process under UDAN selects the airline operator offering the lowest subsidy requirement.

Which of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – At least 50% of seats on UDAN flights are capped at ₹2,500 for a one-hour journey.



2. **Statement 2 is correct** – AAI is the implementing agency for UDAN.
3. **Statement 3 is incorrect** – The scheme has faced challenges in the Northeast due to poor weather and lack of ILS.
4. **Statement 4 is correct** – The airline operator offering the lowest subsidy requirement through reverse bidding is selected.

Q1611. Consider the following statements regarding the challenges and current status of the UDAN scheme:

1. The scheme has faced implementation issues in the Northeast due to the absence of Instrument Landing System (ILS) at most airports.
2. Reverse bidding under UDAN refers to the process where the airline operator asking for the highest subsidy is selected.
3. The government aims to provide financial assistance through Viability Gap Funding (VGF) to support airline operations under UDAN.
4. The scheme aims to improve air connectivity to only international destinations from underserved airports.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – Lack of ILS and bad weather have created issues for UDAN in the Northeast.
2. **Statement 2 is incorrect** – Reverse bidding selects the airline operator asking for the lowest subsidy, not the highest.
3. **Statement 3 is correct** – Viability Gap Funding (VGF) is a key feature of UDAN to make flights financially viable.
4. **Statement 4 is incorrect** – UDAN aims to improve air connectivity to domestic destinations, not just international ones.

Topic 538

538. Public-Private Partnership (PPP) models

- PPP models are structured based on the **level of risk-sharing, investment, and operational**

responsibility between the government and the private sector.

Different types of PPP models:

1. Build-Operate-Transfer (BOT)

- The **private entity builds** and **operates** the project for a set period before **transferring it to the government**. **Example: Highway toll projects.**

2. Build-Own-Operate (BOO)

- The **private sector builds, owns, and operates** the infrastructure indefinitely. **Example: Power plants.**

3. Build-Own-Operate-Transfer (BOOT)

4. The private **entity owns and operates** the facility for a **specific period**, after which ownership is transferred to the government.

Example: **Airport terminals.**

5. Service Contracts

- The government hires a private firm to provide a **specific service for a limited time**. Example: **Waste management.**

6. Joint Ventures (JV)

- Both government and **private firms invest and share risks and profits**. Example: Metro rail projects.

Note- Viability Gap Funding (VGF) is **not a type of PPP model itself** but rather a **financial support mechanism** used **within PPP projects**.



Q1612. Consider the following statements regarding the Public-Private Partnership (PPP) models:

1. In a Build-Operate-Transfer (BOT) model, the private sector builds, owns, and indefinitely operates the infrastructure.
2. The Build-Own-Operate-Transfer (BOOT) model allows the private sector to retain indefinite ownership of the infrastructure.



3. Service Contracts involve the private sector providing a specific service for a limited time under a government contract.

4. Viability Gap Funding (VGF) is a type of PPP model where the government provides financial support to the private sector to make the project financially viable.

How many of the statement(s) given above are correct?

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

Ans: a

Sol:

1. **Statement 1 is incorrect** – In the BOT model, the private sector builds and operates the infrastructure for a set period before transferring it to the government. Ownership is not indefinite.
2. **Statement 2 is incorrect** – In the BOOT model, ownership is retained only for a specific period, after which it is transferred to the government.
3. **Statement 3 is correct** – Service contracts involve the private sector providing a specific service for a limited time under a government contract.
4. **Statement 4 is incorrect** – Viability Gap Funding (VGF) is not a type of PPP model but a financial support mechanism within PPP projects.

Q1613. With reference to Public-Private Partnership (PPP) models, consider the following statements:

1. In a Build-Operate-Transfer (BOT) model, the private entity transfers ownership of the project to the government after a set period.
2. In the Build-Own-Operate (BOO) model, the private entity retains ownership indefinitely.
3. Viability Gap Funding (VGF) can only be applied to BOT projects and not to BOOT or BOO projects.
4. Joint Ventures (JV) involve equal investment by both the government and private sector.

Which of the statement(s) given above are correct?

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

(d) All four

Ans: a

Sol:

1. **Statement 1 is correct** – In BOT, the private entity builds and operates the project, then transfers ownership to the government after a specific period.
2. **Statement 2 is correct** – In BOO, the private sector retains ownership indefinitely.
3. **Statement 3 is incorrect** – VGF can be applied to any PPP model, not just BOT projects.
4. **Statement 4 is incorrect** – In Joint Ventures (JV), the investment does not have to be equal; it depends on the agreement between the government and the private sector.

Q1614. Consider the following statements regarding PPP models and Viability Gap Funding (VGF):

1. The Build-Own-Operate-Transfer (BOOT) model involves the private sector owning the project indefinitely without any obligation to transfer it back to the government.
 2. Service Contracts under PPP models involve long-term infrastructure ownership by the private sector.
 3. The government can provide Viability Gap Funding (VGF) to support PPP projects when the expected revenue from the project is insufficient to make it financially viable.
 4. Joint Ventures (JV) are exclusively formed between central government and private entities.
- How many of the above statement(s) is/are correct?

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

Ans: a

Sol:

1. **Statement 1 is incorrect** – In the BOOT model, the private sector owns and operates the project for a specific period before transferring it back to the government, not indefinitely.
2. **Statement 2 is incorrect** – Service contracts involve providing services for a limited period, not long-term infrastructure ownership.



3. **Statement 3 is correct** – VGF is provided when the revenue from a project is insufficient to make it financially viable.
4. **Statement 4 is incorrect** – Joint Ventures (JV) can be formed between state governments, local authorities, and private entities—not exclusively with the central government.

Topic 539

539. Regenerative Agriculture

- Regenerative Agriculture is a **holistic farming approach** focused on **restoring and enhancing the health of the soil, ecosystem, and biodiversity**.
- It goes **beyond sustainable agriculture** by aiming to **regenerate natural resources** rather than just maintaining them.

Steps that can be taken for Regenerative Agriculture

1. Sustainable Soil Management

- Involves methods like **crop rotation, intercropping, mulching**, and using natural inputs for nutrient recycling and soil health improvement.

2. Testing and Monitoring

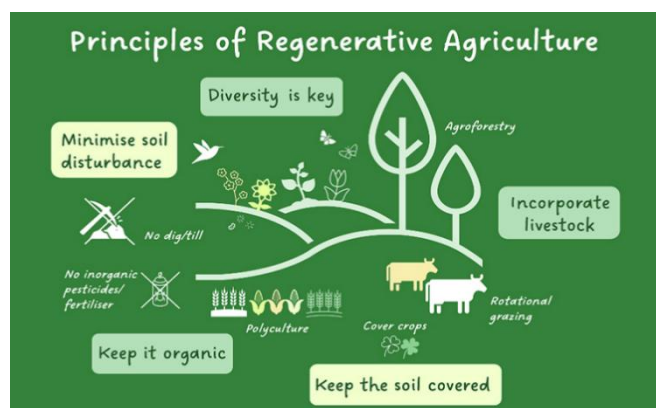
- Regular soil testing is emphasized to track soil conditions and tailor solutions that enhance fertility and nutrient content.

3. Reduction of Agrochemical Use

- Encourages a **shift from heavy dependence on synthetic agrochemicals** to **natural farming practices**, integrating techniques to promote organic inputs and sustainable methods.

4. Integrated Pest Management (IPM)

- Focuses on **reducing chemical pesticide** use through biological control methods and ecosystem-based pest management.



Q1615. Consider the following statements regarding Regenerative Agriculture:

1. Regenerative agriculture aims at maintaining soil health and ecosystem balance without necessarily improving them.
2. Crop rotation and intercropping are key practices used in regenerative agriculture to improve soil fertility and biodiversity.
3. Integrated Pest Management (IPM) under regenerative agriculture focuses on enhancing the use of chemical pesticides for higher productivity.
4. The goal of regenerative agriculture is to reduce dependency on agrochemicals and encourage natural farming practices.

How many of the statement(s) given above are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – Regenerative agriculture goes beyond maintaining soil health; it aims to restore and enhance natural resources.
2. **Statement 2 is correct** – Crop rotation and intercropping are part of sustainable soil management, which enhances soil fertility and biodiversity.
3. **Statement 3 is incorrect** – IPM under regenerative agriculture reduces reliance on chemical pesticides and promotes biological control methods.
4. **Statement 4 is correct** – Regenerative agriculture aims to minimize agrochemical use and promote natural inputs.



Q1616. With reference to Regenerative Agriculture, consider the following statements:

1. Reduction of agrochemical use in regenerative agriculture aims to replace synthetic fertilizers with organic inputs.
2. Regular soil testing in regenerative agriculture helps track soil health and tailor solutions for enhancing nutrient content.
3. Regenerative agriculture discourages natural pest control methods in favour of synthetic pesticides for higher yield.
4. Sustainable soil management in regenerative agriculture includes mulching, intercropping, and crop rotation.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – Regenerative agriculture focuses on shifting from synthetic fertilizers to organic inputs.
2. **Statement 2 is correct** – Soil testing helps monitor soil health and adjust nutrient management strategies.
3. **Statement 3 is incorrect** – Regenerative agriculture promotes biological and ecosystem-based pest control rather than synthetic pesticides.
4. **Statement 4 is correct** – Sustainable soil management practices such as mulching, intercropping, and crop rotation are integral to regenerative agriculture.

Q1617. Consider the following statements about Integrated Pest Management (IPM) and Regenerative Agriculture:

1. IPM in regenerative agriculture involves a combination of biological, mechanical, and chemical methods to manage pests.
2. Reduction in agrochemical use under regenerative agriculture may lead to a decline in crop productivity in the long term.
3. Sustainable soil management under regenerative agriculture includes using natural inputs and recycling crop residues.

4. The primary focus of regenerative agriculture is to maximize crop yield using chemical fertilizers and pesticides.

Which of the above statement(s) are correct?

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

Ans: d

Sol:

1. **Statement 1 is correct** – IPM includes biological, mechanical, and chemical methods, but under regenerative agriculture, biological and ecosystem-based methods are prioritized.
2. **Statement 2 is incorrect** – Reduced agrochemical use does not necessarily lead to lower productivity; improved soil health may sustain or enhance productivity.
3. **Statement 3 is correct** – Sustainable soil management in regenerative agriculture includes natural inputs and recycling of organic material.
4. **Statement 4 is incorrect** – Regenerative agriculture focuses on reducing chemical dependency and improving long-term soil health rather than maximizing yield.

Topic 540

540. Colocation units in National Stock Exchange

- Co-location trading refers to a **practice in financial markets** where **trading firms place their computer servers physically close to the servers of a stock exchange**.
- **Exchanges charge fees** for co-location services.

Benefits of co-location trading-

1. **Reduced Latency**

- Co-location reduces the **time it takes** for data to travel between the **exchange and the trading firm**, known as latency.

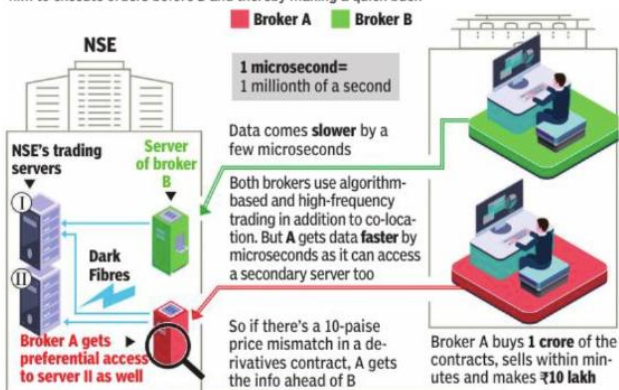
2. **High-Frequency Trading (HFT)**

- Many firms involved in co-location trading use HFT strategies, where **algorithms automatically place orders** based on market conditions.
- **The speed advantage** allows these firms to capitalize on fleeting price differences.



HOW MICROSECONDS MAKE A DIFFERENCE

In the example below, brokers A and B located their servers in the NSE trading room. While B traded legally, A — in connivance with some NSE execs — also got preferential access to a second server with less load and unknown to others. As a result, A got faster access to price info, helping him to execute orders before B and thereby making a quick buck



Q1618. Consider the following statements regarding Co-location Units in National Stock Exchange (NSE):

1. Co-location trading involves placing trading firm servers close to the stock exchange servers to reduce latency.
 2. Exchanges provide co-location services free of charge to encourage high-frequency trading.
 3. High-frequency trading (HFT) in co-location allows firms to exploit even small price differences due to a speed advantage.
 4. Co-location trading increases market volatility due to rapid order execution and price shifts.
- How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – Co-location trading allows firms to place their servers near stock exchange servers to reduce latency.
2. **Statement 2 is incorrect** – Exchanges charge fees for co-location services; it is not provided for free.
3. **Statement 3 is correct** – High-frequency trading enables firms to benefit from even small price differences.
4. **Statement 4 is correct** – Rapid order execution through co-location can increase market volatility.

Q1619. With reference to Co-location Trading in NSE, consider the following statements:

1. Co-location services are offered by stock exchanges to reduce the distance between trading firm servers and exchange servers.
 2. High-frequency trading (HFT) firms use co-location primarily to increase order accuracy rather than execution speed.
 3. The reduced latency from co-location helps firms to respond faster to market price changes.
- Which of the above statement(s) is/are correct?
- (a) 1 and 2 only
 - (b) 2 and 3 only
 - (c) 1 and 3 only
 - (d) 1, 2 and 3

Ans: c

Sol:

1. **Statement 1 is correct** – Co-location reduces the physical distance between trading firm servers and exchange servers, thereby lowering latency.
2. **Statement 2 is incorrect** – HFT firms use co-location primarily for speed advantage, not for accuracy.
3. **Statement 3 is correct** – Reduced latency allows firms to react faster to market changes and adjust their strategies.

Q1620. Consider the following statements about High-Frequency Trading (HFT) and Co-location Units in NSE:

1. High-frequency trading involves executing a large number of trades in milliseconds, exploiting small price fluctuations.
2. Co-location trading benefits only large institutional investors with high capital reserves.
3. Stock exchanges charge firms for using co-location services as a source of revenue.
4. The advantage of co-location trading comes primarily from the lower costs of trading rather than the speed advantage.

How many of the above statement(s) is/are correct?

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

Ans: b



Sol:

1. **Statement 1 is correct** – HFT firms use co-location to execute trades at high speed, capitalizing on small price differences.
2. **Statement 2 is incorrect** – Co-location is not limited to large institutional investors; smaller trading firms can also participate if they can afford the fees.
3. **Statement 3 is correct** – Exchanges charge fees for co-location, generating revenue from the service.
4. **Statement 4 is incorrect** – The primary advantage of co-location is speed rather than cost reduction.

Day 55

Topic 541

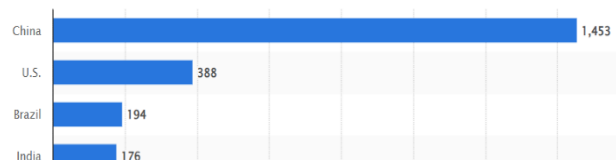
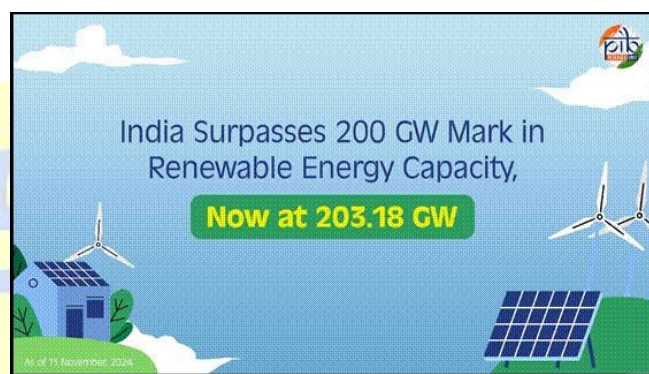
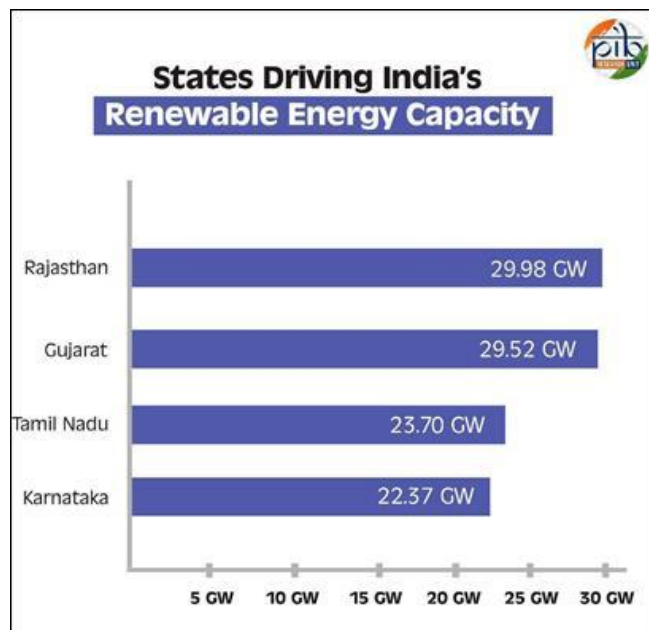
541. Installed capacity of renewable energy in India

Current context

- **4th Global Renewable Energy Investors Meet and Expo (RE-INVEST 2024)** was held at **Gandhinagar Gujarat**.
- PM Modi declared **solar energy capacity in India has increased by 30 times** in the **last 9 years** reaching 89.43 GW (as of August 2024)
- Renewable Energy (RE) sources (including large hydropower) have a **combined installed capacity of 199.52 GW**.

Break up-

1. Solar Power: 89.43 GW
 2. Wind power: 47.19 GW
 3. Biomass/Cogeneration: 10.35 GW
 4. Small Hydro Power: 5.07 GW
 5. Waste To Energy: 0.60 GW
 6. Large Hydro: 46.92 GW
- As per REN21 Renewables 2024 Global Status Report, **India stands 4th globally in RE installed capacity**.



Q1621. Consider the following:

1. Solar Energy
2. Wind Energy
3. Small Hydropower
4. Nuclear Energy

Which of the following is the correct decreasing order of above sources in terms of their share to total electricity generation capacity of India?

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

Ans: c



Sol: In recent times, India took various steps to increase its renewable energy capacity to 500 GW by 2030 by focusing on solar and wind energy resources.

Option c is correct: The correct order of energy sources in decreasing order in terms of their share to total electricity generation capacity are as follows: Fossil fuel (56%) > Solar energy (16.1%) > Wind energy (10.3 %) > Nuclear power (2%) > Small Hydropower (1.2%) Solar energy accounts for 74.3 GW and Wind energy amounts to 45 GW of electricity generated in India. Small-hydro power accounts for 5 GW of the total energy capacity of India while nuclear energy accounts for around 7.5 GW of total electricity generation capacity of India.

Note: The data has changed eg. Solar Power cumulative has reached 100 GW. But the order remains the same.

Q1622. Consider the following statements regarding India's installed capacity of renewable energy:

1. India ranks 4th globally in installed renewable energy capacity as per REN21 Renewables 2024 Global Status Report.
2. Solar energy capacity in India has increased by 30 times in the last 9 years, reaching over 100 GW as of August 2024.
3. Biomass/Cogeneration and Waste-to-Energy together contribute more than 10% of India's total installed renewable energy capacity.
4. Large hydropower accounts for the second-largest share of India's total renewable energy capacity.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – India ranks 4th globally in renewable energy capacity as per the REN21 2024 report.
2. **Statement 2 is incorrect** – Solar energy capacity reached 89.43 GW as of August 2024, not over 100 GW.
3. **Statement 3 is incorrect** – Biomass / Cogeneration (10.35 GW) and Waste-to-

Energy (0.60 GW) together contribute around 5.47% of the total installed capacity (199.52 GW), which is less than 10%.

4. **Statement 4 is correct** – Large hydro capacity (46.92 GW) is the second-largest after solar power.

Q1623. With reference to India's renewable energy sector, consider the following statements:

1. Solar energy contributes to nearly 50% of India's total installed renewable energy capacity.
2. Wind energy is the second-largest source of renewable energy in India in terms of installed capacity.
3. Small hydro and biomass/cogeneration together exceed the installed capacity of wind energy in India.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

1. **Statement 1 is correct** – Solar energy contributes 89.43 GW out of 199.52 GW, which is approximately 44.8% (close to 50%).
2. **Statement 2 is correct** – Wind energy stands at 47.19 GW, making it the second-largest contributor after solar.
3. **Statement 3 is incorrect** – Small hydro (5.07 GW) + biomass/cogeneration (10.35 GW) = 15.42 GW, which is far less than wind energy capacity (47.19 GW).

Topic 542

542. Mineral Security Finance Network

What are Critical minerals?

- Critical minerals are elements that are the building blocks of essential modern-day technologies eg mobile phones, computers to batteries, electric vehicles and green technologies.

Why are they called 'Critical'?

1. Important for future transitions like transition towards clean energy and digital economy.



2. At risk of supply chain disruptions especially from countries like China.

Critical minerals of India

- **not clearly defined** globally, but **countries identify** them based on their **own needs**.
- The **US defined 50 minerals** as critical, **Japan 31**.
- **India** has **listed 30**.

Mineral Security Partnership (MSP)

- A US-led collaboration of 14 countries including India.
- Aim- Ensuring a reliable, sustainable, and ethical supply of critical minerals.

Mineral Security Finance Network

- A group of countries under Mineral Security Partnership.
- Aiming to strengthen financial cooperation among members to secure supply chains for critical minerals.
- India is now formally a part of the Minerals Security Finance Network also.

1. Antimony
2. Beryllium
3. Bismuth
4. Cadmium
5. Cobalt
6. Copper
7. Gallium
8. Germanium
9. Graphite
10. Hafnium
11. Indium
12. Lithium
13. Molybdenum
14. Niobium
15. Nickel
16. PGE (Platinum Group Elements) i. Platinum ii. Palladium iii. Rhodium iv. Ruthenium v. Iridium vi. Osmium
17. Phosphorus
18. Potash
19. REE (Rare Earth Elements) i. Lanthanum ii. Cerium iii. Praseodymium iv. Neodymium v. Promethium vi. Samarium vii. Europium viii. Gadolinium ix. Terbium x. Dysprosium xi. Holmium xii. Erbium xiii. Thulium xiv. Ytterbium xv. Lutetium xvi. Scandium xvii. Yttrium
20. Rhenium
21. Selenium
22. Silicon
23. Strontium
24. Tantalum
25. Tellurium
26. Tin
27. Titanium
28. Tungsten
29. Vanadium
30. Zirconium

Q1624. With reference to Indian Economy, consider the following measures:

1. Implementation of Production Linked Incentive (PLI) scheme for the automobile sector.
2. Removal of basic custom duties on lithium-ion battery scraps.
3. 100% exemption from road tax on purchase of Electric Vehicles by all Indian states.

Which of the above given measures has/have been taken to promote Electric Vehicles (EVs) in India?

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

Ans: a

Sol: The government of India has taken some major steps towards the manufacturing of electric vehicles (EV), batteries for the EVs and the import of critical minerals from other countries and their recycling, which would further aid the EV and battery manufacturing industry.

- **Statement 1 is correct:** The Production Linked Incentive (PLI) scheme for the automobile and auto component industry aims to enhance domestic manufacturing by providing incentives for Advanced Automotive Technology (AAT) vehicles, including electric vehicles (EVs). To further strengthen the sector, the government has substantially increased the scheme's budget allocation from ₹346.87 crore in 2024-25 to ₹2,818.85 crore in 2025-26.
- **Statement 2 is correct:** In the Union Budget 2025-26, the finance minister announced the removal of Basic Customs Duty (BCD) on waste and scrap of 12 critical minerals, including copper, lead, zinc scraps, cobalt powder, and lithium-ion battery scrap. The exemption on lithium-ion battery scrap is expected to boost EV battery recycling, lower battery production costs, and support the development of a circular economy within the industry.
- **Statement 3 is incorrect:** While some states like Maharashtra, Karnataka, and Tamil Nadu, Telangana etc. offer 100% road tax exemption for EVs, not all Indian states provide this benefit. For instance, Gujarat although lowered



the road tax for EVs to 1% but did not provide 100% road tax exemption.

Q1625. Consider the following statements regarding Critical Minerals and the Mineral Security Finance Network:

1. Critical minerals are identified globally based on a standard list defined by the United Nations.
2. The Mineral Security Finance Network is a group of countries under the US-led Mineral Security Partnership aimed at securing supply chains for critical minerals.
3. India has listed 30 critical minerals, which are consistent with the list defined by the United States.
4. The Mineral Security Finance Network focuses only on securing critical minerals for the transition towards clean energy.

How many of the statement(s) given above is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – Critical minerals are not defined globally; different countries define them based on their own needs.
2. **Statement 2 is correct** – The Mineral Security Finance Network is part of the US-led Mineral Security Partnership, aiming to secure supply chains for critical minerals.
3. **Statement 3 is incorrect** – India has listed 30 critical minerals, but they are not necessarily consistent with the US list (which includes 50 minerals).
4. **Statement 4 is correct** – Critical minerals are essential for both clean energy and the digital economy.

Q1626. With reference to the Mineral Security Partnership (MSP) and India's role in critical minerals, consider the following statements:

1. India is a member of the Mineral Security Partnership (MSP) and the Mineral Security Finance Network.

2. The aim of MSP is to establish a strategic reserve of critical minerals to avoid price volatility.
3. Critical minerals are essential for modern technologies and future transitions like clean energy and the digital economy.
4. Japan has listed a greater number of critical minerals than the United States.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

1. **Statement 1 is correct** – India is part of both the Mineral Security Partnership and the Mineral Security Finance Network.
2. **Statement 2 is incorrect** – MSP aims to ensure a reliable, sustainable, and ethical supply of critical minerals, not to establish a strategic reserve.
3. **Statement 3 is correct** – Critical minerals are crucial for modern technologies and future economic transitions.
4. **Statement 4 is incorrect** – The US has listed 50 minerals as critical, whereas Japan has listed 31.

Topic 543

543. China Shock

What is meaning of China shock?

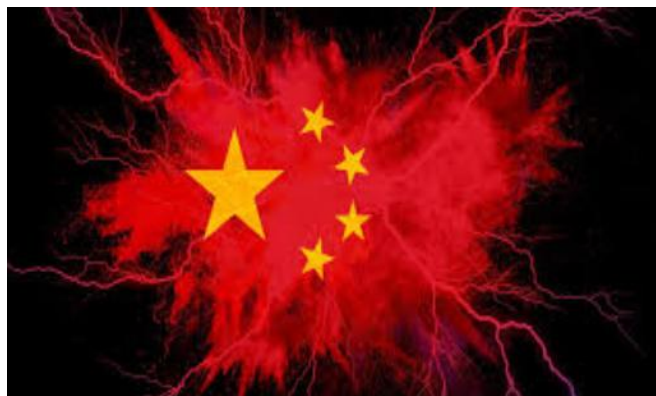
- A surge in Chinese exports, in the global market is referred to as "China Shock".
- "China Shock 1.0"
- In the early 2000s China got membership of WTO.
- Cheap Chinese goods, driven by a large, inexpensive labor force, flooded global markets, leading to widespread manufacturing job losses internationally.
- This shock disrupted Western economies and had a detrimental impact on Indian manufacturing and trade as well.

China Shock 2.0

- The recent surge in exports from China is being termed as "China Shock 2.0".
- It has intensified trade tensions.



- Major **economies** like the **US, India**, and others are responding with **heightened tariffs** to **counter the influx of Chinese goods**.
- **IMF** recently highlighted concerns about **China's export surpluses**, driven by **industrial policies** aimed at **boosting exports** amidst **weak domestic demand**.



China's '**Made in China 2025**' strategy is a **long-term plan to transform China** into a global high-tech **manufacturing leader by 2049**.

Q1627. Consider the following statements regarding the 'China Shock' and its economic impact:

1. The term "China Shock" refers to the global economic impact of China's growing export dominance.
2. "China Shock 1.0" began when China joined the World Trade Organization (WTO) in the early 2000s, leading to significant job losses in global manufacturing sectors.
3. "China Shock 2.0" refers to China's shift towards import-driven growth, which has led to increased global trade surpluses.
4. The International Monetary Fund (IMF) has expressed concern about China's export surpluses driven by weak domestic demand and aggressive industrial policies.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – "China Shock" refers to the surge in Chinese exports and its disruptive impact on global markets.
2. **Statement 2 is correct** – "China Shock 1.0" began after China's entry into WTO in the early 2000s, leading to job losses in global manufacturing.
3. **Statement 3 is incorrect** – "China Shock 2.0" refers to China's recent surge in exports, not a shift toward import-driven growth.
4. **Statement 4 is correct** – IMF has raised concerns about China's growing export surpluses linked to weak domestic demand and industrial policies.

Q1628. With reference to 'China Shock 2.0', consider the following statements:

1. "China Shock 2.0" has prompted major economies like the US and India to increase tariffs on Chinese goods.
2. "China Shock 2.0" is driven primarily by China's trade deficit with other major economies.
3. Industrial policies aimed at increasing domestic consumption have contributed to China's export surpluses.
4. The impact of "China Shock 2.0" is limited to the Western economies.

Which of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – Major economies like the US and India have imposed tariffs to counter the surge in Chinese exports under "China Shock 2.0."
2. **Statement 2 is incorrect** – "China Shock 2.0" is driven by export surpluses, not trade deficits.
3. **Statement 3 is correct** – China's export surpluses are linked to industrial policies focused on production, not domestic consumption.
4. **Statement 4 is incorrect** – The impact of "China Shock 2.0" is not limited to Western economies; it affects countries like India and others globally.



Q1629. Under which of the following conditions would a nation's Gross National Product (GNP) be higher than its Gross Domestic Product (GDP)?

- When the inflow of Foreign Direct Investment (FDI) is greater than the outflow of FDI.
- When the value of exports is greater than the value of imports.
- When the Net Factor Income from abroad is positive.
- When the total government spending is higher than total tax revenues.

Ans: c

Sol: GDP counts what's produced within a country's borders, regardless of who produces it.

- GNP counts what's produced by a country's citizens, regardless of where they produce it.
- The difference comes down to "Net Factor Income from Abroad" (NFIA).
- Relationship between GDP and GNP: $GNP = GDP + [\text{inward remittances of a country} - \text{outward remittances from the country}]$ $GNP = GDP + NFIA$. Where NFIA is the Net Factor Income from Abroad i.e. inward remittances of a country – outward remittances from the country.
- NFIA is the difference between income earned by a nation's citizens abroad and income earned by foreigners within the nation. If NFIA is positive, meaning citizens earn more abroad than foreigners earn domestically, then GNP will be higher than GDP.
- Essentially, GNP factors in the financial activity of a nation's citizens, where GDP is concerned with activity within a nation's borders.

Topic 544

544. Transit Oriented Development

- Transit-Oriented Development (TOD) is an urban planning and design strategy aimed at creating compact, walkable, and sustainable communities centered around public transportation systems like railways, buses, or metros.
- The primary objective of TOD is to reduce reliance on private vehicles, promote public transit usage, and enhance the quality of life in urban areas.

Key features of Transit-Oriented Development:

- Mixed-Use Development:** TOD promotes a mix of residential, commercial, and recreational spaces.
- High-Density Development:** Areas around transit hubs are developed with higher population densities, which optimizes land use.
- Walkability:** TOD emphasizes pedestrian-friendly infrastructure, including wide sidewalks, pedestrian crossings (walk to work).
- Access to Public Transport:** The proximity of residences and businesses to makes commuting more convenient and efficient.

The Union government in Budget 2024-25 announced government of India will emphasise on transit oriented development.



Q1630. With reference to Transit-Oriented Development (TOD), consider the following statements:

- TOD promotes low-density development around transit hubs to ensure better traffic management and reduced congestion.
 - TOD aims to integrate residential, commercial, and recreational spaces within close proximity to public transportation systems.
 - Walkability is a key feature of TOD, ensuring that residents have easy access to transit hubs without relying on motor vehicles.
 - The Government of India has announced a renewed focus on TOD in the Budget 2024-25.
- How many of the statement(s) given above is/are correct?
- (a) Only one



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

Ans: c

Sol:

1. **Statement 1 is incorrect** – TOD promotes high-density development, not low-density, to maximize land use and support public transit.
2. **Statement 2 is correct** – Mixed-use development is a key feature of TOD, promoting integration of different spaces.
3. **Statement 3 is correct** – Walkability is a core principle of TOD, encouraging reduced dependence on private vehicles.
4. **Statement 4 is correct** – The Government of India announced its focus on TOD in the Budget 2024-25.

Q1631. Consider the following statements regarding the objectives and features of Transit-Oriented Development (TOD):

1. The primary aim of TOD is to reduce reliance on private vehicles and promote public transportation usage.
2. TOD ensures that commercial and residential spaces are separated to prevent overcrowding and maintain urban order.
3. High-density development near transit hubs helps optimize land use and improves urban mobility.
4. TOD includes pedestrian-friendly infrastructure to promote easy access to public transit.

Which of the statement(s) given above is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – Reducing reliance on private vehicles and promoting public transit is a core aim of TOD.
2. **Statement 2 is incorrect** – TOD encourages mixed-use development, not separation of residential and commercial spaces.

3. **Statement 3 is correct** – High-density development optimizes land use and facilitates better urban mobility.
4. **Statement 4 is correct** – Walkability and pedestrian infrastructure are essential to TOD design.

Q1632. With reference to road transport in India, consider the following statements:

1. India has the second-largest road network in the world, after the United States of America.
2. Road transport accounts for over 75% of the total Gross Value Added (GVA) of transport services in India in the FY 2023.
3. Recently, the Government of India has launched Project Abhay to enhance road connectivity in Left-Wing Extremism (LWE)-affected areas.

Which of the statement(s) given above is/are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct:** The United States has the largest road network globally, spanning approximately 6.6 million kilometers.
1. India ranks second, with a road network of 6.4 million kilometers, followed by China in third place and Brazil in fourth.
2. India's extensive road network has been rapidly expanding, driven by projects like Bharatmala Pariyojana, which aim to enhance highway infrastructure, trade routes, and last-mile connectivity.
2. **Statement 2 is correct:** Road transport is the dominant mode of transportation in India, contributing the highest share to the Gross Value Added (GVA) in transport services. In FY23, road transport accounted for 78% of the total GVA of the transport sector, making it the backbone of India's transportation economy.
3. **Statement 3 is incorrect:** Project Abhay, launched in March 2024, is an initiative by the Centre for Rural Development & Technology (CRDT), IIT Delhi, in collaboration with Foresight Foundation and supported by the Ministry of Road Transport & Highways



(MoRTH). It aims to enhance the well-being of truck drivers, by focusing on their vision, health, social security, and overall welfare. On the other hand, Road Connectivity Project for Left Wing Extremism Affected Areas (RCPLWEA) was launched in 2016, under Pradhan Mantri Gram Sadak Yojana (PMGSY) to develop roads in the Left-Wing Extremism (LWE)-affected areas.

Topic 545

545. India's Power roadmap

As per Union minister of power-

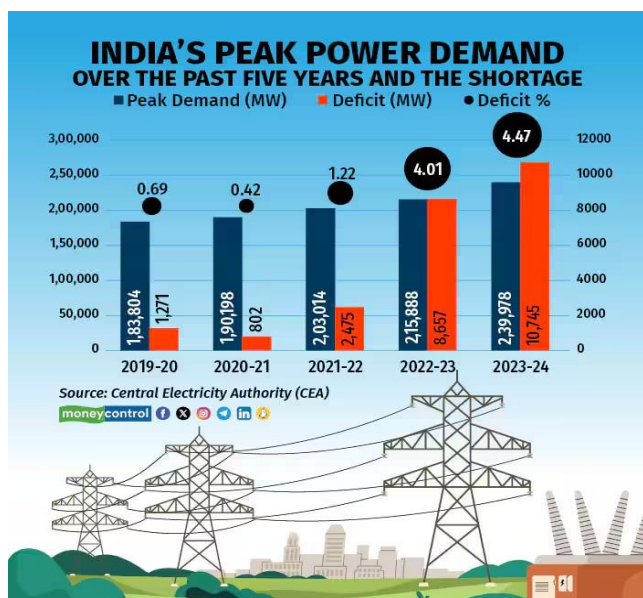
- India's **peak power demand** is expected to reach **458 GW by 2032**, an **83% increase** from 250 GW in FY20.

Projection on thermal power generation-

- The government plans to push thermal power projects until 2035 to meet the rising energy demand due to insufficient renewable energy (RE) supply.
- After 2035, the government aims to reverse the use of thermal power and focus on renewable energy to achieve net-zero emissions by 2070 as per Panchamrit strategy.

Computer Security Incident Response Team
(CSIRT-Power)

- It is newly inaugurated system safeguarding **India's power infrastructure** from **cyber threats.**
- By **Ministry of Power.**



Q1633. Consider the following statements regarding the Computer Security Incident Response Team (CSIRT-Power):

1. CSIRT-Power has been established under the Ministry of New and Renewable Energy to protect India's renewable power infrastructure from cyber threats.
2. It is tasked with monitoring and mitigating cyber threats specifically targeting India's power sector.
3. CSIRT-Power was launched to ensure enhanced power grid security amid the increasing integration of renewable energy sources into the national grid.
4. The system was established to enhance the security of both thermal and renewable energy infrastructure in India.

Which of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Statement 1 is incorrect** – CSIRT-Power was established under the Ministry of Power, not the Ministry of New and Renewable Energy.
2. **Statement 2 is correct** – CSIRT-Power focuses on addressing cyber threats targeting India's power infrastructure.
3. **Statement 3 is correct** – It aims to secure the power grid, especially with the growing role of renewable energy.
4. **Statement 4 is correct** – CSIRT-Power is designed to secure both thermal and renewable infrastructure.

Q1634. With reference to India's power roadmap, consider the following statements:

1. India's peak power demand is expected to increase by 83% by 2032 compared to FY20 levels.
2. The government plans to push thermal power projects until 2035 to meet the rising energy demand due to the shortfall in renewable energy (RE) supply.
3. After 2035, the government aims to reduce reliance on thermal power and increase the



focus on renewable energy to achieve net-zero emissions by 2070.

4. The Panchamrit strategy outlines India's commitment to achieving net-zero emissions by 2050.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

- Statement 1 is correct** – India's peak power demand is projected to increase by 83% (from 250 GW to 458 GW) by 2032.
- Statement 2 is correct** – The government plans to rely on thermal power until 2035 due to insufficient renewable energy supply.
- Statement 3 is correct** – After 2035, the government plans to reduce thermal dependence and focus on renewable energy to achieve net-zero by 2070.
- Statement 4 is incorrect** – The Panchamrit strategy sets a target for achieving net-zero emissions by 2070, not 2050.

Q1635. Consider the following sectors:

- Defence
- Education
- Health
- Energy

Arrange the above sectors in descending order based on the allocation made to them under the expenditures proposed as per Union Budget 2025-26?

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

Ans: a

Sol: In the Union Budget 2025-26, the expenditure allocations for the mentioned sectors are as follows:

- Option 1.** Defence has been allocated ₹4,91,732 crore.
- Option 2.** The education sector has been allocated ₹1,28,650 crore.

- Option 3.** The health sector has been allocated ₹99,311 crore.
- Option 4.** The energy sector has been allocated ₹81,174 crore. Hence the correct descending order is 1-2-3-4.

Topic 546

546. National Handloom Day

- 7th August** is National Handloom Day in India.
- The **first** National Handloom Day was celebrated in **Chennai in 2015**.

Significance of 7th August

- The date, 7th August, was chosen as the **Swadeshi Movement** was launched on the same date in the year **1905**.

Handloom sector in Assam

- Assam is having the **highest number of looms** in the **country** as indicated by the **4th Handloom Census Report**.
- There are **12.83 Lakh weavers** out of which **most of them are women**.
- Second-largest employer** next to agriculture.

Challenges and Issues faced by Handloom sector in Assam

1. Weak Legal Provisions:

- Dilution of **The Handlooms (Reservation of Articles for Production) Act of 1985** (earlier **22 products** were reserved for handloom which has been **reduced to 11**).

2. Competition from cheap products of powerlooms

Apparel sector in India

- In India the apparel sector is the **second-largest employer** in India after agriculture.

Initiatives taken to revive Handloom sector in Assam

1. Swanirbhar Nari initiative

- Direct procurement of hand-woven** items by the government agency will be taken up without the involvement of any middleman.

2. GI tag to Gamosa

3. Government urged people to buy Handloom Gamosa

4. Strict implementation of The Handlooms (Reservation of Articles for Production) Act of 1985

5. Special official trademark to Sualkuchi silk

- Sualkuchi** has been **designated** as a **Handloom Heritage Village** and is **now**



developing into a significant tourist destination in Assam.



Guwahati News

Assam CM Urges Everyone to Purchase Handloom Gamosas

He further stated the Assam Muga silk, which is a pride of the state, has unique features and called for a change in its design.



Assam CM Urges Everyone to Purchase Handloom Gamosas

Pratidin Time

Updated on : 1 Apr, 2023, 5:04 pm

Q1636. With reference to National Handloom Day and its significance, consider the following statements:

1. National Handloom Day was first celebrated in Chennai in 2015.
2. The date, 7th August, was chosen to commemorate the launch of the Swadeshi Movement in 1905.
3. National Handloom Day is celebrated to promote handloom exports and reduce dependency on power loom products.
4. The Swadeshi Movement was launched in response to the partition of Bengal.

How many of the above statement(s) are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – National Handloom Day was first celebrated in Chennai in 2015.
2. **Statement 2 is correct** – The date was chosen to mark the launch of the Swadeshi Movement in 1905.
3. **Statement 3 is incorrect** – The primary objective of National Handloom Day is to promote handloom products and support weavers, not to reduce dependency on power loom products.
4. **Statement 4 is correct** – The Swadeshi Movement was indeed launched in response to the partition of Bengal in 1905.

Q1637. With reference to the handloom sector in Assam, consider the following statements:

1. Assam has the highest number of looms in India, as per the 4th Handloom Census Report.
 2. The majority of the 12.83 lakh weavers in Assam are women.
 3. The handloom sector is the third-largest employer in Assam, after agriculture and mining.
- How many of the statement(s) given above are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – Assam has the highest number of looms as per the 4th Handloom Census Report.
2. **Statement 2 is correct** – Out of 12.83 lakh weavers in Assam, most are women.
3. **Statement 3 is incorrect** – The handloom sector is the second-largest employer after agriculture, not the third-largest.

Q1638. With reference to initiatives and challenges faced by the handloom sector in Assam, consider the following statements:

1. The Swanirbhar Nari initiative aims to eliminate middlemen by enabling direct government procurement of hand-woven products.
2. The Handlooms (Reservation of Articles for Production) Act of 1985 initially reserved 22 products for handloom production, which was later reduced to 11.



3. Sualkuchi has been granted a GI tag for its handloom products.

4. The government is working to promote Sualkuchi as a handloom heritage village to boost tourism.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

1. **Statement 1 is correct** – The Swanirbhar Nari initiative focuses on eliminating middlemen by facilitating direct procurement.
2. **Statement 2 is correct** – The Handlooms (Reservation of Articles for Production) Act of 1985 initially reserved 22 products, which was later reduced to 11.
3. **Statement 3 is incorrect** – Sualkuchi has been granted a special official trademark, but not a GI tag.
4. **Statement 4 is correct** – Sualkuchi has been designated as a Handloom Heritage Village to boost tourism.

Topic 547

547. Different levels of Economic integration

1. Preferential Trade Agreement (PTA)

- Partial **tariff reduction** on select goods.
- Includes **positive list** of items for trade on which tariffs are reduced.
- Example: India-Mercosur Preferential Trade Agreement.

2. Free Trade Agreement (FTA)

- Elimination of tariffs on nearly all goods. Includes **negative list** of items on which tariffs exemptions are not available.

3. Customs Union

- FTA + common external tariff. Example: The Southern African Customs Union (SACU).

4. Common Market

- Customs union + free movement of factors of production (goods, services, capital, labor). Example: The European Economic Area (EEA).

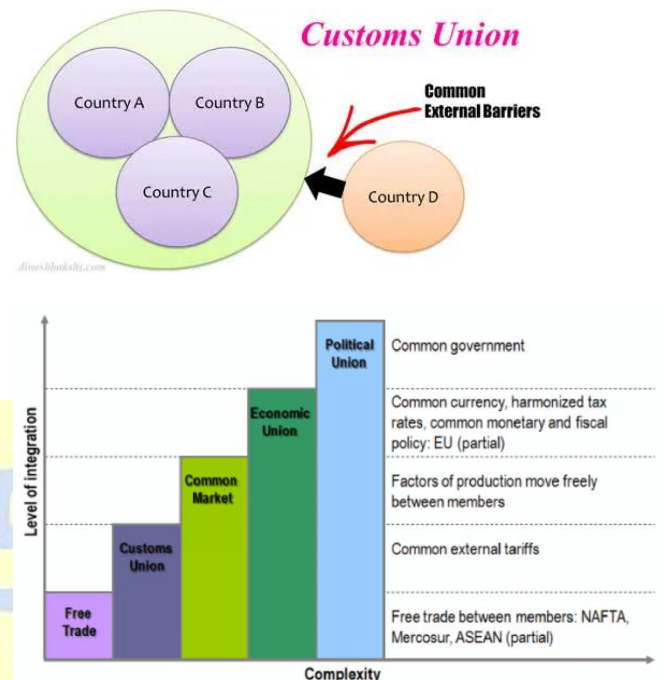
5. Economic Union

- Common market + harmonized economic policies and potentially a **shared currency**.

Example: The European Union (EU), with its **Eurozone members** using a single currency (the Euro).

6. Political Union

- Economic union + coordinated political policies and governance structures.
Example: the United States is an example of a political union where states are united under a federal government.



Q1639. India recently signed a trade agreement with the European Free Trade Association (EFTA). In this context, which of the following groups of countries are members of EFTA?

- (a) Austria, Iceland, Greece and Iceland.
(b) Germany, Liechtenstein, Italy and France.
(c) Iceland, Liechtenstein, Norway and Switzerland.
(d) Norway, Denmark, Sweden and Finland.

Ans: c

Sol: The European Free Trade Association (EFTA) was founded by the Stockholm Convention in 1960. EFTA has actively pursued trade relations with third countries in and beyond Europe. Recently, India has signed a free trade agreement with the European Free Trade Association (EFTA). Option c is correct: The European Free Trade Association (EFTA) is the intergovernmental



organization of Iceland, Liechtenstein, Norway and Switzerland.

Q1640. With reference to the different levels of economic integration, consider the following statements:

1. A Free Trade Agreement (FTA) involves elimination of tariffs on all goods, without any exceptions.
2. A Customs Union includes the features of an FTA and a common external tariff for non-member countries.
3. In a Common Market, there is free movement of goods and capital, but not labor.
4. The European Economic Area (EEA) is an example of a Common Market.

How many of the above statement(s) are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – An FTA does not eliminate tariffs on all goods; a negative list of items is maintained where exemptions are not applicable.
2. **Statement 2 is correct** – A Customs Union includes the features of an FTA and imposes a common external tariff for non-member countries.
3. **Statement 3 is incorrect** – A Common Market allows the free movement of goods, services, capital, and labor.
4. **Statement 4 is correct** – The European Economic Area (EEA) is an example of a Common Market.

Q1641. With reference to different levels of economic integration, consider the following statements:

1. A Preferential Trade Agreement (PTA) reduces tariffs on select goods based on a positive list of items.
2. An Economic Union includes the features of a Common Market but does not require harmonized economic policies among members.
3. A Political Union includes features of an Economic Union along with coordinated political policies and governance structures.

Which of the above statement(s) is/are correct?

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

Ans: c

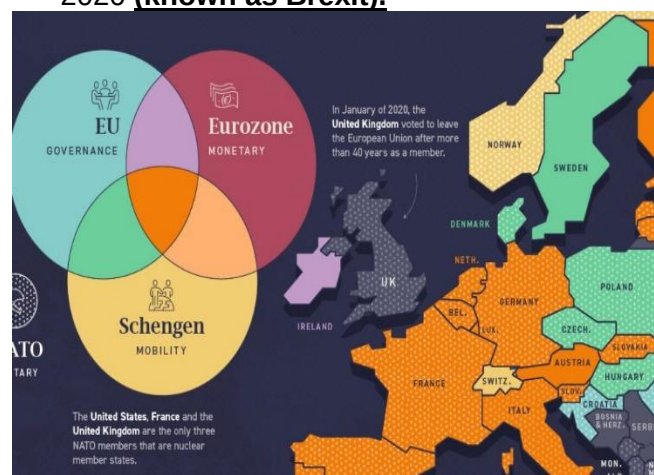
Sol:

1. **Statement 1 is correct** – A Preferential Trade Agreement (PTA) reduces tariffs on a positive list of goods.
2. **Statement 2 is incorrect** – An Economic Union includes not only a Common Market but also harmonized economic policies among members.
3. **Statement 3 is correct** – A Political Union includes features of an Economic Union along with coordinated political policies and governance structures.

Topic 548

548. European Union and Eurozone

- The **Eurozone** is a **Economic union** of **European Union (EU)** member countries that have adopted the **euro (€) as their primary currency** and sole legal tender.
- As of 2024, the Eurozone comprises the following **20 countries**.
- **Croatia** is the latest to join (joined in 2023).
- **European Union** is a **Political Union** that includes **27 countries**.
- **Britain pulled out** from European Union in 2020 (**known as Brexit**).



Q1642. Consider the following statements regarding the 'Schengen area' (Europe).

1. The Schengen area allows people travel freely between member countries without going through border controls.
 2. The benefits of Schengen area do not apply to non-EU nationals living in the EU or visiting the EU as tourists.
 3. Only EU countries are part of Schengen area.
- How many of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** – The Schengen area allows for passport-free travel between member countries without going through border controls.
- **Statement 2 is incorrect** – The benefits of the Schengen area do apply to non-EU nationals holding a valid Schengen visa or residence permit, allowing them to travel within the Schengen area without additional border checks.
- **Statement 3 is incorrect** – Not all Schengen area countries are EU members. For example, Norway, Iceland, Switzerland, and Liechtenstein are part of the Schengen area but are not EU members. Conversely, some EU countries like Ireland and Croatia are not part of the Schengen area.

Q1643. Consider the following statements regarding the Eurozone and the European Union:

1. All European Union (EU) member countries are part of the Eurozone.
2. The Eurozone is an economic union where the euro (€) is the official currency.
3. Croatia was the latest country to join the Eurozone in 2023.
4. As of 2024, the Eurozone comprises 22 member countries.

How many of the above statement(s) are correct?

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

Ans: b

Sol:

1. **Statement 1 is incorrect** – Not all EU member countries are part of the Eurozone. For example, Denmark, Sweden, and Poland are EU members but have not adopted the euro.
2. **Statement 2 is correct** – The Eurozone is an economic union where the euro (€) serves as the official and sole legal currency.
3. **Statement 3 is correct** – Croatia joined the Eurozone in 2023 as the latest member.
4. **Statement 4 is incorrect** – As of 2024, the Eurozone comprises 20 member countries, not 22.

Q1644. Consider the following statements regarding the European Union (EU) and the Eurozone:

1. All countries that are part of the Eurozone are also members of the European Union.
 2. The European Union and the Eurozone have the same membership structure.
 3. Some European Union member states have opted out of adopting the euro as their currency.
- How many of the above statement(s) are correct?

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

Ans: a

Sol:

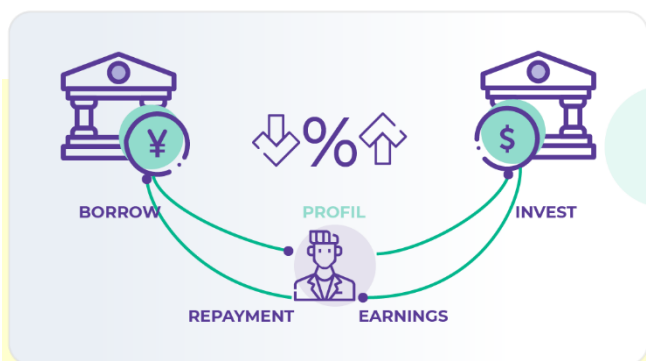
1. **Statement 1 is incorrect** – While most Eurozone members are part of the EU, some EU countries like Denmark and Sweden have not adopted the euro. Also, non-EU countries like Monaco and San Marino use the euro through agreements with the EU.
2. **Statement 2 is incorrect** – The EU and the Eurozone have different membership structures. The EU has 27 members, while the Eurozone has 20 members as of 2024.
3. **Statement 3 is correct** – Some EU countries, such as Denmark, Sweden, and Poland, have opted out of adopting the euro and continue to use their own national currencies.



Topic 549

549. Yen Carry trade

- Its origins can be traced back to **1999** when Japan struck **policy rates down to zero** after its **massive economic crisis in Japan**.
- The idea behind low interest rates is to **stimulate economic activity**.
- Many **traders make profit** of this by **borrowing yen, converting** to other currency say **dollars, invest in assets abroad** like bonds etc.
- At the end of a usually short-term trade, the **investor converts the dollars back into yen** and **repays the loan**.
- This trade between dollar and yen is known as **Yen Carry trade**.
- Annualised **returns** typically can be around **5% to 6%**.



Q1645. Consider the following statements regarding the Yen Carry Trade:

1. The Yen Carry Trade originated in 1999 after Japan introduced near-zero interest rates to stimulate economic activity.
2. In a Yen Carry Trade, investors borrow yen at low-interest rates, convert it into other currencies, and invest in higher-yielding assets abroad.
3. The Yen Carry Trade is a long-term strategy where returns are typically locked for over five years.
4. Yen Carry Trade has been known to generate annualized returns of around 5% to 6%.

How many of the above statement(s) are correct?

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

Ans: c

Sol:

1. **Statement 1 is correct** – The Yen Carry Trade originated in 1999 after Japan lowered interest rates to near-zero levels to stimulate economic activity.
2. **Statement 2 is correct** – The strategy involves borrowing yen at low rates, converting to other currencies (e.g., dollars), and investing in higher-yielding assets abroad.
3. **Statement 3 is incorrect** – Yen Carry Trade is typically a short-term strategy, not a long-term one.
4. **Statement 4 is correct** – Annualized returns from Yen Carry Trade are usually around 5% to 6%.

Q1646. Which of the following statements regarding the Yen Carry Trade is/are correct?

1. The Yen Carry Trade takes advantage of Japan's low-interest rates by investing in higher-yielding assets in foreign markets.
2. The trade carries no significant risk since currency exchange rates remain stable over short periods.
3. If the yen appreciates against the dollar during the trade, the investor stands to make a higher profit.

Select the correct answer using the code below:

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

Ans: a

Sol:

1. **Statement 1 is correct** – The Yen Carry Trade exploits Japan's low-interest rates to generate profits from investments in higher-yielding foreign assets.
2. **Statement 2 is incorrect** – The trade carries significant risk because currency exchange rates can be volatile.
3. **Statement 3 is incorrect** – If the yen appreciates against the dollar, the investor would face a loss while converting the profits back to yen.



Q1647. Consider the following statements regarding the risks and returns of Yen Carry Trade:

1. The profitability of Yen Carry Trade depends largely on the stability of exchange rates between the yen and the target currency.
2. If the yen depreciates against the dollar, the investor benefits while converting the profit back to yen.
3. Yen Carry Trade is primarily driven by Japan's high interest rates.
4. Annualized returns from Yen Carry Trade have historically been between 10% to 12%.

How many of the above statement(s) are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – The profitability of Yen Carry Trade heavily depends on the relative exchange rate movement between the yen and other currencies.
2. **Statement 2 is correct** – If the yen depreciates, the investor makes a higher profit when converting the earnings back to yen.
3. **Statement 3 is incorrect** – The trade is driven by low interest rates in Japan, not high rates.
4. **Statement 4 is incorrect** – Annualized returns are generally between 5% to 6%, not 10% to 12%.

Topic 550

550. Cheque Truncation System (CTS)

- To understand CTS, see the situation mentioned.
- **How 'Payment and Settlement' system is done?**
- There is a 'clearing house/processing house' in every district established by RBI in its office.
- In cities where RBI's office doesnot exist, usually SBI or other public sector bank acts as the clearing house.

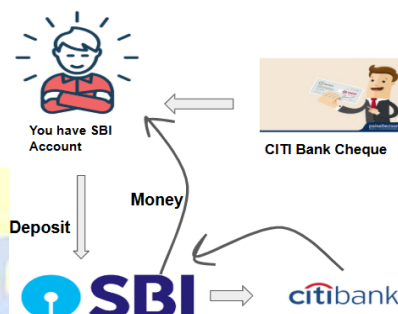
What is Cheque Truncation System (CTS)?

- The **old paper cheque** based clearing is **time consuming** it requires **physically movement the cheques** to a clearing house.

- So RBI came up with a **new idea** known as **'Cheque Truncation System (CTS)'**.
- **No physical movement of cheques needed.**
- Under it merely scan the cheque, and **electronically send the image** + **MICR data**, to the **clearing house**.
- This process is **faster and safer** than the conventional paper-cheque clearing method.

What is MICR code?

- Like with PIN code, a postman can know **the destination of an envelope.**
- Same way by using the MICR code, RBI (clearing house) **can know the name of a bank**, **location of its branch** from where the **cheque was issued.**
- MICR = Magnetic ink character recognition.



- A party pays you via cheque of Citibank.
- You deposit this cheque in your area's SBI branch.
- SBI will make payment and settle with CITIBank.
- This is known as 'Payment and Settlement' system.



Cheques are scanned and their image with MICR data is sent



MICR Code is written with ink of Iron Oxide



Q1648. Consider the following statements regarding the Cheque Truncation System (CTS):

1. In CTS, the physical movement of cheques is replaced by the electronic transmission of the cheque's scanned image and MICR data to the clearing house.
2. MICR code helps identify the bank and branch from where the cheque was issued.
3. RBI is the only authority allowed to establish clearing houses in all districts across India under CTS.
4. CTS is more time-consuming but more secure compared to the conventional paper-based clearing method.

How many of the above statement(s) are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – Under CTS, the physical movement of cheques is replaced by the electronic transmission of scanned images and MICR data.
2. **Statement 2 is correct** – MICR code helps in identifying the bank and branch details from which the cheque was issued.
3. **Statement 3 is incorrect** – In cities where RBI does not have an office, SBI or other public sector banks can act as the clearing house.
4. **Statement 4 is incorrect** – CTS is faster and more secure than the conventional paper-based clearing method.

Q1649. With reference to the Payment and Settlement system under the Cheque Truncation System (CTS), consider the following statements:

1. If a cheque from Citibank is deposited in an SBI branch, SBI will directly settle the payment with Citibank under CTS.
 2. CTS allows faster clearing by transmitting cheque details electronically instead of physically presenting the cheque.
 3. MICR code helps the clearing house identify the issuing bank but not the specific branch location.
- Which of the statement(s) given above is/are correct?

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

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

Ans: a

Sol:

1. **Statement 1 is correct** – Under CTS, SBI will settle the payment directly with Citibank after processing through the clearing house.
2. **Statement 2 is correct** – CTS allows faster clearing by transmitting cheque images and data electronically.
3. **Statement 3 is incorrect** – MICR code helps identify both the issuing bank and the branch location.

Q1650. Which of the following statements regarding MICR (Magnetic Ink Character Recognition) and Cheque Truncation System (CTS) is/are correct?

1. MICR code helps in identifying the issuing bank and branch during the cheque clearing process.
2. RBI is solely responsible for managing all clearing houses involved in CTS operations.
3. CTS eliminates the need for physical movement of cheques by using electronic transmission of cheque data and images.
4. CTS has increased the time required for cheque settlement due to the complexity of electronic processing.

How many of the above statement(s) are correct?

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

Ans: b

Sol:

1. **Statement 1 is correct** – MICR code allows the clearing house to identify the bank and branch.
2. **Statement 2 is incorrect** – In cities without RBI offices, SBI or other public sector banks act as clearing houses.
3. **Statement 3 is correct** – CTS eliminates the need for physical cheque movement by using electronic data transmission.
4. **Statement 4 is incorrect** – CTS reduces the time required for cheque settlement by simplifying and accelerating the process.



Day 56
Topic 551
551. Antitrust case against Google
What is Antitrust law?

- Antitrust law of the US aims to **promote competition** and **preventing monopolies** in business.
- The **U.S. Department of Justice** (DOJ) filed a major **antitrust lawsuit against Google**.

What are accusations against Google?

- The DOJ accused Google of misusing its **dominant market position** to **suppress rivals** and **maintain its monopoly**.
- Monopoly maintained through exclusive agreements with **mobile handset manufacturers** like **Samsung** and **Apple**.

Competition Commission of India

- It is a **statutory body** of the Government of India. Its responsibility is to enforce **Competition Act 2002**.

Objectives of the Commission:

- To **prevent practices** having **adverse effect** on **competition**.
- To promote and **sustain competition** in markets.
- In a liberal economy its **very important to provide level playing fields** to every business.

CCI ensures that **no big company** takes advantage of its position to **suppress new start ups**.

- The decisions of the CCI can be **challenged** in the **National Company Law Appellate Tribunal (NCLAT)** before reaching the **Supreme Court**.



Q1651. With reference to the Competition Commission of India, consider, the following statements:

1. It is a statutory body established under Competition Act, 2002 as amended by the Competition (Amendment) Act, 2007.
2. It consists of a chairperson and five members appointed by the Central Government.

Which of the above statements is/are correct?

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

Ans: a

Sol: The Commission consists of one Chairperson and six Members who shall be appointed by the Central Government. Hence statement 2 is incorrect.

Q1652. With reference to Antitrust Law and the Competition Commission of India (CCI), consider the following statements:

1. The Antitrust law in the US aims to promote competition and prevent monopolies in business.
2. The U.S. Department of Justice (DOJ) filed an antitrust lawsuit against Google, accusing it of maintaining its monopoly through exclusive agreements with Apple and Samsung.
3. The Competition Act, 2002, which replaced the Monopolies and Restrictive Trade Practices Act (MRTP), was enacted based on the recommendations of the Raghavan Committee.
4. The decisions of the CCI can be challenged directly in the Supreme Court of India without approaching any other tribunal.



How many of the statement(s) given above is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: c

Sol:

- Correct** – Antitrust law in the US is designed to promote competition and prevent monopolies.
- Correct** – The DOJ accused Google of maintaining its monopoly through exclusive agreements with Samsung and Apple.
- Correct** – The Competition Act, 2002, was enacted based on the recommendations of the Raghavan Committee.
- Incorrect** – The decisions of the CCI are challenged first in the National Company Law Appellate Tribunal (NCLAT) before reaching the Supreme Court.

Q1653. With reference to Competition Commission of India (CCI), consider the following statements:

- The main objective of CCI is to prevent practices that have an adverse effect on competition and promote a fair market environment.
- CCI ensures that new start-ups are protected from predatory pricing and monopolistic behaviour of large companies.
- The CCI operates under the direct administrative control of the Reserve Bank of India (RBI).
- The Competition Act, 2002, applies to both public and private sector entities operating within the Indian market.

Which of the statements given above is/are correct?

- 1 and 2 only
- 1, 2 and 4 only
- 1, 3 and 4 only
- 2 and 3 only

Ans: b

Sol:

- Correct** – The CCI's primary objective is to prevent anti-competitive practices and promote fair competition.

- Correct** – CCI protects start-ups by ensuring that large firms do not engage in anti-competitive behaviour like predatory pricing.
- Incorrect** – CCI operates under the administrative control of the Ministry of Corporate Affairs (MCA), not the RBI.
- Correct** – The Competition Act, 2002, applies to both public and private sector entities operating within the Indian market.

Topic 552

552. Bharatmala Pariyojana

- Bharatmala Pariyojana is an **umbrella programme** launched under the Ministry of Road Transport and Highways.

Salient Features

- There are **six key features** of the programme:
- Inter-corridor and Feeder routes**
 - This would ensure first mile and **last mile connectivity**.
 - National Corridor Efficiency Improvement**
 - Lane expansion and **decongestion** of existing National Corridors.
 - Border and International Connectivity roads**
 - For greater **maneuverability**, while also **boosting trade** with neighboring countries.
 - Coastal and Port connectivity roads**
 - For Port-led economic development
 - Green-field Expressways**
 - To unburden the existing expressways.
 - Economic Corridors**
 - Improve connectedness between **consumption centers**.

Economic Corridors development:

- Envisages the development of about **26,000 km of economic corridors**.
- Includes the **Golden Quadrilateral (GQ)** and **North-South and East-West (NS-EW) Corridors**.





Golden Quadrilateral

- Connects the four largest cities of the country: Delhi (North), Mumbai (West), Chennai (South), and Kolkata (East).



North-South and East-West (NS-EW) Corridors

1. North-South Corridor

- Srinagar to Kanyakumari

2. East-West Corridor

- Silchar to Porbandar Intersect at the city of Jhansi ("Zero Mile" marker)

Q1654. With reference to Bharatmala Pariyojana, consider the following statements:

- Bharatmala Pariyojana is implemented under the Ministry of Road Transport and Highways.
- The programme aims to develop about 26,000 km of economic corridors.
- The Golden Quadrilateral connects four metropolitan cities — Delhi, Mumbai, Chennai, and Bengaluru.

4. The North-South and East-West (NS-EW) Corridors intersect at the city of Nagpur.

How many of the statement(s) given above are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:

- Correct** – Bharatmala Pariyojana is under the Ministry of Road Transport and Highways.
- Correct** – The programme includes the development of 26,000 km of economic corridors.
- Incorrect** – The Golden Quadrilateral connects Delhi, Mumbai, Chennai, and Kolkata — not Bengaluru.
- Incorrect** – The North-South and East-West corridors intersect at Jhansi (not Nagpur).

Q1655. With reference to the Golden Quadrilateral and the North-South and East-West Corridors under Bharatmala Pariyojana, consider the following statements:

- The Golden Quadrilateral project connects the four largest metropolitan cities in India — Delhi, Mumbai, Chennai, and Kolkata.
- The North-South Corridor connects Srinagar in the north to Kanyakumari in the south.
- The East-West Corridor connects Silchar in the east to Porbandar in the west.
- The Zero Mile marker for the North-South and East-West corridors is located in Jhansi.

Which of the statements given above is/are correct?

- 1 and 2 only
- 1, 2 and 3 only
- 2, 3 and 4 only
- 1, 2, 3 and 4

Ans: d

Sol:

- Correct** – The Golden Quadrilateral connects Delhi, Mumbai, Chennai, and Kolkata.
- Correct** – The North-South Corridor connects Srinagar to Kanyakumari.
- Correct** – The East-West Corridor connects Silchar to Porbandar.



4. **Correct** – Jhansi is the intersection point of the North-South and East-West Corridors (Zero Mile marker).

Q1656. Regarding the Bharatmala Pariyojana, consider the following statements:

1. Coastal and port connectivity roads under the Bharatmala Pariyojana aim to enhance port-led economic development.
2. The Bharatmala Pariyojana includes the construction of Greenfield Expressways to decongest existing national highways.
3. The programme focuses only on improving connectivity between the major metropolitan cities in India.
4. Border and international connectivity roads are intended to facilitate better trade with neighbouring countries.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – Coastal and port connectivity roads aim to promote port-led economic development.
2. **Correct** – Greenfield Expressways are intended to reduce congestion on existing highways.
3. **Incorrect** – The programme also aims to improve connectivity between consumption centres, not just metro cities.
4. **Correct** – Border and international connectivity roads aim to boost trade with neighbouring countries.

Topic 553

553. Chakravayuh Challenge of Indian Economy

- **Economic Survey 2015-16** said that Indian Economy is facing '**Chakravayuh Challenge**'.

What is Chakravyuh Challenge?

- Apart from many systemic issues one major issue is the problem of **"entry without exit"**.

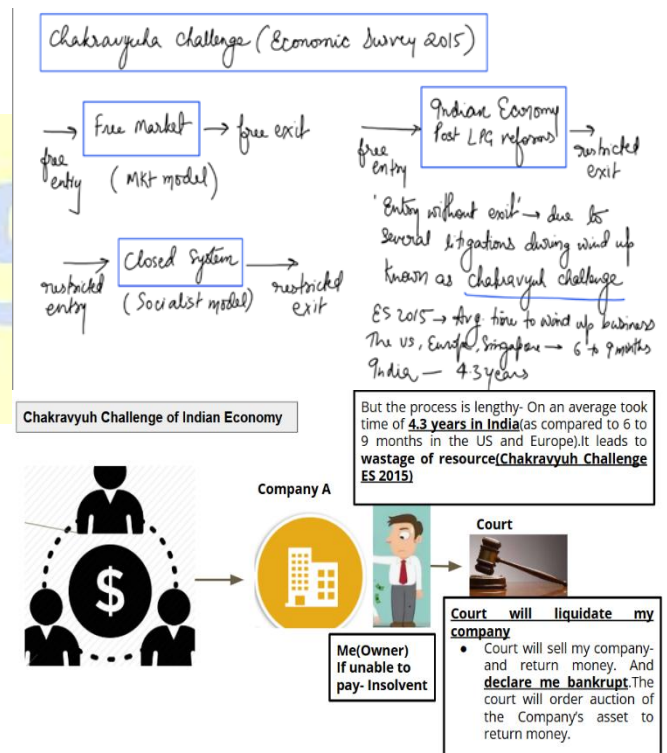
- This refers to situations where businesses and industries can enter the market easily due to liberalization and reforms post 1991.
- but face significant difficulties in exiting when they become non-viable.
- This is often due to complex bankruptcy laws, judicial delays.

Insolvency

- Insolvency refers to a financial state in which **an individual or an organization is unable to meet its financial obligations** ie inability to pay off debts.

Bankruptcy

- Bankruptcy is a legal process initiated when an insolvent individual or organization is **formally declared to be unable to repay debts.**
- It involves the resolution of debts **through court.**



Q1657. With reference to the Chakravayuh Challenge mentioned in the Economic Survey 2015-16, consider the following statements:

1. The Chakravayuh Challenge refers to the problem of easy entry but significant barriers to exit for businesses in India.
2. The problem emerged primarily after the liberalization reforms of 1991.



3. Complex labour laws and lack of skilled workforce are the primary reasons behind the Chakravayuh Challenge.
4. Complex bankruptcy laws and judicial delays contribute to the Chakravayuh Challenge.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – The Chakravayuh Challenge highlights the problem of easy entry but difficult exit for businesses.
2. **Correct** – Liberalization reforms post-1991 created an environment of easy market entry.
3. **Incorrect** – Complex bankruptcy laws and judicial delays (not labour laws or lack of workforce) are the primary reasons.
4. **Correct** – Complex bankruptcy laws and judicial delays hinder business exits, contributing to the challenge.

Q1658. Regarding the concepts of insolvency and bankruptcy, consider the following statements:

1. Insolvency refers to the inability of an individual or business to meet its financial obligations.
2. Bankruptcy is a legal status declared when a business or individual is formally unable to repay debts.
3. A business or individual can be declared bankrupt even if they are not insolvent.
4. Bankruptcy involves resolution of debts through a court-monitored process.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Correct** – Insolvency is the financial state of not being able to meet financial obligations.
2. **Correct** – Bankruptcy is a legal status that follows insolvency.

3. **Incorrect** – A business cannot be declared bankrupt unless it is insolvent.
4. **Correct** – Bankruptcy is a court-monitored process for resolving debts.

Q1659. With reference to the Chakravayuh Challenge and issues related to insolvency and bankruptcy in India, consider the following statements:

1. The Chakravayuh Challenge reflects the problem of market entry without exit due to inadequate bankruptcy resolution mechanisms.
2. Insolvency always results in bankruptcy proceedings.
3. Judicial delays in resolving insolvency cases contribute to the Chakravayuh Challenge.
4. The introduction of the Insolvency and Bankruptcy Code (IBC) in 2016 was aimed at addressing the Chakravayuh Challenge.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

1. **Correct** – The Chakravayuh Challenge highlights the problem of market entry without exit due to inadequate bankruptcy resolution.
2. **Incorrect** – Insolvency does not always result in bankruptcy; debts can be resolved without bankruptcy.
3. **Correct** – Judicial delays increase the difficulty in resolving insolvency cases, contributing to the Chakravayuh Challenge.
4. **Correct** – The IBC (2016) was introduced to streamline and expedite insolvency resolution.

Topic 554

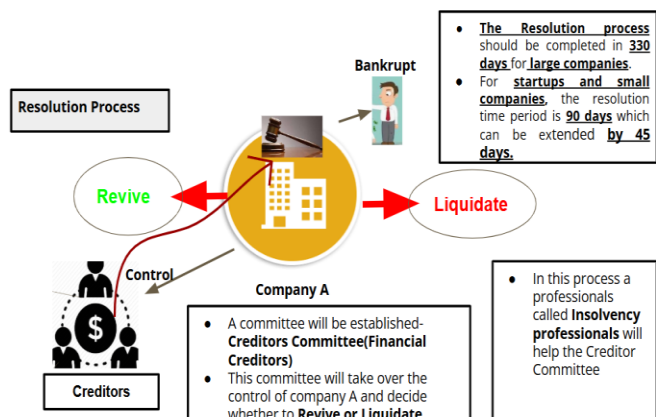
554. Insolvency and Bankruptcy Code

Problem of delay in liquidation process (Chakravayuh Challenge)

1. Inefficient use of factors of production like Building, workers, Capital.
2. Rise of NPA of Banks
 - To resolve the Insolvency and Bankruptcy code was brought in 2016.



- With IBC, If a company defaults then some of the creditors can go NCLT(National Company Law Tribunal).
- Through NCLT they will send a notice to the company. If the company does not give money in 10 days then Resolution process will start.
- If an individual borrows money the matter goes to Debt Recovery Tribunal (DRT).



**Resolution of IBC cases
took 716 days in 2023-24**

In 2023-24, the percentage of realisable amount to admitted claims was at 27%, showed the recent data provided by the corporate affairs ministry to Rajya Sabha



Q1660. Consider the following statements regarding insolvency and bankruptcy:

1. Bankruptcy refers to a financial state in which an individual or entity is unable to pay off their debts as they become due.
2. Insolvency refers to a legal process, where the assets of the debtor are liquidated or reorganized for the benefit of creditors.
3. Bankruptcy is a state whereas insolvency is the conclusion.
4. The Insolvency and Bankruptcy Board of India (IBBI) is the regulatory body responsible for overseeing insolvency and bankruptcy proceedings.

Which of the above statements is/are correct?

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

Ans: c

Sol:

1. **Incorrect** – Insolvency (not bankruptcy) refers to a financial state where an individual or entity is unable to meet their financial obligations.
2. **Incorrect** – Bankruptcy refers to a legal process where the debtor's assets are liquidated or reorganized to settle debts.
3. **Incorrect** – Insolvency is a state of financial distress, while bankruptcy is the legal outcome or resolution of insolvency.
4. **Correct** – The Insolvency and Bankruptcy Board of India (IBBI) is the statutory body responsible for regulating insolvency and bankruptcy proceedings under the Insolvency and Bankruptcy Code (IBC), 2016.

Q1661. Consider the following statements regarding the Insolvency and Bankruptcy Code (IBC), 2016:

1. The IBC was introduced to address the problem of delay in the liquidation process caused by inefficient use of factors of production.
2. Under IBC, if a company defaults, creditors can approach the Debt Recovery Tribunal (DRT) to initiate the resolution process.
3. The resolution process under IBC is initiated if the company fails to pay within 10 days of receiving the notice from the creditors through the National Company Law Tribunal (NCLT).
4. The IBC was introduced in response to the growing problem of Non-Performing Assets (NPAs) in the Indian banking sector.

How many of the statement(s) given above is/are correct?

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

Ans: c



Sol:

1. **Correct** – The IBC was introduced to improve the efficiency of the liquidation process and address the problem of underutilization of resources.
2. **Incorrect** – Creditors can approach NCLT (not DRT) if a company defaults. DRT handles insolvency cases related to individuals.
3. **Correct** – If the company fails to pay within 10 days of receiving notice from creditors via NCLT, the resolution process is initiated.
4. **Correct** – IBC was introduced to resolve the rising issue of Non-Performing Assets (NPAs) in India.

Q1662. With reference to the Insolvency and Bankruptcy Code (IBC), consider the following statements:

1. National Company Law Tribunal (NCLT) is the adjudicating authority for resolving insolvency cases of companies under the IBC.
2. The resolution process under the IBC is limited to corporate insolvency, and individual insolvency cases are not covered under the code.
3. Debt Recovery Tribunal (DRT) deals with insolvency cases of individuals under the IBC.
4. The IBC provides a fixed time frame for the resolution process to prevent prolonged litigation.

Which of the above statements is/are correct?

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

Ans: a

Sol:

1. **Correct** – NCLT is the adjudicating authority for corporate insolvency under the IBC.
2. **Incorrect** – IBC covers both corporate and individual insolvency cases.
3. **Correct** – DRT handles cases of individual insolvency under the IBC.
4. **Correct** – The IBC prescribes a time-bound resolution process to avoid delays in resolving insolvency cases.

Topic 555

555. PM KUSUM Scheme

- **PM- KUSUM** aims to provide financial support to farmers **harness solar energy capacities of 30,000 MW by 2022(date extended to March 2026).**
 - By **Ministry of New and Renewable Energy (MNRE)**
 - **Enable farmers** to set up solar power generation capacity on their **barren lands- Use it for their pumps to irrigate land**
- a. **Earn by sell it to the grid.**

The PM-KUSUM Scheme has 3 components-

1. Component-A

1. **Component-A**
 - For Setting up of **10,000 MW** (10 GW) of **Decentralized Grid Connected** Renewable Energy Power Plants **on barren land**.
2. **Component-B**
 - For Installation of **17.50 Lakh stand-alone solar agriculture pumps**.
3. **Component-C**
 - For **Solarisation** of **10 Lakh Grid Connected Agriculture Pumps**.



Key Features of PM Kusun Yojana

Component A

To establish 10,000 MW of decentralized grid connection.

Component B

To install 17.50 lakh stand-alone solar agriculture pumps.

Component C

Individual Pump Solarisation

Feeder Level Solarisation

Q1663. Consider the following statements regarding the PM-KUSUM Scheme:

1. The PM-KUSUM scheme aims to provide financial support to farmers for harnessing solar energy capacities of 30,000 MW by 2022, with an extension to March 2026.
2. Under Component-A, farmers can set up decentralized grid-connected renewable energy power plants on their barren land and sell the power to the grid.
3. Component-B involves the installation of 10 lakh stand-alone solar agriculture pumps.
4. Component-C focuses on the solarisation of grid-connected agriculture pumps, with a target of 17.50 lakh pumps.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – The target of 30,000 MW by 2022 was extended to March 2026.
2. **Correct** – Component-A involves setting up of decentralized grid-connected renewable energy plants and allows farmers to sell power to the grid.
3. **Incorrect** – Component-B targets the installation of 17.50 lakh stand-alone solar pumps (not 10 lakh).
4. **Correct** – Component-C aims for the solarisation of 10 lakh grid-connected agriculture pumps.

Q1664. With reference to the PM-KUSUM Scheme, consider the following statements:

1. The PM-KUSUM scheme is implemented by the Ministry of Power to promote the use of renewable energy in agriculture.
2. Under Component-A, farmers can set up renewable energy power plants on both barren and cultivated land.
3. The scheme allows farmers to earn additional income by selling surplus power to the grid.
4. The target for stand-alone solar pumps under Component-B is higher than the target for grid-connected pumps under Component-C.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

1. **Incorrect** – PM-KUSUM is implemented by the Ministry of New and Renewable Energy (MNRE), not the Ministry of Power.
2. **Incorrect** – Component-A allows setting up renewable energy plants only on barren land (not cultivated land).
3. **Correct** – Farmers can earn additional income by selling surplus power to the grid.
4. **Correct** – The target for stand-alone solar pumps under Component-B (17.50 lakh) is higher than that for grid-connected pumps under Component-C (10 lakh).

Q1665. Regarding the PM-KUSUM Scheme, consider the following statements:

1. PM-KUSUM includes both grid-connected and stand-alone solar pump installations under its components.
2. The solarisation of agriculture pumps under Component-C is expected to reduce the subsidy burden on electricity supply for agricultural purposes.
3. The PM-KUSUM scheme also provides financial incentives to farmers for adopting energy-efficient irrigation techniques.
4. The scheme was initially launched in 2019 and targeted completion by 2025.

How many of the above statement(s) is/are correct?



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

Ans: b

Sol:

1. **Correct** – The scheme includes both grid-connected and stand-alone solar pump installations under Component-B and Component-C.
2. **Correct** – Solarisation of agriculture pumps will reduce the subsidy burden on electricity supply for agricultural purposes.
3. **Incorrect** – PM-KUSUM does not provide financial incentives for energy-efficient irrigation techniques; it focuses on solar power adoption.
4. **Incorrect** – The scheme was launched in 2019 with an initial target completion date of 2022 (later extended to 2026).

Topic 556

556. Income Tax Day

- Income tax was introduced in India in **1860** by Sir James Wilson, a British economist.
- The tax was imposed as a means to meet the financial demands of the British government after the 1857 Revolt, which had put significant strain on the colonial treasury.
- First Income Tax Act was introduced in the year **1860**.
- Currently, income tax in India is applied under the Income Tax Act, 1961.
- But since income tax was introduced in 1860, India is celebrating 165th Income Tax Day in 2025.
- Income Tax Day in India is observed on July 24th every year.

Tax terrorism

- Tax Terrorism essentially means the undue exercise of power by tax authorities to levy taxes using legal or extralegal means.



Q1666. Consider the following statements regarding Income Tax in India:

1. Income tax was introduced in India in 1860 by Sir James Wilson to address the financial crisis following the 1857 Revolt.
2. The First Income Tax Act was enacted in 1961, forming the basis for the current income tax framework in India.
3. India celebrates Income Tax Day on July 24th each year to mark the introduction of the first Income Tax Act.
4. The concept of tax terrorism refers to excessive use of power by tax authorities to collect taxes using legal and extra-legal means.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – Income tax was introduced in 1860 by Sir James Wilson to meet the financial strain after the 1857 Revolt.
2. **Incorrect** – The Income Tax Act of 1961 forms the basis for the current income tax structure, but the first Income Tax Act was introduced in 1860 (not 1961).
3. **Correct** – India observes Income Tax Day on July 24th every year.
4. **Correct** – Tax terrorism refers to undue exercise of power by tax authorities for tax collection.

Q1667. With reference to Income Tax Day and Taxation in India, consider the following statements:



1. India started celebrating Income Tax Day from the year 1961 when the current Income Tax Act came into effect.
2. The first Income Tax Act was introduced by Sir James Wilson as a temporary measure to deal with the financial burden after the 1857 Revolt.
3. Tax terrorism includes both the imposition of excessive taxes and threats of legal action against taxpayers to force compliance.
4. The concept of tax terrorism was first formally defined under the Income Tax Act, 1961.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

1. **Incorrect** – India celebrates Income Tax Day based on the introduction of the first Income Tax Act in 1860 (not 1961).
2. **Correct** – The first Income Tax Act was introduced by Sir James Wilson as a temporary measure to cover financial deficits post-1857.
3. **Correct** – Tax terrorism includes both excessive tax imposition and threats of legal action to enforce compliance.
4. **Incorrect** – The concept of tax terrorism is not defined under the Income Tax Act, 1961.

Q1668. Consider the following statements regarding Income Tax in India:

1. India celebrates 165th Income Tax Day in 2025 based on the introduction of income tax in 1860.
2. The concept of tax terrorism emerged during the colonial period as a tool to extract more revenue from Indian businesses.
3. The first Income Tax Act introduced in 1860 was replaced by a new Income Tax Act in 1922, which served as the basis for future taxation laws.
4. The Income Tax Act, 1961 retained the same structure as the 1922 Act with minor amendments.

How many of the above statement(s) is/are correct?

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

- (c) Only three
- (d) All four

Ans: c

Sol:

1. **Correct** – India will celebrate the 165th Income Tax Day in 2025 since income tax was introduced in 1860.
2. **Incorrect** – The concept of tax terrorism is a modern issue, not a colonial-era practice.
3. **Correct** – The first Income Tax Act of 1860 was replaced by the 1922 Act, which influenced modern taxation laws.
4. **Correct** – The 1961 Act retained the structure of the 1922 Act with some modifications.

Topic 557

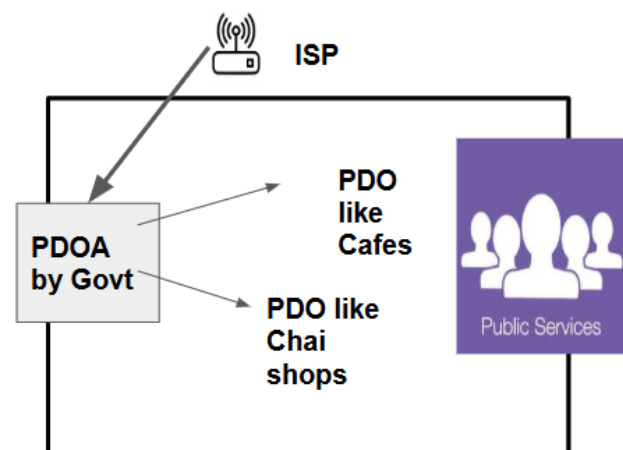
557. PM WANI scheme

- Objective-to **provide public Wi-Fi service** through **Public Data Offices (PDOs)** spread across the length and breadth of the country **just like what PCOs (Public Call Offices)** did for telephone spread in India.
- The Public **Wi-Fi Networks** will be set up by **Public Data Office Aggregators (PDOAs)**.
- The **Public Data Offices (PDOs)** will be there with **no requirement of the license, registration, or any other fees.**

What is public data office?

- This concept was introduced by **Telecom regulatory Authority of India in 2017.**
- **Small entrepreneurs having access to internet at a cheaper rate can become PDO.**
- They can **pass data** to the customers and other people in their area at **lower cost.**





PM Wani scheme significance-

1. Promote Digital India programme(using digital technologies to drive growth)
2. Support e-governance
3. Bridge digital divide

Q1669. Consider the following statements regarding the PM-WANI Scheme:

1. PM-WANI aims to provide public Wi-Fi service through Public Data Offices (PDOs) without the requirement of any license, registration, or fees.
2. Public Wi-Fi networks under the scheme will be established by Public Data Office Aggregators (PDOAs).
3. The concept of Public Data Office (PDO) was introduced by the Telecom Regulatory Authority of India (TRAI) in 2015.
4. Small entrepreneurs with access to the internet at lower costs can become PDOs and provide affordable data services to customers.

How many of the statement(s) given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – PM-WANI allows setting up of PDOs without licensing, registration, or fees.
2. **Correct** – PDOAs are responsible for establishing public Wi-Fi networks.

3. **Incorrect** – The concept of PDO was introduced by TRAI in 2017 (not 2015).
4. **Correct** – Small entrepreneurs can set up PDOs and offer internet at lower costs.

Q1670. With reference to the PM-WANI Scheme, consider the following statements:

1. PM-WANI was introduced to replicate the success of Public Call Offices (PCOs) by providing affordable internet access across India.
2. Public Data Office Aggregators (PDOAs) act as intermediaries, connecting PDOs with telecom service providers.
3. Only licensed telecom operators are allowed to operate as Public Data Offices (PDOs).
4. PM-WANI aims to provide last-mile internet connectivity, especially in rural and underserved areas.

Which of the statements given above are correct?

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

Ans: b

Sol:

1. **Correct** – PM-WANI aims to replicate the success of PCOs for internet access.
2. **Correct** – PDOAs serve as intermediaries between PDOs and telecom operators.
3. **Incorrect** – Any small entrepreneur can become a PDO without needing a license.
4. **Correct** – The scheme's goal includes extending internet access to underserved areas.

Q1671. Consider the following statements regarding PM-WANI Scheme and Public Data Offices (PDOs):

1. The Telecom Regulatory Authority of India (TRAI) introduced the concept of PDOs to enable affordable internet access in 2017.
2. PDOs under PM-WANI are required to pay a one-time license fee to the Department of Telecommunications (DoT).
3. PM-WANI allows small entrepreneurs to set up PDOs to provide last-mile internet connectivity.
4. The data rates under PM-WANI are controlled and fixed by the government to ensure affordability.



How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:

- Correct** – The concept of PDO was introduced by TRAI in 2017.
- Incorrect** – PDOs do not require any license or registration fees.
- Correct** – Small entrepreneurs can set up PDOs to provide affordable internet.
- Incorrect** – The government does not fix data rates under PM-WANI; they are market-driven.

Topic 558

558. Red Sanders smuggling

Red Sanders

- Primarily found in the **southern Eastern Ghats** mountain range in Andhra Pradesh, India.
- Most prominent location-Seshachalam Hills.**
- Known for its rich, **deep red wood**, which is highly valuable.
- Dense and durable**, making it highly sought after for its **color and quality**.

Uses

- Traditional Uses**
 - The wood has been traditionally used for **making furniture, musical instruments, and carvings** due to its attractive color and grain.
- Medicinal Uses**
 - It has also been used in **traditional medicine** for its purported therapeutic properties.
- Dye and Cosmetics**
 - The red pigment extracted from the wood is used in **dyeing fabrics** and in the cosmetics industry.

Concerns-

- Illegal **red sanders smuggling** due to its high demand in **international markets**, particularly in **China and Japan**.

Conservation Status:

- CITES: listed under Appendix II
- IUCN Status: "Endangered"



Seshachalam Hills are a part of the Eastern Ghats in Andhra Pradesh

Q1672. Consider the following statements regarding Red Sanders:

- Red Sanders are primarily found in the Western Ghats of India.
- The Seshachalam Hills in Andhra Pradesh are a prominent location for Red Sanders.
- Red Sanders are classified as "Critically Endangered" under the IUCN Red List.
- Red Sanders are listed under Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:



1. **Incorrect** – Red Sanders are found in the Eastern Ghats, not the Western Ghats.
2. **Correct** – Seshachalam Hills in Andhra Pradesh are a key habitat for Red Sanders.
3. **Incorrect** – Red Sanders are classified as "Endangered" under the IUCN Red List, not "Critically Endangered."
4. **Correct** – Red Sanders are listed under Appendix II of CITES, regulating its trade.

Q1673. With reference to Red Sanders, consider the following statements:

1. The wood of Red Sanders is known for its rich, deep red color and durability.
2. The extracted red pigment is used in the pharmaceutical industry for drug production.
3. Red Sanders wood is in high demand in China and Japan due to its color and quality.
4. Illegal smuggling of Red Sanders is strictly regulated by the Government of Andhra Pradesh under the Indian Forest Act, 1927.

Which of the statements given above is/are correct?

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

Ans: c

Sol:

1. **Correct** – Red Sanders is known for its rich red color and durability.
2. **Incorrect** – The extracted red pigment is used in dyeing and cosmetics, not pharmaceuticals.
3. **Correct** – High demand exists in China and Japan for Red Sanders wood.
4. **Correct** – Illegal smuggling is regulated under the Indian Forest Act, 1927.

Q1674. Consider the following statements regarding the conservation and trade of Red Sanders:

1. Red Sanders are listed under Appendix I of CITES, making international trade illegal except in exceptional cases.
2. The Indian government imposes strict controls on the harvesting and export of Red Sanders.
3. Red Sanders have medicinal uses and are employed in traditional Ayurvedic treatments.
4. Seshachalam Hills, a significant Red Sanders habitat, is part of the Western Ghats biosphere.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Incorrect** – Red Sanders are listed under Appendix II of CITES, not Appendix I.
2. **Correct** – The Indian government regulates the trade and harvesting of Red Sanders.
3. **Correct** – Red Sanders have been used in traditional medicine, including Ayurvedic treatments.
4. **Incorrect** – Seshachalam Hills are part of the Eastern Ghats, not the Western Ghats.

Topic 559

559. Unified Lending Interface

- RBI Governor announced that the Reserve Bank of India (RBI) **will soon launch** the **Unified Lending Interface** (ULI) nationwide.
- ULI aims to transform lending in India **similar to how UPI** transformed **retail payment**.

What is ULI?:

- ULI will be digital platform for **enabling frictionless credit disbursement**.

How ULI Will Work?

- ULI will focus on **Data digitisation and Integration**.
- Currently, data required for **credit appraisal is fragmented across different entities** like **Central and State governments**, account aggregators, banks, **credit information companies etc**
- This causes **delays in digital credit lending**.
- ULI will **aggregate digital credit data available** from various entities to **streamline the lending process**.
- **ULI** will also include **land records, income information, and credit history**, into a **single platform** to facilitate **quicker and more efficient lending**.
- These records are required before **credit disbursement**.





Q1675. Consider the following statements regarding the Unified Lending Interface (ULI):

1. ULI will act as a single platform for aggregating digital credit data from entities like account aggregators, banks, and credit information companies.
2. ULI will include integration of land records, income information, and credit history to facilitate faster credit disbursement.
3. The concept of ULI is modeled after the Unified Payments Interface (UPI) to create a seamless credit ecosystem.
4. ULI will directly provide credit to borrowers without the involvement of banks or financial institutions.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Correct** – ULI will aggregate credit data from various sources like account aggregators, banks, and credit information companies.
2. **Correct** – ULI will integrate data like land records, income information, and credit history to streamline the lending process.
3. **Correct** – The working model of ULI is similar to UPI in terms of streamlining and digitization.
4. **Incorrect** – ULI will not directly provide credit but will facilitate data integration to support lending by financial institutions.

Q1676. With reference to the Unified Lending Interface (ULI), consider the following statements:

1. ULI will focus on reducing delays in credit disbursement caused by fragmented data across multiple entities.

2. The platform will be managed and operated by a consortium of public sector banks under the guidance of RBI.
3. ULI will provide direct financial assistance to borrowers from government-backed funds.
4. ULI aims to create a seamless and frictionless digital lending ecosystem.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

1. **Correct** – ULI aims to solve the problem of fragmented data to reduce delays in credit disbursement.
2. **Incorrect** – ULI will be managed by RBI, not by a consortium of public sector banks.
3. **Incorrect** – ULI will not provide direct financial assistance; it will facilitate the process of lending through data aggregation.
4. **Correct** – ULI aims to streamline and make the lending process more efficient and frictionless.

Q1677. Consider the following statements regarding the Unified Lending Interface (ULI):

1. ULI will combine credit data from both central and state governments into a single platform for better credit assessment.
2. ULI will require all private banks and financial institutions to mandatorily participate in the platform.
3. ULI is designed to enhance credit appraisal efficiency by reducing dependency on credit scores alone.
4. ULI will be available for both individual and institutional borrowers.

How many of the above statement(s) is/are correct?

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

Ans: c



Sol:

1. **Correct** – ULI will aggregate data from central and state governments to streamline credit appraisal.
2. **Incorrect** – Participation of private banks and financial institutions in ULI will not be mandatory.
3. **Correct** – ULI aims to improve credit appraisal by using broader datasets beyond just credit scores.
4. **Correct** – ULI will cater to both individual and institutional borrowers.

Topic 560

560. Unified Payments Interface (UPI)

- Allows **instant money transfer** between two bank accounts.
- **Feature or smartphones** both supports UPI (no need to have mobile wallets).
- **Online and offline** mode both available.
- The **top UPI apps** today include **PhonePe, Paytm, Google Pay, Amazon Pay** and **BHIM**, the latter being the Government offering.
- Launched in **2016 by NPCI** (National Payments Corporation of India)

National Payments Corporation of India (NPCI)

- By Reserve Bank of India (**RBI**) and Indian Banks' Association (**IBA**)
- Under **Payment and Settlement Systems Act, 2007**

Purpose

- To promote online transaction, processing and settlement services

NPCI launched **UPI and RuPay**, a card payment scheme.

Fintech companies

- Fintech companies are those companies that uses the internet, cloud services, mobile devices, or software technology to provide financial services.

They engage into different activities like-

- Payments, Lending, Investment, Blockchain etc



Q1678. Consider the following statements regarding the Unified Payments Interface (UPI):

1. UPI allows both online and offline money transfers between two bank accounts.
2. BHIM, a government-backed app, was the first UPI-based application introduced in India.
3. The National Payments Corporation of India (NPCI) was established under the Payment and Settlement Systems Act, 2007.
4. Fintech companies involved in UPI-based services require direct approval from the Reserve Bank of India (RBI).

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Correct** – UPI allows both online and offline money transfers.
2. **Correct** – BHIM was the first government-backed UPI app introduced in India.



3. **Correct** – NPCI was established under the Payment and Settlement Systems Act, 2007.
4. **Incorrect** – Fintech companies providing UPI-based services are not directly approved by RBI but require partnership with NPCI and banks.

Q1679. With reference to Unified Payments Interface (UPI) and Fintech Companies, consider the following statements:

1. UPI transactions are processed by the National Payments Corporation of India (NPCI).
2. Fintech companies provide financial services using internet-based technologies like cloud services and mobile devices.
3. RuPay, a domestic card payment network, was launched by RBI under the Payment and Settlement Systems Act, 2007.
4. UPI requires a mobile wallet for transaction processing.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

1. **Correct** – UPI is processed by NPCI, which manages the payment infrastructure.
2. **Correct** – Fintech companies use modern technologies for financial services.
3. **Incorrect** – RuPay was launched by NPCI, not RBI.
4. **Incorrect** – UPI does not require a mobile wallet; it links directly with bank accounts.

Q1680. Consider the following statements regarding UPI and Fintech Companies:

1. UPI was launched in 2016 by NPCI to promote online payment and settlement services in India.
2. Fintech companies involved in UPI-based services are required to maintain a minimum capital reserve as mandated by RBI.
3. UPI allows interoperability between different payment service providers (PSPs) without the need for a mobile wallet.
4. UPI transactions can only be initiated through government-backed apps such as BHIM.

How many of the above statement(s) is/are incorrect?

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

Ans: b

Sol:

1. **Correct** – UPI was launched in 2016 by NPCI to promote online payments.
2. **Incorrect** – Fintech companies involved in UPI are not required to maintain a capital reserve; they need to partner with banks and NPCI.
3. **Correct** – UPI allows interoperability between different PSPs.
4. **Incorrect** – UPI transactions can be made through both government-backed and private apps (like PhonePe, Paytm, Google Pay).

Day 57

Topic 561

561. Pension schemes-OPS vs NPS

Old pension scheme(also known as Pay as You Go scheme)

- Pension= **50%** of **last withdrawn salary**
- If **salary is Rs 1 Lakh** at the time of retirement, **pension** will be **Rs 50,000**
- Annual **hike of 3% every year**

National Pension Scheme

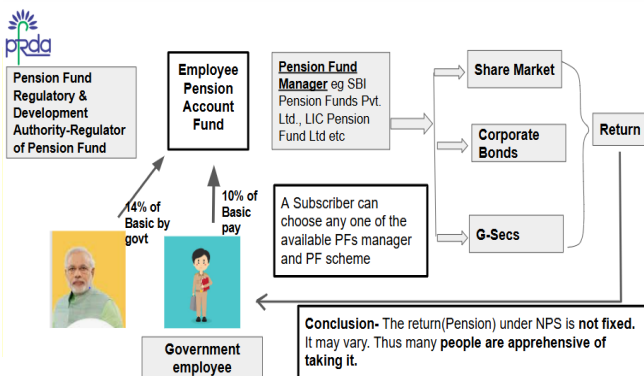
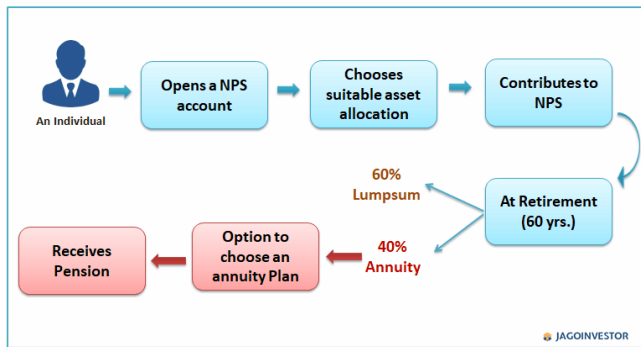
- **Replaced OPS**
- Started in **2004** for **Central government employees** who **joined government service** on or after **January 1, 2004.**
- **Employees to make 10%** of **basic pay** contribution to **pension fund.**
- The **government** will make **14% contribution.**
- Members to withdraw just **60% of their accumulated savings** at the time of retirement
- **Remaining 40%,** it is mandatory to buy an **annuity product(monthly/quarterly/yearly).**

NPS for Non central government employees brought in 2009



- **Government makes no contribution** in the Pension account of **non govt employees**.
- Almost all **State Govts also shifted to NPS where state government make contribution.**

Since the return is not guaranteed in NPS, many central/state government employees protested against it.



Q1681. Consider the following pairs:

Recent Government Initiative	Their Objectives
1. Nayi Chetna	Addressing the issue of gender-based violence
2. Humsafar Policy	Promoting the social inclusion of transgenders
3. Project NAMAN	Providing support services for armed forces veterans and their families
4. Project VISTAAR	Providing loans to Self Help Groups to establish micro and small industries.

How many of the above pair(s) is/are correctly matched?

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

Ans: b

Sol:

- **Pair 1 is correctly matched:** Recently, the Union Government launched the third edition of Nayi Chetna. It aims to amplify awareness and drive informed action against gender-based violence through grassroots initiatives. The objectives of Nayi Chetna 3.0 include raising awareness of all forms of gender-based violence, encouraging communities to speak out and demand action, providing access to support systems for timely assistance and empowering local institutions to act decisively against violence. The campaign's slogan, "Ek Saath, Ek Awaaz, Hinsa Ke Khilaaf," embodies the call for collective action through convergence efforts, adopting a whole-of-society and whole-of-government approach.
- **Pair 2 is incorrectly matched:** Humsafar Policy is a comprehensive initiative aimed at enhancing facilities along India's national highways. The policy seeks to improve the convenience, safety, and comfort of highway travellers by providing a wide range of services at key locations along the road network. Under this policy, rest stop equipped with essential amenities like clean washrooms, food courts, parking spaces, and first-aid services will be developed across major highways.
- **Pair 3 is correctly matched:** Project Naman is an initiative by the Indian Army to provide support and services to veterans, defence pensioners, and their families. The project includes Common Service Centres (CSCs) that offer a variety of services, including banking, pension, and government services. Project NAMAN is centred around the implementation of the SPARSH (System for Pension Administration Raksha), digital pension system, which streamlines pension



related processes for Defence Pensioners, addressing the critical need for accessible facilitation points for Veterans and Next of Kin (NOK) across the country.

- **Pair 4 is incorrectly matched:** Project VISTAAR (Virtually Integrated System to Access Agricultural Resources). It is a digital platform designed by integrating information about start-ups in the agriculture and allied sectors. The initiative aims to enhance the efficiency and effectiveness of the agricultural extension system through digitalisation. This will help farmers and other stakeholders access the capabilities and offerings of these start-ups more easily. It contains details on over 12,000 start-ups in the agriculture and farming sectors.

Q1682. Consider the following statements regarding the Old Pension Scheme (OPS) and the National Pension System (NPS):

1. Under OPS, the pension amount is fixed at 50% of the last drawn salary, with an annual increment of 3%.
2. The NPS was introduced in 2004 for central government employees but was later extended to non-government employees in 2009.
3. Unlike OPS, NPS guarantees a fixed pension amount to retired employees based on their last drawn salary.
4. The government contributes 14% of an employee's basic pay towards NPS for both government and non-government employees.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Correct** – Under OPS, the pension is 50% of the last drawn salary with a 3% annual hike.
2. **Correct** – NPS was introduced for central government employees in 2004 and extended to non-government employees in 2009.

3. **Incorrect** – NPS does not guarantee a fixed pension amount; returns depend on market-linked investments.
4. **Incorrect** – The government contributes 14% only for government employees, not for non-government employees.

Q1683. With reference to the National Pension System (NPS), consider the following statements:

1. NPS allows employees to withdraw only 40% of their accumulated savings at the time of retirement.
2. Under NPS, it is mandatory to purchase an annuity product with at least 40% of the accumulated corpus.
3. The government's contribution under NPS is higher than the employee's contribution for central government employees.
4. Unlike OPS, NPS offers assured returns on pension investments.

Which of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Incorrect** – Employees can withdraw 60% of their accumulated savings, not just 40%.
2. **Correct** – At least 40% of the corpus must be used to buy an annuity product for periodic pension payments.
3. **Correct** – The government contributes 14%, while the employee contributes 10% of their basic pay.
4. **Incorrect** – NPS does not guarantee assured returns as it is market-linked.

Topic 562

562. Unified Pension scheme

- **In 2024** the Union Cabinet approved a **new Unified Pension Scheme (UPS)**.
- The scheme **replaces the National Pension System (NPS)** for Central government employees.



Provisions of UPS-

1. Assured Pension

- Employees will be eligible to **receive 50% of the average basic pay drawn** over the **last 12 months** before superannuation.

2. Assured Family Pension

- 60% of the pension** of the employee will be provided to the **immediate family** after the employee's demise.

3. Assured Minimum Pension

- A **minimum pension of ₹10,000 per month** is assured after **10 years of service, for full pension 25 years of service is required.**

4. Inflation Indexation of pension as per CPI (Industrial Worker)

5. Lump Sum payment at superannuation

- The UPS is set to take effect from **April 1, 2025.**
- Employees who joined **service since 2004, including retirees,** have the **option to switch to the UPS.**

Similarity between UPS and NPS

- Both are **contributory schemes.**
- In UPS employees contribution will be 10% the Central government will contribute 18.5% of salary.**
- Government contribution** will increase, if needed, to ensure **50% of basic pay as pension.**

	UPS	vs	OPS	vs	NPS
PENSION	Assured 50% of average basic pay over last 12 months before retirement.		Assured 50% of the last drawn salary which increases with Dearness Allowance hikes.		Not-assured Pension linked to contributions invested in market securities.
FAMILY PENSIONS	Assured 60% of the pension to the family upon the employee's death.		Assured Continued pension to family after retiree's death.		Not-assured Depends on the corpus and annuity plans.
INFLATION INDEXATION	Applicable Dearness relief is based on All-India CPI-IW.		Applicable Pension increases with increase in Dearness Allowance.		Not Applicable It is market-linked.
CONTRIBUTION	10% by employees, 18.5% by the government.		No corpus; the government bears the entire cost.		10% of basic salary + dearness allowance by employees, 14% by government.

Note-

- UPS** has been introduced on the recommendation of **T.V Somanathan committee**

Unified Pension Scheme



Q1684. Consider the following statements regarding the Unified Pension Scheme (UPS):

- Under UPS, an employee's pension is fixed at 50% of the last drawn basic pay before superannuation.
- UPS guarantees a minimum pension of ₹10,000 per month, provided the employee has served for at least 10 years.
- Employees who joined government service since 2004, including retirees, have the option to switch to UPS.
- Unlike NPS, UPS does not require employee contributions and is fully funded by the government.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: b

Sol:

- Incorrect** – The pension is 50% of the average basic pay drawn over the last 12 months before superannuation, not the last drawn salary.
- Correct** – UPS ensures a minimum pension of ₹10,000 per month for employees who have served for at least 10 years.
- Correct** – Employees who joined since 2004, including retirees, can switch to UPS.
- Incorrect** – UPS is a contributory scheme, where employees contribute 10% and the government contributes 18.5%.

Q1685. With reference to the Unified Pension Scheme (UPS), consider the following statements:

- The Unified Pension Scheme will come into effect from April 1, 2025.



2. UPS includes an Assured Family Pension, under which 100% of the employee's pension is transferred to the family after the employee's demise.
3. Unlike NPS, UPS ensures inflation indexation of pensions based on the Consumer Price Index (CPI) for Industrial Workers.
4. The government's contribution under UPS can increase if required, to ensure 50% of the basic pay as pension.

Which of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Correct** – UPS is set to be implemented from April 1, 2025.
2. **Incorrect** – The Assured Family Pension is 60% of the employee's pension, not 100%.
3. **Correct** – UPS pensions are indexed based on CPI (Industrial Workers).
4. **Correct** – The government may increase its contribution beyond 18.5%, if necessary, to ensure 50% of basic pay as pension.

Q1686. Which of the following statements correctly describe the differences and similarities between UPS and NPS?

1. Both UPS and NPS are contributory pension schemes requiring employee and government contributions.
2. Under UPS, employees must buy an annuity product with 40% of their pension corpus, similar to NPS.
3. UPS guarantees an assured minimum pension amount, whereas NPS does not guarantee fixed returns.
4. Unlike NPS, which applies only to post-2004 employees, UPS allows pre-2004 retirees to enroll.

How many of the above statement(s) is/are correct?

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

- (c) Only three
- (d) All four

Ans: c

Sol:

1. **Correct** – Both UPS and NPS require contributions from employees and the government.
2. **Incorrect** – Unlike NPS, UPS does not require employees to buy an annuity product with a portion of their pension corpus.
3. **Correct** – UPS guarantees an assured minimum pension, while NPS is market-linked and does not guarantee fixed returns.
4. **Correct** – NPS applies only to post-2004 employees, whereas UPS allows employees from 2004 onwards, including retirees, to opt in.

Topic 563

563. PM Jan Dhan Yojana

- The scheme was a **financial inclusion** initiative **launched by the Government of India in 2014.**

Key Features of PMJDY-

1. **Zero Balance Account**
2. **Overdraft Facility**

- An overdraft facility of up to ₹10,000 is available.

3. **Accidental Insurance Cover (PM Suraksha Bima Yojana)**

- Accounts opened under PMJDY come with a **built-in accidental insurance** cover of **₹1 lakh** (increased to **₹2 lakh** for accounts opened after August 28, 2018).

4. **Life Insurance Cover (PM Jeevan Jyoti Bima Yojana)**

- A one-time life insurance cover of **₹30,000** is provided to the account holder, available to those who open their account before January 26, 2015.

5. **Pension Scheme**

- PMJDY accounts can be linked with **other government schemes** like **Atal Pension Yojana (APY)**

6. **Direct Benefit Transfer (DBT)**



- The scheme facilitates the transfer of subsidies and other benefits directly to the beneficiary's account forming part of **JAM Trinity**.

Note-

- PM Suraksha Bima Yojana** and **PM Jeevan Jyoti Bima Yojana** are Micro insurance scheme (life and non-life) which can be **availed through other Bank accounts also** (ie Bank accounts not opened under PM Jan Dhan Yojana).
- Even **private banks** can also open **PM Jan Dhan Account**.

Financial inclusion means:

- No-frills banking account
- Saving products
- overdrafts facility
- Remittance facility
- Micro insurance (life and non-life)
- Micro pension financial services



Q1687. Consider the following statements regarding the PM Jan Dhan Yojana (PMJDY):

- All accounts opened under PMJDY come with a built-in accidental insurance cover of ₹2 lakh.
- A life insurance cover of ₹30,000 is available only for accounts opened before January 26, 2015.
- PMJDY accounts cannot be opened by private sector banks.
- The scheme provides an overdraft facility of up to ₹10,000.

How many of the above statement(s) is/are correct?

- Only one

- Only two
- Only three
- All four

Ans: b

Sol:

- Incorrect** – The accidental insurance cover was ₹1 lakh for accounts opened before August 28, 2018, and ₹2 lakh for those opened after this date.
- Correct** – The life insurance cover of ₹30,000 is only for accounts opened before January 26, 2015.
- Incorrect** – Even private sector banks are allowed to open PMJDY accounts.
- Correct** – The overdraft facility up to ₹10,000 is provided under PMJDY.

Q1688. Which of the following statements about financial inclusion and PMJDY is/are correct?

- Financial inclusion includes microinsurance, micro-pension services, and remittance facilities.
- PMJDY accounts can be linked to Atal Pension Yojana (APY) for pension benefits.
- PM Suraksha Bima Yojana and PM Jeevan Jyoti Bima Yojana can only be availed through PMJDY accounts.
- The scheme facilitates Direct Benefit Transfer (DBT) under the JAM Trinity.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: c

Sol:

- Correct** – Financial inclusion covers microinsurance, micro-pension, remittance, savings, and overdrafts.
- Correct** – PMJDY accounts can be linked to Atal Pension Yojana (APY).
- Incorrect** – PM Suraksha Bima Yojana and PM Jeevan Jyoti Bima Yojana can be availed



through other bank accounts also, not just PMJDY accounts.

4. **Correct** – PMJDY facilitates Direct Benefit Transfer (DBT) under JAM Trinity (Jan Dhan, Aadhaar, Mobile).

Q1689. Consider the following statements about PMJDY and its associated micro-insurance schemes:

1. PMJDY accounts provide a mandatory life insurance cover of ₹30,000 for all account holders.
2. PM Suraksha Bima Yojana and PM Jeevan Jyoti Bima Yojana are micro-insurance schemes available to PMJDY account holders.
3. The accidental insurance cover under PMJDY is applicable only if the account holder has used the account at least once in the last 90 days.
4. The PMJDY scheme was launched in 2014 as part of a broader financial inclusion initiative.

Which of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Incorrect** – Life insurance cover of ₹30,000 was only for accounts opened before January 26, 2015, not for all account holders.
2. **Correct** – PM Suraksha Bima Yojana and PM Jeevan Jyoti Bima Yojana are micro-insurance schemes linked to PMJDY but can also be availed through other bank accounts.
3. **Correct** – The accidental insurance cover is valid only if the account holder has used the account at least once in the last 90 days.
4. **Correct** – The PMJDY scheme was launched in 2014 as part of India's financial inclusion initiative.

Topic 564

564. Industrial Smart Cities

- Union Cabinet approved - **National Industrial Corridor Development Programme.**

- estimated investment of **₹28,602 crore**
- expected to generate around **40 lakh direct and indirect jobs**

Goal

- **Creation of 12 industrial smart cities** across **10 states** to boost domestic manufacturing.
- These smart cities will form a "**necklace of industrial cities**"

Features of industrial smart cities-

1. **"Plug-and-play"**
 - A **pre-built industrial facility** that offers ready-to-use infrastructure
2. **"Walk-to-work"**
 - The act of **walking to work** instead of driving.
 - This can **save time** and increase productivity.

Implementation

- The **National Industrial Corridor Development Corporation (NICDP)** will **oversee the implementation.**
- A **special purpose vehicle (SPV)** will be created **for every industrial town** to **manage the project.**

Special purpose vehicle

- A **company** registered under **companies Act.**
- Created for a **specific and narrow objective.**
- Once the **target is fulfilled the SPV is dissolved.**

'NECKLACE OF INDUSTRIAL CITIES'



THE CHOSEN cities for the industrial projects are Khurpia in Uttarakhand, Rajpura-Patiala in Punjab, Dighi in Maharashtra, Palakkad in Kerala, Agra and Prayagraj in Uttar Pradesh, Gaya in Bihar, Zaheerabad in Telangana, Orvakal and Koppurthy in Andhra Pradesh, and Jodhpur-Pali in Rajasthan



CABINET DECISION
28th AUGUST, 2024

Grand necklace of Industrial Smart Cities

Salient features

- Industrial nodes to act as catalysts for achieving \$2 trillion in exports by 2030
- Cities to be developed as greenfield smart cities of global standards, built "ahead of demand" on the 'plug-n-play' and 'walk-to-work' concepts
- Projects to feature multi-modal connectivity infrastructure, ensuring seamless movement of people, goods, and services.
- Provision of developed land parcels ready for immediate allotment, making it easier for domestic and international investors to set up manufacturing units in India
- Creation of 1 million direct and up to 3 million indirect jobs being through planned industrialization




2/2

Q1690. Consider the following statements regarding Industrial Smart Cities under the National Industrial Corridor Development Programme:

1. The concept of "Plug-and-Play" in Industrial Smart Cities refers to pre-built industrial facilities with ready-to-use infrastructure.
2. The "Walk-to-Work" model in these cities is aimed at reducing commuting time and increasing productivity.
3. The National Industrial Corridor Development Corporation (NICDP) will directly own and operate all industrial smart cities without creating any additional entities.
4. Industrial smart cities will be developed in 12 locations across 10 states to boost domestic manufacturing.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Correct** – "Plug-and-Play" infrastructure refers to pre-built industrial setups that businesses can use immediately.

2. **Correct** – "Walk-to-Work" aims to reduce commuting time and increase productivity.
3. **Incorrect** – NICDP will not directly own and operate these cities but will oversee their implementation. Each industrial town will have a Special Purpose Vehicle (SPV) for management.
4. **Correct** – The programme aims to create 12 industrial smart cities across 10 states to boost domestic manufacturing.

Q1691. Which of the following statements regarding the implementation of Industrial Smart Cities is/are correct?

1. The National Industrial Corridor Development Corporation (NICDP) is responsible for overall supervision of the industrial smart cities.
2. Each industrial town will be managed by a Special Purpose Vehicle (SPV), which will be dissolved once its objectives are met.
3. The Special Purpose Vehicles (SPVs) will be independent private entities that function without government oversight.
4. The programme has an estimated investment of ₹28,602 crore and aims to generate around 40 lakh jobs.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Correct** – NICDP is responsible for overseeing the implementation of the industrial smart cities.
2. **Correct** – SPVs will be created to manage each industrial town, and they will be dissolved after achieving their objectives.
3. **Incorrect** – SPVs are not independent private entities; they are registered under the Companies Act and function with government oversight for specific objectives.



4. **Correct** – The project has an investment of ₹28,602 crore and aims to generate 40 lakh direct and indirect jobs.

Q1692. Consider the following statements regarding Special Purpose Vehicles (SPVs) under the Industrial Smart Cities initiative:

1. SPVs are registered under the Companies Act and are created for specific objectives.
2. Once the objectives of an SPV are fulfilled, it continues to operate as a permanent entity under NICDP.
3. SPVs will play a key role in the management of each industrial town under the National Industrial Corridor Development Programme.
4. The primary function of SPVs in Industrial Smart Cities is to regulate industrial licensing and taxation in the region.

Which of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Correct** – SPVs are registered under the Companies Act and are formed for specific objectives.
2. **Incorrect** – SPVs are dissolved once their objectives are met; they do not continue as permanent entities.
3. **Correct** – SPVs manage the implementation of industrial towns within the National Industrial Corridor Development Programme.
4. **Incorrect** – SPVs do not regulate industrial licensing or taxation; they are primarily formed for project execution and management.

Topic 565

565. Agriculture Infrastructure Fund

- Created by **Ministry of Agriculture and Farmers Welfare** in **2020**.
- AIF has a total corpus of **₹1 lakh crore**, to be disbursed over a period of **10 years (2020-2029)**.

The fund targets to **provide financial support to-**

1. Primary agricultural credit societies (PACS),
2. Farmer producer organizations (FPOs),
3. Agri-entrepreneurs and start-ups

How the fund will be operated?

- **Loans** under the AIF are **provided by multiple public and private sector banks, cooperative banks, regional rural banks (RRBs) etc**

Loans provided at Subsidised interest rates-

- Beneficiaries under the AIF are eligible for an **interest subvention of 3% per annum on loans up to ₹2 crore**, for a maximum period of **7 years** (Credit Guarantee Fund Trust for Micro and Small Enterprises **(CGTMSE) scheme**)

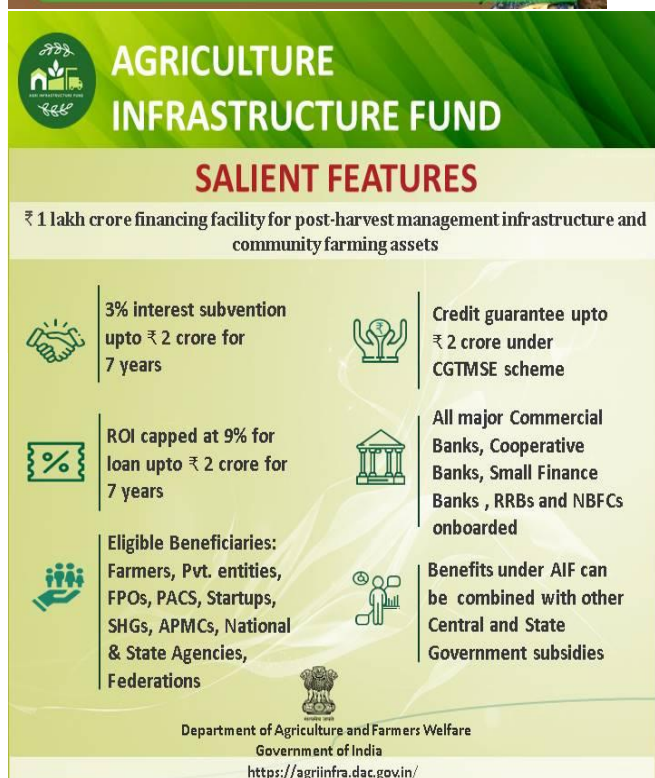
Eligible Activities

- The fund supports **post-harvest infrastructure** like construction of **cold storage, silos, sorting and grading units, packhouses, ripening chambers**, primary processing centers, and other post-harvest management infrastructure.

Current news?

- PM KUSUM scheme component A (Setting up of **10,000 MW** (10 GW) of Decentralized Grid Connected Renewable Energy Power Plants **on barren land**) **will be linked with Agriculture Infrastructure Fund.**





Q1693. Consider the following statements regarding the Agriculture Infrastructure Fund (AIF):

1. The Agriculture Infrastructure Fund was created by the Ministry of Agriculture and Farmers Welfare in 2020, with a total corpus of ₹1 lakh crore.

2. The fund provides financial support only to Primary Agricultural Credit Societies (PACS) and Farmer Producer Organizations (FPOs).
3. Loans under the AIF are provided exclusively by public sector banks to ensure government control over agricultural financing.
4. The interest subvention under AIF is capped at 3% per annum on loans up to ₹2 crore for a maximum tenure of 7 years.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Correct** – The AIF was launched in 2020 by the Ministry of Agriculture and Farmers Welfare, with a total corpus of ₹1 lakh crore to be disbursed over a 10-year period (2020-2029).
2. **Incorrect** – The fund supports not just PACS and FPOs but also agri-entrepreneurs and start-ups.
3. **Incorrect** – Loans under AIF are not limited to public sector banks; they are also provided by private sector banks, cooperative banks, and regional rural banks (RRBs).
4. **Correct** – The interest subvention under AIF is 3% per annum on loans up to ₹2 crore for a maximum of 7 years under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme.

Q1694. Which of the following activities are eligible for financial support under the Agriculture Infrastructure Fund (AIF)?

1. Establishment of packhouses and ripening chambers for perishable agricultural produce.
2. Construction of cold storage units and silos for post-harvest management.
3. Setting up of Decentralized Grid Connected Renewable Energy Power Plants under PM-KUSUM Component A.



4. Direct farm subsidies for purchasing fertilizers and pesticides.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

1. **Correct** – Packhouses and ripening chambers are considered post-harvest infrastructure, which is eligible for AIF support.
2. **Correct** – Cold storage units and silos are also included under post-harvest management infrastructure supported by AIF.
3. **Correct** – The PM-KUSUM Scheme Component A (10 GW Decentralized Grid Connected Renewable Energy Power Plants) has been linked with AIF.
4. **Incorrect** – Direct farm subsidies for fertilizers and pesticides are not covered under AIF, as it focuses on infrastructure development rather than input subsidies.

Q1695. Consider the following statements regarding the loan disbursement mechanism of the Agriculture Infrastructure Fund (AIF):

1. Loans under AIF are available at subsidized interest rates, with an interest subvention of 3% per annum.
2. The Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) scheme plays a role in AIF by providing credit guarantee support.
3. AIF loans are available only to government-backed entities, ensuring direct government control over infrastructure financing.
4. The maximum duration for which a loan can avail the interest subvention benefit is 10 years.

Which of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Correct** – Loans under AIF come with an interest subvention of 3% per annum, making credit more affordable for eligible entities.
2. **Correct** – The CGTMSE scheme provides credit guarantee support to reduce lending risks under AIF.
3. **Incorrect** – AIF loans are not restricted to government-backed entities; they are also available to FPOs, PACS, agri-entrepreneurs, and start-ups.
4. **Incorrect** – The interest subvention is available for a maximum of 7 years, not 10 years.

Topic 566

566. Anti-Dumping Duty

What is Dumping?

- It is when a **country or company exports** a product at a price that is **lower in the foreign importing market** than the price in its **domestic market**.
- is a **tactic** adopted to destroy the industries of importer country to **capture the market**.

What is Anti-Dumping Duty?

- It is a **protectionist tariff** that a **domestic government** imposes on **foreign imports** that it believes are **priced below fair market value**.
- In order to **protect** the **local manufacturers**.

Mechanism in India for Anti dumping duty

- The **Department of Commerce**, Under **Ministry of Commerce and Industry** **recommends** the **anti-dumping duty**.
- The **Department of Revenue in Finance Ministry** **acts** upon the recommendation within three months and imposes such duties.

WTO and Anti-Dumping Duties

- In general, the **WTO agreement permits governments** to act against dumping.



Dumping



6 Departments of Finance Ministry

Dept. of Economic Affairs	Preparation of Union Budget and Economic Survey
Dept. of Expenditure	Takes care of expenditures in salaries and schemes etc
Department of Revenue	Takes care of earning through taxes like GST etc
Department of Financial Services	Supervision of PSB, Regulation of Insurance Sector, Pension reforms, promote financial services
DIPAM (Dept of Public Asset mgt)	Disinvestment
Department of Public Enterprises	Manages PSUs

Q1696. Consider the following statements regarding dumping and its implications:

1. Dumping occurs when a country or company exports a product at a price lower than its domestic market price.
2. The primary objective of dumping is to make foreign goods more affordable for consumers in the importing country.
3. Dumping can be used as a strategy to destroy industries in the importing country and monopolize the market.
4. The World Trade Organization (WTO) prohibits the practice of dumping under all circumstances.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

1. **Correct** – Dumping is defined as exporting goods at a price lower than the price in the domestic market.
2. **Incorrect** – The primary goal of dumping is not to make goods affordable for consumers but to undercut local industries and capture market share.
3. **Correct** – Dumping can be a deliberate strategy to drive local competitors out of business and establish market dominance.
4. **Incorrect** – The WTO does not completely prohibit dumping, but it allows governments to take action against it under certain conditions, including imposing anti-dumping duties.

Q1697. Which of the following statements regarding the mechanism of imposing anti-dumping duties in India are correct?

1. The Department of Commerce under the Ministry of Commerce and Industry is responsible for recommending anti-dumping duties.
2. The Department of Revenue under the Ministry of Finance imposes anti-dumping duties based on recommendations received.
3. Once recommended, anti-dumping duties must be imposed within a maximum period of six months.
4. Anti-dumping duties in India are automatically applied once the dumping is identified by the WTO.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Correct** – The Department of Commerce under the Ministry of Commerce and Industry is responsible for recommending anti-dumping duties.
- **Correct** – The Department of Revenue under the Ministry of Finance takes the final step of



imposing anti-dumping duties based on recommendations.

- **Incorrect** – The Department of Revenue must act within three months, not six months.
- **Incorrect** – Anti-dumping duties are not automatic and must be separately imposed by the importing country; the WTO does not directly enforce them.

Q1698. Consider the following statements regarding the World Trade Organization (WTO) and anti-dumping duties:

1. The WTO generally permits governments to take action against dumping to protect their domestic industries.
2. A country must prove that dumping has caused material injury to its domestic industry before imposing anti-dumping duties.
3. Anti-dumping duties must be set at a level higher than the difference between the domestic and export price of the dumped product.
4. WTO agreements require that anti-dumping duties must be reviewed periodically and cannot be imposed indefinitely.

How many of the above statement(s) is/are incorrect?

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

Ans: a

Sol:

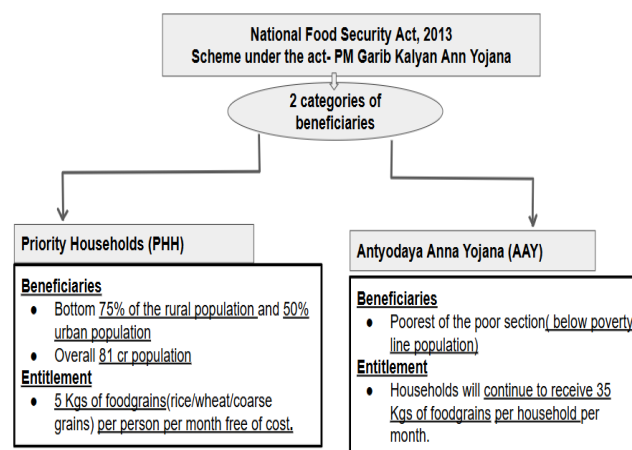
- **Correct** – The WTO allows governments to act against dumping, provided it can be proven to harm domestic industries.
- **Correct** – A country must establish that dumping has caused material injury before imposing anti-dumping duties.
- **Incorrect** – Anti-dumping duties cannot exceed the difference between the domestic price and export price of the dumped product.
- **Correct** – WTO rules require periodic review of anti-dumping duties and do not allow indefinite imposition without reassessment.

Topic 567

567. National Food Security Act and Ann Sewa Din

Different schemes run under the National Food Security Act

1. **PM Garib Kalyan Ann Yojana**
 - Highly subsidized food grains to poor population divided into 2 categories-
 - a. **Priority Households**
 - b. **Antyodaya (BPL)**
 - Food distributed under scheme PM Garib Kalyan Ann Yojana through **Public Distribution Shops.**
 2. **Integrated Child Development Service (ICDS)**
 - Nutritious meal, free of charge to **pregnant women & lactating mothers and children up to 6 years** at **Anganwadi centres.**
 3. **PM Poshan Yojana (Mid Day Meal)**
 - Nutritious meal, free of charge to School children in the 6-14 years of age group under MDM.
 4. **PM Matru Vandana Yojana**
 - Maternity benefits of Rs. 6000 to Pregnant Women & Lactating Mothers
- Anna Sewa Din**
- Initiative by the **Assam Government**
 - To ensuring the timely distribution of **free rice to eligible beneficiaries of NFSA.**
 - The distribution usually takes place from the **1st to the 10th of each month.**



'To do' for Beneficiaries

- Collect free rice from Fair Price Shops during these days
- Collect receipts generated by e-Pos machines against the rice received

Collect your entitled rice from the concerned Fair Price Shop through e-Pos devices

'To do' for Fair Price Shops

- Mandatorily inform beneficiaries about Anna Sewa Din through wide publicity
- Keep the shop open throughout the day during Anna Sewa Din
- Ensure full distribution of rice entitled to beneficiaries during Anna Sewa Din
- Produce receipts of e-Pos machines against rice received by the beneficiaries

If any beneficiary does not receive due quantity of free rice

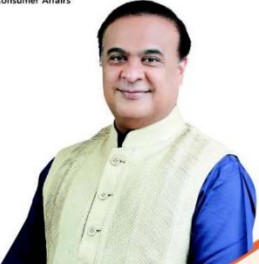
Contact 1800-345-3611 1967 (toll free) between 9 AM to 6 PM

An innovative measure towards ensuring Food Security

In July-2024

ANNA SEWA DIN

1st July 2024 to 10th July 2024



Q1699. Consider the following statements regarding NFSA and its schemes:

1. The PM Garib Kalyan Ann Yojana (PMGKAY) provides highly subsidized food grains to all Indian citizens irrespective of income level.
2. Integrated Child Development Services (ICDS) provides nutritious meals free of charge to pregnant women, lactating mothers, and children up to 6 years at Anganwadi centers.
3. PM Matru Vandana Yojana provides one-time financial assistance of ₹6,000 to pregnant women and lactating mothers.
4. Under PM Poshan Yojana (Mid-Day Meal Scheme), free nutritious meals are provided to school children in the 6-14 age group.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Incorrect** – PMGKAY does not provide food grains to all citizens; it is meant for Priority Households and Antyodaya (BPL) families.

- **Correct** – ICDS provides free nutritious meals to pregnant women, lactating mothers, and children up to 6 years of age at Anganwadi centers.
- **Correct** – PM Matru Vandana Yojana provides one-time financial assistance of ₹6,000 to eligible pregnant women and lactating mothers.
- **Correct** – PM Poshan Yojana (Mid-Day Meal Scheme) provides free nutritious meals to school children aged 6-14 years.

Q1700. Which of the following statements regarding Anna Sewa Din are correct?

1. Anna Sewa Din is an initiative of the Government of Assam to ensure timely distribution of free rice to beneficiaries under NFSA.
2. The distribution process under Anna Sewa Din takes place from the 1st to the 10th of every month.
3. Anna Sewa Din is a central government initiative implemented in all NFSA-covered states.
4. Anna Sewa Din provides free rice only to Antyodaya families and excludes Priority Households.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Correct** – Anna Sewa Din is an Assam government initiative to ensure timely distribution of free rice under NFSA.
- **Correct** – The distribution occurs from the 1st to the 10th of each month to ensure timely food security for beneficiaries.
- **Incorrect** – Anna Sewa Din is a state-level initiative of Assam, not a central government scheme implemented across all NFSA states.
- **Incorrect** – The scheme benefits all eligible NFSA beneficiaries, including both Priority Households and Antyodaya families.



Q1701. Consider the following statements regarding the classification and distribution of food grains under NFSA:

1. Priority Households and Antyodaya Anna Yojana (AAY) beneficiaries are the two main categories under NFSA.
2. Under NFSA, food grains are distributed through Public Distribution System (PDS) shops.
3. Antyodaya Anna Yojana (AAY) beneficiaries receive a higher quantity of food grains compared to Priority Households.
4. NFSA beneficiaries can choose between subsidized food grains and direct cash transfer in lieu of food grains.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Correct** – NFSA divides beneficiaries into Priority Households and Antyodaya Anna Yojana (AAY) beneficiaries.
- **Correct** – Food grains are distributed through the Public Distribution System (PDS) shops under NFSA.
- **Correct** – AAY beneficiaries receive more food grains compared to Priority Households, as they belong to the poorest segment.
- **Incorrect** – NFSA does not provide a direct cash transfer option instead of food grains; it focuses on in-kind food distribution.

Topic 568

568. Project Nexus

What is Project Nexus?

- It is a multilateral initiative aimed at enabling instant cross-border retail payments by interlinking domestic Fast Payments Systems (FPSs) like UPI of India.
- Through this project, India's Unified Payments Interface (UPI) will be connected with the FPSs of Malaysia, the Philippines, Singapore, and Thailand.

- It will promote cross-border Person to Person (P2P) and Person to Merchant (P2M) payments.
- The platform has the potential to be extended to additional countries in the future.
- Project Nexus is conceptualised by the Innovation Hub unit of the Bank for International Settlements (BIS).

Current news?

- The Reserve Bank of India (RBI) has joined Project Nexus.

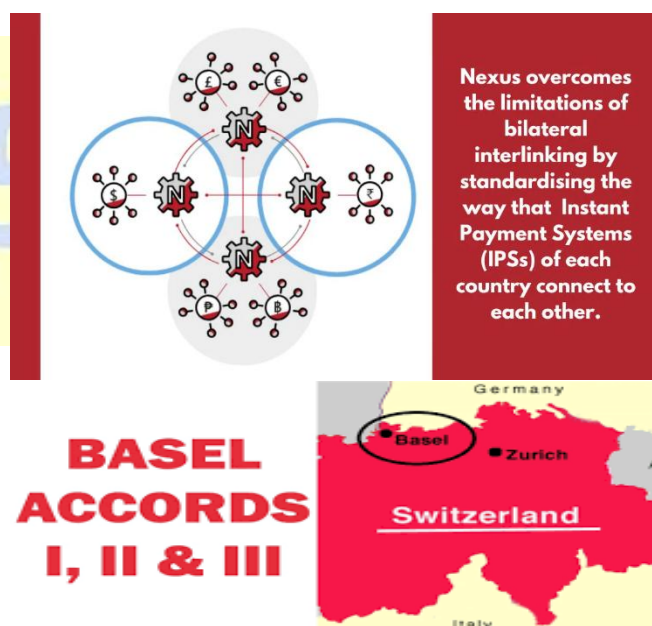
Bank for International Settlements

- oldest international financial institution established in 1930 at Basel, Switzerland.

Main functions of BIS-

1. Central Banks Cooperation
2. Financial Stability- through Basel Norms

Note-Basel Committee meets at the Bank for International Settlement to give Basel norms.



Q1702. Consider the following statements regarding Project Nexus:

1. Project Nexus is an initiative focused on enabling instant cross-border retail payments by interlinking domestic Fast Payments Systems (FPSs).
2. India's UPI will be connected with the FPSs of Malaysia, the Philippines, Singapore, and Thailand under this initiative.
3. The initiative is spearheaded by the Reserve Bank of India (RBI) to promote digital payments in South Asia.



4. Project Nexus currently limits participation to the mentioned countries and does not allow future expansion.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Correct** – Project Nexus is designed to enable instant cross-border retail payments through FPS interlinking.
- **Correct** – UPI of India will be linked to Malaysia, the Philippines, Singapore, and Thailand's FPSs under this project.
- **Incorrect** – Project Nexus is conceptualized by the Innovation Hub of the Bank for International Settlements (BIS), not RBI.
- **Incorrect** – Project Nexus has the potential to expand to additional countries in the future.

Q1703. Consider the following statements about the Bank for International Settlements (BIS) and its involvement in Project Nexus:

1. The Bank for International Settlements (BIS) is the oldest international financial institution, established in 1930 at Basel, Switzerland.
2. BIS primarily promotes central bank cooperation and financial stability through frameworks like Basel norms.
3. The Basel Committee on Banking Supervision, which sets global banking regulations, meets at the Bank for International Settlements.
4. BIS is directly responsible for implementing Project Nexus in participating countries.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Correct** – BIS is the oldest international financial institution, established in 1930 at Basel, Switzerland.
- **Correct** – BIS facilitates central bank cooperation and financial stability, primarily through Basel norms.
- **Correct** – The Basel Committee on Banking Supervision meets at BIS to develop banking regulations such as Basel I, II, and III norms.
- **Incorrect** – BIS conceptualized Project Nexus, but it does not directly implement it in participating countries; central banks manage local implementation.

Q1704. Which of the following statements regarding India's participation in Project Nexus are correct?

1. The Reserve Bank of India (RBI) has joined Project Nexus, making India one of its early participants.
2. UPI was selected as India's Fast Payment System (FPS) to be linked under Project Nexus.
3. The primary focus of India's participation in Project Nexus is on large-scale corporate transactions and not retail transactions.
4. Project Nexus will enable both Person-to-Person (P2P) and Person-to-Merchant (P2M) payments across borders.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Correct** – The Reserve Bank of India (RBI) has officially joined Project Nexus.
- **Correct** – UPI is India's selected FPS under Project Nexus for cross-border transactions.
- **Incorrect** – Project Nexus is focused on retail transactions (P2P & P2M), not large-scale corporate transactions.
- **Correct** – Project Nexus will enable both P2P and P2M payments across borders.

Topic 569



569. India's Crude oil import

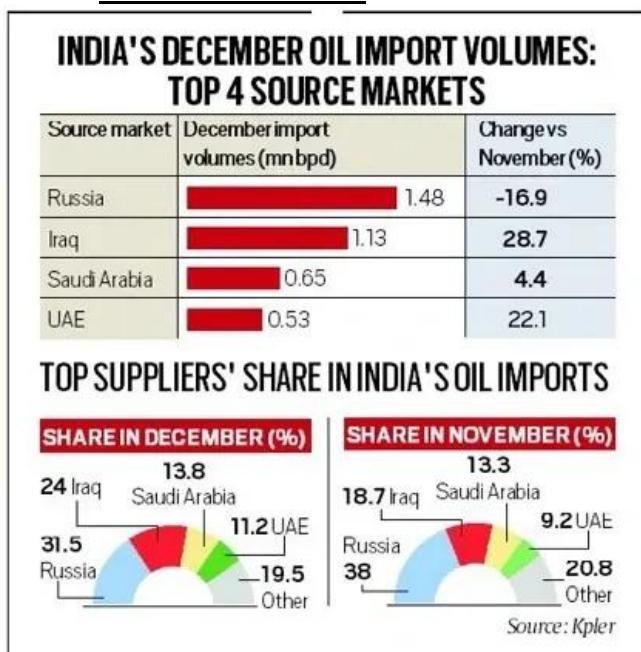
- Due to sanctions by the West on Russia after Russian-Ukraine war, India started importing large amount of crude oil from Russia at concessional rate.
- Import from Russia has now started to decline again, with increased demand of crude oil in local market of Russia.

Russian oil

- India import **Ural grade oil** from **Russia**.
- Urals, a **medium-sour crude**

Sour crude

- Sulphur content in crude makes it sour.
- Crude oil is defined as "sour" if its sulfur content exceeds 0.5%.
- Sulfur is undesirable in crude oils



Q1705. Consider the following statements regarding India's crude oil imports:

1. India significantly increased its crude oil imports from Russia following the Russia-Ukraine war due to concessional pricing.
2. India's crude oil imports from Russia have continued to rise steadily, despite fluctuations in global oil demand.
3. Urals grade oil imported by India from Russia is classified as medium-sour crude due to its sulfur content.
4. Sour crude oil contains sulfur content of less than 0.5%, making it more desirable for refining.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Correct** – India ramped up Russian crude oil imports after the Russia-Ukraine war due to discounted prices.
- **Incorrect** – India's imports from Russia have recently started declining due to increased local Russian demand.
- **Correct** – India primarily imports Ural-grade crude from Russia, which is classified as medium-sour crude.
- **Incorrect** – Sour crude has sulfur content exceeding 0.5%, making it less desirable due to higher refining costs.

Q1706. Consider the following statements about Russian crude oil and its classification:

1. Urul crude oil, imported by India, is considered light and sweet, making it easier to refine.
2. Sour crude oil has a higher sulfur content, which requires additional refining to remove impurities.
3. The higher the sulfur content in crude oil, the more expensive and complex the refining process becomes.
4. Russia is the world's largest producer of light-sweet crude oil, making it the top choice for Indian refiners.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Incorrect** – Ural crude is medium-sour, not light-sweet. Light-sweet crude has lower sulfur content.
- **Correct** – Sour crude contains high sulfur, which requires additional refining steps.



- **Correct** – Higher sulfur content increases refining costs due to the need for desulfurization.
- **Incorrect** – Russia is a major producer of Ural crude, but it is not the largest producer of light-sweet crude.

Q1707. Consider the following statements:

1. Sour crude oil is less expensive than sweet crude oil, but it incurs higher refining costs due to the need for sulfur removal.
2. High sulfur content in crude oil contributes to higher pollution levels when processed, leading to greater environmental concerns.
3. India's shift towards Russian crude oil imports has led to a reduction in its dependency on Middle Eastern oil suppliers.
4. India's recent decline in Russian oil imports is primarily due to Western sanctions restricting financial transactions.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Correct** – Sour crude is cheaper but requires more refining due to high sulfur content.
- **Correct** – Sulfur in crude oil leads to higher emissions of sulfur dioxide (SO₂), contributing to air pollution.
- **Correct** – India's reliance on Middle Eastern oil has reduced due to increased Russian crude imports.
- **Incorrect** – India's decline in Russian oil imports is mainly due to Russia's rising local demand, not Western sanctions.

Topic 570

570. Cooperatives in India

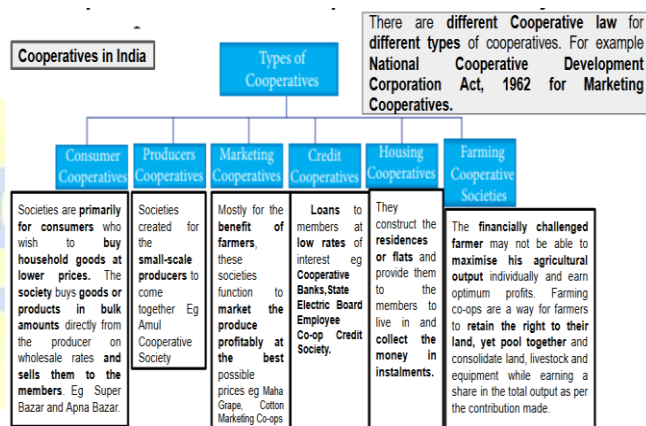
- Cooperative is an **autonomous association of persons, united voluntarily** to meet their common **economic, social and cultural needs** and aspirations through a **jointly-owned and democratically-controlled** enterprise. _

Provisions of Cooperatives in Constitution (inserted through 97th constitutional amendment Act)

- **Added Part IXB** to the constitution to **regulate co-operative societies.**
- **Part III-Article 19 1(c)** The word **"cooperatives"** was added after **"unions and associations"**
- **Article 43B**-added in the **Directive Principles of State Policy (Part IV)** regarding the **"promotion of cooperative societies"**.

Current news?

- Union Cooperation Minister Amit Shah said the Centre has set a target to have **a cooperative bank and a milk producers' union in each district** of the country in **next 5 years.**



Cooperative Banks

- Cooperative Banks are **example of Credit Cooperatives.**
- Established under **Cooperatives Societies Act.**
- Regulated by RBI under **Banking Regulation Act 1949 and Banking Laws (Co-operative Societies) Act, 1955.**

Q1708. How many of the following statements regarding the constitutional provisions for cooperatives are correct?

1. The 97th Constitutional Amendment Act inserted Part IXA in the Constitution to regulate cooperative societies.



2. Article 19(1)(c) was amended to explicitly include "cooperatives" along with "unions and associations."
 3. Article 43B, added to the Directive Principles of State Policy (DPSP), directs the State to promote cooperative societies.
 4. The constitutional amendment related to cooperatives was upheld entirely by the Supreme Court in its 2021 judgment.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol:

- **Statement 1 is incorrect** – The 97th Amendment inserted Part IXB (not Part IXA) to regulate cooperative societies.
- **Statement 2 is correct** – Article 19(1)(c) was amended to explicitly mention "cooperatives," ensuring the right to form cooperative societies.
- **Statement 3 is correct** – Article 43B was added under DPSP to promote cooperative societies.
- **Statement 4 is incorrect** – The Supreme Court, in *Union of India v. Rajendra N. Shah (2021)*, upheld the amendment's provisions for multi-state cooperatives but struck down provisions related to state cooperatives, stating they violated federalism.

Q1709. Which of the following statements about Cooperative Banks in India is/are correct?

1. Cooperative Banks are governed exclusively by the Reserve Bank of India (RBI) under the Banking Regulation Act, 1949.
 2. Cooperative Banks are established under the Cooperative Societies Act, unlike commercial banks, which are established under the Banking Regulation Act, 1949.
 3. Both urban and rural cooperative banks are regulated by RBI and NABARD, depending on their classification.
 4. The Banking Laws (Co-operative Societies) Act, 1955 provides additional regulatory oversight for cooperative banks.
- (a) 1 and 2 only
(b) 2, 3, and 4 only
(c) 3 and 4 only

- (d) All four

Ans: b

Sol:

- **Statement 1 is incorrect** – Cooperative Banks are not exclusively regulated by RBI; they are also governed by state laws and NABARD (for rural cooperative banks).
- **Statement 2 is correct** – Cooperative Banks are established under Cooperative Societies Acts at the state or central level.
- **Statement 3 is correct** – Urban Cooperative Banks are regulated by RBI, while Rural Cooperative Banks come under both RBI and NABARD.
- **Statement 4 is correct** – The Banking Laws (Co-operative Societies) Act, 1955 supplements the Banking Regulation Act, 1949 to regulate cooperative banks.

Q1710. How many of the following statements regarding government initiatives for cooperatives are correct?

1. The Government of India has announced a plan to establish a cooperative bank in each district within the next five years.
 2. The government's initiative also aims to set up a milk producers' union in every district.
 3. The Ministry of Cooperation was formed in 2019 to streamline cooperative sector governance.
 4. Multi-state cooperative societies fall exclusively under the jurisdiction of state governments.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol:

- **Statement 1 is correct** – The Union Cooperation Minister, Amit Shah, announced a plan to set up a cooperative bank in every district in the next five years.
- **Statement 2 is correct** – The government also plans to establish a milk producers' union in every district.



- **Statement 3 is incorrect** – The Ministry of Cooperation was formed in 2021, not 2019.
- **Statement 4 is incorrect** – multi-state cooperative societies are regulated by the Central Government, not state governments.

Topic 571

571. White Revolution/operation flood

Amul- Case Study

- On advice of Sardar Patel, Tribhuvan Das Patel organized **Amul Cooperative of milk farmers (a producer and marketing cooperative)**.
- Amul became **very successful**.

White Revolution

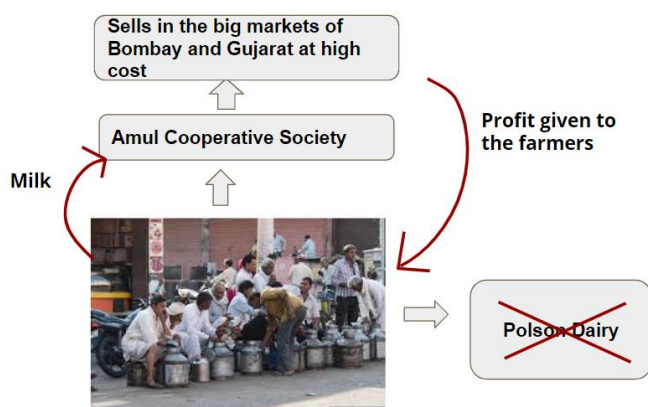
- **1965** Government created **National Dairy Development Board** to replicate Amul model across India.
- Scientist **Verghese Kurien** (father of **White Revolution**) was its **first Chairman**. - **26th Nov-National Milk Day**(Birthday-of V.Kurien)

Purpose of NDDB-To replicate Amul story across India.

- It brought **White Revolution/operation flood** in India in 1970.
- It **transformed India** from a milk deficient nation into the **world's largest milk producers** (In per capita milk availability- India > World)

National Dairy Development Board

- A statutory body
- Institute of eminence
- HQ-Anand Gujarat



Given below is a list of dairy cooperative brands of each state.

Delhi - Mother Dairy	Bihar - Sudha
Jammu & Kashmir - Snowcap	West Bengal - Benmilk
Punjab - Verka	Odisha - Ormlid
Haryana - Vita	Assam - Purabi
Himachal Pradesh - Him	Sikkim - Sikkimilk
Uttarakhand - Aanchal	Goa - Goa Dairy
Uttar Pradesh - Parag	Andhra Pradesh - Vijaya
Rajasthan - Saras	Kerala - Mima
Madhya Pradesh - Sanchi	Karnataka - Nandini
Gujarat - Amul	Tamil Nadu - Aavin
Chattisgarh - Devbhog	Jharkhand - Medha
Maharashtra - Mahanand, Gokul, Warana,	Nagaland - Kavi
Duth Pandhri, Rajhans, Katraj, Shivamrut,	Pondicherry - Ponliat
Krishna, Koyna, Devgiri Mahanand, Kisan,	Tripura - Gomati
Nandan, Vasant, Godwari	Mizoram - Muko

For every rupee you spend,
minimum 75% is given back to the farmers.



Cooperative Society-WAMUL
Brand-Purbi

- “WAMUL” came into **existence in 1976**

Q1711. How many of the following statements regarding the White Revolution and Operation Flood are correct?

1. The National Dairy Development Board (NDDB) was established in 1965 to replicate the Amul model across India.
 2. Operation Flood was launched in 1970, and it made India the largest producer of milk in the world.
 3. The White Revolution was initiated directly by Amul under the leadership of Verghese Kurien.
 4. India has the highest per capita milk availability in the world.
- (a) Only one
(b) Only two
(c) Only three
(d) All four



Ans: c

Sol:

- **Statement 1 is correct** – The NDDB was indeed established in 1965 to replicate Amul's success at a national level.
- **Statement 2 is correct** – Operation Flood was launched in 1970 and transformed India into the world's largest milk producer.
- **Statement 3 is incorrect** – The White Revolution was not directly initiated by Amul; it was a government-led initiative under NDDB with Verghese Kurien as the first chairman.
- **Statement 4 is correct** – India has higher per capita milk availability than the world average due to the success of the White Revolution.

Q1712. Which of the following statements about the National Dairy Development Board (NDDB) is/are correct?

1. NDDB is a statutory body headquartered in Anand, Gujarat.
 2. NDDB is recognized as an "Institute of Eminence" by the Government of India.
 3. The primary objective of NDDB was to promote private dairy industries in India.
 4. NDDB played a key role in Operation Flood, which improved rural livelihoods.
- (a) 1 and 2 only
(b) 1, 2, and 4 only
(c) 3 and 4 only
(d) All four

Ans: b

Sol:

- **Statement 1 is correct** – NDDB is a statutory body with headquarters in Anand, Gujarat.
- **Statement 2 is correct** – NDDB has been recognized as an Institute of Eminence.
- **Statement 3 is incorrect** – NDDB was not established to promote private dairy industries; its goal was to replicate the Amul model of cooperative dairies across India.
- **Statement 4 is correct** – NDDB played a key role in Operation Flood, which significantly improved rural livelihoods by increasing dairy production and incomes.

Q1713. How many of the following statements regarding cooperative dairy societies are correct?

1. WAMUL, a dairy cooperative society, was established in 1976.
 2. The brand "Purbi" is associated with the WAMUL cooperative society.
 3. The Amul cooperative was first organized by Verghese Kurien in response to a request by Sardar Patel.
 4. Amul is a producer and marketing cooperative owned by milk farmers.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol:

- **Statement 1 is correct** – WAMUL (West Assam Milk Union Limited) was established in 1976.
- **Statement 2 is correct** – WAMUL markets dairy products under the "Purbi" brand.
- **Statement 3 is incorrect** – The Amul cooperative was organized by Tribhuvan Das Patel, not Verghese Kurien. Kurien later played a major role in its success.
- **Statement 4 is correct** – Amul is a producer and marketing cooperative, meaning it is owned by milk farmers who produce and sell dairy products.

Topic 572

572. PM Fasal Bima Yojana

- insurance scheme of crops for farmers.
- launched in 2016 by Ministry of Agriculture and Farmers Welfare.

Premium to be paid by farmers

- 2% to be paid by farmers for Kharif crops,
- 1.5% for Rabi crops,
- 5% for Horticulture crops.
- The premium rates to be paid by farmers are very low and balance premium will be paid by the Government.



- There is **no upper limit on Government subsidy** (even if balance premium is 90%, it will be borne by the Government).

Premium is shared between the Union and States

- Union and state governments on a **50:50 basis** and on a **90:10 basis** in the case of northeastern states.

Note-

- The scheme is **compulsory for loanee farmer** obtaining **crop loan or kisan credit card (KCC)** account for notified crops.

Risks covered under the scheme

- Pre harvest loss**-Yield Losses, natural Fire and Lightning, Storm, Hailstorm, Cyclone, Typhoon, Tempest, Hurricane, Tornado, animal attack, pest attack
- Post Harvest loss**-In post-harvest losses, coverage will be available up to a **maximum period of 14 days**

Premium to be paid by the farmer

S. No.	Season	Crops	Maximum Insurance charges payable by farmer (% of Sum Insured)
1	Kharif	All foodgrain and Oilseeds crops(all Cereals, Millets, Pulses and Oilseeds crops)	2.0% of SI or Actuarial rate, whichever is less
2	Rabi	All foodgrain and Oilseeds crops(all Cereals, Millets, Pulses and Oilseeds crops)	1.5% of SI or Actuarial rate, whichever is less
3	Kharif and Rabi	Annual Commercial / Annual Horticultural crops	5% of SI or Actuarial rate, whichever is less

- Agriculture Insurance Company
- Cholamandalam MS General Insurance Company
- Reliance General Insurance Co. Ltd.
- Bajaj Allianz
- Future Generali India Insurance Co. Ltd.
- HDFC ERGO General Insurance Co. Ltd.
- IFFCO Tokio General Insurance Co. Ltd.
- Universal Sampo General Insurance Company
- ICICI Lombard General Insurance Co. Ltd.
- Tata AIG General Insurance Co. Ltd.
- SBI General Insurance
- United India Insurance Co.

Limited Premium

Remaining Premium amount



Note-

The **Sum Insured** for each farmer is determined based on **Scale of Finance per hectare**, which is established by the **District Level Technical Committee (DLTC)**.

For example, if the Scale of Finance for **wheat is ₹50,000 per hectare** and a farmer cultivates **2 hectares**, the total **Sum Insured** would be **₹50,000 per hectare × 2 hectares = ₹1,00,000**

Q1714. How many of the following statements regarding the premium structure and government subsidy under PM Fasal Bima Yojana are correct?

- Farmers pay 2% of the sum insured as a premium for Kharif crops.
- The Government bears the remaining balance of the premium, with no upper limit on its subsidy.
- The premium for horticulture crops is set at 4% of the insured amount, to be paid by farmers.
- In northeastern states, the premium subsidy is shared between the Union and State Governments in a 75:25 ratio.

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

Ans: b

Sol:

- Statement 1 is correct** – Farmers pay 2% of the sum insured for Kharif crops.
- Statement 2 is correct** – The Government bears the balance premium with no upper limit on subsidy.
- Statement 3 is incorrect** – The premium for horticulture crops is 5%, not 4%.
- Statement 4 is incorrect** – In northeastern states, the premium subsidy is shared in a 90:10 ratio (not 75:25).

Q1715. Which of the following statements about the risks covered under PM Fasal Bima Yojana is/are correct?

- Pre-harvest losses due to events like hailstorms, cyclones, and pest attacks are covered under the scheme.
- Post-harvest losses are covered for a period of up to 7 days from harvesting.
- Crop damage caused by animal attacks is explicitly included under the scheme.
- The scheme also provides coverage for loss of yield due to lightning and natural fire.

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



Ans: b

Sol:

- **Statement 1 is correct** – Pre-harvest losses caused by hailstorms, cyclones, pest attacks, etc. are covered.
- **Statement 2 is incorrect** – post-harvest losses are covered for up to 14 days, not 7 days.
- **Statement 3 is correct** – Animal attacks are explicitly included under pre-harvest loss coverage.
- **Statement 4 is correct** – Lightning and natural fire are included in the list of covered risks.

Q1716. How many of the following statements regarding the implementation and sum insured calculation under PM Fasal Bima Yojana are correct?

1. The scheme is mandatory for all farmers, regardless of whether they take a crop loan.
2. The sum insured for a farmer is determined based on the Scale of Finance per hectare, which is decided by the District Level Technical Committee (DLTC).
3. If the Scale of Finance for maize is ₹40,000 per hectare and a farmer cultivates 3 hectares, the total sum insured would be ₹1,20,000.
4. The premium is shared equally between the Union and State Governments in all states of India.

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

Ans: b

Sol:

- **Statement 1 is incorrect** – The scheme is compulsory only for loanee farmers (those taking a crop loan or having a KCC account for notified crops). It is voluntary for non-loanee farmers.

- **Statement 2 is correct** – The sum insured is determined using the Scale of Finance per hectare, as decided by DLTC.
- **Statement 3 is correct** – If the Scale of Finance for maize is ₹40,000 per hectare, then for 3 hectares, the total sum insured is: $40,000 \times 3 = ₹1,20,000$
- **Statement 4 is incorrect** – The premium is shared 50:50 between the Union and State Governments in most states but 90:10 in northeastern states.

Topic 573

573. Bharat Bill Payment System

- It is a **payment channel system** conceptualized **by the RBI** and driven by the **National Payments Corporation of India (NPCI)**.
- It is a **one-stop payment platform** for all bills.
- **BBPS offers** bill categories like **electricity, telecom, Mobile Postpaid, DTH, gas, water bills** etc. through a single window.

What is the news?

- The Reserve Bank of India (RBI) recently announced that all **credit card bill payments** via **third-party applications** must now be **routed through the Bharat Bill Payment System (BBPS)**.

Bharat Bill Payment System (BBPS) is a Reserve Bank of India (RBI) conceptualised system which offers integrated, accessible and interoperable bill payment services to consumers across geographies with certainty, reliability and safety of transactions.



Q1717. How many of the following statements about the Bharat Bill Payment System (BBPS) are correct?

1. BBPS was conceptualized by the Reserve Bank of India (RBI) and is operated by the National Payments Corporation of India (NPCI).
 2. BBPS enables users to make payments for services such as electricity, telecom, mobile postpaid, DTH, and water bills through a single interface.
 3. BBPS facilitates only online bill payments and does not support offline payment modes.
 4. The system operates as a centralized platform where all billers in India must mandatorily integrate their payment systems.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol:

- **Statement 1 is correct** – BBPS was conceptualized by the RBI and is operated by NPCI.
- **Statement 2 is correct** – BBPS supports bill payments for electricity, telecom, DTH, gas, water, etc. through a single interface.
- **Statement 3 is incorrect** – BBPS supports both online and offline payment modes.
- **Statement 4 is incorrect** – While BBPS is a centralized platform, not all billers are mandatorily required to integrate with it.

Q1718. Which of the following statements regarding recent regulatory changes related to BBPS is/are correct?

1. The RBI has mandated that all credit card bill payments made through third-party apps must be routed via BBPS.
2. This directive applies to all types of credit cards, including domestic and international credit cards.

3. The move is aimed at ensuring secure and standardized bill payment transactions through BBPS.
 4. With this change, all credit card payments must be made only through NPCI-managed platforms, excluding traditional bank payment portals.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2, and 3 only
(d) All four

Ans: a

Sol:

- **Statement 1 is correct** – RBI has mandated that all credit card bill payments via third-party applications must be processed through BBPS.
- **Statement 2 is incorrect** – The directive is not applicable to international credit cards, only to those issued in India.
- **Statement 3 is correct** – The aim is to ensure secure and standardized transactions.
- **Statement 4 is incorrect** – The regulation does not exclude traditional bank portals; it only mandates that third-party apps use BBPS.

Q1719. How many of the following statements regarding the functioning and coverage of BBPS are correct?

1. BBPS enables real-time bill payments across various categories using multiple payment modes.
 2. The platform is designed to work only with NPCI-affiliated banks and payment service providers.
 3. BBPS currently supports both recurring and one-time bill payments.
 4. The system allows users to make cross-border bill payments for services in India.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c



Sol:

- **Statement 1 is correct** – BBPS supports real-time bill payments across different categories using various modes like UPI, net banking, cards, etc.
- **Statement 2 is incorrect** – BBPS works with multiple banks and payment service providers, not just NPCI-affiliated entities.
- **Statement 3 is correct** – BBPS supports both recurring and one-time payments for various bill categories.
- **Statement 4 is correct** – BBPS allows NRIs to make payments for services in India, facilitating cross-border transactions.

Topic 574

574. India KLEMS Database

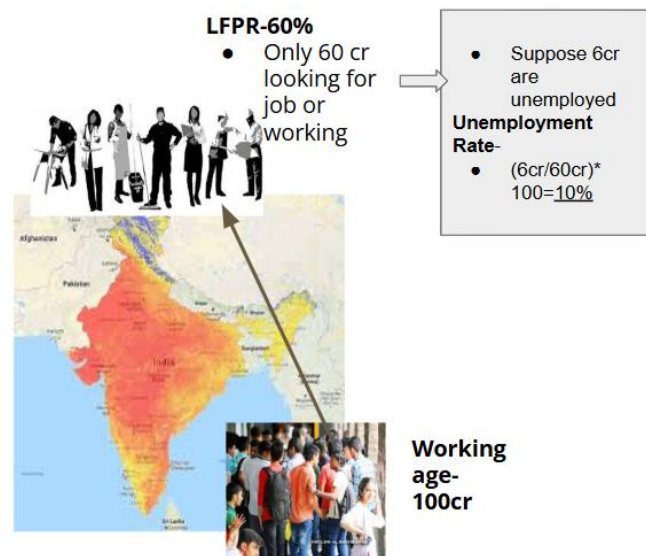
- India **KLEMS Database** is released by **RBI**.
- It **measures productivity** at the **industry level**.
- KLEMS stands for [Capital (K), Labour (L), Energy (E), Material (M) and Services (S)].
- The database covers **27 industries** comprising the entire **Indian economy**.

Note-

- While KLEMS (Capital, Labour, Energy, Materials, Services) data provides insights into production inputs and industry-level productivity, it does not directly include data on labor force participation and unemployment rates. Instead, it relies on data from the Periodic Labour Force Survey (PLFS) for employment and unemployment estimates.

Basic terminologies of Economics

- 1. Labour Force Participation Rate (LFPR)**
 - Imagine that there **are just 100 people in the working-age group** but only **60 ask for jobs** — that is, the LFPR is 60% .
- 2. Unemployment Rate (UR)**
 - Out of these **60 people**, **6 did not get a job**.
 - This would imply a **UER of 10%**.



Q1720. How many of the following statements regarding the India KLEMS Database are correct?

1. The India KLEMS Database is released by the Reserve Bank of India (RBI).
2. It measures productivity only in the manufacturing sector of India.
3. The database covers 27 industries that span the entire Indian economy.
4. It includes productivity measures based on Capital, Labour, Energy, Material, and Services.

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

Ans: c

Sol:

- **Statement 1 is correct** – The India KLEMS Database is indeed released by the Reserve Bank of India (RBI).
- **Statement 2 is incorrect** – It does not measure only manufacturing productivity, but rather productivity across multiple industries.
- **Statement 3 is correct** – The database covers 27 industries that span the entire Indian economy.
- **Statement 4 is correct** – The database uses productivity measures based on KLEMS:



Capital, Labour, Energy, Material, and Services.

Q1721. Which of the following statements regarding LFPR and Unemployment Rate is/are correct?

1. Labour Force Participation Rate (LFPR) measures the percentage of people in the total population who are employed.
 2. If the working-age population is 200 people and only 120 are actively seeking work, the LFPR would be 60%.
 3. The Unemployment Rate (UR) is calculated based on the total population, not just the labour force.
 4. If out of 120 people in the labour force, 12 do not get a job, the Unemployment Rate would be 10%.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2, and 4 only
(d) All four

Ans: b

Sol:

- **Statement 1 is incorrect** – LFPR does not measure total employment; instead, it measures the percentage of the working-age population that is actively seeking work (labour force).
- **Statement 2 is correct** – If the working-age population is 200 and 120 are seeking jobs, then $LFPR = (120/200) \times 100 = 60\%$.
- **Statement 3 is incorrect** – The Unemployment Rate (UR) is calculated only among the labour force, not the total population.
- **Statement 4 is correct** – If 12 out of 120 people in the labour force are unemployed, then $UR = (12/120) \times 100 = 10\%$.

Q1722. How many of the following indicators are directly provided by the India KLEMS Database?

1. Labour Force Participation Rate (LFPR)
2. Unemployment Rate (UR)
3. Productivity at the industry level
4. Employment trends across different industries

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

Ans: b

Sol:

- **Statement 1 is incorrect** – Labour Force Participation Rate (LFPR) is not directly provided by the India KLEMS Database; it is an economic indicator tracked separately.
- **Statement 2 is incorrect** – Unemployment Rate (UR) is also not a direct measure from the India KLEMS Database; it is separately reported by government surveys.
- **Statement 3 is correct** – India KLEMS Database tracks productivity at the industry level.
- **Statement 4 is correct** – It provides data on employment trends across various industries.

Topic 575

575. Financial Inclusion Index

- **Reserve Bank of India's** releases annual Financial inclusion Index which seeks to capture the extent of financial inclusion across the country.

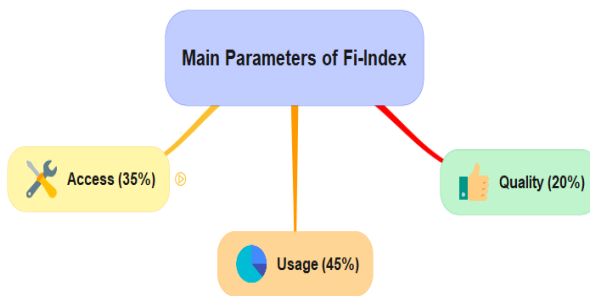
Note-

- **The FI-Index** comprises three broad parameters --
 1. **Access (35%)**
 2. **Usage (45%)**
 3. **Quality (20%)**

Current news?

- As per recently released Financial Inclusion Index of Reserve Bank's India's FI index rose to **64.2 in March 2024**.
- The **FI-Index of 64.2%** for 2024 indicates that **35.8%** percent people are still financially excluded.





Findings of the Financial Inclusion Index Over the Years

Financial Year	Index Value
2020-21	53.9
2021-22	56.4
2022-23	60.1
2023-24	64.2

Source: RBI

Q1723. How many of the following statements regarding the Financial Inclusion Index (FI-Index) are correct?

1. The FI-Index is released annually by the Reserve Bank of India (RBI).
 2. The three parameters of the FI-Index are Access, Usage, and Quality, with the highest weightage given to Access.
 3. A higher FI-Index value indicates greater financial inclusion in the country.
 4. The FI-Index has a maximum value of 100, representing complete financial inclusion.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol:

- **Statement 1 is correct** – The Reserve Bank of India (RBI) releases the FI-Index annually.
- **Statement 2 is incorrect** – The highest weightage is given to Usage (45%), not Access. The correct weightage is Access (35%), Usage (45%), and Quality (20%).
- **Statement 3 is correct** – A higher FI-Index means greater financial inclusion.

- **Statement 4 is correct** – The FI-Index ranges from 0 to 100, where 100 indicates complete financial inclusion.

Q1724. Which of the following statements regarding the interpretation of the FI-Index is/are incorrect?

1. If India's FI-Index is 64.2 in March 2024, then 35.8% of people are still financially excluded.
 2. The FI-Index directly measures the percentage of individuals who have access to formal financial services.
 3. A drop in the FI-Index from 64.2 to 60.0 would indicate a reduction in financial inclusion levels.
 4. The FI-Index is calculated separately for rural and urban areas before being combined into a national figure.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2, and 3 only
(d) All four

Ans: b

Sol:

- **Statement 1 is correct** – If FI-Index is 64.2, then $100 - 64.2 = 35.8\%$ of people are financially excluded.
- **Statement 2 is incorrect** – The FI-Index is a composite measure of access, usage, and quality, not just access to financial service.
- **Statement 3 is correct** – A decrease in FI-Index from 64.2 to 60.0 would indicate reduced financial inclusion.
- **Statement 4 is incorrect** – The FI-Index is not separately calculated for rural and urban areas; it provides a single national measure.

Q1725. How many of the following statements regarding recent trends in financial inclusion are correct?

1. As per the latest RBI report, India's FI-Index rose to 64.2 in March 2024.
2. The rise in FI-Index means that financial literacy and awareness programs alone have improved significantly across India.



3. The increase in FI-Index suggests improvement in access, usage, or quality of financial services, or a combination of these factors.
4. A country with an FI-Index of 100 would have universal access to financial services, full usage, and the highest quality of financial services.
 - (a) Only one
 - (b) Only two
 - (c) Only three
 - (d) All four

Ans: c

Sol:

- **Statement 1 is correct** – India's FI-Index rose to 64.2 in March 2024, as per the latest RBI report.
- **Statement 2 is incorrect** – The rise in FI-Index is due to improvements in access, usage, or quality, not just financial literacy programs alone.
- **Statement 3 is correct** – A higher FI-Index indicates better access, usage, and/or quality of financial services.
- **Statement 4 is correct** – An FI-Index of 100 means complete financial inclusion, where everyone has access, fully utilizes financial services, and receives the highest quality.

Day 58

Topic 576

576. Gold Standard and Fiat Currency

- The gold standard is a monetary system in which a **currency's value is pegged/linked to gold.**
- **England** was the **first country** to officially implement the gold standard **abandoned it in 1931.**
- **The US** adopted **Gold standard** for its currency in **1900.**
- **Adopting Gold standard**-generates **credibility** for a currency.

How dollar became the most dominant international currency?



1. Gold standard-Dollar was convertible to gold at the fixed rate of \$35 per ounce.
2. The Bretton Woods Agreement (1944) established that the U.S. dollar was the dominant reserve currency.

Note-

- Gold standard of dollar was **removed in 1971.**
- Currently, **no country uses the gold standard.**
- Countries have abandoned the gold standard for **fiat money.**

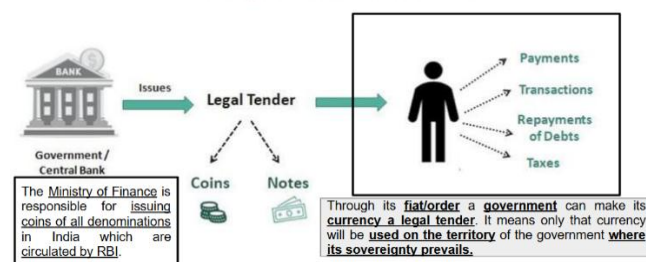
Fiat currency system-

- A fiat currency is a **national currency** that is **not backed by any physical commodity** instead it is backed by the **order or authority of the government.**
- Fiat money derives its value from **supply and demand.**



The **Bretton Woods system** required a **currency to peg to the U.S. dollar** which was in turn pegged to the **price of gold**.

How Legal Tender Works?



Q1726. How many of the following statement(s) about the gold standard is/are correct?

1. The gold standard ensures that a country's currency is fully backed by its gold reserves.
2. England was the first country to implement the gold standard and continued using it until the Bretton Woods Agreement in 1944.

3. The United States adopted the gold standard in 1900 and abandoned it in 1971.

4. No country in the world currently follows the gold standard.

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

Ans: b

Sol: Statement 1 is incorrect – The gold standard does not necessarily mean full backing of currency with gold; it only pegs the currency's value to gold.

Statement 2 is incorrect – England abandoned the gold standard in 1931, not in 1944.

Statement 3 is correct – The U.S. adopted the gold standard in 1900 and abandoned it in 1971.

Statement 4 is correct – No country currently follows the gold standard; all have switched to fiat money.

Q1727. Which of the following statement(s) regarding the role of the U.S. dollar in the global monetary system is/are correct?

1. The Bretton Woods Agreement (1944) made the U.S. dollar the world's dominant reserve currency by pegging it to gold at a fixed rate of \$35 per ounce.

2. The U.S. continued the gold standard until the financial crisis of 2008 forced its final abandonment.

3. Under the Bretton Woods system, other countries pegged their currencies to the U.S. dollar, rather than directly to gold.

4. The end of the Bretton Woods system in 1971 marked the shift towards a global fiat currency system.

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

Ans: b

Sol: Statement 1 is correct – The Bretton Woods Agreement (1944) established the U.S. dollar as the dominant reserve currency, with convertibility to gold at \$35 per ounce.

Statement 2 is incorrect – The gold standard was abandoned in 1971, not during the 2008 financial crisis.

Statement 3 is correct – The Bretton Woods system required other currencies to peg to the U.S. dollar, rather than directly to gold.

Statement 4 is correct – The end of the Bretton Woods system in 1971 led to the adoption of fiat money globally.

Q1728. How many of the following statement(s) regarding fiat currency is/are correct?

1. Fiat currency is not backed by any physical commodity, but derives its value from the government's authority and supply-demand dynamics.

2. Fiat money was introduced for the first time after the collapse of the Bretton Woods system in 1971.

3. Unlike the gold standard, fiat currency systems allow governments greater flexibility in controlling inflation and economic policies.

4. The main advantage of fiat currency is that it eliminates all risks of hyperinflation.

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

Ans: b

Sol: Statement 1 is correct – Fiat currency is not backed by a commodity like gold but derives value from government authority and market forces.

Statement 2 is incorrect – Fiat money existed before 1971 (e.g., China used fiat currency in the 11th century), though it became the global standard after the Bretton Woods collapse.

Statement 3 is correct – Fiat currency systems allow more flexibility in monetary policies, unlike the gold standard, which restricts money supply.

Statement 4 is incorrect – Fiat currency does not eliminate the risk of hyperinflation; in fact, poorly managed fiat systems can cause severe hyperinflation (e.g., Zimbabwe, Venezuela).

Topic 577

577. Petrodollar agreement

Question

- How dollar continues to be accepted as an international currency despite doing away with gold standard?

Answer

- Petrodollar agreement

What is Petrodollar agreement?



- In 1974 United States and Saudi Arabia struck a deal shortly after the U.S. went off the gold standard.
- It stipulated that Saudi Arabia would price its oil exports exclusively in U.S. dollars and invest its dollar surplus in U.S. Treasury bonds.
- In exchange, the U.S. provided military support and protection to Saudi Arabia.
- Other major oil producing countries known as OPEC started following Petrodollar (selling crude oil for dollars).
- This helped the USD cement its position as the world's reserve currency.
- Petrodollars
- Petrodollars are U.S. dollars earned by oil-exporting country.



Current news?

- The Petrodollar agreement was for 50 years.
- So, it officially ended in June 2024.
- The expiration of the petrodollar agreement could weaken the U.S. dollar's dominance, a phenomenon known as De-Dollarization.

Q1729. How many of the following statement(s) about the Petrodollar Agreement and its impact is/are correct?

1. The Petrodollar Agreement ensured that Saudi Arabia priced its oil exports exclusively in U.S. dollars.
 2. Other OPEC nations immediately rejected the Petrodollar Agreement, choosing to sell oil in multiple currencies.
 3. The system helped strengthen the U.S. dollar's position as the dominant global reserve currency.
 4. The expiration of the agreement in 2024 may contribute to de-dollarization trends.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – The agreement required Saudi Arabia to sell its oil exclusively in U.S. dollars.

Statement 2 is incorrect – Other OPEC nations followed the Petrodollar system, not rejected it.

Statement 3 is correct – By ensuring global demand for dollars, the agreement helped the U.S. dollar remain the dominant global reserve currency.

Statement 4 is correct – The expiration of the agreement in 2024 may weaken the U.S. dollar's dominance, leading to de-dollarization.

Q1730. How many of the following statement(s) regarding Petrodollars is/are correct?

1. Petrodollars refer to the U.S. dollars earned by oil-exporting nations through oil sales.
 2. Petrodollars must be reinvested in the U.S. economy through the purchase of Treasury bonds.
 3. The concept of Petrodollars emerged only after the U.S. completely abandoned the gold standard.
 4. The use of Petrodollars led to the establishment of the global oil market being dominated by the U.S. financial system.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – Petrodollars are U.S. dollars received by oil-exporting countries from oil sales.

Statement 2 is incorrect – While Saudi Arabia invested its Petrodollars in U.S. Treasury bonds, there was no legal obligation for all oil-exporting nations to do so.

Statement 3 is correct – The Petrodollar system was established after the U.S. abandoned the gold standard in 1971.

Statement 4 is correct – Since oil trade was conducted in dollars, it reinforced the U.S. financial system's dominance in global markets.

Q1731. Which of the following could be potential consequences of the expiration of the Petrodollar Agreement in 2024?

1. The demand for the U.S. dollar in global oil trade may decline.



2. Oil-exporting countries may increasingly accept alternative currencies like the Chinese yuan.
 3. The Federal Reserve may lose its ability to influence global financial markets.
 4. The U.S. may strengthen its military presence in the Middle East to maintain control over oil trade.
- (a) 1 and 2 only
 (b) 1, 2, and 3 only
 (c) 1, 2, and 4 only
 (d) All four

Ans: c

Sol: Statement 1 is correct – With oil no longer exclusively priced in U.S. dollars, demand for dollars in global trade could weaken.

Statement 2 is correct – Oil exporters may diversify their transactions, potentially using currencies like the Chinese yuan or the euro.

Statement 3 is incorrect – While the U.S. dollar may lose some influence, the Federal Reserve will still remain a key player in global financial markets.

Statement 4 is correct – The U.S. may increase military engagement in the Middle East to maintain economic and strategic influence over oil trade.

Topic 578

578. Climate Finance Taxonomy

- **Union Budget for 2024-25**, the finance minister announced that the **government would develop** a '**climate finance taxonomy(nomenclature)**'.

What is Climate Finance Taxonomy?

- It is a system that **classifies** which parts of the **economy** may be **marketed** as **sustainable and environment friendly**.

Benefits

1. It will help in **raising funds** for **environment friendly projects** through **environment friendly financial instruments** like green bonds.
2. **Prevent greenwashing**



Q1732. How many of the following statement(s) regarding Climate Finance Taxonomy is/are correct?

1. Climate Finance Taxonomy is a classification system that identifies sustainable economic activities.
2. It is designed to help raise funds exclusively for public sector projects related to environmental sustainability.
3. The taxonomy helps in reducing greenwashing by ensuring transparency in environmental finance.
4. The Indian government first announced the development of Climate Finance Taxonomy in the Union Budget 2024-25.

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

Ans: c

Sol: Statement 1 is correct – Climate Finance Taxonomy is meant to classify which economic activities can be considered sustainable and environment-friendly.

Statement 2 is incorrect – It is not limited to public sector projects; it applies to private investments and financial instruments like green bonds as well.

Statement 3 is correct – By providing clear criteria for sustainable investments, the taxonomy helps prevent greenwashing (misleading claims about environmental benefits).



Statement 4 is correct – The development of Climate Finance Taxonomy was officially announced in the Union Budget 2024-25.

Q1733. How many of the following statements correctly describe the relationship between Climate Finance Taxonomy and financial markets?

1. Climate Finance Taxonomy helps in the issuance of green bonds by defining environmentally sustainable projects.
2. The taxonomy will directly regulate financial institutions and enforce penalties for non-compliance.
3. Investors can use the taxonomy to ensure their funds are allocated to projects that meet sustainability criteria.
4. The primary purpose of the taxonomy is to ensure that only government-led financial initiatives are considered green investments.

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

Ans: b

Sol: Statement 1 is correct – One of the key benefits of Climate Finance Taxonomy is to facilitate green bond markets by defining what qualifies as an environmentally friendly project.

Statement 2 is incorrect – While the taxonomy provides classification, it does not directly regulate financial institutions or impose penalties.

Statement 3 is correct – Investors can rely on the taxonomy to make informed decisions about funding sustainable projects.

Statement 4 is incorrect – The taxonomy applies to both public and private financial initiatives, not just government - led projects.

Q1734. Which of the following are potential benefits or challenges associated with implementing a Climate Finance Taxonomy?

1. It could help India attract international climate finance by providing a clear classification for green investments.
2. A major challenge is that different countries have varying definitions of sustainability, leading to a lack of standardization.
3. The taxonomy will eliminate all risks of greenwashing in financial markets.

4. Developing the taxonomy requires collaboration between financial regulators, environmental experts, and industry stakeholders.

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

Ans: b

Sol: Statement 1 is correct – A well-defined taxonomy can help India attract global investments in climate finance.

Statement 2 is correct – Different countries may have different sustainability standards, making global alignment a challenge.

Statement 3 is incorrect – While the taxonomy helps reduce greenwashing, it cannot completely eliminate it.

Statement 4 is correct – The development of Climate Finance Taxonomy requires collaboration across multiple sectors, including finance, environment, and industry.

Topic 579

579. RoDTEP Scheme

- RoDTEP Scheme stands for **Remission of Duties and Taxes on Exported Products** (RoDTEP) scheme.
- The scheme was **brought on 1st Jan 2021** as a **replacement** for the **Merchandise Export from India Scheme (MEIS)**, which was **not compliant** with the rules of the **World Trade Organization**.
- It was announced by the **Ministry of Commerce & Industry**.

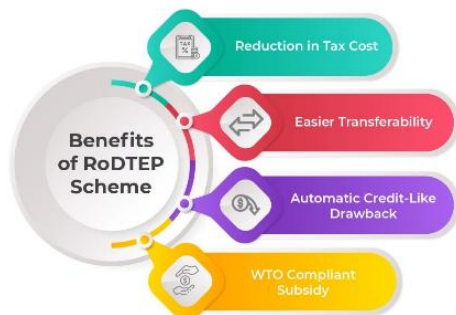
Features of RoDTEP Scheme

- The scheme provides for the **remission of duties and taxes paid on goods exported from India**.
- The scheme **refunds multiple taxes and levies** incurred during the **production and distribution of exported goods**.

Eligibility Criteria:

- Both **manufacturer and merchant exporters** are eligible, with **no specific turnover threshold**.





Q1735. How many of the following statement(s) regarding the RoDTEP Scheme is/are correct?

1. The RoDTEP Scheme was introduced to replace the Merchandise Export from India Scheme (MEIS), which was inconsistent with WTO rules.
 2. It was launched by the Ministry of Finance to streamline export incentives.
 3. The scheme ensures reimbursement of both direct and indirect taxes incurred during the export process.
 4. The scheme applies only to manufacturing exporters with a minimum turnover threshold.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol: Statement 1 is correct – The RoDTEP Scheme replaced MEIS because the latter was found non-compliant with WTO regulations.

Statement 2 is incorrect – The scheme was announced by the Ministry of Commerce & Industry, not the Ministry of Finance.

Statement 3 is correct – It reimburses multiple duties and levies, including indirect taxes, paid on exported goods.

Statement 4 is incorrect – There is no specific turnover threshold, and both manufacturer and merchant exporters are eligible.

Q1736. How many of the following statements correctly describe the benefits and coverage of the RoDTEP Scheme?

1. The scheme refunds central, state, and local taxes that were previously not refunded.
2. It directly provides cash benefits to exporters for boosting export volumes.
3. RoDTEP ensures that Indian exporters remain competitive in global markets.

4. The scheme is applicable to all products exported from India without any exclusions.

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

Ans: b

Sol: Statement 1 is correct – The scheme provides refunds for various central, state, and local taxes, which were earlier not refunded under any other mechanism.

Statement 2 is incorrect – The scheme provides remission of duties and taxes but does not directly offer cash incentives.

Statement 3 is correct – By reducing export costs, RoDTEP helps Indian exporters remain competitive in global markets.

Statement 4 is incorrect – Not all products are covered under the scheme; the government determines eligible product categories.

Q1737. How many of the following statements correctly differentiate RoDTEP from the previous MEIS scheme?

1. RoDTEP refunds embedded taxes and duties, while MEIS was a direct incentive-based scheme.
 2. Unlike MEIS, RoDTEP does not violate WTO regulations.
 3. Both schemes provide direct financial benefits in the form of cash transfers.
 4. MEIS was applicable to both goods and services, whereas RoDTEP applies only to goods exports.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – MEIS was an incentive-based scheme, whereas RoDTEP provides reimbursement of embedded taxes and duties.

Statement 2 is correct – RoDTEP is WTO-compliant, while MEIS was found to violate WTO rules.

Statement 3 is incorrect – RoDTEP does not provide direct cash transfers; it refunds taxes through duty credits.



Statement 4 is correct – MEIS covered both goods and services, while RoDTEP is strictly for goods exports.

Topic 580

580. Lithium reserves found in India

- Due to its ability to pack energy, it has utility across a range of sectors and has gained the moniker **‘white gold’**.

Li-ion batteries

- A lithium-ion battery or Li-ion battery is a type of **rechargeable battery**.

Lithium reserves found in India

- **first significant discovery of lithium-5.9 million tonnes in Reasi district of Jammu and Kashmir in 2023.**
- previously only a **small reserve** had been discovered in **Karnataka, Chhattisgarh and Manipur.**
- If Reasi Lithium is established **India may become 7th largest Lithium reserve holder of the world.**

Current news?

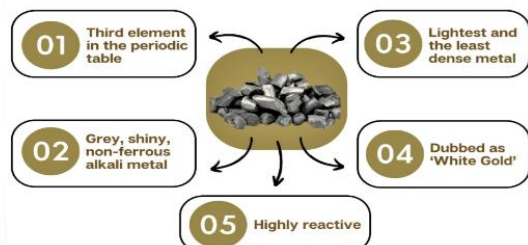
- The **Reasi Lithium block**, which holds an estimated 5.9 million tonnes of lithium ore, has **failed to get auctioned off.**

Why investors are not interested?

- Potentially **lower concentration of lithium in the J&K block (it is minerals but not ores)**

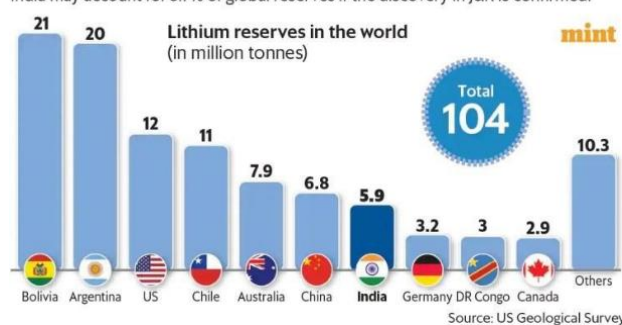


LITHIUM



Fields of white gold

India may account for 5.7% of global reserves if the discovery in J&K is confirmed.



Mineral vs Ore	
Mineral	Ore
Naturally occurring substances of metals present in the earth's crust are called minerals.	Minerals which can be used to obtain the metal profitably are called ores.
All minerals are not ores.	All ores are essentially minerals too.
Example: Clay is the mineral of Aluminium.	Examples: Bauxite and Cryolite are the main ores of Aluminium
	

All ores are minerals, but not all minerals are ores

Q1738. How many of the following statement(s) regarding lithium reserves in India is/are correct?

1. India's first significant lithium reserve was discovered in Karnataka before the one in Jammu and Kashmir.
 2. The discovery of lithium reserves in Reasi, Jammu and Kashmir, has the potential to place India among the top 10 lithium reserve holders globally.
 3. Lithium is often referred to as 'white gold' due to its energy storage capabilities.
 4. The Reasi lithium reserves have not yet been auctioned due to concerns over their mineral concentration.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is incorrect – While small lithium deposits were found in Karnataka, Chhattisgarh, and Manipur, the first significant discovery (5.9 million tonnes) was in Jammu and Kashmir in 2023.

Statement 2 is correct – If fully established, India could become the 7th largest lithium reserve holder globally.

Statement 3 is correct – Lithium is called 'white gold' due to its high energy storage capability.



Statement 4 is correct – The Reasi lithium block has not been auctioned due to concerns over its low lithium concentration.

Q1739. How many of the following statements correctly describe lithium-ion batteries and their applications?

1. Lithium-ion batteries are primarily used in renewable energy storage and electric vehicles.
 2. Lithium-ion batteries are non-rechargeable and need frequent replacements.
 3. The demand for lithium has surged globally due to its use in energy storage technologies.
 4. Lithium is widely available in high-purity ore form, making extraction easier in India.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol: Statement 1 is correct – Lithium-ion batteries are essential for renewable energy storage systems and electric vehicles (EVs).

Statement 2 is incorrect – Lithium-ion batteries are rechargeable, which makes them ideal for long-term use.

Statement 3 is correct – The rise in renewable energy adoption and EV production has significantly increased lithium demand.

Statement 4 is incorrect – In India, the Reasi lithium reserves contain lithium minerals but not high-purity ores, making extraction difficult.

Q1740. How many of the following factors are key challenges in utilizing India's lithium reserves?

1. The lithium found in Reasi is in mineral form rather than high-purity ore.
 2. Global lithium production is largely dominated by a few countries, limiting India's competitiveness.
 3. India currently lacks large-scale lithium refining and processing facilities.
 4. The environmental impact of lithium mining in India is minimal compared to other minerals.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – The Reasi lithium reserves contain lithium minerals rather than high-concentration ores, making extraction challenging.

Statement 2 is correct – Global lithium production is dominated by countries like Australia, Chile, and China, limiting India's immediate competitiveness.

Statement 3 is correct – India currently lacks significant lithium refining and processing infrastructure.

Statement 4 is incorrect – Lithium mining has considerable environmental concerns, including water usage, pollution, and ecological disruption.

Topic 581

581. Important curves of Economics

Gini Coefficient/Lorenz Curve

- The Gini coefficient measures inequality on a scale from 0 to 1.
- Higher values indicate higher inequality.
- Reduced Gini Coefficient means reducing inequality.

Engel curve

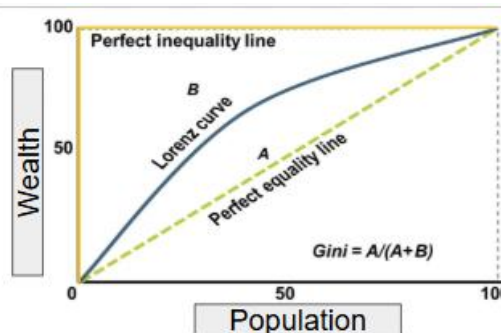
- The Engel curve describes how the spending on a certain good varies with household income.

Kuznets Curve

- That economic growth initially leads to greater inequality, followed later by the reduction of inequality.

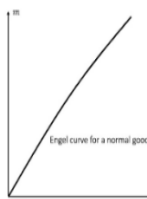
Environmental Kuznets Curve

- Economic growth initially leads to a deterioration in the environment, but after a certain level of economic growth, approach of sustainable development is followed.

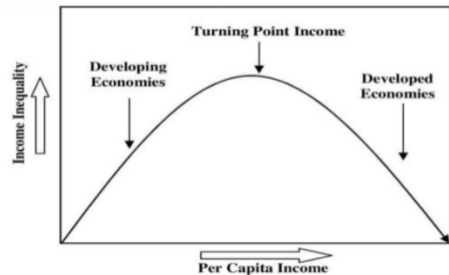
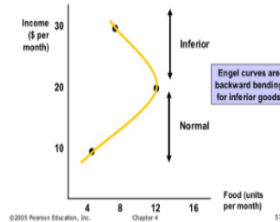


Engel curve

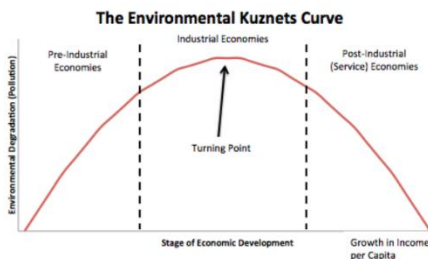
• An Engel curve shows the relationship between optimal choice of a good and income



Engel Curves



Kuznet Curve



Q1741. How many of the following statement(s) regarding the Gini Coefficient and Lorenz Curve is/are correct?

1. A Gini coefficient of 0 indicates perfect inequality.
2. The Gini coefficient is based on the Lorenz Curve, which plots the cumulative income distribution of a population.
3. A decreasing Gini coefficient over time suggests a reduction in income inequality.
4. A higher Gini coefficient implies greater equality in income distribution.

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

Ans: b

Sol: Statement 1 is incorrect – A Gini coefficient of 0 represents perfect equality, not perfect inequality.

Statement 2 is correct – The Gini coefficient is derived from the Lorenz Curve, which shows the cumulative income or wealth distribution.

Statement 3 is correct – A decreasing Gini coefficient indicates reducing income inequality.

Statement 4 is incorrect – A higher Gini coefficient actually implies greater income inequality, not equality.

Q1742. How many of the following statements incorrectly describe the Engel Curve?

1. The Engel Curve demonstrates how expenditure on a particular good change with income.
2. A downward-sloping Engel Curve suggests that the good is a normal good.
3. For inferior goods, the Engel Curve bends backward, indicating that consumption decreases as income rises.
4. The Engel Curve is used to analyze the relationship between income elasticity and spending patterns.

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

Ans: a

Sol: Statement 1 is correct – The Engel Curve shows how household spending on a good varies with income changes.

Statement 2 is incorrect – A downward-sloping Engel Curve actually suggests an inferior good, not a normal good.

Statement 3 is correct – For inferior goods, as income increases, the demand for the good decreases, causing the Engel Curve to bend backward.

Statement 4 is correct – The Engel Curve helps in understanding income elasticity and how spending behavior changes with income levels.

Q1743. How many of the following statements correctly describe the Kuznets Curve and the Environmental Kuznets Curve?

1. The Kuznets Curve suggests that as an economy grows, inequality first increases and then decreases.
2. The Environmental Kuznets Curve proposes that economic growth initially worsens environmental degradation but later leads to sustainability.
3. The Kuznets Curve is based on the relationship between GDP per capita and environmental pollution levels.



4. The Environmental Kuznets Curve contradicts the traditional Kuznets Curve in terms of the long-term impact of economic growth.

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

Ans: b

Sol: Statement 1 is correct – The Kuznets Curve suggests that inequality first rises with economic growth and later declines.

Statement 2 is correct – The Environmental Kuznets Curve follows a similar pattern but applies to environmental degradation instead of inequality.

Statement 3 is incorrect – The Kuznets Curve primarily explains the relationship between economic growth and income inequality, not pollution levels.

Statement 4 is incorrect – The Environmental Kuznets Curve does not contradict the Kuznets Curve; it applies the same logic to environmental concerns rather than income inequality.

Topic 582

582. RBI bringing back gold asset to India

Key Components of Forex Reserves

1. Foreign Currencies Asset
2. Special Drawing Rights (SDRs)
3. IMF Reserve Position
4. Gold

How Gold reserve is maintained?

- But **not all Gold** is **kept** by the Central Banks with **themselves**.
- They keep **some of the gold** with safe custody of **Bank of England** or **New York Federal Reserve**.
- **New York Federal Reserve** is the **largest custodian** of gold in the world **followed by Bank of England**.
- **Almost all the central banks** in the world have **kept their gold** in the safe custody of the Bank of England, **including RBI**

Current news?

- RBI is bringing back its gold maintained with Bank of England.
- The **Reserve Bank of India (RBI) has brought back** nearly **130 metric tonnes** of

gold owned by it and kept in the safe custody of the Bank of England in the **last two-and-a-half years**, changing its strategy of safe-keeping the gold reserves.

- Still close to **324 metric tonnes** of the RBI's gold **continues** to be in the safe custody of the **Bank of England at present**.

RBI brings home 102 tonnes of gold from Bank of England on Dhanteras



Why repatriation of gold back to India?

RBI is building its own gold reserve holding capacity.

There's a cost involved in safe-keeping of gold abroad.

Q1744. How many of the following statement(s) regarding RBI's gold reserve strategy is/are correct?

1. The Reserve Bank of India (RBI) keeps all its gold reserves within the country.
2. The New York Federal Reserve is the largest custodian of gold in the world, followed by the Bank of England.
3. The RBI has started repatriating gold from the Bank of England due to concerns over the safe-keeping cost.
4. Currently, a majority of RBI's gold reserves are still stored in the Bank of England.

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

Ans: c

Sol: Statement 1 is incorrect – RBI does not keep all its gold reserves in India; a significant portion is stored abroad.

Statement 2 is correct – New York Federal Reserve holds the largest gold reserves, followed by the Bank of England.



Statement 3 is correct – RBI has begun repatriating gold due to the costs associated with storing gold abroad.

Statement 4 is correct – Despite repatriation, a large portion (324 metric tonnes) is still in the Bank of England's custody.

Q1745. How many of the following statements correctly describe the role of gold in Forex reserves?

1. Gold is one of the four key components of India's foreign exchange reserves.
2. All central banks store their gold reserves within their own countries.
3. The Special Drawing Rights (SDRs) issued by the IMF are included in Forex reserves alongside gold.
4. The RBI has recently increased the gold reserves held within India.

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

Ans: c

Sol: Statement 1 is correct – Gold is indeed one of the four main components of India's foreign exchange reserves.

Statement 2 is incorrect – Most central banks, including RBI, store a portion of their gold in foreign banks like the Bank of England.

Statement 3 is correct – SDRs are part of a country's foreign exchange reserves along with gold, foreign currency assets, and the IMF Reserve Position.

Statement 4 is correct – RBI has repatriated 130 metric tonnes of gold back to India, increasing domestic reserves.

Q1746. How many of the following statements correctly explain the reasons for RBI's decision to bring back gold from the Bank of England?

1. RBI is building its own domestic gold reserve storage capacity.
2. There are geopolitical risks associated with storing gold abroad.
3. Keeping gold in foreign banks incurs maintenance costs.
4. The Bank of England has imposed restrictions on gold withdrawal by foreign central banks.

- (a) Only one

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

Ans: b

Sol: Statement 1 is correct – RBI is actively increasing its domestic capacity to store gold reserves.

Statement 2 is incorrect – There is no official report indicating that RBI is repatriating gold due to geopolitical risks.

Statement 3 is correct – Storing gold in foreign banks incurs safe-keeping costs, which RBI aims to reduce.

Statement 4 is incorrect – There is no evidence that the Bank of England has imposed restrictions on gold withdrawal for RBI.

Topic 583

583. Goal of RBI in next 10 years

Targets established by RBI for itself is-

1. Full Capital Account Convertibility
2. Internationalisation of Rupee
3. Universalisation of digital payment (through UPI/RTGS/NEFT and e-Rupee)

Currency Convertibility

- Currency convertibility refers to the ease with which a currency can be exchanged for another currency.

India follows-

a. Full Current Account convertibility

b. Partial Capital Account Convertibility.

- In pre reforms era (before 1991) there was limitation on convertibility in both Current and Capital account.

- Full convertibility on current account in adopted in 1994 as per obligation imposed by IMF.

Limitations on Capital Account Convertibility-

- Indian corporate-up to \$ 500 million (automatic route)
- Individuals-\$ 2,50,000 per annum.

S.S. Tarapore Committee

- Established by government of India to lay roadmap for full Capital Account convertibility.

- S.S. Tarapore Committee (1997 & 2006) on Capital Account convertibility has laid down roadmap for attaining full Capital account convertibility.



Precondition laid for full Capital Account Convertibility-

1. Fiscal Consolidation (low debt to GDP ratio and Fiscal deficit)
2. Low level of NPA of Banks
3. Low Current Account Deficit

Radha Shyam Ratho Committee

- Established by RBI to suggest **measures for internationalisation of Rs.**

Note-

- Another committee has been **constituted by RBI headed by Radha Shyam Ratho to “review trading and settlement timings of financial markets”**

Q1747. How many of the following targets have been explicitly established by the RBI for the next 10 years?

1. Full Capital Account Convertibility
 2. Achieving a Fiscal Deficit of 0%
 3. Universalisation of Digital Payments
 4. Internationalisation of the Rupee
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – Full Capital Account Convertibility is one of RBI's long-term goals.

Statement 2 is incorrect – While fiscal consolidation is a prerequisite for capital account convertibility, RBI has not set a target of 0% fiscal deficit.

Statement 3 is correct – Universalisation of digital payments through UPI/RTGS/NEFT and e-Rupee is an RBI goal.

Statement 4 is correct – Internationalisation of the rupee is an explicit target set by RBI.

Q1748. How many of the following statements correctly describe the state of capital account convertibility in India?

1. India currently follows full capital account convertibility.
2. The S.S. Tarapore Committee was formed to lay down a roadmap for achieving full capital account convertibility.
3. The Reserve Bank of India (RBI) has no restrictions on capital outflows by individuals.

4. The limitations on capital account convertibility for Indian corporates include an automatic route limit of up to \$500 million.

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

Ans: b

Sol: Statement 1 is incorrect – India follows partial, not full, capital account convertibility.

Statement 2 is correct – The S.S. Tarapore Committee (1997 & 2006) recommended steps toward full capital account convertibility.

Statement 3 is incorrect – RBI has imposed a limit of \$250,000 per annum for individuals under the Liberalized Remittance Scheme (LRS).

Statement 4 is correct – Indian corporates are allowed capital outflows up to \$500 million via the automatic route.

Q1749. Which of the following statements about committees related to RBI's long-term goals are correct?

1. The S.S. Tarapore Committee was set up by the Government of India to recommend measures for achieving full capital account convertibility.
 2. The Radha Shyam Ratho Committee was formed to provide recommendations for the internationalisation of the rupee.
 3. The Radha Shyam Ratho Committee also reviews trading and settlement timings in financial markets.
 4. The S.S. Tarapore Committee was established to regulate digital payments.
- (a) 1 only
(b) 2 only
(c) 3 only
(d) All four

Ans: c

Sol: Statement 1 is correct – The S.S. Tarapore Committee (1997 & 2006) focused on capital account convertibility.

Statement 2 is correct – The Radha Shyam Ratho Committee was set up to suggest measures for internationalising the rupee.

Statement 3 is correct – Another RBI-constituted committee under Radha Shyam Ratho reviews trading and settlement timings in financial markets.



Statement 4 is incorrect – The S.S. Tarapore Committee had no role in regulating digital payments.

Topic 584

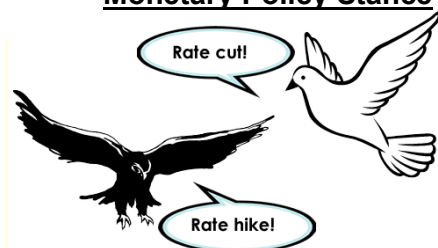
584. Other nomenclature for Monetary policies

1. Hawkish Monetary Policy Stance

- **Contractionary Monetary policy**
- In order to keep inflation in check, the Hawkish stance favours **high-interest rates**.

2. Dovish Monetary Policy Stance

- **Expansionary Monetary policy**
- This monetary policy stance involves **low interest rates**.
- Low-Interest Rates would **entice consumers to take credit (loans)** from Banks and other sources.
- This is also known as **Accommodative Monetary Policy Stance**



Q1750. How many of the following statements correctly describe Hawkish and Dovish monetary policy stances?

1. A Hawkish stance refers to a contractionary monetary policy aimed at controlling inflation.
 2. A Dovish stance promotes high interest rates to encourage borrowing and spending.
 3. An accommodative monetary policy stance is synonymous with a Dovish stance.
 4. A Hawkish stance leads to tighter credit conditions and reduced consumer spending.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – A Hawkish stance is contractionary and aims at controlling inflation by increasing interest rates.

Statement 2 is incorrect – A Dovish stance actually promotes lower interest rates, not higher ones, to encourage borrowing.

Statement 3 is correct – The Dovish stance is also known as an accommodative monetary policy stance.

Statement 4 is correct – A Hawkish stance results in higher interest rates, discouraging borrowing and reducing consumer spending.

Q1751. How many of the following effects are typically associated with a Dovish monetary policy stance?

1. Lower interest rates
 2. Decreased borrowing by consumers
 3. Increased economic growth
 4. Higher inflationary pressures
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – A Dovish stance lowers interest rates to encourage borrowing.

Statement 2 is incorrect – A Dovish stance actually increases borrowing rather than decreasing it.

Statement 3 is correct – Lower interest rates stimulate economic growth by encouraging spending and investment.

Statement 4 is correct – Since more money is circulated in the economy, inflationary pressures tend to rise.

Q1752. Which of the following incorrectly distinguishes between Hawkish and Dovish monetary policies?

1. Hawkish policies are focused on controlling inflation, while Dovish policies aim at stimulating growth.
 2. A Dovish stance is preferred during periods of high inflation.
 3. A Hawkish stance discourages excessive borrowing by making loans more expensive.
 4. Accommodative monetary policies are implemented during economic slowdowns to boost demand.
- (a) 1 only
(b) 2 only
(c) 3 only



(d) All four

Ans: a

Sol: Statement 1 is correct – Hawkish policies aim at controlling inflation, whereas Dovish policies focus on economic growth.

Statement 2 is incorrect – A Dovish stance is NOT preferred during high inflation, as it can further increase inflation. Instead, a Hawkish stance is used to curb inflation.

Statement 3 is correct – A Hawkish stance leads to high interest rates, making borrowing costlier and discouraging excessive credit growth.

Statement 4 is correct – Accommodative monetary policies (Dovish stance) are used during economic slowdowns to boost demand and encourage investment.

Topic 585

585. Sanitary and Phytosanitary Measures at WTO

- WTO's **Sanitary and Phytosanitary (SPS) Agreement** lays down basic rules for **food safety** and **animal and plant health standards**.
- It ensures that **traded products** between WTO members-

1. do not **spread pests and diseases**
2. food products **do not contain harmful substances** or pathogens.

Current news?

- **India and the US** informed the World Trade Organization (WTO) that they have **reached a mutually agreed solution** on the outstanding **dispute on poultry imports from the US regarding SPS**.

More about Sanitary and Phytosanitary (SPS) Measures

- Under the **SPS agreement members countries are encouraged** to align their **food standards** for export **in line** with **international standard set by Codex Alimentarius Commission**.

What is Codex Alimentarius?

- It means **"Food Code"** - standard guidelines for food items.

Codex Alimentarius Commission

- Gives **food code**
- An **intergovernmental body**

- established by the **Food and Agriculture Organization** and the **World Health Organization (WHO)**.
- **189 countries** are its members.
- **India is a member** of the Codex Alimentarius Commission

Settling trade disputes through 'litigation'

PREMIUM

The arduous settlement of complex disputes during litigation, or broadly 'litigation', was key to solving the long pending Indo-US poultry dispute

Updated - June 10, 2024, 11:55 AM IST Published - June 10, 2024, 03:00 AM IST

JAMES J. NEDUMBARA, SHAHILJA SINGH



This dispute between **India and the U.S.** was filed more than a decade ago. It relates to certain **import restrictions taken by India** against the imports of **poultry products** from the U.S. on grounds of **avian influenza or bird flu**.

Q1753. How many of the following statements correctly describe the purpose of the WTO's Sanitary and Phytosanitary (SPS) Agreement?

1. It ensures that traded products do not contain harmful substances or pathogens.
 2. It allows member countries to impose trade restrictions solely for economic reasons.
 3. It encourages alignment of food safety standards with the Codex Alimentarius Commission.
 4. It establishes food safety and animal health regulations for only developing countries.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol: Statement 1 is correct – One of the primary objectives of SPS measures is to ensure that traded food products are safe and free from harmful substances.

Statement 2 is incorrect – The SPS Agreement does not permit trade restrictions for purely economic reasons; they must be based on scientific evidence regarding health and safety.



Statement 3 is correct – The Codex Alimentarius Commission sets international standards, and WTO members are encouraged to align their regulations with it.

Statement 4 is incorrect – The SPS Agreement applies to all WTO member countries, not just developing nations.

Q1754. How many of the following statements regarding India's SPS dispute with the U.S. and Codex Alimentarius are correct?

1. The dispute between India and the U.S. was related to India's import restrictions on poultry products due to avian influenza.
 2. The Codex Alimentarius Commission is an independent global body that creates binding international food safety laws.
 3. India and the U.S. have now resolved their WTO dispute on poultry imports through a mutually agreed solution.
 4. The Codex Alimentarius Commission was established by the Food and Agriculture Organization (FAO) and the World Health Organization (WHO).
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol: Statement 1 is correct – The dispute arose due to India's restrictions on U.S. poultry imports on the grounds of avian influenza (bird flu).

Statement 2 is incorrect – The Codex Alimentarius Commission provides voluntary food safety guidelines, not binding international laws.

Statement 3 is correct – India and the U.S. have now resolved their SPS-related dispute at the WTO through mutual agreement.

Statement 4 is correct – The Codex Alimentarius Commission was indeed established by FAO and WHO.

Q1755. Which of the following correctly explains the provisions and implications of the WTO's Sanitary and Phytosanitary (SPS) Agreement?

1. The SPS Agreement applies only to food safety and does not cover animal and plant health.
2. It mandates WTO members to align their food safety standards with international benchmarks.

3. The SPS Agreement allows WTO members to take protective measures even if they are not backed by scientific evidence.

4. The purpose of the SPS Agreement is to ensure that international trade does not spread pests and diseases.

- (a) 1 only
(b) 2 only
(c) 3 only
(d) All four

Ans: b

Sol: Statement 1 is incorrect – The SPS Agreement covers both food safety and animal/plant health regulations, not just food safety.

Statement 2 is correct – WTO members are encouraged to align their food safety standards with those set by international bodies like the Codex Alimentarius Commission.

Statement 3 is incorrect – The SPS Agreement requires trade restrictions to be based on scientific evidence; arbitrary measures are not permitted.

Statement 4 is correct – A key goal of the SPS Agreement is to prevent the spread of pests and diseases through international trade.

Topic 586

586. Global Energy Transition Index

- It is published by **World Economic Forum**.
- It ranks countries on **how well** they are able to **balance energy security** and access with **environmental sustainability** and affordability.
- ETI has ranked **120 economies** covering **3 parameters**

Parameters

1. Economic growth
2. Environmental sustainability
3. Energy security

Global Energy Transition Index 2024 -

- India is ranked **63rd** amongst **120 countries**
- Sweden is at the top followed by Denmark and Finland.

Note-'Global Economic Prospects' report is published by **World Bank**.



Additional Information

ORGANISATION	REPORT
WEF (World Economic Forum)	1. Global Competitiveness Report (GCR) 2. Global Gender Gap Report 3. Travel and Tourism Competitiveness Report 4. Global Information Technology Report
UNCTAD (United Nations Conference on Trade and Development)	1. World Investment Report
IMF (International Monetary Fund)	1. World Economic Outlook 2. Global Financial Stability Report 3. Fiscal Monitor
Financial Action Task Force	1. Global Money Laundering Report
WIPO (World Intellectual Property)	1. World Intellectual Property Report (WIPR)
World Bank	1. Ease of Doing Business 2. World Development Report
International Labour Organisation (ILO)	1. World Social Protection Report Global 2. Wage Report 3. World Employment and Social Outlook 4. World of Work Report
United Nations Development Programme (UNDP)	1. Human Development Report

Q1756. Ease of Doing Business ranking for the states in India is released by -

- Department of Industry and Commerce
- Department for Promotion of Industry and Internal Trade
- Investment Promotion Bureau
- Rajasthan Small Industry Corporation Limited (RAJSICO)

Ans: b

Sol: The Ease of Doing Business (EoDB) ranking for Indian states is released by the Department for Promotion of Industry and Internal Trade (DPIIT), which functions under the Ministry of Commerce and Industry, Government of India. This ranking is based on the Business Reform Action Plan (BRAP), which evaluates states on various parameters related to business regulations and reforms.

Q1757. How many of the following statements regarding the Global Energy Transition Index (ETI) are correct?

- The ETI is published by the World Economic Forum (WEF).
 - It ranks countries based on their ability to balance energy security, affordability, and environmental sustainability.
 - The ETI evaluates 150 economies across three key parameters: Economic Growth, Environmental Sustainability, and Energy Security.
 - In the 2024 ranking, Sweden secured the top position, followed by Denmark and Finland.
- Only one
 - Only two
 - Only three

(d) All four

Ans: c

Sol: Statement 1 is correct – The World Economic Forum (WEF) publishes the Global Energy Transition Index (ETI).

Statement 2 is correct – The ETI ranks countries based on energy security, affordability, and environmental sustainability.

Statement 3 is incorrect – The ETI covers 120 economies, not 150.

Statement 4 is correct – Sweden, Denmark, and Finland are ranked the top three in the 2024 index.

Q1758. How many of the following statements about global economic and energy-related reports is/are correct?

- The Global Energy Transition Index (ETI) is published by the World Economic Forum.
 - The Global Economic Prospects report is published by the International Monetary Fund (IMF).
 - The ETI ranks countries based on economic growth, environmental sustainability, and energy security.
 - India ranked 63rd in the Global Energy Transition Index 2024.
- Only one
 - Only two
 - Only three
 - All four

Ans: c

Sol:

- Statement 1 is correct** – The World Economic Forum publishes the ETI.
- Statement 2 is incorrect** – The Global Economic Prospects report is published by the World Bank, not the IMF.
- Statement 3 is correct** – The ETI evaluates countries based on economic growth, environmental sustainability, and energy security.
- Statement 4 is correct** – India ranked 63rd in the 2024 ETI rankings.

Topic 587


587. Purchasing Managers Index (PMI)

- It is a **survey-based measure** that asks the respondents about **changes in their perception** about key **business variables** as compared with the **previous month**.
- It is calculated **separately** for the **manufacturing** and **services sectors**.
- The PMI is a number from **0 to 100**.
- PMI **above 50 represents** an **expansion** when compared to the **previous month**;
- PMI **under 50** represents a **contraction**, and
- A reading at **50** indicates **no change**.
- If **PMI of the current month is higher than the PMI of the previous month** it represents that perception is that the economy is **growing**.

Note

- **PMI data for India** is released **monthly** by **S&P Global**.
- It is a **private data analytics** organization.

ON A SOFTER NOTE

Manufacturing PMI



Note: A figure above 50 denotes expansion in activity and below 50 shows contraction

Q1759. Consider the following statements regarding the Purchasing Managers' Index (PMI):

1. PMI is calculated only for the manufacturing sector.
2. A PMI reading above 50 indicates an expansion in economic activity.
3. If the PMI of the current month is lower than that of the previous month, it necessarily indicates an economic recession.
4. PMI data for India is released by S&P Global, a private data analytics organization.

How many of the above statement(s) is/are correct?

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

(d) All four

Ans: b

Sol:

- **Statement 1 is incorrect:** PMI is calculated separately for both manufacturing and services sectors, not just manufacturing.
- **Statement 2 is correct:** PMI above 50 represents expansion compared to the previous month.
- **Statement 3 is incorrect:** A lower PMI than the previous month does not necessarily indicate a recession, only a slowdown in growth if above 50 or contraction if below 50.
- **Statement 4 is correct:** PMI data for India is indeed released by S&P Global, a private data analytics firm.

Thus, only two statements are correct.

Q1760. Which of the following statements regarding the interpretation of the PMI is/are incorrect?

1. A PMI reading of exactly 50 indicates that economic conditions have remained unchanged compared to the previous month.
2. A PMI value below 50 automatically means that a country is in a technical recession.
3. PMI provides insights into business sentiment but does not measure actual production output.
4. If the manufacturing PMI is higher than the services PMI, it implies that industrial output is growing faster than the services sector.

Select the correct answer using the codes below:

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

Ans: b

Sol:

- **Statement 1 is correct:** A PMI of 50 indicates no change in business conditions compared to the previous month.
- **Statement 2 is incorrect:** A PMI below 50 does not necessarily indicate a recession, only a contraction in activity. A recession requires multiple factors beyond PMI.
- **Statement 3 is correct:** PMI is based on surveys and sentiment analysis, not direct measurement of output.



- Statement 4 is incorrect:** A higher manufacturing PMI than services PMI does not automatically mean industrial output is growing faster, as PMI only measures changes from the previous month.

Thus, statements 2 and 4 are incorrect.

Q1761. Consider the following statements regarding PMI calculation and significance:

1. The PMI is a numerical index ranging from 0 to 100.
2. A rising PMI trend over consecutive months signifies economic recovery or growth.
3. India's official government agency, the National Statistical Office (NSO), is responsible for publishing PMI data.
4. PMI surveys collect data by asking respondents about their perception of key business variables.

Which of the above statement(s) is/are correct?

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

Ans: c

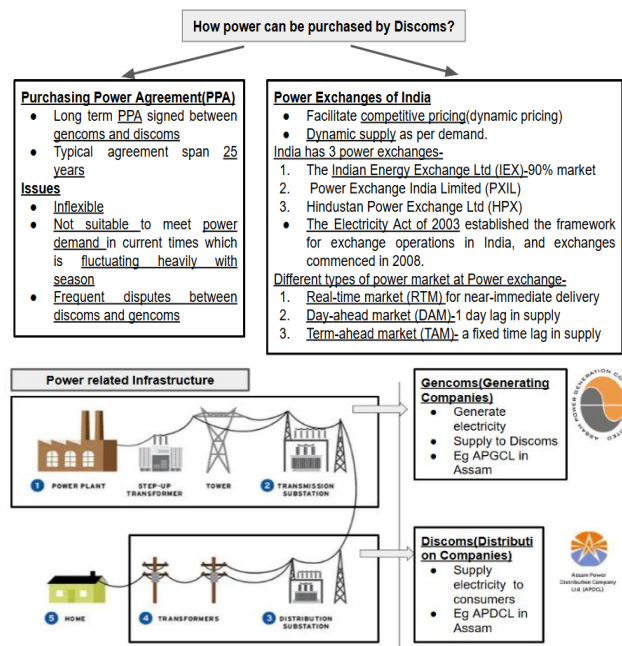
Sol:

- **Statement 1 is correct:** PMI is measured on a scale of 0 to 100.
- **Statement 2 is correct:** A rising PMI trend over multiple months indicates economic growth.
- **Statement 3 is incorrect:** PMI in India is released by S&P Global, not by the National Statistical Office (NSO).
- **Statement 4 is correct:** PMI surveys collect perceptions of key business variables from respondents.

Thus, statements 1, 2, and 4 are correct.

Topic 588

588. Power Market in India



Q1762. Consider the following statements regarding Purchasing Power Agreements (PPA):

1. PPAs are short-term contracts between generation companies (gencos) and distribution companies (discoms) to ensure flexibility in power supply.
2. The typical duration of a long-term PPA is 25 years.
3. One of the major issues with PPAs is that they are inflexible and not suitable for meeting fluctuating power demands.
4. Disputes under PPAs primarily arise between power consumers and power producers.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Statement 1 is incorrect:**
 - PPAs are long-term contracts, not short-term.
 - They are meant for stable power supply, not for flexibility.
- **Statement 2 is correct:**
 - The typical duration of a long-term PPA is 25 years, which ensures a steady power purchase agreement.



- **Statement 3 is correct:**
 - A key issue with PPAs is their inflexibility, making them unsuitable for handling fluctuating power demands, which vary based on seasons and renewable energy inputs.
- **Statement 4 is incorrect:**
 - Disputes mainly occur between gencos and discoms, not between power consumers and power producers.
 - This is because discoms (buyers) often struggle with financial viability and payments to gencos (suppliers), leading to conflicts.

Q1763. Which of the following statements regarding Power Exchanges in India is/are incorrect?

1. Power exchanges help facilitate dynamic pricing and efficient supply as per real-time demand.
2. The Indian Energy Exchange Ltd. (IEX) holds the largest market share among India's power exchanges.
3. The Electricity Act of 2003 established the legal framework for power exchanges, and they became operational in India from 2015.
4. India currently has four operational power exchanges.

Select the correct answer using the codes below:

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

Ans: b

Sol:

- **Statement 1 is correct:** Power exchanges indeed enable dynamic pricing and efficient supply adjustment based on demand.
- **Statement 2 is correct:** IEX holds about 90% of the market share, making it the dominant power exchange in India.
- **Statement 3 is incorrect:** The Electricity Act of 2003 established the legal framework, but exchanges started operating in 2008, not 2015.
- **Statement 4 is incorrect:** India has three power exchanges, not four: IEX, PXIL, and HPX.

Thus, statements 3 and 4 are incorrect.

Q1764. Consider the following statements regarding different types of power markets in India:

1. The real-time market (RTM) is designed for near-immediate power delivery.
2. The day-ahead market (DAM) allows power purchase with a time lag of one week.
3. The term-ahead market (TAM) operates with a fixed supply time lag.
4. The power market structure in India was established through the Electricity Act of 2003.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Statement 1 is correct:** The Real-Time Market (RTM) ensures near-instantaneous power trading.
- **Statement 2 is incorrect:** The Day-Ahead Market (DAM) has a one-day lag, not a one-week lag.
- **Statement 3 is correct:** Term-Ahead Market (TAM) indeed operates with a fixed time lag, as per agreements made in advance.
- **Statement 4 is correct:** The Electricity Act of 2003 laid the foundation for power market exchanges in India.

Topic 589

589. JP Morgan EM Bond Index includes G-Sec

What is JPMorgan Chase & Co. (JPM)?

- It is a financial services companies. It provides services like-

a. Commercial banking

b. Insurance products

c. Investment banking (helps governments and big corporates to raise fund from global financial market).

Current news?

- JPMorgan Chase & Co. has included Indian Government Bond in its Government Bond Index-Emerging Markets (GBI-EM).

What does the inclusion mean?



- India's inclusion will help the government to **release G-sec in foreign market** and **raise fund**.
- The inclusion, which will be spread over **10 months** until March 31, 2025, is likely to **bring nearly \$20-25 billion** into the country.
- By the end of **10 months** India is expected to reach the maximum weight of **10% ie 1% increase every month**.
- Weights of **Thailand, Poland, and the Czech Republic** in the index is expected to **decrease**.
- India is **25th** to be included in the index.
- These higher inflows will help India manage its **external finances** and **boost foreign exchange reserves**.



Just for the sake of understanding-

- If a company's **shares** are listed in **Bombay Stock Exchange** that means, company can **raise fund** by **selling its shares** through Bombay Stock Exchange and can have **accessibility to large capital funds**.
- **Similarly** Indian Government Bond inclusion as **Government Bond Index-Emerging Markets (GBI-EM)** will help India to **raise larger fund from foreign market**.

Which type of Indian Government Bonds are included in the Index?

- Indian Government Bonds with **Fully Accessible Route (FAR)**.
- FAR bonds **introduced in 2020** by RBI.
- It allows **non-residents to invest** in specified government bonds **without any restriction**.
- **23 IGBs** are classified under **Fully Accessible Route (FAR)**.

Q1765. Consider the following statements regarding India's inclusion in the JP Morgan Government Bond Index – Emerging Markets (GBI-EM):

1. India's inclusion in the index will allow the government to issue G-Secs in the foreign market to raise funds.
2. India is the 20th country to be included in the index.

3. The weight of India's bonds in the index will increase by 1% each month over a 10-month period until it reaches 10%.
 4. This inclusion is expected to bring an inflow of approximately \$50 billion into India.
- How many of the above statement(s) is/are correct?
- (a) Only one
 - (b) Only two
 - (c) Only three
 - (d) All four

Ans: b

Sol:

- **Statement 1 is correct:** India's inclusion in the index will facilitate the issuance of G-Secs in foreign markets, allowing the government to attract global investors.
- **Statement 2 is incorrect:** India is the 25th country to be included, not the 20th.
- **Statement 3 is correct:** The weight of India's bonds in the index will increase by 1% each month over 10 months, reaching 10% by March 2025.
- **Statement 4 is incorrect:** The expected capital inflow is around \$20-25 billion, not \$50 billion.

Thus, only two statements are correct, making Option b the right answer.

Q1766. Which of the following statements regarding Fully Accessible Route (FAR) Bonds in India is/are correct?

1. FAR bonds were introduced by the Reserve Bank of India in 2020.
2. These bonds allow only domestic institutional investors to invest in specific Indian government bonds.
3. Currently, 23 Indian Government Bonds (IGBs) are classified under the Fully Accessible Route (FAR).
4. There are no restrictions on foreign investors purchasing FAR bonds.

Select the correct answer using the options below:

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

Ans: c



Sol:

- **Statement 1 is correct:** FAR bonds were introduced by the RBI in 2020 to encourage foreign investment.
- **Statement 2 is incorrect:** FAR bonds are open to foreign investors, not just domestic institutions.
- **Statement 3 is correct:** Currently, 23 Indian Government Bonds (IGBs) are classified under Fully Accessible Route (FAR).
- **Statement 4 is correct:** FAR bonds have no restrictions on foreign investment, allowing non-residents to invest freely.

Thus, three statements are correct, making Option c the right answer.

Q1767. Consider the following statements regarding the impact of India's inclusion in the JP Morgan Government Bond Index – Emerging Markets (GBI-EM):

1. This inclusion will decrease the weight of Thailand, Poland, and the Czech Republic in the index.
2. The inclusion will improve India's foreign exchange reserves by bringing in higher foreign investments.
3. The announcement of India's inclusion has led to a weakening of the Indian Rupee due to concerns over capital outflows.
4. The inclusion of Indian G-Secs in the index will make India's domestic bond market more accessible to global investors.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Statement 1 is correct:** The inclusion of India in the index will lead to a reduction in the weights of countries like Thailand, Poland, and the Czech Republic.
- **Statement 2 is correct:** Higher inflows from foreign investors will boost India's forex reserves, improving external financial stability.
- **Statement 3 is incorrect:** The announcement has strengthened the Indian Rupee, as it

signals higher capital inflows rather than outflows.

- **Statement 4 is correct:** The inclusion will make India's bond market more accessible to global investors, increasing liquidity and market depth.

Thus, three statements are correct, making Option c the right answer.

Topic 590

590. PM SVANIDHI scheme

- **Central Sector Scheme**
- funded by **Ministry of Housing and Urban Affairs**
- Under the Scheme, the vendors can avail a **working capital loan of up to Rs. 10,000**, which is **repayable in monthly instalments** in the tenure of one year.
- Brought to help the street vendors impacted due to **Covid-19**.

On timely/early repayment

- a. an **interest subsidy @ 7% per annum** will be credited to the bank accounts of beneficiaries through **Direct Benefit Transfer on quarterly basis**.
 - b. **Cashback upto Rs 1200 on digital payment**.
 - c. The vendor becomes **eligible for second term loan of ₹20,000**.
 - d. On **repayment of 2nd term** loan the vendor becomes eligible for **3rd term loan of up to ₹50,000**.
- Implemented by: **SIDBI** will implement the PM SVANidhi Scheme under the guidance of MoHUA.

Recent news?

- **PM SVANidhi scheme** has been **expanded** and street **vendors** in **rural and semi urban areas** **apart from urban areas**.

Revamped PM SVANIDHI scheme

- Announced in **Budget 2025-26**
- **PM SVANIDHI scheme** will be now available with **UPI linked credit card**.
- **Loan limit** increased to **Rs 30,000**.





Q1768. Consider the following statements regarding the PM SVANIDHI scheme:

1. It is a Centrally Sponsored Scheme implemented by the Ministry of Housing and Urban Affairs.
2. The scheme was introduced to provide working capital loans to street vendors impacted by COVID-19.
3. The interest subsidy of 7% per annum is credited monthly into the beneficiary's bank account through Direct Benefit Transfer (DBT).
4. The scheme is implemented by the Small Industries Development Bank of India (SIDBI).

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Statement 1 is incorrect:** The PM SVANIDHI scheme is a Central Sector Scheme, not a Centrally Sponsored Scheme. A Central Sector Scheme is fully funded by the Central Government, while a Centrally Sponsored Scheme is jointly funded by the Central and State Governments.
- **Statement 2 is correct:** The scheme was introduced to provide working capital loans to street vendors impacted by COVID-19. This was a key objective at its launch in June 2020.
- **Statement 3 is incorrect:** The interest subsidy of 7% per annum is credited quarterly, not monthly, into the beneficiary's bank account through Direct Benefit Transfer (DBT).

- **Statement 4 is correct:** The scheme is implemented by the Small Industries Development Bank of India (SIDBI) under the guidance of the Ministry of Housing and Urban Affairs (MoHUA).

Q1769. Which of the following statements regarding loan benefits under the PM SVANIDHI scheme is/are correct?

1. A street vendor can avail a working capital loan of up to ₹10,000 for a tenure of one year in the first cycle.
2. On timely repayment of the first loan, the vendor becomes eligible for a second loan of ₹20,000.
3. The vendor is eligible for cashback benefits up to ₹1,500 on digital transactions.
4. If the second-term loan is repaid on time, the vendor can avail a third loan of up to ₹50,000.

Select the correct answer using the options below:

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

Ans: c

Sol:

- **Statement 1 is correct:** The initial loan amount under the scheme is ₹10,000 for a tenure of one year.
- **Statement 2 is correct:** Upon timely repayment, the vendor becomes eligible for a second loan of ₹20,000.
- **Statement 3 is incorrect:** The cashback benefit is up to ₹1,200, not ₹1,500.
- **Statement 4 is correct:** After repaying the second-term loan, vendors are eligible for a third-term loan of up to ₹50,000.

Thus, three statements are correct, making Option c the correct answer.

Q1770. Consider the following statements regarding the revamped PM SVANIDHI scheme announced in Budget 2025-26:

1. The loan limit has been increased from ₹10,000 to ₹30,000.
2. The scheme now extends to rural and semi-urban areas, in addition to urban areas.
3. The revamped scheme includes UPI-linked credit cards for street vendors.



4. The interest subsidy has been increased from 7% to 10% per annum.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Statement 1 is correct:** The loan limit has been increased to ₹30,000 under the revamped scheme.
- **Statement 2 is correct:** The scheme has now been expanded to rural and semi-urban areas, apart from urban areas.
- **Statement 3 is correct:** The revamped scheme introduces UPI-linked credit cards for vendors.
- **Statement 4 is incorrect:** The interest subsidy remains at 7% per annum, and it has not been increased to 10%.

Thus, only three statements are correct, making Option c the correct answer.

Day 59

Topic 591

591. Financial Stability Report

- Financial Stability Report is released by the **RBI twice a year (biannual)**.
- The report details the state of financial stability in the country ie **how robust or vulnerable our financial system** — especially our banking system — is **to the changes in the economy**.
- It also tells us whether and to what **extent will our banks and other lending institutions** (such as Non-Banking Finance Companies and Housing Finance Companies) **be able to support future growth**.
- It talks about different **parameters of the economy like G-Sec yield, NPA, Fiscal Deficit**.

Current news?

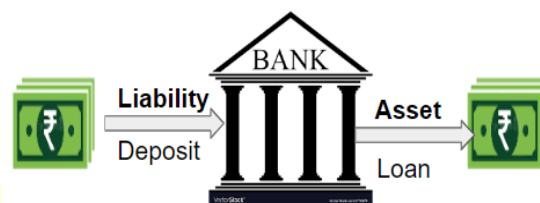
- The recently released **FSR report** of RBI showed that the gross non-performing assets (**GNPA**) **ratio** of scheduled

commercial banks (SCBs) fell to **2.8 per cent**.

- The Net non-performing assets (**NNPA**) ratio to **0.6 per cent** at the end of March 2024
- This is **lowest bad loan** in last 12 years.

Difference between Gross NPA and Net NPA-

- GNPA stands for **gross non-performing assets**.
- GNPA is an **absolute amount** (payment delayed for more than 90 days).
- NNPA stands for net non-performing assets.
- **NNPA = GNPA - Provisioning**



What is provisioning in banking?

- Provisioning literally means **'Keeping aside'**.
- In banking it means an amount that the banks **set aside from their profits** or income in a **particular quarter for non-performing assets**

Q1771. Consider the following statements:

1. Mule bank accounts are typically created by individuals using fake or stolen identities to facilitate illegal transactions.
 2. These accounts are often used in money laundering, cyber fraud, and other illicit financial activities.
 3. Financial institutions have no means to detect mule accounts once they are operational.
- Which of the statements given above is/are correct?
- (a) 1 and 2 only
 - (b) 2 and 3 only
 - (c) 1 and 3 only
 - (d) 1, 2, and 3

Ans: a

Sol:

- **Statement 1 is correct:** Mule bank accounts are often opened using fake or stolen identities.



Criminals recruit individuals (mules) to open these accounts or take control of existing accounts through fraudulent means.

- **Statement 2 is correct:** These accounts are widely used in financial crimes like money laundering, cyber fraud (such as phishing and scam transactions), and illegal fund transfers across borders.
- **Statement 3 is incorrect:** Financial institutions implement various detection mechanisms such as AI based fraud detection, transaction monitoring, and Know Your Customer (KYC) compliance to identify and shut down mule accounts.

Q1772. How many of the following statement(s) regarding the Financial Stability Report (FSR) is/are correct?

1. The FSR is released annually by the Reserve Bank of India (RBI).
 2. The report provides insights into the financial system's resilience and potential risks.
 3. It covers various economic parameters, including G-Sec yield, NPAs, and fiscal deficit.
 4. The latest FSR report indicated that India's Gross NPA ratio in March 2024 was at its lowest in the last 12 years.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol:

- **Statement 1 is incorrect** – The FSR is released biannually (twice a year), not annually.
- **Statement 2 is correct** – The FSR assesses financial stability and resilience of banks and NBFCs.
- **Statement 3 is correct** – The report tracks G-Sec yield, NPAs, and fiscal deficit as key indicators.
- **Statement 4 is correct** – The March 2024 report noted India's lowest GNPA ratio in 12 years.

Q1773. How many of the following statement(s) about Non-Performing Assets (NPAs) and provisioning is/are incorrect?

1. Gross NPA (GNPA) refers to loans where payment has been overdue for more than 90 days.
 2. Net NPA (NNPA) is derived by subtracting provisioning from GNPA.
 3. The March 2024 Financial Stability Report stated that the NNPA ratio stood at 2.8%.
 4. Provisioning in banking refers to setting aside a portion of income to cover potential NPAs.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: a

Sol:

- **Statement 1 is correct** – GNPA refers to loans overdue for more than 90 days.
- **Statement 2 is correct** – NNPA is derived by subtracting provisioning from GNPA.
- **Statement 3 is incorrect** – The March 2024 FSR reported NNPA at 0.6%, not 2.8%. The 2.8% figure refers to GNPA.
- **Statement 4 is correct** – Provisioning means setting aside funds to cover potential NPAs.

Topic 592

592. Measures taken for Rail Safety

1. **Rashtriya Rail Sanraksha Kosh (RRSK)**
 - for replacement/renewal/upgradation of critical safety assets.
2. **Electrical/Electronic Interlocking Systems, computer based**
 - system that prevents more than one train from running on the same track.
3. **High Level Safety Review Committee/ Dr. Anil Kakodkar committee**
 - Recommended switching over from the **Integral Coach Factory (ICF)** design coaches to the much **safer LHB design coaches.**
4. **KAVACH system**
 - It is **Train Collision Avoidance System (TCAS)**
 - **Prevents collision** between two Locomotives equipped with functional KAVACH system.
 - Designed by **Research Design and Standards Organisation.**

How it works?

- Receives input from satellite

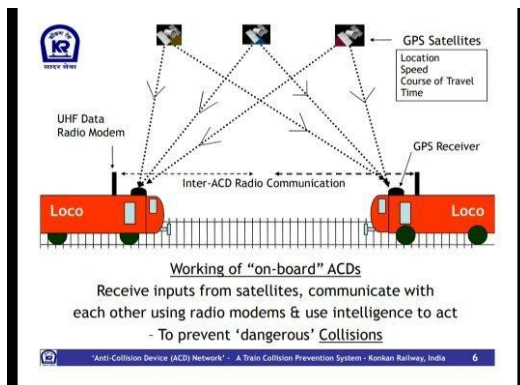


- Communicate with each other using radio modems to prevent collisions

Challenges in Railway Finances

- **High Operating Ratio (OR)** – Over 100% in many years, meaning railways spend more than they earn.

The operating ratio (OR) – the amount the Railways spends to earn ₹100.



Q1774. How many of the following statement(s) about railway safety measures is/are correct?

1. Rashtriya Rail Sanraksha Kosh (RRSK) was established to improve railway safety by funding replacement, renewal, and upgradation of critical safety assets.
 2. The KAVACH system, a Train Collision Avoidance System (TCAS), is designed to prevent accidents by ensuring no two locomotives equipped with KAVACH collide.
 3. The Dr. Anil Kakodkar Committee recommended the continued use of Integral Coach Factory (ICF) design coaches for improved railway safety.
 4. Electrical/Electronic Interlocking Systems are implemented in railway networks to prevent multiple trains from running on the same track at the same time.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol:

- **Statement 1 is correct** – RRSK was set up for the renewal and upgradation of railway safety assets.
- **Statement 2 is correct** – KAVACH is a TCAS designed to prevent train collisions.

- **Statement 3 is incorrect** – The Anil Kakodkar Committee recommended replacing ICF coaches with safer LHB coaches.
- **Statement 4 is correct** – Electrical/Electronic Interlocking Systems prevent simultaneous use of the same track by multiple trains.

Q1775. How many of the following statements regarding financial challenges in Indian Railways is/are correct?

1. The Operating Ratio (OR) of Indian Railways has exceeded 100% in several years, indicating that Railways spends more than it earns.
 2. A lower Operating Ratio signifies that Indian Railways has higher financial efficiency and surplus revenue.
 3. The Operating Ratio (OR) is calculated as the percentage of revenue spent to generate ₹100 of earnings.
 4. The primary reason for a high Operating Ratio in Railways is the increased revenue from freight services.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: c

Sol:

- **Statement 1 is correct** – The Operating Ratio has exceeded 100% in multiple years, meaning expenses surpass earnings.
- **Statement 2 is correct** – A lower OR indicates better financial health and efficiency.
- **Statement 3 is correct** – OR is the percentage of revenue spent to earn ₹100.
- **Statement 4 is incorrect** – A high OR is due to rising operational costs, not increased freight revenue.

Q1776. Consider the following statements regarding the enactment of the budget in the Parliament:

1. Railway Budget used to be presented before the General Budget.
2. The Finance Bill must be enacted within 75 days of its introduction.

Which of the above statements is/are correct?

- (a) 1 only
(b) 2 only



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

Ans: d

Sol:

- **Statement 1:** "Railway Budget used to be presented before the General Budget."
This is correct. Historically, India had a separate Railway Budget presented a day or two before the General Budget. However, in 2016, the Railway Budget was merged with the General Budget as part of reforms. Prior to this merger, the practice of presenting the Railway Budget first was followed for decades. Thus, the statement accurately reflects past procedure.
- **Statement 2:** The Finance Bill must be enacted within 75 days of its introduction.
This is correct. The Finance Bill must be enacted (passed by the Parliament and assented to by the president) within 75 days of introduction. The Finance Act legalises the income side of the budget and completes the process of the enactment of the budget.

Topic 593

593. Fertilizer Subsidy in India

- **Fertilizer Subsidy scheme** in India are of **2** types-

1. Urea Subsidy Scheme

- For Urea based fertiliser

2. Nutrient based Subsidy scheme

- Other fertilisers

Issue of arising due to excessive subsidy on Urea

1. Diversion of Urea to industrial purpose

2. Excessive use of Urea

- Ideal ratio of N:P:K should be **4:2:1** but at many places in India it is upto **10:2:1**.

3. Rising import bill

Current development

- Government has **brought** all fertilisers that receive **nutrient-based subsidy (NBS)** support under **“reasonable pricing”** controls.

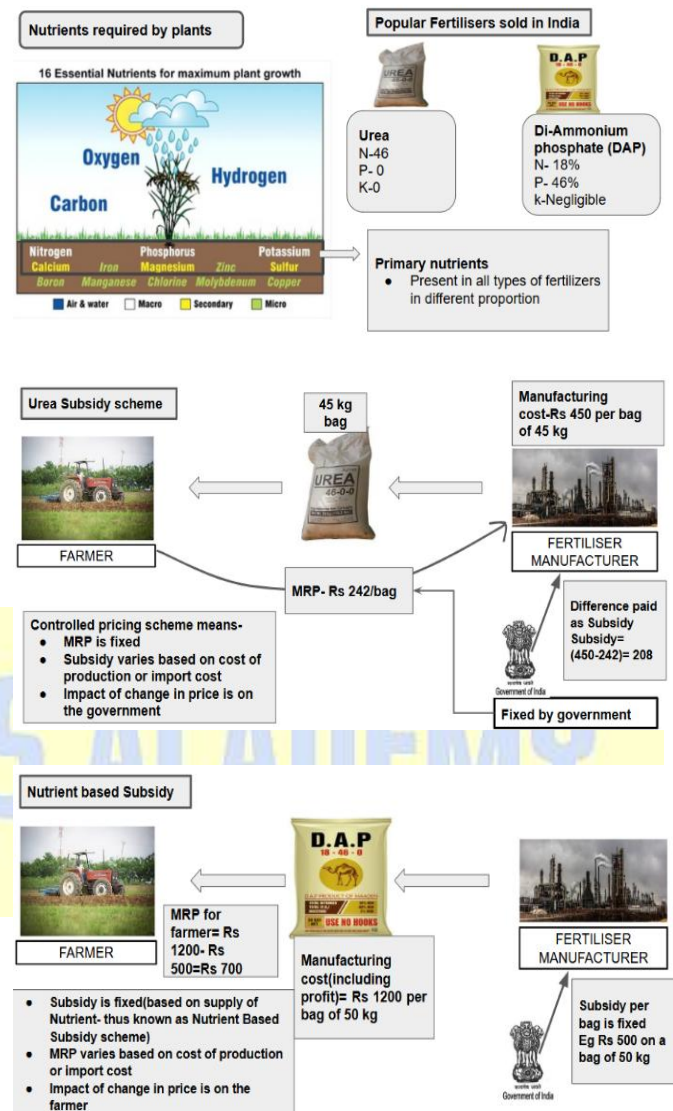
What is “reasonable pricing” controls?

- **maximum profit margins** allowed for fertiliser companies -

a. 8% for importers,

b. 10% for manufacturers

Aim- bring down cost of non-Urea fertiliser-
increase its use-reduce Urea use



Q1777. Statement: In order to replenish the nutrients in the soil, it is important to grow different types of crops in every alternate season.

Assumptions:

- (I) A crop can never be grown for the second time in the same field.
- (II) If a different crop is grown in the successive season, no additional nutrients such as fertilizers are required to be added to the soil at all.
- (a) Only assumption (I) is implicit.
- (b) Only assumption (II) is implicit.
- (c) Both assumptions (I) and (II) are implicit.
- (d) Neither assumption (I) nor assumption (II) is implicit.



Ans: d

Sol: The statement suggests that growing different types of crops in every alternate season helps to replenish the nutrients in the soil.

- Assumption (I) states that a crop can never be grown for the second time in the same field. This assumption is not implicit in the statement. The statement does not suggest that a crop cannot be grown again in the same field, but rather that different crops should be grown in alternate seasons to replenish nutrients.
- Assumption (II) states that if a different crop is grown in the successive season, no additional nutrients such as fertilizers are required to be added to the soil at all. This assumption is also not implicit in the statement. The statement suggests that growing different crops in alternate seasons helps to replenish nutrients, but it does not suggest that no additional nutrients would ever be needed.

Therefore, neither assumption (I) nor assumption (II) is implicit in the statement.

Q1778. Consider the following statements regarding issues arising from excessive subsidy on Urea:

1. Diversion of Urea to industrial purposes is one of the key concerns.
2. The ideal ratio of Nitrogen (N), Phosphorus (P), and Potassium (K) usage should be 10:2:1 for balanced fertilization.
3. Excessive Urea subsidy has led to a rising import bill for fertilizers.
4. The government has removed all fertilizers under the Nutrient-Based Subsidy (NBS) scheme from price controls.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Statement 1 is correct** – Diversion of Urea to industrial use is a major issue because subsidized Urea is cheaper than industrial-grade Urea.

- **Statement 2 is incorrect** – The ideal ratio of N:P:K should be 4:2:1, but at many places in India, it is imbalanced, reaching up to 10:2:1 due to excessive Urea use.
- **Statement 3 is correct** – Excessive Urea subsidy has increased India's import bill, as India depends on imports for a significant share of its Urea supply.
- **Statement 4 is incorrect** – The government has not removed price controls but has instead brought all fertilizers under "reasonable pricing" controls.

Q1779. How many of the following statement(s) regarding the government's "reasonable pricing" controls on fertilizers is/are correct?

1. The policy sets a maximum profit margin of 8% for fertilizer importers.
2. The policy allows manufacturers to make up to 15% profit to encourage domestic production.
3. One of the objectives of this control is to increase the use of non-Urea fertilizers.
4. The policy aims to decrease the dependency on Urea by making other fertilizers more affordable.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Statement 1 is correct** – Under "reasonable pricing" controls, fertilizer importers are allowed a maximum profit margin of 8%.
- **Statement 2 is incorrect** – The maximum profit margin for manufacturers is 10%, not 15%.
- **Statement 3 is correct** – The government aims to promote the use of non-Urea fertilizers by keeping their prices reasonable.
- **Statement 4 is correct** – By reducing the cost of non-Urea fertilizers, the policy aims to decrease the overuse of Urea and correct the nutrient imbalance.



Topic 594

594. "Urea Gold"

- Urea is used in various industries such as resin/glue, plywood, crockery, moulding powder, cattle feed, dairy and industrial mining explosives.
- Due to controlled price subsidy scheme of Urea, Urea for agriculture is very cheap- thus diverted to industries by farmers.

Neem Coated Urea Policy, 2015

- **Mandatory for domestic fertilizer firms to “Neem coat” at least 75 per cent of their urea production**

Benefits

- Neem will act as **pesticide**.
- **Prevent diversion** of urea for industrial use.
- **Slow release of Nitrogen**, thus promote **Nitrogen use efficiency**.

Recent

- **New variety of Urea coated with Sulphur**-known as "**Urea Gold**" released by the govt
- Urea Gold **surpasses the existing Neem-coated urea** in terms of both **economic viability** and **efficiency**.



Q1780. With reference to the diversion of agricultural urea to industries, consider the following statements:

1. Urea is widely used in industrial applications such as resin, glue, and mining explosives.
2. The controlled price subsidy on agricultural urea makes it significantly cheaper than industrial urea.
3. The government introduced Neem Coated Urea Policy, 2015, to eliminate the industrial use of urea entirely.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** Urea is used in various industries, including resin, glue, and mining explosives.
- **Statement 2 is correct:** The controlled price subsidy on agricultural urea makes it cheaper, leading to diversion to industries.
- **Statement 3 is incorrect:** The Neem Coated Urea Policy, 2015, was introduced to reduce diversion, but it does not completely eliminate industrial use.

Q1881. How does Neem Coated Urea help in improving nitrogen use efficiency and preventing urea misuse?

1. Neem acts as a pesticide, providing additional agricultural benefits.
2. Neem coating ensures a slow release of nitrogen, reducing wastage and improving efficiency.
3. It increases the industrial demand for neem-coated urea due to its enhanced properties.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** Neem acts as a pesticide, adding extra value to farmers.



- **Statement 2 is correct:** Neem coating slows down nitrogen release, improving its uptake by plants and reducing soil nitrogen loss.
- **Statement 3 is incorrect:** Neem-coated urea reduces its suitability for industrial use, discouraging demand from non-agricultural sectors.

Q1882. Why is Urea Gold considered an improvement over Neem Coated Urea?

1. Sulphur coating in Urea Gold enhances nutrient availability for plants.
2. Urea Gold provides higher nitrogen use efficiency, making it more effective for agricultural use.
3. It significantly reduces government subsidies on urea, making it less attractive to farmers.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** Sulphur coating in Urea Gold improves nutrient absorption by plants.
- **Statement 2 is correct:** Urea Gold enhances nitrogen use efficiency, making it superior to neem-coated urea.
- **Statement 3 is incorrect:** The introduction of Urea Gold does not focus on reducing subsidies but on improving efficiency.

Topic 595

595. One Nation One Fertiliser

- One Nation One Fertiliser initiative introduced by **Ministry of Chemicals and Fertilisers**.
- Under this initiative a **scheme has been launched** named **“Pradhanmantri Bhartiya Janurvarak Pariyojna” (PMBJP)**.

Provisions of “Pradhanmantri Bhartiya Janurvarak Pariyojna” (PMBJP)

1. **Quality fertilizers** to farmers at a **reasonable price**.

2. Fertilisers to be sold with **Single Brand and Logo**.

- The single brand name for UREA, Di-Ammonium Phosphate DAP, Muriate of potash (MOP) and Nitrogen Phosphorus Potassium NPK etc. would be **BHARAT UREA, BHARAT DAP, BHARAT MOP and BHARAT NPK etc.** respectively for all Fertiliser Companies

Why single Brand?

- **Huge subsidy is provided by the government** on fertilisers and thus it must be sold under one Brand finalised by the government.



- **Companies are allowed** to display their name, **brand, logo** and other relevant product information only on **one-third space of their bags**.

- On the remaining **two-thirds space**, the **“Bharat” brand and Pradhanmantri Bhartiya Jan Urvarak Pariyojana logo** will have to be shown.

Q1783. Potassium nitrate is not used:

- (a) as a fertilizer
- (b) in medicine
- (c) in making gunpowder
- (d) as a preservative of meat products

Ans: d

Sol: Potassium Nitrate (KNO₃)

Uses:

- It is used as a form of fertiliser as it contains all the macronutrients needed for the plants to grow.
- It is used as gunpowder in explosives such as bombs, grenades, etc.
- Used in the manufacturing and production of cigarettes.



- It is used extensively used in the preservation of hides
- It has medicinal applications such as a diuretic in medicine
- Used in toothpaste to make the teeth less sensitive to pain
- Used in the food industry to preserve meat against microbial agents.

Q1784. Consider the following statements regarding the "One Nation One Fertiliser" initiative:

1. It was introduced by the Ministry of Agriculture & Farmers Welfare.
2. Under this initiative, all fertilizers will be sold under a single brand name, "Bharat."
3. Fertilizer companies are allowed to display their brand, name, and logo on up to two-thirds of the fertilizer bag.
4. The primary objective of this initiative is to provide quality fertilizers to farmers at reasonable prices.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol:

- **Statement 1 is incorrect** – The "One Nation One Fertiliser" initiative was introduced by the Ministry of Chemicals and Fertilisers, not the Ministry of Agriculture & Farmers Welfare.
- **Statement 2 is correct** – All fertilizers, including UREA, DAP, MOP, and NPK, will be sold under a single brand name, "Bharat."
- **Statement 3 is incorrect** – Fertilizer companies can display their brand, name, and logo on only one-third of the fertilizer bag, not two-thirds. The remaining two-thirds must feature the "Bharat" brand and PMBJP logo.
- **Statement 4 is correct** – One of the key objectives of the scheme is to provide quality fertilizers to farmers at reasonable prices.

Q1785. How many of the following statements correctly explain the rationale behind the "One Nation One Fertiliser" initiative?

1. Since fertilizers receive huge subsidies from the government, they must be sold under a single brand decided by the government.
2. The initiative promotes a free-market approach by allowing companies to compete based on branding and marketing strategies.
3. The standardization of fertilizer branding aims to ensure uniform pricing and availability across India.
4. The initiative reduces farmers' confusion regarding different fertilizer brands and ensures better transparency in subsidy distribution.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol:

- **Statement 1 is correct** – Since the government provides huge subsidies on fertilizers, it ensures that they are sold under a single brand to prevent price manipulation.
- **Statement 2 is incorrect** – The initiative does not promote a free-market approach but instead standardizes branding by mandating all fertilizers to be sold under the "Bharat" brand.
- **Statement 3 is correct** – The scheme ensures uniform pricing and availability across India by eliminating brand-based price variations.
- **Statement 4 is correct** – The single-brand approach reduces confusion among farmers by eliminating multiple brand names and ensuring transparency in subsidy benefits.

Topic 596

596. e-RUPI vouchers

- It is a **mechanism used by government** to give **subsidy/benefits to the needy**.
- e-RUPI is a **contactless cashless voucher** which a user gets on his or her phone in the form of an **SMS or QR code**.
- S/he can go and **redeem it at any centre that accepts it**.



- The **cap on the amount** for e-RUPI vouchers **issued by the government** has been set at **Rs 1,00,000 per voucher**.
- The RBI has also allowed the use of the **e-RUPI voucher multiple times** (until the amount of the voucher is completely redeemed).

How will it work?

- For instance, if the **central government wants to cover a particular treatment** of an **employee in a specified hospital**.
- It can issue an **e-RUPI voucher** for the determined amount through a **partner bank**.
- The employee will receive an **SMS or a QR Code** on his/her **feature phone/smartphone**.
- S/he can go to the **specified hospital, avail of the services** and pay through the e-RUPI voucher received on his phone.

Current news?

- **Recently, the Central government** has launched a **new platform called CDP-SURAKSHA** to disburse **subsidies to horticulture farmers** through **e-RUPI voucher**.



Q1786. With reference to e-RUPI vouchers, consider the following statements:

1. e-RUPI is a contactless and cashless voucher delivered to beneficiaries via SMS or QR code.
2. The government has set a cap of Rs 50,000 per e-RUPI voucher issued.
3. e-RUPI vouchers can be redeemed only once and cannot be used multiple times.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** e-RUPI is a digital, cashless, and contactless payment system where the beneficiary receives a voucher via SMS or QR code.
- **Statement 2 is incorrect:** The actual cap set by the government is Rs 1,00,000 per voucher, not Rs 50,000.
- **Statement 3 is incorrect:** RBI has allowed multiple redemptions until the full amount is used, meaning a beneficiary can use it multiple times rather than just once.

Q1787. Consider the following regarding the working of e-RUPI vouchers:

1. The government can issue an e-RUPI voucher through a partner bank for specific services.
2. The recipient can redeem the voucher only at the specified location where the service is provided.
3. The e-RUPI voucher must be linked to the recipient's bank account.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The government can issue an e-RUPI voucher for a specific purpose, such as medical treatment, through a partner bank.



- **Statement 2 is correct:** The voucher can only be used at the designated location (e.g., a particular hospital) for a predefined purpose.
- **Statement 3 is incorrect:** e-RUPI does not require a bank account to function. It is a prepaid voucher that works via mobile phones without needing an account or internet banking access.

Q1788. Recently, the Government of India launched which of the following platforms to disburse subsidies to horticulture farmers through e-RUPI vouchers?

- PM-KISAN e-Voucher
- CDP-SURAKSHA
- Agri-Direct Benefit Transfer (Agri-DBT)
- Digital Kisan Pay

Ans: b

Sol:

- CDP-SURAKSHA is a newly launched platform by the Central Government to disburse subsidies to horticulture farmers using e-RUPI vouchers.
- This initiative helps ensure targeted and transparent subsidy distribution, reducing leakages and ensuring that funds reach the intended beneficiaries directly.

Topic 597

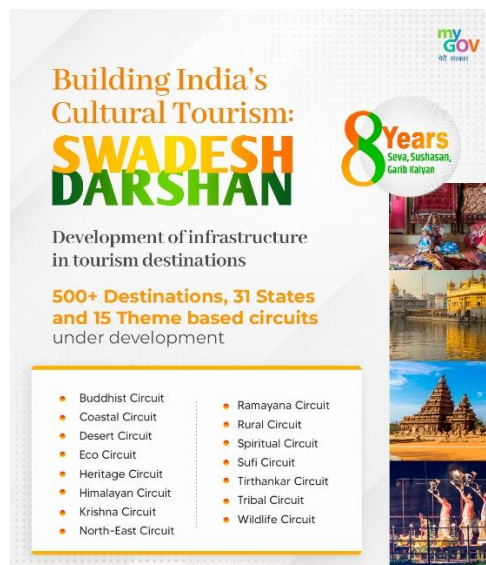
597. Important initiatives to promote tourism in India

1. Swadesh Darshan Scheme

- Central Sector Scheme.
- It was launched in 2014-15 by the Ministry of Tourism and Culture, Government of India.
- It theme-based tourist circuits in the country.
- 15 thematic circuits have been identified

2. PRASAD Scheme

- 'Pilgrimage Rejuvenation And Spiritual Augmentation Drive'.
- This scheme focuses on developing and identifying pilgrimage sites across India for enriching the religious tourism experience.



Q1789. With reference to the Swadesh Darshan Scheme, consider the following statements:

1. It is a Central Sector Scheme launched by the Ministry of Tourism.
2. The scheme focuses on theme-based tourist circuits across India.
3. A total of 10 thematic circuits have been identified under the scheme.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The Swadesh Darshan Scheme is a Central Sector Scheme implemented by the Ministry of Tourism.
- **Statement 2 is correct:** The scheme aims to develop theme-based tourist circuits across the country.
- **Statement 3 is incorrect:** A total of 15 thematic circuits have been identified, not 10.

Q1790. Consider the following statements regarding the PRASAD Scheme:

1. The full form of PRASAD is "Pilgrimage Rejuvenation and Spiritual Augmentation Drive".
2. The scheme aims to develop pilgrimage sites to enhance religious tourism in India.



3. PRASAD Scheme is exclusively implemented by state governments without any central funding.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** PRASAD stands for "Pilgrimage Rejuvenation and Spiritual Augmentation Drive".
- **Statement 2 is correct:** The scheme is focused on developing pilgrimage sites across India to improve religious tourism.
- **Statement 3 is incorrect:** The scheme is implemented by the Central Government, not exclusively by state governments.

Q1791. Which of the following statements correctly differentiate the Swadesh Darshan Scheme and PRASAD Scheme?

1. Swadesh Darshan focuses on theme-based tourist circuits, whereas PRASAD focuses on pilgrimage site development.
2. Swadesh Darshan is a Centrally Sponsored Scheme, whereas PRASAD is a Central Sector Scheme.
3. PRASAD aims at infrastructure development of pilgrimage sites, whereas Swadesh Darshan focuses on tourism experience enhancement.

Which of the above statements is/are correct?

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

Ans: b

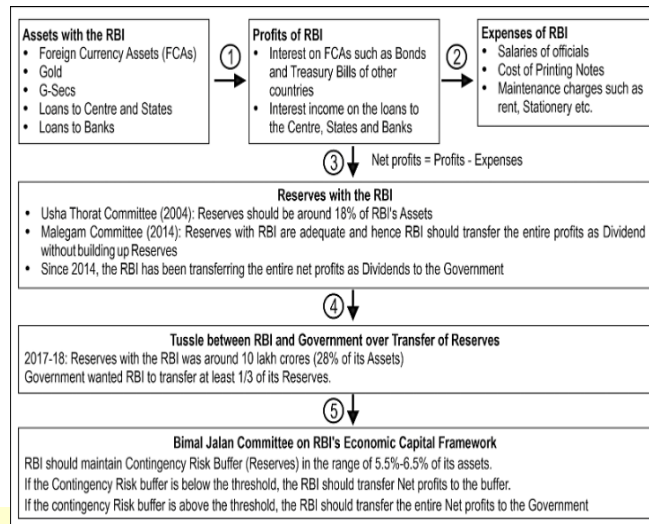
Sol:

- **Statement 1 is correct:** Swadesh Darshan is about thematic tourist circuits, while PRASAD is specifically for pilgrimage site development.
- **Statement 2 is incorrect:** Swadesh Darshan is also a Central Sector Scheme, not a Centrally Sponsored Scheme.
- **Statement 3 is correct:** PRASAD is infrastructure-driven, focusing on facilities at

religious sites, while Swadesh Darshan enhances the overall tourist experience.

Topic 598

598. Bimal Jalan Committee on Economic Capital Framework of RBI



Current news?

- In May 2024 **RBI approved** a **highest-ever surplus transfer/ dividend of Rs 2.11 lakh crore** to the Central government for the accounting **year 2023-24**.

Q1792. With reference to the Economic Capital Framework (ECF) of the Reserve Bank of India (RBI), consider the following statements:

1. The ECF determines how the RBI manages its financial reserves, risk provisioning, and surplus transfers to the central government.
2. The contingency risk buffer (CRB) is maintained by the RBI to address unforeseen economic crises.
3. The Bimal Jalan Committee recommended that the CRB should be maintained between 4.5% to 5.5% of the RBI's balance sheet.

Which of the above statements is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The Economic Capital Framework (ECF) guides the RBI in managing



its financial reserves, risk provisioning, and surplus transfers.

- **Statement 2 is correct:** The contingency risk buffer (CRB) is a financial reserve meant for handling economic crises and maintaining financial stability.
- **Statement 3 is incorrect:** The Bimal Jalan Committee recommended maintaining the CRB between 5.5% to 6.5%, not 4.5% to 5.5%.

Q1793. Consider the following statements regarding the RBI's review of the Economic Capital Framework (ECF):

1. The RBI conducts a periodic review of the ECF every five years as per the Bimal Jalan Committee's recommendations.
2. As of March 31, 2024, the contingency risk buffer (CRB) stands at 5.5%.
3. The review aims to assess whether the CRB should be increased or decreased based on economic conditions.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The Bimal Jalan Committee recommended that the ECF be reviewed every five years, with the last recommendations valid from June 2019 to June 2024.
- **Statement 2 is incorrect:** As of March 31, 2024, the CRB stands at 6.5%, not 5.5%.
- **Statement 3 is correct:** The review will assess whether the CRB needs to be increased or decreased based on evolving financial and economic conditions.

Q1794. How can a change in the contingency risk buffer (CRB) impact the RBI's surplus transfers to the government?

1. If the CRB requirement is increased, the RBI will have more reserves, leading to a lower surplus transfer to the government.
2. If the CRB requirement is decreased, the RBI will have fewer reserves, allowing for a higher surplus transfer to the government.

3. The CRB review directly determines the government's fiscal policies and budget allocations for infrastructure projects.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** If the CRB is increased, the RBI must set aside more reserves, reducing the surplus available for transfer to the government.
- **Statement 2 is correct:** If the CRB is lowered, the RBI will have more surplus funds, which can be transferred to the government to support fiscal policies.
- **Statement 3 is incorrect:** While the RBI's surplus transfers help in government budgeting, the CRB review itself does not determine fiscal policies and infrastructure spending directly.

Topic 599

599. RBIs New Initiatives

RBI Governor recently unveiled **three major initiatives** of the Reserve Bank, namely-

1. The Pravah portal

- A secure and centralised web-based portal
- For any individual or entity to seek authorisation, license, or regulatory approval from RBI.
- This portal will also enhance the efficiency of various processes related to the granting of regulatory approvals and clearances by the RBI.

2. A FinTech Repository

- It aims to capture essential information about FinTech entities, both regulated and unregulated.
- It will contain information on rich repository of data on Indian FinTech firms for a better understanding of the sector that would be useful for both policymakers and participating industry members.

3. The Retail Direct Mobile App



- The **RBI Retail Direct Scheme** is aimed at enhancing access to **government securities market** for retail investors.

The scheme enables investors-

- a. to buy securities in primary auctions
b. buy/sell securities in secondary market.

What is current development?

- RBI has launched **retail direct mobile app**, retail investors can **now transact in G-Secs** using the mobile app **on their smartphones**.
- The **RBI Retail Direct mobile app** facilitates transactions in both the **primary and secondary markets for government securities (G-Secs)**.

RBI RETAIL DIRECT portal

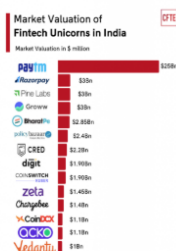


After log into the portal, one can go to-

1. **Primary Issuances** for participating in primary market
2. **Negotiated Dealing System - Order Matching system (NDS-OM)** for trading in Government securities in the secondary market.

What is a Fintech company?

- Fintech describes **any company** that uses the internet, cloud services, mobile devices, or **software technology** to either connect with **financial services** or to use them.



Q1795. With reference to the Pravah Portal, consider the following statements:

1. It is a centralized web-based portal launched by the RBI for individuals and entities seeking regulatory approvals.
2. The portal will help in processing requests for authorizations, licenses, and clearances from the RBI.

- Pravah is designed exclusively for banks and financial institutions and cannot be accessed by individuals.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The Pravah Portal is a secure and centralized web-based platform launched by the RBI.
- **Statement 2 is correct:** It enables individuals and entities to seek authorizations, licenses, and regulatory approvals from the RBI.
- **Statement 3 is incorrect:** The Pravah Portal is not exclusive to banks and financial institutions; it can be accessed by any individual or entity seeking approvals from the RBI.

Q1796. What is the purpose of the FinTech Repository recently introduced by the RBI?

- (a) To store transaction data of all digital payments in India
- (b) To provide a centralized database on regulated and unregulated FinTech entities for policy and industry use
- (c) To regulate FinTech firms and impose licensing requirements
- (d) To track and monitor illegal financial transactions conducted by FinTech firms

Ans: b

Sol:

- The FinTech Repository is designed to collect essential information about FinTech firms, both regulated and unregulated.
- It aims to enhance understanding of the FinTech sector and provide valuable data for policymakers and industry members.
- It does not impose regulations or track illegal transactions but serves as a knowledge resource.



Q1797. With reference to the RBI Retail Direct Mobile App, consider the following statements:

1. It allows retail investors to participate in the government securities (G-Secs) market via their smartphones.
2. Investors can buy securities only in the primary market, but not trade them in the secondary market.
3. The mobile app enhances retail investors' accessibility to G-Secs trading.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The Retail Direct Mobile App allows retail investors to participate in the G-Secs market through their smartphones.
- **Statement 2 is incorrect:** The app facilitates transactions in both the primary and secondary markets, meaning investors can buy securities in primary auctions and trade them in the secondary market.
- **Statement 3 is correct:** The mobile app enhances accessibility for retail investors, making G-Secs trading more convenient.

Topic 600

600. GI Tag for 19 items from Assam

What are GI tags?

- GI tags represent 2 characteristics of a product-

1. Sign of originating from a **particular region.**
2. Represents **special quality**

Legal provisions of GI?

- Protection given under **Geographic Indicator of Goods (Registration and Protection) Act, 1999.**
- The Act is in **accordance with TRIPS of WTO.**
- **Validity -10 years (can be renewed).**
- Applicable for **Agricultural, Natural, Manufactured goods.**

- The **first product in India** to be accorded with **GI tag** was **Darjeeling tea** in the year **2004-05**.

Current news?

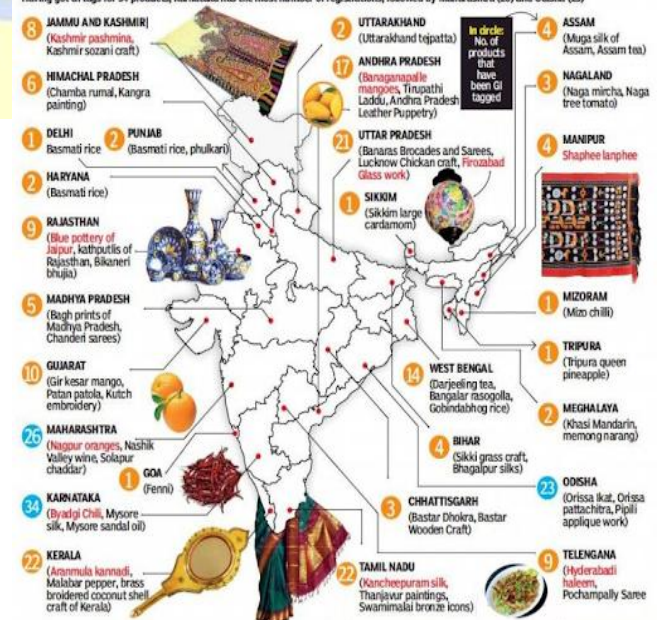
- 19 items from Assam got GI tag recently.

The items are-

- 1. Assam japi, Bihu dhol, Sarthebari metal craft, Asharikandi terracotta craft, Assam pani meteka craft and Assam Mising handloom products.**
- 2. Thirteen Bodo traditional items –** Bodo dokhona, Bodo eri silk, Bodo jwmgra, Bodo gamsa, Bodo keradapini, Bodo thorkha, Bodo gongar dunjia, Bodo kham, Bodo serja, Bodo sifung, Bodo khardwi, Bodo gongona and Bodo jotha.



Having got GI tags for 34 products, Karnataka has the most number of registrations, followed by Maharashtra (26) and Odisha (23)



Q1798. With reference to Geographical Indication (GI) tags, consider the following statements:

1. A GI tag signifies that a product originates from a specific region and possesses a special quality due to its geographical origin.



2. GI tags in India are granted under the Geographical Indications of Goods (Registration and Protection) Act, 1999.
3. The GI tag is valid for 20 years and cannot be renewed after expiration.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** GI tags indicate that a product is from a specific region and has unique qualities due to its origin.
- **Statement 2 is correct:** The Geographical Indications of Goods (Registration and Protection) Act, 1999 governs GI tag protection in India.
- **Statement 3 is incorrect:** GI tags are valid for 10 years, not 20 years, and can be renewed indefinitely.

Q1799. Which of the following categories of goods are eligible for a Geographical Indication (GI) tag under Indian law?

- (a) Only agricultural and natural goods
- (b) Only manufactured goods
- (c) Only handicrafts and textiles
- (d) Agricultural, natural, and manufactured goods

Ans: d

Sol:

- GI tags in India can be granted to agricultural products (e.g., Darjeeling Tea), natural goods (e.g., Makrana Marble), and manufactured products (e.g., Mysore Silk).
- The Geographical Indications of Goods (Registration and Protection) Act, 1999, allows GI registration for multiple categories of goods.

Q1800. Recently, 19 items from Assam received the Geographical Indication (GI) tag. Which of the following items are included in this list?

1. Assam Japi and Bihu Dhol
2. Sarthebari Metal Craft and Asharikandi Terracotta Craft
3. Bodo Traditional Items like Dhokona, Eri Silk, and Jwmgra

Select the correct answer using the codes below:

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

Ans: d

Sol:

- Assam Japi, Bihu Dhol, Sarthebari Metal Craft, Asharikandi Terracotta Craft, and Assam Mising Handloom Products received the GI tag.
- Thirteen Bodo Traditional Items, including Bodo Dhokona, Bodo Eri Silk, and Bodo Jwmgra, were also recognized.
- This highlights the cultural and artistic heritage of Assam.

Topic 601

601. 90 years of RBI

Current Context

- RBI entered into its **90th year**.
- **PM Modi addressed a ceremony** to mark **90 years** of the **Reserve Bank of India in Mumbai**.

History of RBI

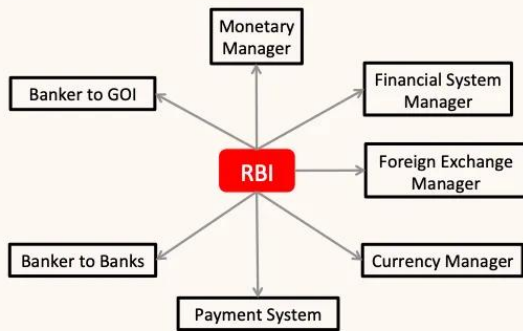
- RBI- nation's central bank- was **established in 1935** following recommendations of **Hilton Young Commission**.
- It is governed by **Reserve Bank of India Act, 1934**.
- It began **operations on April 1, 1935** with **Sir Osborne Smith as the first Governor**.
- **In 1937**, the **Central Office of the Reserve Bank** was shifted from **Kolkata to Mumbai**.
- **CD Deshmukh** was RBI's **first Indian governor**.
- **Following partition** RBI ceased to remain currency authority of **Pakistan** and **Indian Rupee** ceased to remain legal tender in Pakistan.

RBI roles

- Regulator of Banks
- Monetary Policy (Qualitative and Quantitative)
- Banker to the government (Public Debt Management)
- Lender of last resort for banks (Repo borrowing)



- Currency printing and circulation
- Manages Forex reserves



Q1801. With reference to the history of the Reserve Bank of India (RBI), consider the following statements:

1. The RBI was established in 1935 following the recommendations of the Hilton Young Commission.
2. Sir Osborne Smith was the first Indian Governor of the RBI.
3. The Central Office of the RBI was originally in Kolkata but was later shifted to Mumbai in 1937.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct:** The Hilton Young Commission recommended the establishment of the RBI, which was set up in 1935.
- **Statement 2 is incorrect:** Sir Osborne Smith was the first Governor of the RBI, but not Indian. The first Indian Governor was CD Deshmukh.
- **Statement 3 is correct:** The RBI's Central Office was originally located in Kolkata but was shifted to Mumbai in 1937.

Q1802. Which of the following are key roles of the Reserve Bank of India (RBI)?

1. Regulating banks in India
 2. Formulating monetary policy using qualitative and quantitative tools
 3. Managing foreign exchange (Forex) reserves
 4. Issuing municipal bonds for local governments
- Select the correct answer using the codes below:
- (a) 1, 2, and 3 only
 - (b) 2, 3, and 4 only
 - (c) 1, 3, and 4 only
 - (d) 1, 2, 3, and 4

Ans: a

Sol:

- The RBI regulates banks, formulates monetary policy, and manages Forex reserves.
- However, municipal bonds are issued by local governments, not the RBI. The RBI only regulates the bond market but does not directly issue municipal bonds.

Q1803. Regarding the role of the RBI as the lender of last resort, which of the following statements is correct?

- (a) The RBI lends money to the government when it runs out of funds.
- (b) The RBI provides emergency liquidity support to banks when they face financial crises.
- (c) The RBI directly gives loans to individuals and businesses during economic downturns.
- (d) The RBI only prints currency but does not provide emergency financial support.

Ans: b

Sol:

- As the lender of last resort, the RBI provides liquidity to banks that are unable to borrow from other sources.
- It does not directly fund the government, nor does it provide loans to individuals or businesses.

Topic 602

602. Digital Public Infrastructure

- **Digital public infrastructure (DPI)** refers to platforms that facilitates-
 1. **Digital identification**
 2. **Payment infrastructure**



3. Data exchange solutions

Digital public infrastructure (DPI) in India-

1. Digital Identification-Digital identity (Aadhaar)

- Eg Airport digital identity systems, like Digi Yatra in India, use facial recognition and other biometric technologies to streamline passenger processing, eliminating the need for physical documents at various checkpoints.

2. Payment Infrastructure-Real-time fast payment (UPI)

3. Data exchange solutions- Data Empowerment Protection Architecture

Data Empowerment Protection Architecture

- DEPA is a **digital framework** that **allows users** to share their **data on their own terms** through a **third-party entity**, who are known as **Consent Managers**.
- It is very **similar to Digi Locker**- Aim to prioritise **consent and interoperability**.



India's DPI are **collectively called India Stack** (a set of digital infrastructure **components that enable to conduct transactions electronically**)

Q1804. Which of the following are key components of Digital Public Infrastructure (DPI)?

1. Digital identification systems
2. Payment infrastructure
3. Data exchange solutions
4. Cryptocurrency-based transactions

Select the correct answer using the codes below:

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

Ans: a

Sol:

- Digital identification systems (e.g., Aadhaar), payment infrastructure (e.g., UPI), and data exchange solutions (e.g., DEPA) are core elements of DPI.
- Cryptocurrency-based transactions are not part of India's DPI as they are not officially regulated under DPI frameworks.

Q1805. What is the primary role of the Data Empowerment Protection Architecture (DEPA) within India's Digital Public Infrastructure (DPI)?

- (a) To allow government agencies to access user data freely
- (b) To enable users to share their data with consent through third-party Consent Managers
- (c) To store all digital identities of citizens in a centralized government database
- (d) To regulate financial transactions conducted through Unified Payments Interface (UPI)

Ans: b

Sol:

- DEPA allows individuals to control and share their data on their own terms using Consent Managers.
- It prioritizes consent and interoperability, similar to DigiLocker, and ensures data security and privacy.

Q1806. What is India Stack in the context of Digital Public Infrastructure (DPI)?

- (a) A set of digital infrastructure components that enables electronic transactions
- (b) A national program to replace all physical documents with digital alternatives
- (c) A blockchain-based platform for conducting secure digital transactions
- (d) A private sector initiative for digitizing financial services in India

Ans: a

Sol:

- India Stack refers to a collection of digital systems that enable citizens and businesses to conduct electronic transactions seamlessly.
- It includes Aadhaar (digital ID), UPI (real-time payments), and DEPA (data exchange solutions).



- It is not based on blockchain and is not a private sector initiative.

Topic 603

603. Public Key Infrastructure (PKI)

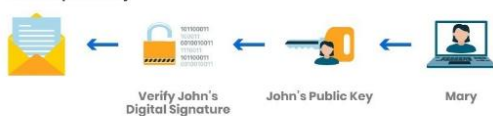
- Public Key Infrastructure (PKI) is a **technology for digital signature and authenticating devices** and users in the digital world.
- The basic idea behind PKI is to have option for parties to **digitally sign documents certifying** that a particular cryptographic key belongs to a particular user or device.

Digital Signature

1. John uses his private key to generate the digital signature of the email and sends the email to Mary.



2. Upon receiving the email, Mary verifies John's digital signature with John's public key



Q1807. What is the primary purpose of Public Key Infrastructure (PKI)?

- (a) To create a centralized database for storing private keys
- (b) To authenticate users and devices using digital certificates
- (c) To store passwords securely in an encrypted format
- (d) To replace encryption algorithms with biometric authentication

Ans: b

Sol:

- PKI is used to verify the identity of users and devices by issuing digital certificates.
- It does not store private keys in a centralized database, nor does it replace encryption with biometrics.

Q1808. Which of the following best describes the role of a private key in PKI?

- (b) It is kept secret and used for decrypting messages

- (c) It is a key that anyone can use to verify a digital signature
- (d) It is used only for generating passwords

Ans: b

Sol:

- In Public Key Cryptography, there are two keys:
 - Public Key → Used for encrypting messages (can be shared).
 - Private Key → Used for decrypting messages (kept secret by the owner).
- The private key should never be shared.

Q1809. Which of the following is a common example of PKI in use?

- (a) SSL certificates on websites
- (b) Passwords stored in a browser
- (c) Face recognition unlocking a smartphone
- (d) Two-factor authentication (2FA) via SMS

Ans: a

Sol:

- SSL (Secure Sockets Layer) certificates use PKI to establish secure communication between a user's browser and a website.
- Face recognition and 2FA via SMS do not rely on PKI.

Topic 604

604. Core Sectors of Indian Economy and IIP

- **8 industries** in India have been classified as **core sector** of Indian economy.

Index of Core Industries (ICI)

- By Office of Economic Advisor
- Base Year-2011-12
- Monthly

Index of Industrial Production (IIP)

- Represents overall growth of **Industrial sector.**

- **Measured by NSO** (National Statistical Office) on **monthly basis**.

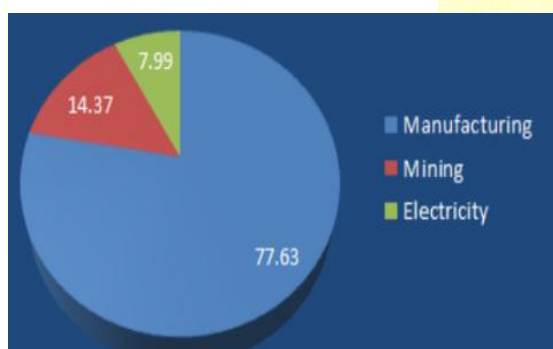
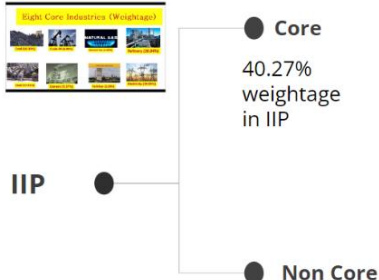
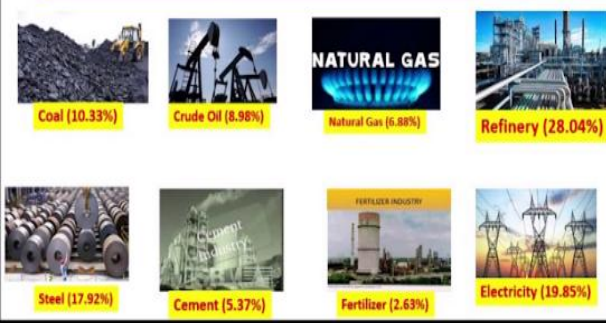
- **Base Year 2011-12**

- Total number of items under IIP is 407(Manufacturing-405/Mining & Electricity)

Note-Core Sectors have total **40.27%** **weightage** in IIP (Index of Industrial Production).



Eight Core Industries (Weightage)



Q1810. Which of the following correctly describes the Index of Core Industries (ICI)?

- (a) It is released by the National Statistical Office (NSO)
- (b) It tracks the performance of 8 core industries in the Indian economy
- (c) Its base year is 2017-18
- (d) It is released annually

Ans: b

Sol:

- ICI is released by the Office of Economic Advisor (OEA) and tracks 8 core industries.
- It has a base year of 2011-12 and is released monthly.

- It is not measured by NSO (NSO measures IIP).

Q1811. Which organization is responsible for publishing the Index of Industrial Production (IIP)?

- (a) Reserve Bank of India (RBI)
- (b) National Statistical Office (NSO)
- (c) Office of Economic Advisor (OEA)
- (d) Ministry of Finance

Ans: b

Sol:

- IIP is measured by the NSO on a monthly basis.
- It tracks the overall growth of the industrial sector in India.

Q1812. What is the weightage of Core Sectors in the Index of Industrial Production (IIP)?

- (a) 50.75%
- (b) 25.50%
- (c) 40.27%
- (d) 10.15%

Ans: c

Sol:

- The 8 core sectors contribute 40.27% to the IIP.
- These industries include coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity.

Topic 605

605. Alternative Investment Funds

- **Privately pooled investment**-that **collects funds** from **sophisticated investors**, both **Indian or foreign, for investing**.

AIFs can be formed as a-

- a. Company
- b. Limited Liability Partnership (LLP),
- c. Trust, etc.

- **SEBI -regulates AIF**
- **There are 3 categories of AIF.**





Q1813. Which regulatory body governs Alternative Investment Funds (AIFs) in India?

- (a) Reserve Bank of India (RBI)
(b) Securities and Exchange Board of India (SEBI)
(c) Insurance Regulatory and Development Authority of India (IRDAI)
(d) Ministry of Finance

Ans: b

Sol:

- AIFs in India are regulated by SEBI under the SEBI (Alternative Investment Funds) Regulations, 2012.
- They do not fall under SEBI's Mutual Funds or Collective Investment Schemes regulations.

Q1814. Which of the following types of Alternative Investment Funds (AIFs) invests in startups and SMEs for economic and social benefits?

- (a) Category I AIFs
(b) Category II AIFs
(c) Category III AIFs
(d) None of the above

Ans: a

Sol:

- **Category I AIFs** focus on socially and economically beneficial sectors, including startups, SMEs, social ventures, and infrastructure.
- Examples include Venture Capital Funds, SME Funds, Social Venture Funds, and Infrastructure Funds.

Q1815. What distinguishes Category III AIFs from other categories?

- (a) They do not invest in derivatives or take leverage.
- (b) They focus on private equity investments only.
- (c) They use leverage and employ diverse trading strategies for short-term gains.
- (d) They primarily invest in infrastructure and social ventures.

Ans: c

Sol: Category III AIFs include hedge funds and PIPE (Private Investment in Public Equity) funds, which use strategies like short-selling, leverage, and derivative trading for high-risk, high-reward investments.

Day 60

Topic 606

606. Dedicated Freight Corridors

- **specialized railway lines** designed exclusively for the movement of freight.

Dedicated Freight Corridors developed so far-

1. Western Dedicated Freight Corridor (WDFC):

- Jawaharlal Nehru Port (Mumbai) to Dadri (near Delhi).
- 85% operational.
- Primarily funded through a loan from the Japan International Cooperation Agency (JICA) of Japan government.

2. Eastern Dedicated Freight Corridor (EDFC)

- Ludhiana in Punjab to Dankuni near Kolkata.
- Fully operational.
- primarily funded by the **World Bank**

These corridors are managed by the Dedicated Freight Corridor Corporation of India Limited (DFCCIL).

Recent

- A study by **Australian University** found that **DFCs have helped reduce freight costs,** improved **supply chain efficiency,** and contributed to **2.94%** of the incremental **growth in railway revenue** between FY 2022-23 and FY 2018-19.

Note- The first Railway Budget was presented in 1924. Until 2016 The Railway Budget remained a separate financial statement.



- It was **merged** with the General Budget **in 2017**.



Four more corridors are in the **planning stage**-

1. North-South (Delhi-Tamil Nadu)
2. East-West (West Bengal-Maharashtra),
3. East-South (West Bengal-Andhra Pradesh)
4. South-South (Tamil Nadu-Goa).

Q1816. With reference to Dedicated Freight corridors (DFC), consider the following statements:

1. Dedicated Freight corridors (DFC) are specific routes for freight transportation, which offer higher transport capacity due to running of triple stock containers.
2. Eastern D.F.C is yet to be completed whereas western D.F.C is complete.

Select the correct answer using the codes below:

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

Ans: d

Sol:

- **Statement 1 is incorrect** – Dedicated Freight Corridors (DFCs) are specific railway routes designed for freight transport, improving speed and capacity. However, they are primarily

designed for double-stack containers and not triple-stack containers.

- **Statement 2 is incorrect:** Eastern DFC is complete and Western is 93% complete.

Q1817. Consider the following statements regarding Dedicated Freight Corridors (DFCs):

1. The Eastern Dedicated Freight Corridor (EDFC) is primarily funded by the Japan International Cooperation Agency (JICA), while the Western Dedicated Freight Corridor (WDFC) is funded by the World Bank.
2. A study has shown that DFCs have contributed to a 2.94% increase in incremental railway revenue between FY 2018-19 and FY 2022-23.
3. The Dedicated Freight Corridor Corporation of India Limited (DFCCIL) is responsible for the management of these corridors.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

- **Statement 1 is incorrect** because the Eastern Dedicated Freight Corridor (EDFC) is funded by the World Bank, while the Western Dedicated Freight Corridor (WDFC) is funded by JICA (Japan International Cooperation Agency).
- **Statement 2 is correct** as per the recent study that found DFCs contributed to 2.94% of the incremental railway revenue between FY 2018-19 and FY 2022-23.
- **Statement 3 is correct** because DFCCIL is the organization responsible for managing the Dedicated Freight Corridors.

Q1818. With reference to the future expansion of India's Dedicated Freight Corridors (DFCs), consider the following statements:

1. The upcoming East-West corridor will connect West Bengal with Maharashtra.
2. The North-South corridor will link Delhi to Kerala, enhancing freight transport efficiency.
3. The expansion of DFCs is expected to significantly reduce freight costs and improve supply chain efficiency.



Which of the statements given above is/are correct?

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

Ans: b

Sol:

- **Statement 1 is correct** as the East-West corridor will connect West Bengal to Maharashtra.
- **Statement 2 is incorrect** because the North-South corridor will link Delhi to Tamil Nadu, not Kerala.
- **Statement 3 is correct**, as studies have shown that DFCs help reduce freight costs and improve supply chain efficiency.

Topic 607

607. RCEP and CPTPP

Regional Comprehensive Partnership Agreement (RCEP)

- It is a **Free Trade Agreement** between **15 Asia Pacific Countries**.
- The RCEP negotiations began in 2012. It was **officially signed in November 2020**.
- During **negotiations in early phase**, **India** was also **a member of RCEP**.
- In **2019**, India **decided to withdraw** from the RCEP **negotiations**.
- India's decision to **exit the RCEP** was based on fears of an **influx of Chinese goods** into the Indian market, **affecting local industries**.

Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

- It is a **Free Trade Agreement (FTA)** between these **11 countries**.

These countries were-

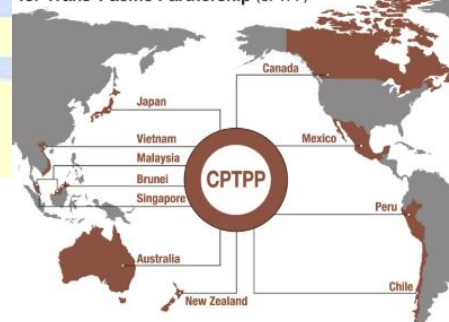
- Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.
- It was initially known as the **Trans-Pacific Partnership (TPP)** but was **renamed after the United States withdrew** from the agreement **in January 2017**.

Current news?

- **NITI Aayog CEO B.V.R. Subrahmanyam** advocates for India to **join RCEP and CPTPP**.
- He said that it helps in **implementation of China Plus One Strategy**.



Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)



Q1819. Consider the following statements regarding the Regional Comprehensive Economic Partnership (RCEP):

1. India was initially a part of RCEP negotiations but later withdrew due to concerns over cheap Chinese imports flooding the Indian market.
2. RCEP includes both developed and developing economies from the Asia-Pacific region.
3. RCEP is a Free Trade Agreement that was signed in 2019 and came into force in 2020.

Which of the statements given above is/are correct?

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



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

Ans: a

Sol:

- **Statement 1 is correct** as India was a part of RCEP negotiations but withdrew in 2019 due to concerns about an influx of Chinese goods.
- **Statement 2 is correct** because RCEP includes both developed (Japan, Australia, New Zealand) and developing (China, Indonesia, Vietnam, etc.) economies from the Asia-Pacific region.
- **Statement 3 is incorrect** because RCEP was signed in 2020 but negotiations started in 2012.

Q1820. With reference to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), consider the following statements:

1. CPTPP is a trade agreement among 11 countries, including the United States.
2. The agreement was initially known as the Trans-Pacific Partnership (TPP), but was renamed after the withdrawal of the United States in 2017.
3. CPTPP does not include any countries from the European Union.

Which of the statements given above is/are correct?

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

Ans: b

Sol:

- **Statement 1 is incorrect** because the United States withdrew from the Trans-Pacific Partnership (TPP) in 2017 and is not a part of CPTPP.
- **Statement 2 is correct**, as CPTPP was originally called TPP, but after the U.S. withdrawal, the agreement was renamed and continued with 11 member nations.
- **Statement 3 is correct** because CPTPP does not include any European Union countries; it consists of Asia-Pacific and North/South American nations.

Q1821. NITI Aayog CEO B.V.R. Subrahmanyam has advocated for India to join RCEP and CPTPP. Consider the possible advantages and challenges of India joining these trade agreements:

1. Advantage: Joining RCEP and CPTPP would strengthen India's global trade presence and facilitate the "China Plus One" strategy.
2. Challenge: Indian industries, particularly in manufacturing and agriculture, could face competition from cheaper imports.
3. Advantage: By joining these agreements, India could expand its export market access, especially in sectors like IT and pharmaceuticals, without any risk to domestic industries.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because India's participation in RCEP and CPTPP could help it diversify its supply chains, aligning with the China Plus One strategy (which encourages companies to reduce dependence on China by investing in other countries).
- **Statement 2 is correct** as Indian industries, particularly MSMEs, manufacturing, and agriculture, might struggle against cheaper imports, especially from China, Vietnam, and other competitive economies.
- **Statement 3 is incorrect** because while joining these agreements would improve export opportunities, there are risks to domestic industries due to competition from global players.

Topic 608

608. China Plus One Strategy

- According to Economic Survey 2023-24, major multinational companies having factories in China, including Apple and others, looking to 'de-risk' themselves by establishing one factory outside China.



This shift is **primarily due** to disruptions caused by-

1. **COVID-19**
2. Growing **tensions** between the **US and China,**
3. **rising costs** of doing business in China.

Successful example of China Plus One Strategy

- **Foxconn** has started **production of Apple mobile phones** in **Karnataka** and **Tamil Nadu**



Q1822. Consider the following statements:

1. Gulf of Thailand lies to the South of Gulf of Tonkin.
 2. Palawan islands lies to the South of Scarborough shoal.
 3. Luzon strait connects Philippines sea & South China sea.
- How many of the above statement(s) is/are correct?
- (a) Only one
 - (b) None
 - (c) All three
 - (d) Only two

Ans: c

Sol: All these locations are in South China sea, which is perpetually in news.

Q1823. With reference to the China Plus One Strategy, consider the following statements:

1. The strategy involves multinational corporations reducing their dependence on Chinese manufacturing by expanding production to other countries.
2. The primary reasons for this shift include supply chain disruptions due to COVID-19, rising costs in China, and geopolitical tensions between the U.S. and China.
3. India has not been able to attract any major companies under this strategy due to lack of infrastructure and policy incentives.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because the China Plus One Strategy is about diversifying manufacturing bases to reduce dependency on China.
- **Statement 2 is correct**, as major reasons include COVID-19 supply chain disruptions, rising costs in China, and U.S.-China tensions.
- **Statement 3 is incorrect** because India has successfully attracted major companies like Foxconn (Apple supplier) to set up manufacturing plants in Karnataka and Tamil Nadu.

Q1824. Consider the following statements regarding India's potential under the China Plus One Strategy:

1. India's large workforce, improving infrastructure, and government incentives such as PLI (Production Linked Incentive) make it an attractive destination for companies looking to diversify their supply chains.
2. India's success in mobile phone manufacturing, such as Foxconn producing Apple devices, is an example of effective implementation of this strategy.
3. Despite efforts, India remains largely dependent on China for electronic components and raw materials, making complete decoupling difficult.

Which of the statements given above is/are correct?

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

Ans: d

Sol:

- **Statement 1 is correct** because India's skilled labor, infrastructure development, and



schemes like PLI make it a strong alternative manufacturing hub.

- **Statement 2 is correct** as Foxconn's Apple phone production in Karnataka and Tamil Nadu is a direct example of the China Plus One Strategy in action.
- **Statement 3 is correct** because India still relies heavily on China for components like semiconductors, lithium-ion batteries, and other electronic parts, making a complete shift challenging.

Topic 609

609. Domestic Systemically Important Bank & Insurers

Current news?

- The Reserve Bank of India (**RBI**) retained **State Bank of India (SBI)**, **HDFC Bank**, and **ICICI Bank** as **Domestic Systemically Important Banks** (D-SIBs) for 2023-24.

Significance of D-SIBs:

- These **banks are crucial** to the **financial system**, and their **failure** would **impact the economy severely**.
- This classification brings **additional regulatory requirements** to ensure **their stability**.

History

- The RBI started classifying **D-SIBs in 2015.**
- **SBI** was **first classified in 2015**, while **ICICI Bank and HDFC Bank** followed in **subsequent years.**

Domestic Systemically Insurers

- **LIC, New India Assurance, and GIC(General Insurance Company)** retain **Domestic Systemically Insurers(D-SIIs)** tag.
- Domestic Systemically Important Insurers (D-SIIs) in India are identified and decided by the **Insurance Regulatory and Development Authority of India (IRDAI)**.



Q1825. With reference to Domestic Systemically Important Banks (D-SIBs), consider the following statements:

1. D-SIBs are banks whose failure could have a severe impact on the financial system and the overall economy.
2. The Reserve Bank of India (RBI) has classified SBI, HDFC Bank, and ICICI Bank as D-SIBs for 2023-24.
3. Once a bank is classified as a D-SIB, it is permanently considered systemically important and does not require periodic assessment.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because D-SIBs are banks that are too big to fail, meaning their failure could severely impact the economy.
- **Statement 2 is correct** as RBI has retained SBI, HDFC Bank, and ICICI Bank as D-SIBs for 2023-24.
- **Statement 3 is incorrect** because D-SIB classification is reviewed annually, and a bank's status can change based on financial conditions.



Q1826. Consider the following statements regarding Domestic Systemically Important Insurers (D-SIIs):

1. D-SIIs are insurance companies whose failure would have a significant impact on the economy, similar to D-SIBs in the banking sector.
2. The Insurance Regulatory and Development Authority of India (IRDAI) is responsible for identifying and classifying D-SIIs.
3. Currently, LIC, New India Assurance, and GIC (General Insurance Company) hold the D-SII classification.

Which of the statements given above is/are correct?

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

Ans: d

Sol:

- **Statement 1 is correct** as D-SIIs are large insurance firms whose failure could disrupt the financial system and economy.
- **Statement 2 is correct** because IRDAI is the regulatory authority that designates insurance firms as D-SIIs.
- **Statement 3 is correct** as LIC, New India Assurance, and GIC have been classified as D-SIIs.

Q1827. Which of the following best describes the significance of classifying financial institutions as D-SIBs or D-SIIs?

- (a) It ensures that these institutions receive government bailouts in case of financial distress.
- (b) It imposes additional regulatory requirements to enhance their financial stability and reduce the risk of economic disruption.
- (c) It enables these institutions to operate with fewer restrictions since they are deemed crucial for the economy.
- (d) It prevents foreign investors from acquiring a significant stake in these institutions.

Ans: b

Sol:

- D-SIBs and D-SIIs face stricter regulatory norms to reduce risks to the financial system.
- They do not automatically qualify for government bailouts (eliminating option a).
- Instead of facing fewer restrictions, they are subject to higher capital requirements and risk management norms (eliminating option c).
- There is no restriction preventing foreign investment in these institutions solely due to D-SIB/D-SII status (eliminating option d).

Topic 610

610. Carbon Border Adjustment Mechanism

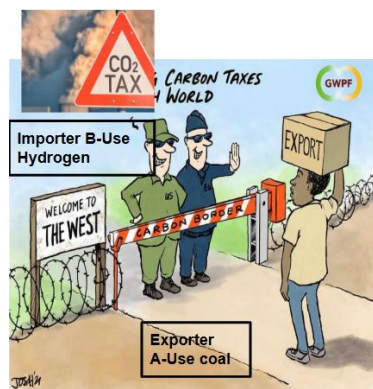
- A policy tool **introduced by the EU** to **reduce carbon emissions** by **imposing a carbon tax on imported products**.
- CBAM can be seen as an example of **'green protectionism'** by Europe.

Plan of EU

- **1st January 2026 onwards**, the **EU** will start collecting the **carbon tax** on each consignment of **steel, aluminium, cement, fertilizer, hydrogen and electricity**.

Impact on India

- India's **use of coal is much higher** than the EU and the global average, with coal-fired power accounting for almost **70% of India's energy consumption**.
- Thus, **Carbon Border Adjustment Mechanism** will have an **adverse impact on India's exports** of metals such as **Iron, Steel and aluminium products** to the EU, because these will face extra scrutiny under the mechanism.



- For instance, if the **imported steel** was produced through a **process** that entailed **higher emissions** than the **emissions standards** for that product in **Europe, it would be taxed**.



Q1828. Consider the following statements regarding the Carbon Border Adjustment Mechanism (CBAM):

1. CBAM is a policy tool introduced by the United Nations (UN) to impose a uniform global carbon tax on imports.
2. The mechanism aims to equalize carbon costs between domestic producers and foreign exporters to prevent carbon leakage.
3. CBAM will initially apply to steel, aluminum, cement, fertilizer, hydrogen, and electricity imports into the European Union (EU).

Which of the statements given above is/are correct?

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

Ans: b

Sol:

- **Statement 1 is incorrect** because CBAM is an EU initiative, not a UN policy.
- **Statement 2 is correct** as CBAM seeks to prevent "carbon leakage"—a situation where businesses move to countries with lax environmental laws to avoid carbon taxes.
- **Statement 3 is correct** because CBAM will initially apply to steel, aluminium, cement, fertilizer, hydrogen, and electricity imports into the EU.

Q1829. How is CBAM likely to affect India's exports to the European Union?

- (a) Indian exports of iron, steel, and aluminium will face increased scrutiny and potential carbon tariffs, making them less competitive in the EU market.
- (b) CBAM will benefit Indian exporters as it provides an incentive to shift towards cleaner energy sources, thereby increasing exports.
- (c) Indian products will not be affected by CBAM as the mechanism only applies to EU-based industries.
- (d) CBAM will reduce India's energy dependence on coal as the EU will provide financial incentives for India to transition to clean energy.

Ans: a

Sol:

- CBAM will impose additional costs on Indian exports of carbon-intensive goods (like steel and aluminium) due to India's higher coal dependency (about 70% of energy consumption).
- **Option b is incorrect** because, while it encourages cleaner energy, CBAM acts as a barrier to current Indian exports.
- **Option c is incorrect** since CBAM applies to imported goods, not just EU-based industries.
- **Option d is incorrect** because the EU is not directly providing financial incentives for India's transition to clean energy under CBAM.

Q1830. CBAM is often criticized as a form of 'Green Protectionism' because:

- (a) It discriminates against developing countries by imposing additional trade barriers under the pretext of environmental concerns.
- (b) It prevents the adoption of cleaner technologies in non-EU nations by discouraging carbon-intensive production.
- (c) It ensures a uniform global carbon pricing system, making global trade more balanced and fairer.
- (d) It promotes unrestricted trade of green technologies by removing tariff barriers for low-carbon goods.

Ans: a

Sol:

- CBAM is seen as 'green protectionism' because it imposes extra costs on imports from developing countries (like India) that rely on coal for energy, without considering their economic development stage.
- **Option b is incorrect** because CBAM does not prevent clean technology adoption, but rather penalizes high-carbon industries.
- **Option c is incorrect** as CBAM is not a global mechanism, but an EU-centric policy.
- **Option d is incorrect** since CBAM is not about promoting free trade, but rather imposing taxes on carbon-intensive goods.

Topic 611



611. Bima Sugam Portal

- Bima Sugam is an upcoming online platform initiated by the Insurance Regulatory and Development Authority of India (IRDAI).
- Bima Sugam will enable individuals to buy life, health, motor or property insurance policies online.
- The platform will act as a centralised database which will assist consumers with all insurance related services.
- This platform will help in the settlement of claims, whether it's health coverage or death claims, in a paperless manner on the basis of policy numbers.
- It will provide end-to-end solutions for customers insurance needs i.e., purchase, service, and settlement in a seamless manner. Insurance Regulatory and Development Authority of India (IRDAI)
- Insurance Regulatory and Development Authority of India (IRDAI) is a statutory body and is regulator of insurance sector.

Bima Sugam: A game changer?

Policyholders will be able to buy insurance products directly or through assisted mode

All insurance intermediaries including individual agents, web aggregators will have access to **Bima Sugam**

There will be a variety of products, businesses and payment options on this platform to choose from

Know-your-customer (KYC) will be done through Aadhaar number and the data will auto populate



Q1831. How will the Bima Sugam portal transform the insurance sector in India?

- It will act as a single digital platform for purchasing, managing, and settling insurance policies, thereby enhancing accessibility and efficiency.
- It will replace private insurance companies and make all policies available only through the government.

- It will primarily focus on health insurance and will not cater to motor or life insurance policies.
- It will reduce claim settlement efficiency as it requires physical verification of documents before processing.

Ans: a

Sol:

- Bima Sugam is a centralized online platform that provides a seamless, paperless, and digital experience for purchasing, servicing, and settling insurance claims.
- **Option b is incorrect** because Bima Sugam is not replacing private insurance companies but facilitating their services on a common platform.
- **Option c is incorrect** because it covers multiple types of insurance (health, motor, property, life).
- **Option d is incorrect** since the platform will enable paperless, faster settlements based on policy numbers, improving efficiency.

Q1832. Which of the following statements best explains the role of Bima Sugam as a centralized database in the insurance sector?

- It will reduce frauds and disputes by maintaining a transparent record of policies and claim history, accessible to all stakeholders.
- It will function as a government-only platform, eliminating the role of private insurers and intermediaries.
- It will allow only online insurance transactions, making offline policy purchases impossible.
- It will only store customer details but will not facilitate policy purchases or claim settlements.

Ans: a

Sol:

- Bima Sugam acts as a centralized insurance repository, ensuring transparency in policy records and claims. This helps prevent frauds and disputes.
- **Option b is incorrect** as Bima Sugam does not replace private insurers but integrates their services.
- **Option c is incorrect** since offline purchases will still be allowed, but the portal enhances digital transactions.



- **Option d is incorrect** because the portal facilitates end-to-end insurance services, not just data storage.

Q1833. How does the Bima Sugam platform align with the broader goals of India's digital transformation?

- (a) It promotes financial inclusion by simplifying insurance access, reducing paperwork, and making policies available digitally.
- (b) It mandates exclusive use of digital payment methods, eliminating all traditional payment options.
- (c) It removes the role of the Insurance Regulatory and Development Authority of India (IRDAI) in regulating the insurance sector.
- (d) It makes insurance policies mandatory for all citizens, including those who cannot afford them.

Ans: a

Sol:

- Bima Sugam aligns with India's digital transformation by enabling paperless transactions, easy access, and faster claim settlements, promoting financial inclusion.
- **Option b is incorrect** since both digital and offline payment modes will still be available.
- **Option c is incorrect** as IRDAI remains the key regulator of the insurance sector.
- **Option d is incorrect** because insurance remains optional, though the platform increases accessibility.

Topic 612

612. CECA vs CEPA

- CECA (Comprehensive Economic Cooperation Agreement) and CEPA (Comprehensive Economic Partnership Agreement) both refer to **trade agreements between countries**, but they **differ slightly in scope and depth.**

CECA – Comprehensive Economic Cooperation Agreement

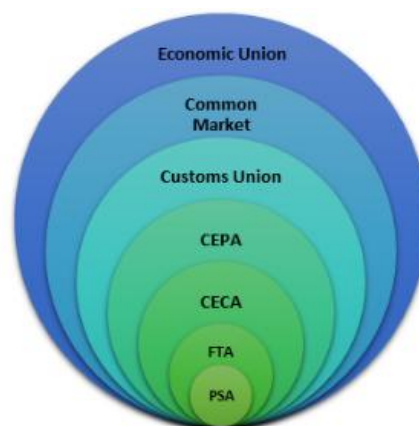
- Cover trade in **goods and services**
- Example: India–Singapore CECA (2005)
 - India's first comprehensive agreement.

Current

- India is planning to sign **CECA with Australia.**

CEPA – Comprehensive Economic Partnership Agreement

- Focus: Broader and **deeper than CECA.**
- Cover trade in **goods and Services.**
- Also includes cooperation on **investment, intellectual Property Rights (IPR), customs cooperation** etc
- Example: India–South Korea CEPA (2009), India–UAE CEPA (2022)



Aspect	CECA	CEPA
Scope	Narrower, mainly trade in goods/services	Broader, includes trade, investment, IPR
Depth of Integration	Focus on tariff elimination/reduction	Covers additional aspects like e-commerce, government procurement
Economic Focus	Enhances bilateral trade	Aims for strategic economic partnership

Q1834. Consider the following statements regarding the Comprehensive Economic Cooperation Agreement (CECA):

1. CECA agreements primarily cover trade in goods and services between two countries.
2. CECA agreements also include cooperation in investment, intellectual property rights (IPR), and customs cooperation.
3. India signed its first CECA with Singapore in 2005.

Which of the statements given above is/are correct?

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

Ans: c

Sol:



- **Statement 1 is correct** because CECA focus on trade in goods and services.
- **Statement 2 is incorrect** because deeper cooperation in investment, IPR, and customs cooperation is a feature of CEPA, not CECA.
- **Statement 3 is correct** as India's first CECA was signed with Singapore in 2005.

Q1835. How does a Comprehensive Economic Partnership Agreement (CEPA) differ from a Comprehensive Economic Cooperation Agreement (CECA)?

1. CEPA includes trade in goods and services, but unlike CECA, it also covers investment, intellectual property rights, and customs cooperation.
2. CECA agreements generally provide a broader and deeper economic engagement compared to CEPA agreements.
3. India signed a CEPA with South Korea in 2009, whereas it signed a CECA with Singapore in 2005.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because CEPA agreements go beyond CECA by covering investment, IPR, and customs cooperation.
- **Statement 2 is incorrect** as CEPA provides a broader and deeper engagement compared to CECA, not the other way around.
- **Statement 3 is correct** since India signed a CEPA with South Korea in 2009 and a CECA with Singapore in 2005.

Q1836. India is currently planning to sign which type of trade agreement with Australia?

- (a) Comprehensive Economic Cooperation Agreement (CECA)
- (b) Comprehensive Economic Partnership Agreement (CEPA)
- (c) Free Trade Agreement (FTA)
- (d) Preferential Trade Agreement (PTA)

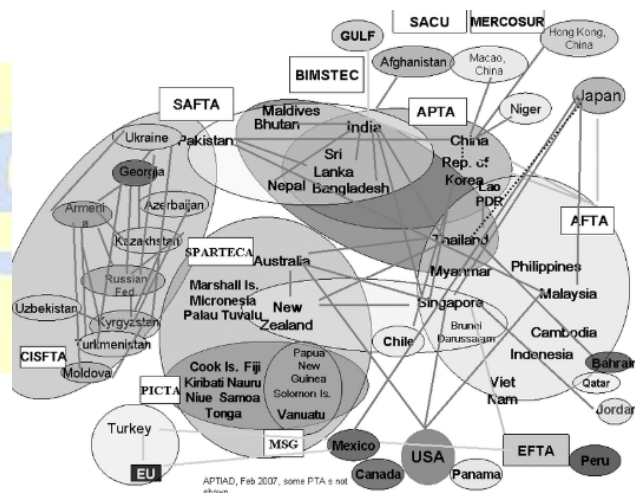
Ans: a

Sol: India is planning to sign a CECA with Australia, which will primarily focus on trade in goods and services, without the broader scope of cooperation in investment and intellectual property that a CEPA would involve.

Topic 613

613. Spaghetti bowl effect

- According to **Economic Survey 2016**, signing **multiple FTAs** leads to **unnecessary confusions** ultimately negatively impacts overall trade.
- This has been called as **Spaghetti bowl effect** by **Economic Survey 2016**.
- **It suggests for careful and limited trade agreements.**



Q1837. Consider the following statements regarding the Spaghetti Bowl Effect:

1. The Spaghetti Bowl Effect occurs when multiple Free Trade Agreements (FTAs) create complexity and confusion in trade regulations.
2. This term was introduced in the Economic Survey of India 2023 to describe the impact of overlapping trade agreements.
3. The Spaghetti Bowl Effect can reduce the effectiveness of FTAs and hinder overall trade growth.

Which of the statements given above is/are correct?

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



(d) 1, 2, and 3

Ans: b

Sol:

- **Statement 1 is correct** because signing multiple FTAs results in complex and overlapping trade rules, leading to inefficiencies.
- **Statement 2 is incorrect** as the term was highlighted in the Economic Survey 2016, not 2023.
- **Statement 3 is correct** because the Spaghetti Bowl Effect can lead to administrative confusion, reducing the intended benefits of FTAs.

Q1838. What is the key implication of the Spaghetti Bowl Effect on international trade?

- It enhances trade efficiency by providing businesses with multiple trade options.
- It creates unnecessary complexity in trade rules, reducing the overall effectiveness of FTAs.
- It leads to increased exports for developing countries due to broader market access.
- It simplifies customs procedures and accelerates cross-border trade.

Ans: b

Sol: The Spaghetti Bowl Effect results from multiple overlapping FTAs, which create complicated trade regulations and reduce efficiency. Instead of simplifying trade, it makes compliance difficult and affects businesses negatively.

Q1839. According to the Economic Survey 2016, what strategy does it recommend to avoid the Spaghetti Bowl Effect?

- Countries should enter into as many FTAs as possible to maximize market access.
- Governments should focus on carefully selecting and limiting the number of trade agreements they sign.
- Nations should prioritize regional trade blocs over bilateral FTAs to avoid overlapping regulations.
- Countries should abolish FTAs entirely and adopt a uniform global trade policy.

Ans: b

Sol: The Economic Survey 2016 recommends careful selection and limitation of FTAs to avoid unnecessary complexities in trade regulations. Entering into too many agreements can create inefficiencies rather than economic benefits.

Topic 614

614. Atal Innovation Mission

- It is the **Government of India's flagship initiative** to promote a **culture of innovation and entrepreneurship**.
- Started in **2016**.
- a **central sector scheme**
- **Implementing Agency: NITI Aayog**
- AIM has **multiple programs to encourage** and support innovation in the country.

Some of the components of AIM

- **Atal Tinkering Labs**, Atal Incubation Centres, Atal New India Challenge, Mentor of Change Program, **Atal Research & Innovation for Small Enterprises (ARISE)**.

Current news?

- The Union Cabinet approved the **continuation of the Atal Innovation Mission (AIM)** till March 31, **2028**.
- The next phase aims to **enhance India's global competitiveness** in the **innovation ecosystem**.



Atal Tinkering Lab

- It is an **initiative of NITI Ayog** under Atal Innovation Mission (AIM).
- AIM is a flagship programme of Central government to bring **innovative thinking in students**.



- ATL will be **set up in schools** with **robotics, artificial intelligence etc**
- **10 lakhs -one time compensation + Rs 10 Lakhs over 5 years** will be given to schools for setting up ATL.

Q1840. Consider the following statements regarding the Atal Innovation Mission (AIM):

1. AIM is a Central Sector Scheme implemented by NITI Aayog to promote a culture of innovation and entrepreneurship in India.
2. AIM includes multiple initiatives like Atal Tinkering Labs, Atal Incubation Centres, and Atal New India Challenge to foster innovation.
3. The Union Cabinet has discontinued the Atal Innovation Mission as part of policy restructuring.

Which of the statements given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because AIM is a Central Sector Scheme launched in 2016 and implemented by NITI Aayog.
- **Statement 2 is correct** as AIM has multiple programs like Atal Tinkering Labs, Atal Incubation Centres, and Atal New India Challenge to boost innovation.
- **Statement 3 is incorrect** because AIM has not been discontinued; instead, the Union Cabinet has approved its continuation till March 31, 2028.

Q1841. With reference to Atal Tinkering Labs (ATL), consider the following statements:

1. ATLs aim to foster innovative thinking among students by providing access to robotics, artificial intelligence (AI), and other advanced technologies.
2. Schools establishing an ATL receive a one-time grant of ₹10 lakh along with an additional ₹10 lakh over five years for operational costs.
3. ATLs are limited only to government schools and are not available for private institutions.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because ATLs are set up in schools to introduce students to robotics, AI, and other emerging technologies.
- **Statement 2 is correct** as schools receive ₹10 lakh as a one-time grant and an additional ₹10 lakh over five years for ATL operations.
- **Statement 3 is incorrect** because ATLs are not limited to government schools; they are also set up in private schools to encourage innovation.

Q1842. How does the Atal Innovation Mission (AIM) contribute to India's innovation ecosystem?

- (a) It focuses only on higher education institutions, providing research grants to universities and IITs.
- (b) It encourages grassroots innovation by setting up Atal Tinkering Labs in schools and Atal Incubation Centres for startups.
- (c) It operates under the Ministry of Education and aims to integrate innovation into the national curriculum.
- (d) It primarily provides funding to foreign startups to attract them to India's market.

Ans: b

Sol:

- AIM supports grassroots innovation by promoting Atal Tinkering Labs (ATLs) in schools and Atal Incubation Centres (AICs) for startups.
- It is not limited to higher education institutions (**Option a is incorrect**).
- AIM operates under NITI Aayog, not the Ministry of Education (**Option c is incorrect**).
- It primarily supports Indian startups, not foreign startups (**Option d is incorrect**).

Topic 615



615. MGNREGA and Aadhar Based Payment System

- The MGNREGA was launched in 2006 in order to provide at least 100 days of guaranteed employment to rural households. It provides unskilled manual work.
- The failure of provision for employment within 15 days of the receipt of job application will result in the payment of unemployment allowance to the job seekers.
- It is the largest scheme run by the Ministry of Rural Development (MoRD).
- A minimum wage is fixed by the State government under the act.
- MGNREGA scheme is a Central Sponsored Scheme.
- It is one of the six core of the core scheme.
- Employment under MGNREGA is a legal entitlement.
- Amarijeet Sinha committee created to study efficacy of MGNREGA.

E-Governance in MGNREGA

- Making the **NMMS** (National Mobile Monitoring System) for attendance.
 - **Aadhaar-Based Payment System (ABPS)** for **wages payment.**
- Aadhaar-Based Payment System**
- It **eliminates** the need of **bank account details** for **transaction.**
 - **Transactions** are **authenticated** using the **individual's Aadhaar number** and **biometric data (fingerprint/iris scan)** or **OTP.**

Types of CSS

 Core Schemes	 Core of the Core Schemes	 Optional Schemes
- Comprise the National Development Agenda (NDA). Eg: Green Revolution, Pradhan Mantri Krishi Sinchai Yojana, Pradhan Mantri Gram Sadak Yojana (PMGSY), Swachh Bharat Mission (SBM), etc.	6 Schemes for social protection and social inclusion. They are the first charge on available funds for the NDA. Eg: MGNREGA, National Social Assistance Programme, 3 Umbrella Scheme for Development (of SCs, STs and Backward Classes, Differently Abled and other Vulnerable Groups), Umbrella Programme for Development of Minorities	- States are free to choose the ones they wish to implement. Funds for these are allocated by the Ministry of Finance Eg: Border Area Development Programme, Shyama Prasad Mukherjee Rurban Mission

WHAT'S ON THE TALKSTABLE

10 agenda listed by the Centre for discussion at the meeting, according to sources

- Geo-MGNREGA: Geotagging of assets
 - DBT-NeFMS: Transfer of funds directly to beneficiary account
 - NMMS: A real-time online attendance capturing app
 - Area Officer App
 - ABPS: To avoid rejection due to change in account and to de-duplication
 - Seven registers
- 
 - CIB [Citizen Information Board]
 - Work file
 - JANMANREGA: An app for feedback
 - GIS based GP Planning



Q1843. Consider the following statements regarding MGNREGA (Mahatma Gandhi National Rural Employment Guarantee Act):

1. MGNREGA provides a legal entitlement to rural households for at least 100 days of guaranteed wage employment in a financial year.
2. If employment is not provided within 30 days of job application, the government must pay an unemployment allowance to the applicant.
3. The scheme is classified as a Central Sector Scheme, fully funded by the Government of India.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because MGNREGA provides a legal entitlement to at least 100 days of guaranteed wage employment per rural household.
- **Statement 2 is incorrect** as the unemployment allowance is applicable if employment is not provided within 15 days, not 30 days.
- **Statement 3 is incorrect** because MGNREGA is a Centrally Sponsored Scheme, not a Central Sector Scheme. This means both the Centre and States share the financial burden.



Q1844. With reference to the Aadhaar-Based Payment System (ABPS) in MGNREGA, consider the following statements:

1. ABPS allows wage payments under MGNREGA to be processed without requiring bank account details.
2. Transactions under ABPS are authenticated using an individual's Aadhaar number, along with biometric verification or OTP-based authentication.
3. ABPS has completely replaced all other modes of wage payment under MGNREGA.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** as ABPS eliminates the need for bank account details and facilitates transactions using Aadhaar-linked authentication.
- **Statement 2 is correct** because ABPS transactions are authenticated using Aadhaar number, biometric verification (fingerprint/iris), or OTP-based authentication.
- **Statement 3 is incorrect** because ABPS has not completely replaced other modes of payment. Traditional bank-based transfers are still in use for workers whose Aadhaar is not linked.

Q1845. How has e-governance improved the implementation of MGNREGA?

- (a) Introduction of NMMS (National Mobile Monitoring System) ensures digital attendance marking, reducing fraud in wage payments.
- (b) Aadhaar-Based Payment System (ABPS) ensures wage payments are processed exclusively in cash to prevent digital fraud.
- (c) The Amarjeet Sinha Committee recommended scrapping MGNREGA due to its inefficiency in rural employment generation.
- (d) The scheme is now completely automated, and job allocation no longer requires physical verification of work sites.

Ans: a

Sol:

- **Option a is correct** because NMMS (National Mobile Monitoring System) records worker attendance digitally, reducing ghost beneficiaries and fake wage claims.
- **Option b is incorrect** because ABPS does not process wages in cash; it facilitates digital payments linked to Aadhaar.
- **Option c is incorrect** because the Amarjeet Sinha Committee was set up to evaluate MGNREGA's effectiveness, not to recommend scrapping it.
- **Option d is incorrect** as physical verification of work sites is still required to ensure transparency.

Topic 616

616. PAN 2.0

- **Income Tax department** has come up with **PAN 2.0**.
- **PAN 2.0 is a modernized version** of India's Permanent Account Number (PAN) system, designed to make it more **digital, secure, and user-friendly**.

How PAN 2.0 will be different?

- **New PAN cards issued** will have a **QR code** that **stores important information**, making it easy to **verify and secure**.
- **Under PAN 2.0** there will provide a **single online portal** where users can access **all PAN-related services**, making things quicker and easier.
- Processes like **applying for a PAN** or updating details will be **paperless and entirely online**.

Benefits of PAN 2.0

- **Eco-Friendly**-By reducing paperwork
- Make **tax-related processes faster, safer**
- Prevent **tax evasion**.

Do we need to change our PAN card?

- Current PAN holders **will automatically receive the upgrades**, including the new



QR code feature, without any action on their part.



Q1846. Consider the following statements regarding PAN 2.0:

1. PAN 2.0 introduces a QR code on newly issued PAN cards, making verification more secure and efficient.
2. Under PAN 2.0, users will be required to manually update their existing PAN cards to avail the new features.
3. The system aims to enhance security, reduce tax evasion, and promote eco-friendliness by eliminating paperwork.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because new PAN cards will feature a QR code for easier and more secure verification.
- **Statement 2 is incorrect** as existing PAN holders do not need to take any action; the updates will be applied automatically.
- **Statement 3 is correct** since PAN 2.0 aims to reduce tax evasion, speed up tax-related processes, and eliminate paperwork, making it eco-friendly.

Q1847. With reference to the advantages of PAN 2.0, consider the following statements:

1. It eliminates the need for physical submission of documents by enabling a completely paperless application and update process.
2. The introduction of a centralized online portal for PAN-related services simplifies and speeds up tax-related tasks.

3. PAN 2.0 will completely replace the need for Aadhaar-based authentication in income tax processes.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because PAN 2.0 allows a completely online and paperless process, making it more efficient and environment-friendly.
- **Statement 2 is correct** since a single online portal will streamline all PAN-related services, improving ease of use.
- **Statement 3 is incorrect** as Aadhaar-based authentication will still be used in many tax-related processes; PAN 2.0 does not replace it.

Q1848. How does PAN 2.0 contribute to improving the tax system in India?

- (a) By introducing instant PAN issuance, which eliminates the need for prior tax registration.
- (b) By enhancing tax compliance through secure QR-coded PAN verification, reducing identity fraud.
- (c) By mandating taxpayers to reapply for a new PAN under the updated system to ensure uniformity.
- (d) By replacing all other identification documents like Aadhaar, making PAN the only required ID for financial transactions.

Ans: b

Sol:

- **Option a is incorrect** because instant PAN issuance already existed via Aadhaar authentication before PAN 2.0.
- **Option b is correct** as the QR-coded PAN will make tax compliance easier by preventing identity fraud and improving verification.
- **Option c is incorrect** because existing PAN holders do not need to reapply; updates are automatic.



- **Option d is incorrect** as PAN does not replace Aadhaar or other identification documents; it remains primarily for tax-related transactions.

Topic 617

617. National Mission on Natural Farming

Current news?

- The **Union Cabinet approved** a new scheme for agriculture sector named **National Mission on Natural Farming (NMNF)**.

National Mission on Natural Farming (NMNF)

- It is a **centrally sponsored scheme** under the **Ministry of Agriculture and Farmers' Welfare**.
- It focuses on **"chemical-free" farming**, using inputs derived from livestock and plant resources.
- The mission initially **targets districts** with **high fertilizer consumption**.
- **18.75 lakh farmers** will be **trained** to prepare natural farming inputs like **Jeevamrit and Beejamrit**.

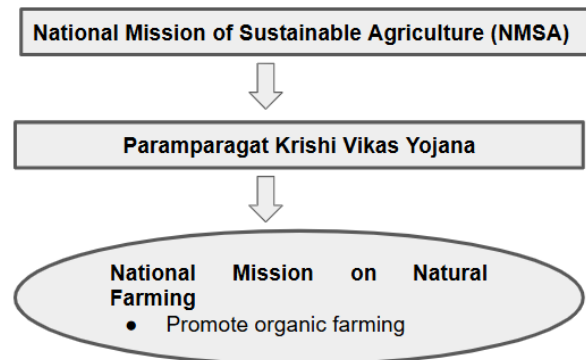
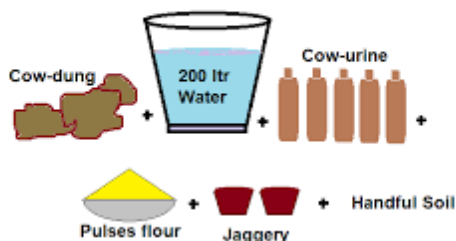
What are Jeevamrit and Beejamrit?

- Jeevamrit and Beejamrit are **natural farming formulations** developed by **Subhash Palekar**, an Indian agricultural scientist, as part of the **Zero Budget Natural Farming (ZBNF)** methodology.

Note-

- **National Mission on Natural Farming** is part of **Paramparag at Krishi Vikas Yojana**
- **Paramparag at Krishi Vikas Yojana** was started under **National Mission of Sustainable Agriculture (NMSA)**

JEEVAMRUT PREPARATION



Q1849. Consider the following statements regarding the National Mission on Natural Farming (NMNF):

1. NMNF is a centrally sponsored scheme under the Ministry of Agriculture and Farmers' Welfare that promotes chemical-free farming.
2. The mission is initially focused on districts with high fertilizer consumption to encourage the transition to natural farming methods.
3. NMNF is an independent initiative and is not linked to any other government schemes related to sustainable agriculture.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because NMNF is a centrally sponsored scheme under the Ministry of Agriculture and Farmers' Welfare and promotes chemical-free farming using natural inputs.
- **Statement 2 is correct** since the mission initially targets districts with high fertilizer consumption to help reduce chemical dependency in agriculture.
- **Statement 3 is incorrect** because NMNF is part of the Paramparagat Krishi Vikas Yojana (PKVY), which in turn comes under the National Mission on Sustainable Agriculture (NMSA).

Q1850. With reference to Jeevamrit and Beejamrit, consider the following statements:



1. These are natural farming formulations developed under Zero Budget Natural Farming (ZBNF) by Subhash Palekar.
2. Jeevamrit is primarily used to enhance soil fertility, whereas Beejamrit is applied to treat seeds before sowing.
3. These formulations require synthetic chemicals to be effective and improve soil health.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because Jeevamrit and Beejamrit were developed by Subhash Palekar as part of Zero Budget Natural Farming (ZBNF).
- **Statement 2 is correct** since Jeevamrit enhances soil microbial activity and fertility, while Beejamrit is used for seed treatment before planting.
- **Statement 3 is incorrect** because these formulations rely on natural ingredients (such as cow dung, cow urine, and jaggery) and do not involve any synthetic chemicals.

Q1851. The National Mission on Natural Farming (NMNF) contributes to sustainable agriculture in India by:

- (a) Providing financial incentives to farmers for using synthetic fertilizers in a controlled manner.
- (b) Promoting organic and chemical-free farming practices through farmer training programs.
- (c) Replacing all conventional farming methods with natural farming in a single phase across India.
- (d) Encouraging farmers to completely stop using any irrigation to promote water conservation.

Ans: b

Sol:

- **Option a is incorrect** because NMNF aims to reduce fertilizer use, not provide incentives for synthetic fertilizers.

- **Option b is correct** since NMNF trains farmers in chemical-free farming methods and teaches them to use natural formulations like Jeevamrit and Beejamrit.
- **Option c is incorrect** as the transition to natural farming is gradual and not an immediate replacement of all conventional farming methods.
- **Option d is incorrect** because NMNF focuses on reducing chemical inputs, not eliminating irrigation.

Topic 618

618. Banking Laws (Amendment) Bill, 2024

- The **Lok Sabha passed** the **Banking Laws (Amendment) Bill, 2024** aims to **strengthen governance of Banking sector.**

Key provisions

1. Nomination Provisions

- The Bill allows bank account holders to **nominate up to four individuals** for their **accounts**, with options for either **successive** or **simultaneous** nominations.
- However, **locker holders** will only have the option for **successive nominations**.

2. Definition of “Substantial Interest” to become a Director of Bank changed

- To become **director on a Bank’s board**, one must now have a financial stake of **at least ₹2 crore in the bank (earlier it was ₹5 lakh).**

3. Tenure of Directors of Cooperative banks will be extended from eight years to ten years.

4. Common Directorships

- The Bill permits **directors of Central Cooperative Banks** to serve on the **boards of State Cooperative Banks**

5. Auditor Remuneration

- It grants **banks greater flexibility** in determining the **remuneration for statutory auditors** (earlier decided by RBI).

6. Reporting Dates

- The **reporting dates** for **regulatory compliance** will shift from the **second and fourth Fridays** to the **15th and last day of every month.**



Key Amendments & Provisions of Banking Laws (Amendment) Bill 2024

Redefinition of "Fortnight" for Cash Reserves:

- **Current:** Defined as Saturday to the second following Friday (14 days).
- **New:** 1st to 15th of the month and 16th to the month's last day.
- **Impact:** Alters how banks maintain cash reserves with the RBI.

Tenure of Directors in Co-operative Banks:

- **Existing:** Directors (excluding chairperson/whole-time directors) serve up to 8 years consecutively.
- **Amendment:** Extends tenure to 10 consecutive years.

Exemption for Common Directors in Co-operative Banks:

- **Current:** Directors cannot serve on another bank's board (except RBI-appointed).
- **Amendment:** Permits directors of central co-operative banks to serve on state co-operative bank boards if they are members.

Increase in Threshold for Substantial Interest in Companies:

- **Existing:** ₹5 lakh or 10% of paid-up capital, whichever is lower.
- **New:** Raised to ₹2 crore, with scope for government revision via notifications.

Settlement of Unclaimed Amounts:

- **Current:** Unclaimed dividends transferred to IEPF after seven years.
- **Amendment:** Includes:
 - Shares with unclaimed dividends for seven years.
 - Unpaid bond interest or redemption amounts for seven years.
- Allows retrieval of funds/shares from IEPF by claimants.



Q1852. Consider the following statements regarding the Banking Laws (Amendment) Bill, 2024:

1. The bill allows bank account holders to nominate up to four individuals, either for successive or simultaneous nomination.
2. Locker holders are allowed to nominate multiple individuals both simultaneously and successively.
3. The bill aims to strengthen governance and transparency in the banking sector through

reforms in directorship, nominations, and audit regulations.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because the bill allows bank account holders to nominate up to four individuals for their accounts, with the option of successive or simultaneous nominations.
- **Statement 2 is incorrect** because locker holders can only opt for successive nominations and not simultaneous nominations.
- **Statement 3 is correct** as the bill introduces governance reforms, including revised director qualifications, nomination rules, auditor remuneration flexibility, and changes in compliance reporting dates.

Q1853. With reference to changes in directorship rules under the Banking Laws (Amendment) Bill, 2024, consider the following statements:

1. The financial stake required to become a director on a bank's board has been increased from ₹5 lakh to ₹2 crore.
2. The bill extends the tenure of directors in cooperative banks from eight years to ten years.
3. The bill introduces restrictions on individuals holding directorship positions in both Central and State Cooperative Banks simultaneously.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** as the bill increases the financial stake requirement for becoming a bank director from ₹5 lakh to ₹2 crore, ensuring



only individuals with substantial interest can hold such positions.

- **Statement 2 is correct** because the bill extends the tenure of cooperative bank directors from eight years to ten years.
- **Statement 3 is incorrect** as the bill allows rather than restricts directors of Central Cooperative Banks to also serve on State Cooperative Banks' boards.

Q1854. Regarding the audit and compliance provisions introduced in the Banking Laws (Amendment) Bill, 2024, consider the following statements:

1. The bill grants banks greater flexibility in deciding the remuneration of statutory auditors, which was previously determined by the Reserve Bank of India (RBI).
2. The reporting dates for regulatory compliance will now shift from the second and fourth Fridays to the 15th and last day of every month.
3. The new amendments increase RBI's direct control over bank audits by centralizing the selection of statutory auditors.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** because the bill gives banks more authority in deciding auditor remuneration, which was earlier under RBI's purview.
- **Statement 2 is correct** as the bill changes the regulatory reporting dates to the 15th and last day of each month, replacing the previous second and fourth Friday schedule.
- **Statement 3 is incorrect** because the bill reduces RBI's role in determining statutory auditor remuneration rather than increasing its control.

Topic 619

619. Rubber plantation in Northeast

- India is the **fourth largest rubber-producing country** in the world, after **Thailand(1st)**, Brazil and China.

Main producing states-

1. Kerala

2. Tamil Nadu

- In **NE, Tripura** is the **largest producer state**.
- In fact, Tripura has been declared the '**Second Rubber Capital of India**' after Kerala by the Indian Rubber Board.

National Rubber Policy 2019

- The **Department of Commerce** has brought out the National Rubber Policy 2019.
- The policy aims at increasing **rubber production in North East India**.
- The **climate of North East** also **supports rubber production** but rubber is **not produced up to its potential in NE**.

INROAD project

- **Indian Natural Rubber Operations for Assisted Development (INROAD)**-a project for **supporting the development of 2 lakh hectares** of rubber plantations in the **Northeast**.

INROAD is the **first such project** in the world where the natural **rubber-consuming industry (tyre sector)** has come forward to **partner with government** agencies for **plantation of Natural Rubber**.

- **Automotive Tyre Manufacturers Association (ATMA)**, tyre manufacturers group collaborated with the **Rubber Board of India** for the project.





- 37,000 hectares planted in Assam
- Bid to double rubber output in region



Q1855. Consider the following statements regarding rubber production in India:

1. India is the fourth largest rubber-producing country in the world, ranking after Thailand, Brazil, and China.
2. Kerala is the largest rubber-producing state in India, followed by Tamil Nadu.
3. Among the northeastern states, Tripura is the largest producer of rubber and has been declared the Second Rubber Capital of India by the Rubber Board.

Which of the statement(s) given above is/are correct?

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

Ans: d

Sol:

- **Statement 1 is correct** because India is ranked fourth globally in rubber production, following Thailand, Brazil, and China.
- **Statement 2 is correct** as Kerala is the largest producer of rubber in India, with Tamil Nadu being another major producing state.
- **Statement 3 is correct** since Tripura is the largest rubber producer in Northeast India and has been officially recognized as the Second Rubber Capital of India.

Q1856. With reference to the National Rubber Policy 2019, consider the following statements:

1. The policy was introduced by the Department of Commerce to promote rubber production in North East India.
2. The Northeastern region's climate is highly suitable for rubber cultivation, but production remains below potential.
3. The policy discourages large-scale expansion of rubber plantations in the Northeast due to environmental concerns.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** as the National Rubber Policy 2019 was introduced by the Department of Commerce with a specific focus on boosting rubber production in Northeast India.
- **Statement 2 is correct** because the climate in the Northeastern region is favorable for rubber production, but the area remains underutilized in comparison to its potential.
- **Statement 3 is incorrect** because the policy actually encourages the expansion of rubber plantations in the Northeast rather than discouraging it.

Q1857. Regarding the INROAD project (Indian Natural Rubber Operations for Assisted Development), consider the following statements:

1. The INROAD project aims to develop 2 lakh hectares of rubber plantations in Northeast India to increase production.



2. It is the first global initiative where the rubber-consuming industry (tyre sector) has partnered with the government for natural rubber plantation.
3. The Rubber Board of India collaborates with the Automotive Tyre Manufacturers Association (ATMA) for the implementation of this project.

Which of the statement(s) given above is/are correct?

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

Ans: d

Sol:

- **Statement 1 is correct** as the INROAD project targets the development of 2 lakh hectares of rubber plantations in Northeast India.
- **Statement 2 is correct** because INROAD is the first project in the world where the tyre industry has collaborated with government agencies for natural rubber plantation.
- **Statement 3 is correct** since the Rubber Board of India and Automotive Tyre Manufacturers Association (ATMA) are the key partners in implementing this initiative.

Topic 620

620. Monetary Policy Review-December 2024

- **Repo rate unchanged at 6.5%** for the **11th consecutive bi-monthly review.**
- **CRR Reduction**
- The Cash Reserve Ratio (CRR) for banks was **reduced by 50 basis points** to **4%**, which is expected to **infuse ₹1.16 lakh crore** into the banking system and **boost liquidity.**

Enhancements in FCNR(B) Deposits

- **Interest rate ceilings** on Foreign Currency Non-Resident Bank [FCNR(B)] deposits **have been increased**.

FCNR(B) account (Foreign Currency Non-Resident Bank account)

- It is a type of **fixed deposit account** offered by **banks in India.**
- These accounts are **maintained in foreign currencies** like **USD, GBP, EUR, JPY** etc.

- Only **NRIs** and **Persons of Indian Origin (PIOs)** can open **FCNR(B)** accounts.

UPI-Based Credit Lines for SFB

- RBI now **allows Small Finance Banks (SFBs) to offer pre-sanctioned credit lines via UPI,** following its introduction by **Scheduled Commercial Banks** in **September 2023.**

Key Highlights of the MPC Meeting

The table below summarizes essential outcomes from the MPC meeting held on **08 August 2020**.

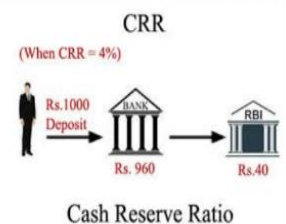
Parameter	Rate
Repo Rate	6.50%
Reverse Repo Rate	3.35%
Standing Deposit Facility (SDF)	6.25%
Marginal Standing Facility (MSF)	6.75%
Bank Rate	6.75%
Cash Reserve Ratio (CRR)	4.50%
Statutory Liquidity Ratio (SLR)	18.0%

Additional Highlights

- **Real GDP Growth:** Increased by 6.7% in Q1 of FY 2024-25.
- **Projected GDP Growth:** Estimated at 7.2% for FY 2024-25 and 7.3% for FY 2025-26.
- **Inflation Forecast:** Maintained at 4.5%, with Q3 FY25 expected to be at 4.8%.

Cash Reserve Ratio (CRR):

- The percentage of a bank's net demand and time liabilities (NDTL) that it must hold as reserves with the RBI.
- Lowering the CRR releases liquidity into the banking system, enabling more lending



What is UPI-Based Credit Line?

- A UPI-Based Credit Line refers to a facility where banks or financial institutions extend a pre-approved credit line to customers that can be accessed through the Unified Payments Interface (UPI).
- It allows users to make purchases or payments using a credit line linked to their UPI account.

Q1858. Consider the following statements regarding the Monetary Policy Review – December 2024:

1. The Repo Rate was kept unchanged at 6.5% for the 11th consecutive bi-monthly review.
2. The Cash Reserve Ratio (CRR) was reduced by 50 basis points to 4%, which is expected to inject ₹1.16 lakh crore into the banking system.
3. The Reverse Repo Rate was also reduced, aligning with the liquidity-enhancing measures of the RBI.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:



- **Statement 1 is correct** because the Repo Rate remained at 6.5% for the 11th consecutive bi-monthly policy review.
- **Statement 2 is correct** as the CRR was reduced by 50 basis points to 4%, which will increase liquidity by ₹1.16 lakh crore in the banking system.
- **Statement 3 is incorrect** because there was no mention of changes in the Reverse Repo Rate in the December 2024 policy review.

Q1859. With reference to Foreign Currency Non-Resident Bank [FCNR(B)] deposits, consider the following statements:

1. FCNR(B) accounts are a type of fixed deposit account that allows Non-Resident Indians (NRIs) to hold deposits in foreign currencies.
2. These accounts can be maintained in currencies such as USD, GBP, EUR, and JPY, among others.
3. Any Indian citizen, including resident Indians, can open an FCNR(B) account in an Indian bank.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** as FCNR(B) accounts are fixed deposit accounts in foreign currencies offered by Indian banks to NRIs.
- **Statement 2 is correct** since these accounts can be held in multiple foreign currencies like USD, GBP, EUR, and JPY.
- **Statement 3 is incorrect** because only NRIs and Persons of Indian Origin (PIOs) can open FCNR(B) accounts; resident Indians are not eligible.

Q1860. Consider the following statements regarding UPI-Based Credit Lines:

1. RBI has allowed Small Finance Banks (SFBs) to offer UPI-based pre-sanctioned credit lines, extending a facility already available to Scheduled Commercial Banks.

2. A UPI-based credit line allows users to make purchases or payments using a pre-approved credit limit linked to their UPI account.
3. The credit offered under this system requires customers to apply for a loan each time they make a transaction, making it less convenient than traditional credit cards.

Which of the statement(s) given above is/are correct?

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

Ans: a

Sol:

- **Statement 1 is correct** as Small Finance Banks (SFBs) have now been permitted to offer UPI-based pre-sanctioned credit lines, an extension of the facility introduced for Scheduled Commercial Banks in September 2023.
- **Statement 2 is correct** because UPI-based credit lines allow users to access a pre-approved credit limit to make purchases or payments directly via UPI.
- **Statement 3 is incorrect** as the UPI-based credit line does not require users to apply for a loan each time—instead, they can access the pre-sanctioned credit seamlessly, making it more convenient.

Day 61

Topic 621

621. MuleHunter

- RBI introduced **MuleHunter**, an **Artificial Intelligence** and **Machine Learning-based infrastructure**.
- Developed by the **Reserve Bank Innovation Hub (RBIH)**.
- To combat **digital fraud through mule bank accounts**.

A mule account

- A "mule account" is a bank account used by **criminals for money laundering** and other **illicit activities**.





Q1861. How many of the following statement(s) regarding MuleHunter is/are correct?

1. MuleHunter is an AI-ML-based system developed by the Reserve Bank Innovation Hub (RBIH) to detect fraudulent bank accounts.
2. It primarily targets mule accounts, which are used for money laundering and other illicit financial activities.
3. MuleHunter requires manual intervention from bank officials in every case before flagging an account as fraudulent.
4. MuleHunter's operations are limited to detecting mule accounts in domestic transactions and do not cover cross-border financial fraud.

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

Ans: c

Sol: Statement 1 is correct. MuleHunter is an AI-ML-based infrastructure developed by RBIH to combat digital fraud.

Statement 2 is correct. MuleHunter focuses on detecting mule accounts used for illicit activities such as money laundering.

Statement 3 is incorrect. MuleHunter uses AI and ML for automatic detection; while manual verification may occur in some cases, it is not required in every instance.

Statement 4 is correct. MuleHunter primarily focuses on domestic financial fraud, and there is no explicit mention of its use in cross-border transactions.

Q1862. Which of the following statements regarding mule accounts and regulatory responses is/are correct?

1. Mule accounts are primarily created using forged identity documents to bypass KYC regulations.
 2. Banks rely solely on artificial intelligence systems like MuleHunter for detecting and blocking mule accounts.
 3. The rise of digital payment systems has contributed to an increase in mule accounts being used for cyber fraud.
 4. RBI has mandated real-time monitoring of suspicious transactions as part of its fraud prevention measures.
- (a) 1 and 2 only
(b) 1, 3, and 4 only
(c) 2 and 4 only
(d) 1, 2, 3, and 4

Ans: b

Sol: Statement 1 is correct. Fraudsters often use fake identity documents to open mule accounts, making it harder for banks to detect them during KYC verification.

Statement 2 is incorrect. While AI-based tools like MuleHunter are helpful, banks also use other fraud detection mechanisms such as transaction monitoring and manual verification.

Statement 3 is correct. Digital payment systems have made financial transactions faster, but they have also created new vulnerabilities for cyber fraud involving mule accounts.

Statement 4 is correct. RBI mandates real-time monitoring of suspicious transactions as part of its anti-money laundering and fraud prevention initiatives.

Q1863. Which of the following statements regarding RBI's use of AI-ML technologies in fraud detection is/are incorrect?

1. The Reserve Bank Innovation Hub (RBIH) has developed multiple AI-based solutions, including MuleHunter, to tackle financial fraud.



2. MuleHunter replaces all existing fraud detection mechanisms and makes human oversight unnecessary.

3. AI-ML models used in fraud detection rely only on structured transaction data and do not analyze behavioral patterns of users.

4. MuleHunter enhances RBI's regulatory capacity by providing early warnings about fraudulent banking activities.

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

Ans: b

Sol: Statement 1 is correct. RBIH has been involved in developing AI-driven solutions like MuleHunter to combat digital fraud.

Statement 2 is incorrect. MuleHunter does not replace all existing fraud detection mechanisms; it works alongside human oversight and other security protocols.

Statement 3 is incorrect. AI-ML models analyze both structured transaction data and behavioral patterns to identify anomalies indicative of fraud.

Statement 4 is correct. MuleHunter strengthens RBI's ability to detect fraudulent activities by providing early warnings and automating detection.

Topic 622

622. New RBI Governor

• **Sanjay Malhotra (IAS)** has been appointed as the **26th Governor** of the **Reserve Bank of India (RBI)**, **succeeding Shaktikanta Das**.

• His **three-year term** commenced on December 11, 2024.

Process of Appointment of the RBI Governor

• The **Reserve Bank of India Act, 1934** **empowers** the **Central Government** to **appoint the Governor** of the Reserve Bank of India (RBI).

• The RBI Governor is **appointed by the Cabinet Committee on Appointment**, on the **recommendation** of the **Financial Sector Regulatory Appointments Search Committee (FSRASC)**.

• The Governor serves at the **pleasure of the President** of India, meaning their term can be **curtailed or extended by the government**.

Term of the RBI Governor

- The Governor of the RBI is typically **appointed for a period of three years**.

There is **no fixed limit** on the number of terms, though most Governors **serve for 3-6 years**.



Q1864. How many of the following statement(s) regarding the appointment of the RBI Governor is/are correct?

1. The RBI Act, 1934 provides the Central Government with the authority to appoint the Governor of the RBI.
 2. The Cabinet Committee on Economic Affairs is responsible for the final approval of the RBI Governor's appointment.
 3. The Financial Sector Regulatory Appointments Search Committee (FSRASC) plays an advisory role in the selection of the Governor.
 4. The RBI Governor serves at the pleasure of the President of India, meaning the government can extend or shorten their tenure.
- (a) Only one
 - (b) Only two
 - (c) Only three
 - (d) All four

Ans: c

Sol: Statement 1 is correct. The Reserve Bank of India Act, 1934 gives the Central Government the power to appoint the RBI Governor.

Statement 2 is incorrect. The Cabinet Committee on Appointments (CCA), not the Cabinet Committee on Economic Affairs (CCEA), is responsible for approving the RBI Governor's appointment.

Statement 3 is correct. The FSRASC plays a crucial role in identifying and recommending candidates for the post.

Statement 4 is correct. The Governor serves at the pleasure of the President, meaning their tenure can be curtailed or extended by the government as needed.



Q1865. Which of the following statements regarding the tenure of the RBI Governor is/are correct?

1. The term of the RBI Governor is fixed at exactly three years, with no possibility of extension.
2. There is no upper limit on the number of terms an individual can serve as RBI Governor.
3. Most RBI Governors serve between 3 to 6 years, though some have had shorter tenures.
4. The RBI Governor can be removed only by a resolution passed in Parliament.

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

Ans: b

Sol: Statement 1 is incorrect. While the typical tenure of an RBI Governor is three years, it is not a fixed term—extensions can be granted.

Statement 2 is correct. There is no fixed upper limit on the number of terms an RBI Governor can serve.

Statement 3 is correct. Historically, most RBI Governors serve between 3 to 6 years, though some have had shorter terms due to resignation or government decisions.

Statement 4 is incorrect. The RBI Governor does not require a resolution in Parliament for removal; the government can decide their tenure as per administrative discretion.

Q1866. Which of the following statements regarding the RBI Governor's role and government influence is/are incorrect?

1. The RBI Governor has complete autonomy in monetary policy decisions and does not require consultation with the government.
 2. The Central Government can influence RBI policies through mechanisms like appointing key RBI officials and intervening in regulatory matters.
 3. The tenure of the RBI Governor can be extended by a Presidential Order without consulting the government.
 4. While the RBI Governor is an important policymaker, ultimate control over major financial policies rests with the Finance Ministry.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2, and 4 only

(d) 3 and 4 only

Ans: a

Sol: Statement 1 is incorrect. While the RBI Governor has significant autonomy in monetary policy decisions, there are instances where the government's views are considered, such as in inflation targeting under the Monetary Policy Framework Agreement.

Statement 2 is correct. The Central Government does influence RBI policies, particularly by appointing key officials and issuing directives under Section 7 of the RBI Act in extreme cases.

Statement 3 is incorrect. The tenure extension of the RBI Governor is a government decision, and it cannot be done by a Presidential Order alone.

Statement 4 is correct. While the RBI Governor plays a crucial role, major financial policies (such as taxation and fiscal policy) are controlled by the Finance Ministry.

Topic 623

623. Investment Facilitation for Development

- Investment Facilitation for Development is a **China led proposal** under discussion within the **World Trade Organization (WTO)**.

Objective of IFD

1. **Reduce administrative barriers** and bureaucratic inefficiencies in investment procedures.
2. Facilitate **ease of doing business** for both domestic and foreign investors.

India's stand

- India has opposed IFD on two grounds-
 1. India opposes the China-led IFD proposal, arguing that it is plurilateral (not agreed upon by all WTO members) and undermines the multilateral principles of the WTO.
 2. India has emphasized that the proposal could dilute the core mandate of the WTO, which focuses on trade, not investment.



The 13th WTO Ministerial Conference (MC13), held in Abu Dhabi, UAE, from February 26 to March 2, 2024

Q1867. Which of the following statements regarding the Investment Facilitation for Development (IFD) initiative is/are correct?

1. The IFD initiative is a China-led proposal under discussion at the World Trade Organization (WTO).
 2. One of the key objectives of IFD is to improve cross-border investment flows by reducing administrative barriers.
 3. IFD is a multilateral agreement, ensuring that all WTO member countries must comply with its provisions.
 4. The initiative focuses primarily on investment-related trade barriers, aligning with WTO's core mandate.
- (a) 1 and 2 only
(b) 1, 3, and 4 only
(c) 2 and 4 only
(d) 1, 2, and 4 only

Ans: a

Sol: Statement 1 is correct. The Investment Facilitation for Development (IFD) is a proposal led by China at the WTO.

Statement 2 is correct. One of its key objectives is to reduce administrative barriers and make investment processes smoother for both domestic and foreign investors.

Statement 3 is incorrect. IFD is not a multilateral agreement; rather, it is plurilateral, meaning it is not agreed upon by all WTO members.

Statement 4 is incorrect. The initiative primarily focuses on investment facilitation rather than addressing trade barriers, which is why India opposes it, arguing that it dilutes WTO's core trade-related mandate.

Q1868. How many of the following statements correctly describe India's opposition to the Investment Facilitation for Development (IFD) initiative?

1. India opposes IFD because it is a plurilateral initiative, undermining the multilateral framework of the WTO.

2. India believes that investment facilitation falls outside the core trade-related functions of the WTO.

3. India has signed the IFD agreement but has reserved the right to withdraw if it contradicts its national interests.

4. India argues that IFD unfairly benefits developed nations by imposing investment regulations on developing countries.

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

Ans: b

Sol: Statement 1 is correct. India opposes IFD because it is plurilateral, meaning it does not include all WTO members, which contradicts the organization's multilateral approach.

Statement 2 is correct. India has argued that investment facilitation is not part of the WTO's core trade mandate and should not be introduced into WTO discussions.

Statement 3 is incorrect. India has not signed the IFD agreement at all, unlike some other WTO members.

Statement 4 is incorrect. While India is concerned about the broader implications of the agreement, it has not specifically argued that it disproportionately benefits developed nations.

Q1869. Which of the following statements regarding the 13th WTO Ministerial Conference (MC13) and the Investment Facilitation for Development (IFD) initiative is/are incorrect?

1. The 13th WTO Ministerial Conference (MC13) was held in Abu Dhabi, UAE, in February 2024.
2. At MC13, India strongly supported the IFD initiative, highlighting its potential benefits for developing nations.
3. The IFD agreement was formally adopted at MC13, making it mandatory for all WTO member states.
4. India's primary concern at MC13 was the dilution of WTO's trade-centric mandate due to the inclusion of investment issues.

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

Ans: a



Sol: Statement 1 is correct. The 13th WTO Ministerial Conference (MC13) took place in Abu Dhabi, UAE, from February 26 to March 2, 2024.

Statement 2 is incorrect. India did not support IFD at MC13; instead, it opposed the initiative, citing concerns about plurilateralism and WTO's trade focus.

Statement 3 is incorrect. The IFD agreement was not formally adopted at MC13, and it remains an ongoing plurilateral negotiation rather than a binding WTO agreement.

Statement 4 is correct. India's main opposition at MC13 was the belief that WTO should remain trade-focused and that including investment facilitation dilutes its core mandate.

Topic 624

624. Switzerland suspended MFN under DTAA

What is Double Taxation Avoidance Agreement?

- A Double Taxation Avoidance Agreement between two countries **prevents individuals or companies** from being **taxed twice** on the **same income** in the **two countries**.

For example-

- There is **DTAA** between **India** and another country, say **Mauritius**.
- So a **business** registered in **Mauritius** or an **individual of Mauritius** if generates **income from India**, they will **not be taxed by both** Mauritius and Indian government.
- Tax will be **applied in the country** where the **individual is resident** or the **company is registered**.

Most Favoured Nation (MFN) clause in DTAA

- **MFN clause under DTAA** ensures that if **Country A** offers **better terms** (like lower tax rates) to another **Country B**, these same **benefits automatically apply** the **Country C** with whom **Country A** has signed **DTAA with MFN clause**.

Current news?

- **Switzerland suspended** the Most Favoured Nation (**MFN**) **clause** in the Double Taxation Avoidance Agreement (**DTAA**) with India.

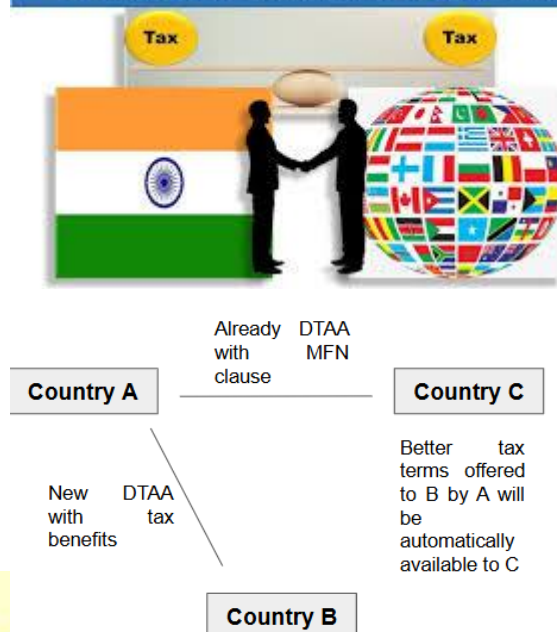
Why Switzerland did it?

- **India** passed some tax benefits to **Colombia** and **Lithuania** but didn't pass the **same**

benefits to Switzerland despite having DTAA with Switzerland.

- Switzerland acted in retaliation.

Double Taxation Avoidance Agreement



- **Switzerland wants 5% tax** on its **companies** operating in **India like Nestle.**
- **Government could not reduce tax due to a SC judgement.**

Q1870. Which of the following statements regarding the Most Favoured Nation (MFN) clause under the Double Taxation Avoidance Agreement (DTAA) is/are correct?

1. The MFN clause ensures that if a country grants more favourable tax benefits to another country, the same benefits must be extended to all countries that have an MFN clause in their DTAA with the granting country.
 2. The MFN clause applies automatically to all DTAA agreements, regardless of whether it is explicitly mentioned in the treaty.
 3. The suspension of MFN status under DTAA by one country can be a retaliatory measure in response to perceived unequal tax treatment.
- (a) 1 and 2 only
(b) 1 and 3 only
(c) 2 and 3 only
(d) 1, 2, and 3

Ans: b



Sol: Statement 1 is correct. The MFN clause ensures that if Country A offers more favorable tax rates to Country B, then Country C, which has an MFN agreement with Country A, must also receive the same benefits.

Statement 2 is incorrect. The MFN clause does not apply automatically to all DTAA agreements. It must be explicitly included in the DTAA for it to be applicable.

Statement 3 is correct. Switzerland suspended the MFN clause with India because India gave tax benefits to Colombia and Lithuania but did not extend the same benefits to Switzerland. This was seen as unequal treatment, prompting Switzerland's retaliatory action.

Q1872. How many of the following statement(s) correctly describe the taxation issue between India and Switzerland under DTAA?

1. India granted tax benefits to Colombia and Lithuania but did not extend the same benefits to Switzerland, leading to Switzerland's suspension of MFN under DTAA.

2. Switzerland wants India to impose a flat 5% tax on Swiss companies operating in India.

3. India was unable to reduce the tax rate for Swiss companies due to a Supreme Court judgment.

4. The suspension of MFN status by Switzerland means that Switzerland will now impose higher taxes on Indian businesses operating in Switzerland.

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

Ans: c

Sol: Statement 1 is correct. Switzerland suspended MFN status because India gave tax benefits to Colombia and Lithuania but not to Switzerland despite their DTAA.

Statement 2 is correct. Switzerland wants a 5% tax on Swiss companies operating in India, such as Nestlé.

Statement 3 is correct. India could not reduce the tax due to a Supreme Court ruling, which restricted its ability to modify tax rates unilaterally.

Statement 4 is incorrect. Switzerland's suspension of MFN does not necessarily mean higher taxes for Indian businesses in Switzerland.

It simply means that Switzerland is not entitled to the same tax benefits India granted to others.

Q1873. Which of the following statements regarding the Double Taxation Avoidance Agreement (DTAA) is/are correct?

1. DTAA prevents tax evasion and ensures that income is not taxed twice in two different jurisdictions.

2. Under DTAA, tax is imposed only in the country where the income is generated, and the resident country has no authority to tax the income.

3. The DTAA agreement between two countries applies uniformly to all types of income, including salary, dividends, and capital gains, without exceptions.

4. DTAA typically allows either tax exemption in one country or tax credit in the resident country to avoid double taxation.

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

Ans: a

Sol: Statement 1 is correct. DTAA is designed to prevent tax evasion and ensure that income is not taxed twice when individuals or businesses have financial activities in both countries.

Statement 2 is incorrect. DTAA does not mandate taxation only in the country of income generation. Instead, it allows either the source country or the resident country to tax the income based on agreed terms.

Statement 3 is incorrect. Different types of income (e.g., capital gains, dividends, salary, royalties) may have specific provisions under DTAA, and not all income types receive the same treatment.

Statement 4 is correct. DTAA typically allows either tax exemption (where one country does not tax the income) or tax credit (where tax paid in one country is deducted from tax liability in another) to avoid double taxation.

Topic 625

625. Jalvahak Scheme

- The Centre **launched the Jalvahak scheme** to promote **long-haul cargo movement** via inland **waterways**.



- The scheme aims to incentivize **cargo transport** on **National Waterways 1 (Ganga), 2 (Brahmaputra), and 16 (Barak).**

Union Minister **Sarbananda Sonowal** flagged off **cargo ships-**

1. MV AAI
 2. MV Homi Bhaba
 3. MV Trishul
- to launch the scheme.

National Waterways

- There are **111 National Waterways** in India (13 are operational).
- They are being developed as per the **National Waterways Act, 2016.**
- The **Inland Waterways Authority of India (IWAI)** is responsible for **developing and managing these waterways.**

National Waterway 1 (NW-1): Ganga River

- Stretch: **Prayagraj** (Uttar Pradesh) to **Haldia** (West Bengal)
- **Length: 1,620 km**
- It is the **longest National Waterway** in India.

There are 15 NWs in Assam

Exclusively in Assam

1. NW-2 (Brahmaputra River (Dhubri - Sadiya))
2. NW-6 (Aai River)
3. NW-16 (Barak River)
4. NW-18 (Beki River)
5. NW-30 (Dehing River)
6. NW-31 (Dhansiri / Chathe river)
7. NW-32 (Dikhu River)
8. NW-33 (Doyans River)
9. NW-57 (Kopili river)
10. NW-82 (Puthimari river)
11. NW-95 (Subansiri river)
12. NW-62 (Lohit river)
13. NW-50 (Jinjiram river)
14. NW-102 (Dhaleswari River))
15. NW-38 (Gangadhar river)

Source-Assam Inland Water Transport Development Society

Q1874. Which of the following statements regarding the Jalvahak Scheme and Inland Waterways in India are correct?

1. The Jalvahak Scheme is focused on promoting cargo transport on all 111 National Waterways of India.
2. National Waterway 1 (NW-1) is the longest operational inland waterway in India.

3. The Inland Waterways Authority of India (IWAI) is the nodal agency responsible for developing and managing National Waterways.

4. National Waterway 16 (NW-16), one of the targeted waterways under the Jalvahak Scheme, is located in Assam.

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

Ans: b

Sol: Statement 1 is incorrect. The Jalvahak Scheme specifically targets National Waterways 1, 2, and 16, not all 111 National Waterways.

Statement 2 is correct. National Waterway 1 (Prayagraj to Haldia) is India's longest inland waterway (1,620 km).

Statement 3 is correct. The Inland Waterways Authority of India (IWAI) is responsible for developing and managing inland waterways.

Statement 4 is correct. National Waterway 16 (NW-16) is the Barak River, located in Assam, and is one of the three waterways targeted under Jalvahak.

Q1875. How many of the following statement(s) about Assam's National Waterways is/are correct?

1. National Waterway 2 (NW-2) is the Brahmaputra River, stretching from Dhubri to Sadiya.
2. National Waterway 6 (NW-6) is the Kopili River, one of Assam's key navigable rivers.
3. Assam has more than 10 National Waterways declared under the National Waterways Act, 2016.
4. National Waterway 30 (NW-30) is the Barak River, which is a key route for cargo movement under the Jalvahak Scheme.

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

Ans: b

Sol: Statement 1 is correct. NW-2 (Brahmaputra River) extends from Dhubri to Sadiya.

Statement 2 is incorrect. NW-6 is the Aai River, not the Kopili River. The Kopili River is NW-57.

Statement 3 is correct. Assam has multiple National Waterways, more than 10 declared under the National Waterways Act, 2016.



Statement 4 is incorrect. National Waterway 30 (NW-30) is the Dehing River, not the Barak River. Barak River is NW-16.

Q1876. Which of the following statements about cargo transportation under the Jalvahak Scheme is/are correct?

1. The scheme was inaugurated with the launch of three cargo ships: MV AAI, MV Homi Bhabha, and MV Trishul.
2. The scheme is expected to reduce dependence on road and rail transport for long-haul cargo movement.
3. National Waterways were established under the Inland Waterways Act, 2016, which also mandates cargo movement prioritization for private entities.
4. The government is promoting multi-modal connectivity by linking Jalvahak waterways with highways and rail networks.

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

Ans: b

Sol: Statement 1 is correct. The Jalvahak Scheme was launched with three cargo ships: MV AAI, MV Homi Bhabha, and MV Trishul.

Statement 2 is correct. The scheme aims to reduce dependence on road and rail transport by shifting long-haul cargo to waterways.

Statement 3 is incorrect. The National Waterways Act, 2016, establishes waterways for transport, but it does not mandate private cargo prioritization.

Statement 4 is correct. The government is integrating waterways with highways and rail networks for multi-modal connectivity.

Topic 626

626. Green Hydrogen

• The Hydrogen is produced in **environment friendly** manner it is known **Green Hydrogen.**
Initiatives to promote Green Hydrogen production

1. National Hydrogen Mission-

- Targeting a production increase to **5 million metric tonnes (MMT)** by **2030**, meeting **40%** of domestic requirements.

- **SIGHT Prog**-Focus on Electrolyser production
- **SHIP Prog**- PPP model to promote Green Hydrogen production.

2. Production Linked Incentive (PLI) Scheme- Proposing a Rs 15,000-crore PLI scheme for **electrolysers.**

3. Oil India Limited (OIL) recently commissioned **India's first 99% pure green hydrogen plant** in eastern Assam's **Jorhat**

4. The Petroleum and Natural Gas Regulatory Board (**PNGRB**) has given approval for a **5% blending of green hydrogen with PNG** (later to be scaled to 20%)



An October 2020 file photo of a hydrogen fuel pump in Torrance, California. Shell has now shut its hydrogen refuelling stations for cars in the state. *The New York Times*

THE COLOURS OF HYDROGEN

GREY hydrogen constitutes the bulk of India's production currently. It is extracted from hydrocarbons (fossil fuels and natural gas), and carbon dioxide is the byproduct of consumption.

BLUE hydrogen is also sourced from fossil fuels, but byproducts such as

carbon monoxide and carbon dioxide are captured and stored, so it is better than grey hydrogen.

GREEN HYDROGEN is an 'end-to-end' green fuel. Electricity generated from renewable sources such as wind or solar is used to electrolyse water. Byproducts are water or water vapour.

Q1877. Which of the following statements regarding India's Green Hydrogen initiatives is/are correct?

1. The National Hydrogen Mission aims to achieve a production of 5 million metric tonnes (MMT) of Green Hydrogen by 2030.
2. The Strategic Interventions for Green Hydrogen Transition (SIGHT) program focuses on promoting



Public-Private Partnerships (PPP) for Green Hydrogen production.

3. The proposed Production Linked Incentive (PLI) scheme for electrolyzers under Green Hydrogen initiatives is worth ₹15,000 crore.

4. India's first 99% pure Green Hydrogen plant has been commissioned by Oil India Limited (OIL) in Jorhat, Assam.

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

Ans: b

Sol: Statement 1 is correct. The National Hydrogen Mission targets 5 million metric tonnes (MMT) of Green Hydrogen production by 2030.

Statement 2 is incorrect. The SIGHT program focuses on Electrolyzer production, while the SHIP program promotes Green Hydrogen production through the PPP model.

Statement 3 is correct. The PLI scheme for electrolyzers is worth ₹15,000 crore.

Statement 4 is correct. Oil India Limited (OIL) commissioned India's first 99% pure Green Hydrogen plant in Jorhat, Assam.

Q1878. How many of the following statement(s) regarding Green Hydrogen blending and regulatory approvals is/are correct?

1. The Petroleum and Natural Gas Regulatory Board (PNGRB) has approved blending of 5% Green Hydrogen with Piped Natural Gas (PNG).
 2. The blending percentage of Green Hydrogen with PNG is planned to be scaled up to 20% in the future.
 3. The use of Green Hydrogen blending in PNG is currently limited to pilot projects in select Indian cities.
 4. The SIGHT program is the regulatory body responsible for implementing Green Hydrogen blending in India's gas network.
- (a) Only one statement
 - (b) Only two statements
 - (c) Only three statements
 - (d) All four statements

Ans: c

Sol: Statement 1 is correct. The PNGRB has approved a 5% blending of Green Hydrogen with PNG.

Statement 2 is correct. The blending is planned to be increased to 20% in the future.

Statement 3 is correct. Green Hydrogen blending with PNG is currently being tested through pilot projects in certain locations before full-scale implementation.

Statement 4 is incorrect. The SIGHT program focuses on Electrolyzer production, not regulatory oversight for Green Hydrogen blending. The PNGRB is the actual regulatory authority.

Q1879. Which of the following statements regarding Green Hydrogen production and policy measures in India are incorrect?

1. Green Hydrogen is produced using fossil fuels but with carbon capture technology to reduce emissions.
 2. The SHIP program under the National Hydrogen Mission is based on a Public-Private Partnership (PPP) model for Green Hydrogen production.
 3. India's Green Hydrogen policy aims to achieve self-sufficiency by meeting 100% of domestic requirements by 2030.
 4. The government has proposed incentives under the Production Linked Incentive (PLI) scheme specifically for Green Hydrogen transportation infrastructure.
- (a) 1 and 3 only
 - (b) 1 and 4 only
 - (c) 2 and 4 only
 - (d) 3 and 4 only

Ans: b

Sol: Statement 1 is incorrect. Green Hydrogen is produced using renewable energy sources (not fossil fuels), primarily through electrolysis. Hydrogen produced from fossil fuels with carbon capture is known as Blue Hydrogen, not Green Hydrogen.

Statement 2 is correct. The SHIP program follows a Public-Private Partnership (PPP) model to encourage Green Hydrogen production.

Statement 3 is correct. India's target is to meet 40% of its domestic Green Hydrogen demand by 2030, not 100%.

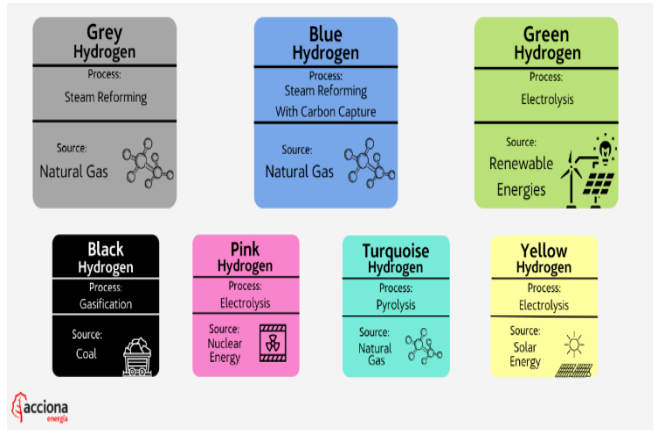
Statement 4 is incorrect. The PLI scheme is focused on Electrolyzer production, not on transportation infrastructure for Green Hydrogen.



Topic 627

627. Pink Hydrogen

- It is generated through **electrolysis powered by nuclear energy.**
- It can **also** be referred to as **purple hydrogen** or **red hydrogen.**



Q1880. Which of the following statements regarding Pink Hydrogen is/are correct?

1. Pink Hydrogen is produced using electrolysis powered by nuclear energy.
 2. It is also known as purple hydrogen or red hydrogen.
 3. Unlike Green Hydrogen, Pink Hydrogen does not require renewable energy for its production.
 4. The production of Pink Hydrogen results in significant greenhouse gas emissions.
- (a) 1, 2, and 3 only
(b) 1 and 2 only
(c) 3 and 4 only
(d) All four statements

Ans: a

Sol: Statement 1 is correct. Pink Hydrogen is produced through electrolysis powered by nuclear energy.

Statement 2 is correct. It is also referred to as purple hydrogen or red hydrogen.

Statement 3 is correct. Unlike Green Hydrogen, which uses renewable energy like solar or wind, Pink Hydrogen is generated using nuclear energy.

Statement 4 is incorrect. Pink Hydrogen production does not result in significant greenhouse gas emissions since nuclear energy does not produce direct carbon emissions.

Q1881. How many of the following statement(s) correctly differentiate Pink Hydrogen from other hydrogen types?

1. Unlike Grey Hydrogen, Pink Hydrogen does not rely on fossil fuels for production.
 2. Pink Hydrogen and Blue Hydrogen both utilize nuclear energy as their primary energy source.
 3. While Green Hydrogen uses renewable energy sources, Pink Hydrogen depends on nuclear power for electrolysis.
 4. The term "Pink Hydrogen" is used interchangeably with "Blue Hydrogen" in the hydrogen classification system.
- (a) Only one statement
(b) Only two statements
(c) Only three statements
(d) All four statements

Ans: b

Sol: Statement 1 is correct. Grey Hydrogen is derived from fossil fuels, whereas Pink Hydrogen is produced using nuclear-powered electrolysis.

Statement 2 is incorrect. Blue Hydrogen is derived from natural gas with carbon capture technology, not nuclear energy.

Statement 3 is correct. Green Hydrogen uses renewable sources, while Pink Hydrogen depends on nuclear power.

Statement 4 is incorrect. Blue Hydrogen and Pink Hydrogen are distinct categories; Blue Hydrogen is produced from fossil fuels with carbon capture, whereas Pink Hydrogen is nuclear-powered.

Q1882. Which of the following statements regarding the implications and applications of Pink Hydrogen are incorrect?

1. Pink Hydrogen can be considered a carbon-neutral energy source if nuclear power plants produce minimal emissions.
 2. Pink Hydrogen production depends on water electrolysis, similar to Green Hydrogen.
 3. The use of nuclear power for Pink Hydrogen production makes it more suitable for decentralized hydrogen generation.
 4. Countries with advanced nuclear infrastructure are more likely to adopt Pink Hydrogen as a significant energy source.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 3 only



(d) None of the statements are incorrect

Ans: c

Sol: Statement 1 is correct. Pink Hydrogen can be considered carbon-neutral if emissions from nuclear power plants are minimized.

Statement 2 is correct. Pink Hydrogen production relies on electrolysis, just like Green Hydrogen, but is powered by nuclear energy instead of renewables.

Statement 3 is incorrect. Due to its reliance on nuclear power plants, Pink Hydrogen is more suited for centralized production rather than decentralized generation.

Statement 4 is correct. Countries with developed nuclear infrastructure, such as France and the U.S., are more likely to adopt Pink Hydrogen.

Topic 628

628. Digital currency

- A **Digital currency** is that which is only **available** and **transacted** in **electronic form**.
- It is **stored and transacted only** through **designated software** and **applications** through **secure, dedicated networks**.

Digital currencies are of two types-

1. Regulated/Centralized Virtual currencies

- Regulated by a **Centralized agency** like **e-Rupee** which regulated by RBI.

2. Private Virtual currencies

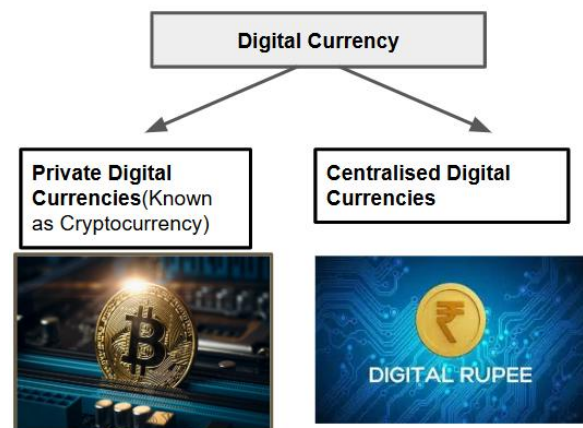
- **Not controlled** by any **centralized authority**.
- **Examples** of Virtual currency- **Bitcoin, Litecoin etc**

Centralised digital currency of India-e-Rupee

- On 1st December 2022 the Reserve Bank of India (RBI) **launched e-rupee** or **Central Bank Digital Currency (CBDC)** or digital rupee.

What is e-Rupee?

- e-rupee is the **same as a fiat currency** and is **exchangeable** one-to-one with the fiat currency.
- The conversion rate is **1 e-Rupee = 1 Indian Rupee**.
- Only its **form is different**.
- It can be accepted as a **medium of payment**, legal tender and a **safe store of value**.



Digital vs Physical Rupee

- The **retail digital rupee** is **similar** to the **physical rupee**.
- The only difference between cash and **e-Rupee** is that you hold the latter **electronically** in a **digital wallet overseen by the RBI**.
- RBI directed Banks to make **UPI and CBDC(e-Rupee) interoperable**.

Digital payment via UPI vs CBDC

- **The NPCI facilitates the transaction, and at the backend, the banks adjust their balances**

Q1883. Which of the following statements regarding digital currency are correct?

1. Digital currency exists only in electronic form and requires specialized software for transactions.
 2. All digital currencies, whether regulated or private, are governed by a centralized financial authority.
 3. Unlike physical cash, digital currency cannot serve as a store of value.
 4. Digital currency transactions take place over secure and dedicated networks.
- (a) 1 and 4 only
(b) 2 and 3 only
(c) 1, 3, and 4 only
(d) All four statements

Ans: a

Sol: Statement 1 is correct. Digital currency is available only in electronic form and requires designated software and applications.

Statement 2 is incorrect. While some digital currencies like e-Rupee are regulated by a centralized authority, others like Bitcoin are decentralized.



Statement 3 is incorrect. Digital currency can serve as a store of value, just like physical currency.

Statement 4 is correct. Digital currency transactions occur over secure, dedicated networks to prevent fraud and hacking.

Q1884. How many of the following statement(s) correctly differentiate e-Rupee from physical currency?

1. The conversion rate of e-Rupee to Indian Rupee is not fixed and fluctuates based on market demand.
 2. Unlike physical cash, e-Rupee is stored electronically in a digital wallet monitored by the RBI.
 3. The e-Rupee is legally recognized as a medium of payment and legal tender in India.
 4. Banks adjust balances at the backend for both UPI transactions and e-Rupee transactions.
- (a) Only one statement
(b) Only two statements
(c) Only three statements
(d) All four statements

Ans: c

Sol: Statement 1 is incorrect. The conversion rate of e-Rupee is fixed at 1 e-Rupee = 1 Indian Rupee, as it is a digital representation of fiat currency.

Statement 2 is correct. Unlike physical currency, e-Rupee is held electronically in a digital wallet overseen by the RBI.

Statement 3 is correct. The e-Rupee is legal tender and can be used for transactions just like physical cash.

Statement 4 is correct. Banks adjust balances at the backend for both UPI and CBDC (e-Rupee) transactions.

Q1885. Which of the following statement(s) regarding different types of digital currencies is/are incorrect?

1. e-Rupee is an example of a private digital currency not controlled by a central authority.
2. Private virtual currencies such as Bitcoin and Litecoin operate independently of any government regulations.
3. Unlike private virtual currencies, e-Rupee can be exchanged on cryptocurrency exchanges.

4. Both centralized and private digital currencies rely on blockchain technology for transaction validation.

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

Ans: c

Sol: Statement 1 is incorrect. e-Rupee is a regulated digital currency controlled by the RBI, not a private digital currency.

Statement 2 is correct. Private virtual currencies like Bitcoin and Litecoin are not regulated by any government.

Statement 3 is incorrect. e-Rupee cannot be traded on cryptocurrency exchanges, unlike Bitcoin and other private digital currencies.

Statement 4 is incorrect. Not all digital currencies rely on blockchain technology; e-Rupee is issued by the RBI and does not necessarily depend on blockchain.

Topic 629

629. Cryptocurrency

- **Private Digital Currencies** are generally known as Cryptocurrency as they are secured using cryptography and are not under control of any centralised authority. Eg Bitcoin, Ethereum, Ripple, and Dogecoin.
- While all cryptocurrencies are digital currencies, not all digital currencies are cryptocurrencies.

How Cryptocurrencies acquire values?

- Though there is no authority to provide it a value.
- There these currencies are bought and sold on secured digital marketplace acquire value through demand and supply.

Let's take example of Bitcoin

- Bitcoin was created by an anonymous person or group using the pseudonym Satoshi Nakamoto through a process known as digital mining in 2008.
- Satoshi Nakamoto, the creator of Bitcoin, did not charge anything for releasing Bitcoin.
- With time due to its demand, it acquired value.



- First known exchange rate: 1 USD = 1,309.03 Bitcoins (BTC)
- Exchange Centres of Bitcoins got developed like Binance, Coinbase etc.

	Centralised Digital Currencies	Private Digital Currencies
Control	Centralized (by central banks/governments)	Decentralized (blockchain-based)
Regulation	Fully regulated	Limited or no regulation
Anonymity	Minimal anonymity	High level of anonymity (in most cases)
Stability	Stable (linked to fiat currency)	Highly volatile
Technology	Centralized systems	Blockchain and cryptography
Examples	Digital Rupee, Digital Dollar	Bitcoin, Ethereum, Ripple



Q1886. Which of the following statement(s) regarding cryptocurrency is/are correct?

1. Cryptocurrencies are a type of private digital currency secured using cryptography.
2. All digital currencies are considered cryptocurrencies as they exist in electronic form.
3. Cryptocurrencies function independently of any centralized financial authority.
4. Unlike traditional fiat currency, the value of cryptocurrencies is determined solely by government regulation.

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

Ans: a

Sol: Statement 1 is correct. Cryptocurrencies are private digital currencies secured using cryptography and not controlled by a centralized authority.

Statement 2 is incorrect. While all cryptocurrencies are digital currencies, not all digital currencies are cryptocurrencies. Centralized digital currencies like e-Rupee are digital but not cryptocurrencies.

Statement 3 is correct. Cryptocurrencies operate independently of centralized financial institutions like central banks.

Statement 4 is incorrect. The value of cryptocurrencies is determined by market demand

and supply, not by government regulation.

Q1887. How many of the following statements correctly describe how cryptocurrencies acquire value?

1. Cryptocurrencies are assigned a value by financial institutions such as central banks.
 2. Bitcoin was initially issued without a set monetary value by its creator.
 3. Exchange centers like Binance and Coinbase play a role in determining cryptocurrency values.
 4. The price of cryptocurrencies fluctuates based on market demand and supply.
- (a) Only one statement
(b) Only two statements
(c) Only three statements
(d) All four statements

Ans: c

Sol: Statement 1 is incorrect. Unlike fiat currencies, cryptocurrencies do not have a value assigned by financial institutions like central banks.

Statement 2 is correct. Satoshi Nakamoto did not charge anything when Bitcoin was first released; its value emerged over time.

Statement 3 is correct. Cryptocurrency exchanges like Binance and Coinbase provide a marketplace where supply and demand determine prices.

Statement 4 is correct. The value of cryptocurrencies fluctuates based on market forces like demand and supply.

Q1888. Which of the following statement(s) about Bitcoin is/are incorrect?

1. Bitcoin was created by Satoshi Nakamoto and was initially distributed for free.
 2. The first recorded exchange rate of Bitcoin valued 1 BTC at over 1,300 USD.
 3. Bitcoin is generated through a process known as "digital mining."
 4. Centralized cryptocurrency exchanges regulate Bitcoin's supply to maintain price stability.
- (a) 2 and 4 only
(b) 1 and 3 only
(c) 1, 2, and 4 only
(d) All four statements

Ans: a



Sol: Statement 1 is correct. Bitcoin was created by Satoshi Nakamoto, and initially, it had no fixed monetary value.

Statement 2 is incorrect. The first known exchange rate was 1 USD = 1,309.03 BTC, not 1 BTC = 1,300 USD.

Statement 3 is correct. Bitcoin is created through a computational process known as digital mining.

Statement 4 is incorrect. Centralized exchanges do not regulate Bitcoin's supply; Bitcoin's supply is governed by its underlying protocol, which limits it to 21 million BTC.

Topic 630

630. Blockchain technology

- Bitcoin and other Cryptocurrencies operates on a **blockchain technology**.

Blockchain technology

- It is a **decentralized ledger system** that **records transactions** in a **secure, transparent, and tamper-resistant manner**. **Transactions** are grouped into **blocks**.
- **Each block** is **connected** to the **previous one** using a cryptographic hash, **forming a chain** (hence the name "**blockchain**").
- Once a **block is added** to the chain, it is **very difficult to alter**.
- It was initially **introduced** as the underlying **technology behind Bitcoin** but has since **evolved** to support **various applications beyond cryptocurrencies**.



Concerns associated with Cryptocurrencies?

- Volatility in price
- Lack of regulation by any authority
- Risk of cyber threats
- Misuse like- Terror Financing, Drug Trafficking

For such reasons **governments are apprehensive of Cryptocurrencies**.

Q1889. Which of the following statement(s) about blockchain technology is/are correct?

1. Blockchain is a decentralized ledger system that ensures transparency and security.
 2. Each block in a blockchain is linked to the previous one using a unique cryptographic signature.
 3. Once a block is added to the blockchain, it can be easily altered by modifying the cryptographic hash.
 4. Blockchain technology was initially designed for Bitcoin but is now used in multiple industries.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 2, and 4 only
(d) All four statements

Ans: c

Sol: Statement 1 is correct. Blockchain is a decentralized, transparent, and secure ledger system that ensures tamper resistance.

Statement 2 is correct. Each block is connected to the previous block using a cryptographic hash, ensuring the chain's security.

Statement 3 is incorrect. Once a block is added to the blockchain, it is extremely difficult to alter because changing one block requires modifying all subsequent blocks, which is computationally infeasible.

Statement 4 is correct. While initially developed for Bitcoin, blockchain is now used in finance, supply chain management, healthcare, and other sectors.

Q1890. How many of the following concerns regarding cryptocurrencies are valid?

1. Their prices are highly volatile, making them unreliable for everyday transactions.
 2. They are regulated by international financial institutions like the IMF and World Bank.
 3. They are vulnerable to cyber threats and hacking.
 4. They can be misused for illegal activities like money laundering and drug trafficking.
- (a) Only one concern
(b) Only two concerns
(c) Only three concerns
(d) All four concerns

Ans: c

Sol: Statement 1 is correct. Cryptocurrencies are highly volatile, experiencing sharp price



fluctuations due to speculation and market sentiment.

Statement 2 is incorrect. Cryptocurrencies are not regulated by any centralized authority like the IMF or World Bank, making them unpredictable.

Statement 3 is correct. Cyber threats, hacking, and fraud pose significant risks due to the decentralized nature of blockchain networks.

Statement 4 is correct. Cryptocurrencies have been linked to illegal activities, including terror financing, money laundering, and drug trade due to their anonymity.

Q1891. Which of the following statement(s) about blockchain security is/are incorrect?

1. A transaction, once recorded in a block and added to the blockchain, can be easily removed if necessary.
 2. The security of blockchain is maintained through cryptographic techniques and consensus mechanisms.
 3. Transactions in a blockchain are stored in a centralized database, making it easy to access and modify.
 4. Blockchain networks can use proof-of-work (PoW) or proof-of-stake (PoS) to validate transactions.
- (a) 1 and 3 only
(b) 2 and 4 only
(c) 1, 3, and 4 only
(d) All four statements

Ans: a

Sol: Statement 1 is incorrect. Once a transaction is recorded in a block and added to the blockchain, it is immutable and cannot be easily removed or altered.

Statement 2 is correct. Cryptography and consensus mechanisms (such as PoW and PoS) ensure security and prevent unauthorized modifications.

Statement 3 is incorrect. Blockchain transactions are not stored in a centralized database but are instead distributed across multiple nodes, enhancing security and resilience.

Statement 4 is correct. Blockchain networks utilize validation mechanisms like Proof-of-Work (PoW) and Proof-of-Stake (PoS) to verify and add transactions.

Topic 631

631. Strategic Reserve of Cryptocurrency by the US

- **The U.S. President Donald Trump** signed an executive order creating a **Strategic Bitcoin Reserve** (SBR) and a **US Digital Asset Stockpile**.
- Though named **Strategic Bitcoin Reserve (SBR)** but it will **hold other cryptocurrencies** as well.
- Cryptocurrencies like **Ethereum, XRP, Solana, and Cardano** will be part of the **strategic reserve**.
- The government will not actively **buy digital assets**; instead, it will only **hold assets** obtained through forfeiture.
- The Bitcoin Reserve will **include BTC seized in criminal and civil asset** forfeitures and will be maintained as a store of reserve assets.

Other facts

1. El Salvador-First nation to adopt Bitcoin as legal tender (2021). Actively purchasing Bitcoin as a national reserve.
2. China (Seized Bitcoin Reserves)
Largest government Bitcoin holder.
 - Unlike the U.S., China has banned crypto trading, but the government still holds Bitcoin from legal confiscations.

3. India

- India does **not** have a **strategic Bitcoin reserve** or any official government-held cryptocurrency reserves.
- Instead of Bitcoin, **India has launched the Digital Rupee** (CBDC - Central Bank Digital Currency) to promote a government-controlled digital currency.



Q1892. Which of the following statement(s) regarding the Strategic Bitcoin Reserve (SBR) of the US is/are correct?

1. The US government will actively purchase digital assets to build the reserve.



2. The SBR will include Bitcoin as well as other cryptocurrencies like Ethereum and Solana.
 3. The assets in the SBR will primarily be obtained through forfeiture.
 4. Unlike China, the US government has completely banned cryptocurrency trading.
- (a) 1 and 4 only
(b) 2 and 3 only
(c) 1, 2, and 3 only
(d) All four statements

Ans: b

Sol: Statement 1 is incorrect. The US government will not actively purchase digital assets but will hold those obtained through criminal and civil asset forfeitures.

Statement 2 is correct. Though named the Strategic Bitcoin Reserve, it includes multiple cryptocurrencies like Ethereum, XRP, Solana, and Cardano.

Statement 3 is correct. The assets in the SBR will primarily come from legal confiscations, rather than market purchases.

Statement 4 is incorrect. China has banned cryptocurrency trading, but the US has not implemented a complete ban. Instead, it regulates digital assets under financial laws.

Q1893. How many of the following statement(s) is/are correct regarding the global strategic cryptocurrency reserves?

1. El Salvador was the first country to adopt Bitcoin as legal tender and actively purchases it for national reserves.
 2. China, despite banning cryptocurrency trading, holds Bitcoin through legal confiscations.
 3. India maintains a government-controlled strategic Bitcoin reserve alongside its Digital Rupee (CBDC).
 4. The United States actively purchases Bitcoin to strengthen its Strategic Bitcoin Reserve (SBR).
- (a) Only one statement
(b) Only two statements
(c) Only three statements
(d) All four statements

Ans: b

Sol: Statement 1 is correct. El Salvador was the first country to adopt Bitcoin as legal tender (2021)

and actively purchases Bitcoin for national reserves.

Statement 2 is correct. China has banned crypto trading but remains one of the largest Bitcoin holders due to its seizures in legal confiscations.

Statement 3 is incorrect. India does not hold a strategic Bitcoin reserve. Instead, it has launched the Digital Rupee (CBDC) as its government-backed digital currency.

Statement 4 is incorrect. The US government does not actively buy Bitcoin but stores seized cryptocurrencies in the Strategic Bitcoin Reserve (SBR).

Q1894. Which of the following statement(s) about cryptocurrency reserves and national policies is/are incorrect?

1. China has banned cryptocurrency trading but still holds Bitcoin through legal seizures.
 2. India has both a strategic Bitcoin reserve and an official government-issued digital currency.
 3. The United States actively purchases Bitcoin to increase its national digital reserves.
 4. The US Bitcoin Reserve includes only Bitcoin and does not hold any other cryptocurrencies.
- (a) 2 and 3 only
(b) 1 and 4 only
(c) 2, 3, and 4 only
(d) All four statements

Ans: c

Sol: Statement 1 is correct. China has banned crypto trading but retains Bitcoin holdings from confiscated assets.

Statement 2 is incorrect. India does not have a strategic Bitcoin reserve; instead, it has introduced the Digital Rupee (CBDC).

Statement 3 is incorrect. The US does not actively buy Bitcoin but holds confiscated assets in its Strategic Bitcoin Reserve (SBR).

Statement 4 is incorrect. The SBR includes multiple cryptocurrencies, such as Ethereum, XRP, Solana, and Cardano, alongside Bitcoin.

Topic 632

632. Meme coins

- Meme coins are a type of cryptocurrency that originates from internet memes, viral trends.



- Unlike traditional cryptocurrencies like Bitcoin or Ethereum meme coins are not protected by strong cryptography/technology.
- Meme coins derive their value primarily from their virality and social media presence.
- Example: Dogecoin (DOGE) started as a joke based on the "Doge" meme and popularised by Elon Musk.

Dogecoin (DOGE)

- Dogecoin (DOGE) was created by two software engineers, Billy Markus and Jackson Palmer, in December 2013. Dogecoin was initially created as a parody cryptocurrency to mock the growing hype around cryptocurrencies like Bitcoin

'Meme coins' vs Traditional Cryptocurrencies like Bitcoins

- Anyone can create a meme coin, provided they have basic knowledge of blockchain technology and cryptocurrency creation. Meme coins can be easily copied too.
- Thus, Meme coins are highly volatile and considered risky investments.

If meme coin can be copied how does it attain value?

- Social Media Influence
- Celebrity Endorsements

Current news?

- Donald Trump launched his meme coin, \$TRUMP.



"Doge" meme, featuring a Shiba Inu dog and humorous captions.



GetTrumpMemes.com
\$TRUMP
X.COM/Donald Trump

Q1895. Which of the following statement(s) regarding meme coins is/are correct?

1. Meme coins derive their value primarily from advanced cryptographic security and blockchain technology.
 2. Unlike Bitcoin, meme coins do not have strong technological protection.
 3. The popularity of meme coins is often influenced by social media trends and celebrity endorsements.
 4. Dogecoin was initially created as a joke to mock the hype around cryptocurrencies.
- (a) 1 and 3 only
(b) 2, 3, and 4 only
(c) 1, 2, and 4 only
(d) All four statements

Ans: b

Sol: **Statement 1 is incorrect.** Meme coins do not derive value from cryptographic security or advanced technology but instead depend on social trends and viral marketing.

Statement 2 is correct. Unlike Bitcoin or Ethereum, meme coins lack strong cryptographic protection.

Statement 3 is correct. Meme coins gain popularity through social media influence and celebrity endorsements.

Statement 4 is correct. Dogecoin was originally created as a parody to mock the excessive hype around cryptocurrencies.

Q1896. How many of the following statement(s) is/are correct regarding the differences between meme coins and traditional cryptocurrencies?

1. Unlike Bitcoin, meme coins are highly volatile and risky investments.
2. Meme coins cannot be easily copied because they are built on complex blockchain networks.



3. Traditional cryptocurrencies like Bitcoin derive their value from technology and decentralization, whereas meme coins rely on internet trends.

4. Anyone with basic blockchain knowledge can create a meme coin.

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

Ans: c

Sol: Statement 1 is correct. Meme coins are highly volatile and risky as they rely on hype rather than technology.

Statement 2 is incorrect. Meme coins can be easily copied, making them less secure and more unpredictable.

Statement 3 is correct. Traditional cryptocurrencies (e.g., Bitcoin) derive value from decentralization and security, whereas meme coins rely on social media trends.

Statement 4 is correct. Anyone with basic blockchain knowledge can create a meme coin.

Q1897. Which of the following statement(s) about meme coin-related news is/are incorrect?

1. Dogecoin was created in 2018 by Elon Musk as a response to Bitcoin's increasing popularity.
2. Meme coins like Dogecoin gained mainstream attention due to social media influencers and high-profile endorsements.
3. Donald Trump has recently launched his own meme coin, \$TRUMP.
4. Meme coins have strict regulations and government oversight to prevent price manipulation.

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

Ans: a

Sol: Statement 1 is incorrect. Dogecoin was created in 2013 by Billy Markus and Jackson Palmer, not in 2018, and Elon Musk was not involved in its creation.

Statement 2 is correct. Dogecoin and other meme coins gained popularity due to social media trends and celebrity endorsements.

Statement 3 is correct. Donald Trump launched his meme coin, \$TRUMP, in a recent development.

Statement 4 is incorrect. Meme coins are largely unregulated, making them highly susceptible to price manipulation.

Topic 633

633. Sovereign Gold Bond Scheme, 2015

- Goal of the scheme is reducing the demand for physical gold.
- Under it, bonds are denominated in units of one gram of gold and multiples thereof.
- Some nominal interest is also offered on the gold Bond.
- After maturity the gold bond is redeemed at the prevailing current market price of gold.

Who can sell Gold Bonds?

- Scheduled Commercial banks (except Small Finance Banks and Payment Banks)
- Stock Holding Corporation of India Limited
- Designated post offices, and recognised stock exchanges viz.,
- National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Other facts about Sovereign Gold Bond

- Maturity period = 8 years
- Interest offered 2.5%
- Exemption from Capital Gain Tax if held until maturity
- Income taxable under IT Act 1961

Current news?

- The government discontinued the SGBs in the fiscal 2025 due to rising borrowing costs.



One Bond = 1 gm of Gold

If price of Gold goes up, the return on **Bond will also go up**

- Investors have to pay the issue price in cash and the bonds will be redeemed in cash on maturity.



- Gold bond is as good as one gram gold
- In fact it is better than gold in few terms like there will be no deduction of making charges when use redeem the gold Bond, some nominal interest is also offered on gold Bond.



MAIN FEATURES OF THE SOVEREIGN GOLD BOND

ISSUANCE To be issued by Reserve Bank of India on behalf of the Government	TAXATION Interest on the bonds shall be taxable as per the provision of Income Tax Act, 1961 (43 of 1961). Physical gold rules apply to capital gains tax too	KYC RULES APPLY	SALES CHANNEL Bonds will be sold through banks and designated Post Offices, as may be notified, either directly or through agents
ELIGIBILITY The bonds will be restricted for sale to resident Indian entities including individuals, HUFs, trusts, universities, charitable institutions			MAXIMUM LIMIT Not more than 500 grams per person per fiscal year (April-March). A self-declaration to this effect will be obtained
DENOMINATION The bonds will be denominated in multiples of grams of gold with a basic unit of 1 gram			
TENOR The tenor of the bond will be for a period of 8 years with exit option from 5th year to be exercised on the interest payment dates	MINIMUM SIZE Minimum permissible investment will be 2 units (i.e. 2 grams of gold)		

Q1898. How many of the following statement(s) regarding the Sovereign Gold Bond (SGB) Scheme is/are correct?

1. Sovereign Gold Bonds are denominated in units of one gram of gold and multiples thereof.
 2. The interest rate offered on these bonds is 2.5% per annum.
 3. The maturity period of Sovereign Gold Bonds is 10 years.
 4. If held until maturity, Sovereign Gold Bonds are exempted from Capital Gain Tax.
- (a) Only one statement
 (b) Only two statements
 (c) Only three statements
 (d) All four statements

Ans: c

Sol: Statement 1 is correct. SGBs are denominated in units of one gram of gold and multiples thereof.

Statement 2 is correct. The interest rate on SGBs is 2.5% per annum.

Statement 3 is incorrect. The maturity period of SGBs is 8 years, not 10 years.

Statement 4 is correct. If held until maturity, SGBs are exempt from Capital Gain Tax.

Q1899. Which of the following statement(s) is/are correct regarding the selling entities of Sovereign Gold Bonds (SGBs)?

1. Scheduled Commercial Banks (except Small Finance Banks and Payment Banks) can sell SGBs.
2. Sovereign Gold Bonds are available through designated post offices.

3. Recognized stock exchanges such as the National Stock Exchange and Bombay Stock Exchange sell SGBs.

4. Cooperative banks are among the institutions authorized to sell SGBs.

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

Ans: b

Sol: Statement 1 is correct. Scheduled Commercial Banks (except Small Finance Banks and Payment Banks) can sell SGBs.

Statement 2 is correct. Designated post offices are authorized to sell SGBs.

Statement 3 is correct. Recognized stock exchanges such as the NSE and BSE can sell SGBs.

Statement 4 is incorrect. Cooperative banks are not mentioned among the authorized sellers of SGBs.

Q1900. Which of the following statement(s) about the recent developments in the Sovereign Gold Bond (SGB) Scheme is/are incorrect?

1. The Indian government discontinued the SGB Scheme from fiscal year 2025 due to rising borrowing costs.
 2. The bonds issued under the scheme will be compulsorily redeemed by the government in fiscal year 2025.
 3. Investors who hold Sovereign Gold Bonds until maturity will still receive interest payments.
 4. SGBs issued before fiscal year 2025 remain valid despite the discontinuation of new issuances.
- (a) 1 and 3 only
 (b) 2 only
 (c) 2 and 4 only
 (d) 1, 3, and 4 only

Ans: b

Sol: Statement 1 is correct. The government discontinued new issuances of SGBs in fiscal year 2025 due to rising borrowing costs.

Statement 2 is incorrect. The discontinuation applies only to new issuances, and existing bonds will not be compulsorily redeemed before their maturity.

Statement 3 is correct. Investors who hold SGBs until maturity will continue receiving interest.



Statement 4 is correct. SGBs issued before fiscal year 2025 remain valid, and only new issuances have been stopped.

Topic 634

634. Gold Monetization scheme

- The **Gold Monetisation Scheme** was announced on **September 15, 2015.**
- It encourages **people to deposit their gold in banks and earn interest** on it, instead of letting it sit unused in lockers.
- It thus aims to **reduce country's reliance on the import of gold.** **Eligibility for the Gold Monetisation Scheme**
- **Indian residents** are eligible to take part in the Gold Monetisation Scheme. This includes **individuals, trusts, and Hindu Undivided Families (HUFs).**
- **Non-resident Indians (NRIs)** can also take part in some deposit schemes under the Gold Monetisation Scheme.
- There is **no maximum deposit limit** under the scheme

Tax on the income

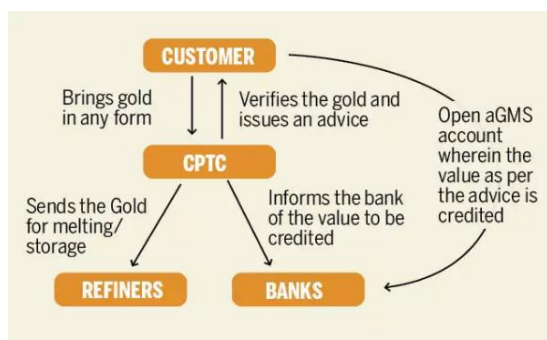
- Income from Gold Monetization scheme **taxable** as per income tax rules.

Term (Interest rates vary for the three types of deposits)

- Short-term bank deposits (1-3 years)
- Medium-term deposits (5-7 years)
- Long-term government deposits (12-15 years)

Current news?

- The Government of India has decided to **discontinue medium-term and long-term deposits** under the Gold Monetisation Scheme (GMS). **Existing deposits** will **continue** until **maturity**.



What Banks do with the gold?

- Banks lend this gold to jewelers or use it to meet Reserve Bank of India (RBI) gold reserve requirements.

How Gold Monetization Scheme works?

- **Individuals or institutions** can **deposit gold** in any form — jewellery (without stones), bars, or coins — at a **Collection and Purity Testing Centre** (CPTC).
- The **gold is tested** for purity, melted (with consent), and **converted into standardized form**.
- Based on the purity and weight, an equivalent quantity of gold (in grams) is **credited to a Gold Savings Account** maintained by a **Bank**.
- **Interest** is calculated in **gold grams** (e.g., 2.5% annual interest on 100 grams = 2.5 grams/year).
- At **maturity**, you can choose to receive either: **Equivalent gold, or Cash equivalent** of the gold's value at prevailing rates.

Q1901. How many of the following statement(s) about the Gold Monetization Scheme (GMS) is/are correct?

1. The scheme allows Indian residents, including individuals, trusts, and Hindu Undivided Families (HUFs), to deposit gold in banks and earn interest.
 2. Non-Resident Indians (NRIs) are eligible to participate in all types of deposits under the scheme.
 3. One of the objectives of the scheme is to reduce India's dependence on gold imports.
 4. There is a maximum deposit limit for gold under the scheme.
- (a) Only one statement
(b) Only two statements
(c) Only three statements
(d) All four statements

Ans: b

Sol: Statement 1 is correct. The scheme allows Indian residents, including individuals, trusts, and HUFs, to deposit gold in banks and earn interest.

Statement 2 is incorrect. While NRIs can participate, they are only eligible for some deposit schemes, not all.

Statement 3 is correct. One of the key objectives of GMS is to reduce India's reliance on gold imports.



Statement 4 is incorrect. There is no maximum deposit limit under the scheme.

Q1902. Which of the following statement(s) about the taxation and working of the Gold Monetization Scheme (GMS) is/are correct?

1. The interest earned on gold deposits under the scheme is tax-free under the Income Tax Act, 1961.
2. Deposited gold is tested for purity, melted (with consent), and converted into a standardized form.
3. Interest on gold deposits is calculated in gold grams rather than in monetary value.
4. Depositors can choose to receive either gold or its cash equivalent at maturity.

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

Ans: b

Sol: Statement 1 is incorrect. Income from GMS is taxable under the Income Tax Act, 1961. It is not tax-free.

Statement 2 is correct. Deposited gold is tested for purity, melted (with consent), and converted into a standardized form.

Statement 3 is correct. Interest on gold deposits is calculated in gold grams (e.g., 2.5% annual interest on 100 grams = 2.5 grams per year).

Statement 4 is correct. At maturity, depositors can choose to receive either equivalent gold or the cash equivalent at prevailing rates.

Q1903. Which of the following statement(s) regarding recent changes in the Gold Monetization Scheme (GMS) is/are incorrect?

1. The Government of India has discontinued short-term, medium-term, and long-term gold deposits under the scheme.
2. Existing medium-term and long-term deposits will continue until maturity despite the discontinuation of new deposits.
3. The discontinuation of medium-term and long-term deposits is due to concerns over the high cost of maintaining gold reserves.
4. Short-term deposits are still operational under the scheme.

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

(d) 3 only

Ans: a

Sol: Statement 1 is incorrect. Only medium-term and long-term deposits have been discontinued, while short-term deposits are still operational.

Statement 2 is correct. Existing medium-term and long-term deposits will continue until maturity despite the discontinuation of new deposits.

Statement 3 is incorrect. The official reason for discontinuation is not explicitly linked to the high cost of maintaining gold reserves but is rather a policy decision.

Statement 4 is correct. Short-term deposits (1-3 years) remain available under the scheme.

Topic 635

635. Foreign Direct Investment (FDI)

- **FDI** refers to an investment made by a company or individual from one country into a business or establishment in another country.
- It involves not only the transfer of capital but also expertise, technology, and skills that contribute to the host country's economic development.

Types of FDI:

1. Greenfield Investment

- Establishing new facilities from scratch, providing high control and customisation.

2. Brownfield Investment

- Expanding operations through mergers, acquisitions, or joint ventures, leveraging existing infrastructure.

Governance

- FDI in India is governed by the Foreign Exchange Management Act (FEMA), 1999, and is administered by the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry.

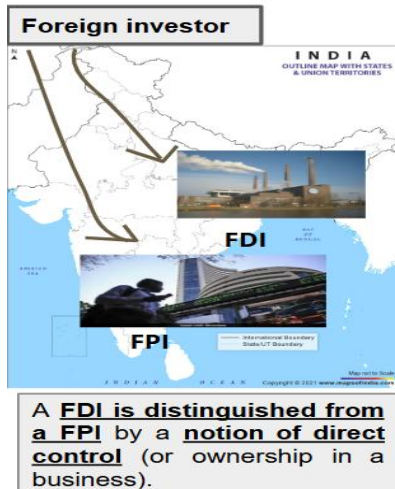
Entry routes:

- **Automatic Route:** Investment does not require prior government approval.
- **Government Route:** Investment requires approval from the relevant ministry or department.

Current news?



- India has achieved a landmark milestone with **gross FDI inflows crossing \$1 trillion** since **April 2000**.



Q1904. How many of the following statement(s) regarding Foreign Direct Investment (FDI) is/are correct?

- FDI includes only the transfer of capital from one country to another, excluding expertise and technology.
 - Greenfield investments involve setting up new facilities from scratch.
 - Brownfield investments include mergers, acquisitions, or joint ventures, utilizing pre-existing infrastructure.
 - FDI is governed in India by the Foreign Exchange Management Act (FEMA), 1999.
- (a) Only one statement
(b) Only two statements
(c) Only three statements
(d) All four statements

Ans: c

Sol: Statement 1 is incorrect. FDI involves not just capital transfer but also expertise, technology, and skills that contribute to economic development.

Statement 2 is correct. Greenfield investments refer to setting up new infrastructure from scratch, allowing high control and customization.

Statement 3 is correct. Brownfield investments involve expanding operations via mergers, acquisitions, or joint ventures, leveraging existing infrastructure.

Statement 4 is correct. FDI in India is governed under FEMA, 1999, and administered by the DPIIT under the Ministry of Commerce and Industry.

Q1905. Which of the following statement(s) about FDI entry routes in India is/are correct?

- Under the Automatic Route, investors require prior government approval before making an investment.
 - Under the Government Route, investment proposals must be approved by the relevant ministry or department.
 - The Foreign Exchange Management Act (FEMA), 1999, regulates both FDI and Foreign Portfolio Investment (FPI) in India.
 - DPIIT, under the Ministry of Finance, is responsible for overseeing FDI policies in India.
- (a) 1 and 3 only
(b) 2 and 3 only
(c) 2, 3, and 4 only
(d) 1, 3, and 4 only

Ans: b

Sol: Statement 1 is incorrect. Under the Automatic Route, investors do not require prior government approval; the investment can be made directly.

Statement 2 is correct. Under the Government Route, investments require approval from the relevant ministry or department.

Statement 3 is correct. FEMA, 1999, regulates both FDI and Foreign Portfolio Investment (FPI) in India.

Statement 4 is incorrect. DPIIT operates under the Ministry of Commerce and Industry, not the Ministry of Finance.

Q1906. Which of the following statement(s) regarding recent FDI trends in India is/are incorrect?

- India has achieved a significant milestone, with gross FDI inflows surpassing \$1 trillion since April 2000.
- FDI in India is limited only to Greenfield investments and does not include Brownfield investments.
- Both Greenfield and Brownfield investments contribute to India's economic development, but only Greenfield investments provide new employment opportunities.
- Brownfield investments are more common than Greenfield investments in India due to the availability of existing infrastructure.



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

Ans: c

Sol: Statement 1 is correct. India has crossed \$1 trillion in gross FDI inflows since April 2000.

Statement 2 is incorrect. FDI includes both Greenfield and Brownfield investments.

Statement 3 is incorrect. While Greenfield investments create new employment, Brownfield investments can also generate jobs through expansion and upgrades.

Statement 4 is correct. Brownfield investments are often preferred due to the availability of existing infrastructure, reducing setup costs.

Day 62

Topic 636

636. Ramesh Chand Panel

- The government recently announced the formation of an **18-member panel** headed by **NITI Aayog member Ramesh Chand** with 2 mandates-
- To **revise the base year** of the Wholesale Price Index (**WPI**) from **2011-12 to 2022-23**.
 - Suggest a road map for **switching over to the Producer Price Index (PPI)**.
 - It has been asked to **submit its final report** to the Office of the Economic Adviser **within 18 months**.

PPI vs WPI

- PPI measures the **average change in prices** received by producers and **excludes indirect taxes**.
- PPI** also includes **services**, while **WPI** only has **goods**.

Why switch to PPI?

- In line with the internationally agreed **System of National Accounts (SNA)**

System of National Accounts (SNA)

- an **internationally agreed-upon framework** for compiling **economic activity measurements**.
- Developed by **Inter-Secretariat Working Group on National Accounts (ISWGNA)**

ISWGNA- created by IMF, World Bank, EU, OECD, UN



Q1907. With reference to the mandates and composition of the Ramesh Chand Panel, consider the following statements:

- The Ramesh Chand Panel has been constituted by the Ministry of Commerce and Industry.
- The Panel has been tasked with recommending a roadmap for shifting from WPI to PPI.
- The final report of the Panel is to be submitted to the NITI Aayog within 18 months.

How many of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: Incorrect. The panel was announced by the government and will submit its report to the Office of the Economic Adviser, not specifically constituted by the Ministry of Commerce and Industry.

Statement 2: Correct. One of its mandates is to suggest a roadmap for switching from Wholesale Price Index (WPI) to Producer Price Index (PPI).

Statement 3: Incorrect. The report is to be submitted to the Office of the Economic Adviser, not the NITI Aayog, even though the panel is headed by a NITI Aayog member.

Q1908. With reference to the differences between the Wholesale Price Index (WPI) and Producer Price Index (PPI), consider the following statements:



1. WPI excludes indirect taxes, whereas PPI includes them.
 2. PPI includes services, but WPI is limited to goods only.
 3. Both WPI and PPI are aligned with the System of National Accounts (SNA) framework.
- Which of the above statement(s) is/are correct?
- (a) 1 and 2 only
 - (b) 2 only
 - (c) 2 and 3 only
 - (d) 1, 2 and 3

Ans: b

Sol: Statement 1: Incorrect. It is PPI that excludes indirect taxes, not WPI.

Statement 2: Correct. PPI covers services, while WPI is restricted to goods only.

Statement 3: Incorrect. Currently, only PPI is aligned with the internationally agreed SNA; WPI is not.

Q1909. With reference to the System of National Accounts (SNA) and the global context of economic indicators, consider the following statements:

1. The System of National Accounts was developed by the Inter-Secretariat Working Group on National Accounts (ISWGNA).
 2. The ISWGNA is a collaborative initiative of international bodies including the IMF, World Bank, EU, OECD, and the United Nations.
 3. India's current WPI system is fully compliant with the guidelines of the SNA framework.
- How many of the above statement(s) is/are correct?
- (a) Only one
 - (b) Only two
 - (c) All three
 - (d) None

Ans: b

Sol: Statement 1: Correct. The SNA was developed by ISWGNA.

Statement 2: Correct. ISWGNA includes IMF, World Bank, EU, OECD, and UN.

Statement 3: Incorrect. The WPI system is not fully aligned with the SNA framework; this is one of the reasons for proposing a shift to PPI.

637. LEADS report 2024

- Logistics Ease Across Different States (LEADS) is annual report released by the Ministry of Commerce and Industry.
- It ranks Indian states and union territories based on their logistics ecosystem performance.
- It was conceived on the lines of the Logistics Performance Index of World Bank.
- LEADS report 2024 is 6th annual report.

LEADS 2024 has three performance categories

1. Achievers (states and UTs achieving 90 per cent or more)

2. Fast Movers (states and UTs scoring between 80 and 90 per cent)

3. Aspirers (states and UTs with percentage scoring below 80 per cent).

What is logistics?

- Logistics is a process in which **goods, services or information are sent** in a planned manner from the place of origin to the place of use.

Key highlights of LEADS 2024

1. **Coastal Group**
 - Achievers: Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu
 - Fast Movers: Andhra Pradesh, Goa
 - Aspirers: Kerala, West Bengal
2. **Landlocked Group**
 - Achievers: Haryana, Telangana, Uttar Pradesh, Uttarakhand
 - Fast Movers: Bihar, Himachal Pradesh, Madhya Pradesh, Punjab, Rajasthan
 - Aspirers: Chhattisgarh, Jharkhand
3. **North-Eastern Group**
 - **Achievers:** Assam, Arunachal Pradesh
 - Fast Movers: Meghalaya, Mizoram, Nagaland, Sikkim, Tripura
 - Aspirers: Manipur
4. **Union Territories**
 - Achievers: Chandigarh, Delhi
 - Fast Movers: Dadra and Nagar Haveli and Daman and Diu, Jammu and Kashmir, Lakshadweep, Puducherry
 - Aspirers: Andaman and Nicobar Islands, Ladakh

Q1910. With reference to the LEADS Report 2024 and its underlying framework, consider the following statements:

1. The LEADS Report is an initiative of the Ministry of Commerce and Industry, inspired by a World Bank index.

Topic 637



2. The LEADS Report 2024 categorizes states and UTs based on their logistics infrastructure expenditure.

3. "Logistics" in the context of LEADS includes the movement of goods, services, or information in a planned manner.

4. The LEADS Report 2024 is the fifth edition of the report.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct. LEADS (Logistics Ease Across Different States) is released by the Ministry of Commerce and Industry and is modeled on the World Bank's Logistics Performance Index.

Statement 2: Incorrect. LEADS does not rank based on infrastructure expenditure, but based on logistics ecosystem performance.

Statement 3: Correct. "Logistics" is correctly defined as the planned movement of goods, services, or information from origin to destination.

Statement 4: Incorrect. LEADS 2024 is the sixth edition, not the fifth.

Q1911. With reference to the LEADS Report 2024 categorization of Indian states and union territories, consider the following statements:

1. Gujarat, Karnataka, and Maharashtra have been classified as Achievers under the Coastal Group.
2. Punjab and Himachal Pradesh have been categorized as Aspirers in the Landlocked Group.
3. Chandigarh and Delhi have been classified as Achievers among Union Territories.
4. Manipur is the only North-Eastern state in the Aspirers category.

Which of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct. These three are Achievers in the Coastal Group.

Statement 2: Incorrect. Punjab and Himachal Pradesh are classified as Fast Movers, not Aspirers.

Statement 3: Correct. Both Chandigarh and Delhi are listed as Achievers among Union Territories.

Statement 4: Correct. Manipur is indeed the only Aspirer in the North-Eastern Group.

Q1912. Consider the following statements about the structure and methodology of the LEADS Report 2024:

1. States and Union Territories achieving 90% or more in logistics performance are designated as "Fast Movers".
2. The classification into Achievers, Fast Movers, and Aspirers is based on performance percentages.
3. States like Kerala and West Bengal are categorized as Aspirers in the Coastal Group.
4. LEADS also evaluates logistics services, not just physical infrastructure.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Incorrect. Those achieving 90% or more are classified as Achievers, not Fast Movers.

Statement 2: Correct. LEADS 2024 uses percentage-based scores for categorization.

Statement 3: Correct. Kerala and West Bengal are indeed Aspirers in the Coastal Group.

Statement 4: Correct. LEADS evaluates the logistics ecosystem, which includes logistics services beyond infrastructure.

Topic 638

638. Statutory status demand for MSP

- **Cabinet Committee on Economic Affairs** announces the MSP
- **22 mandated crops** (Fair & Remunerative Price (FRP) is announced for sugarcane)
- MSP declared on **recommendations of the CACP** (Commission for Agricultural Costs & Prices).



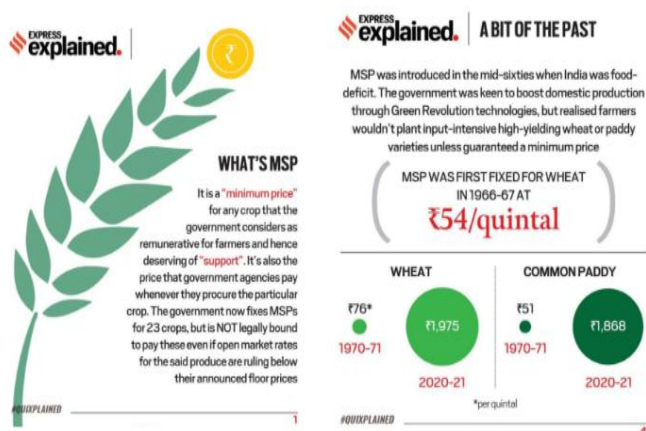
- MSP= 1.5 times the cost of production of farmer (on recommendation of MS Swaminathan Committees)

Three types of cost

- **A2/A2+FL/C2**
- **CACP eventually recommends** — and the government announces — MSP on the basis of **A2+FL**

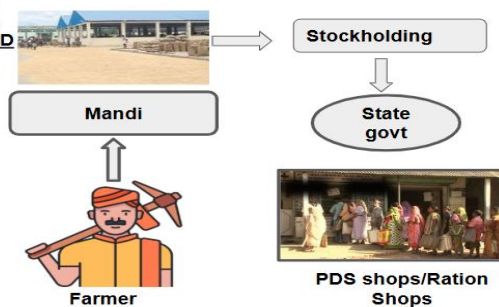
Recent

- **Farmers protesting** for **statutory status for MSP**
- **Sanjay Agarwal committee** constituted by government for **bringing transparency in MSP**



Let's see how PDS and MSP system works in our country

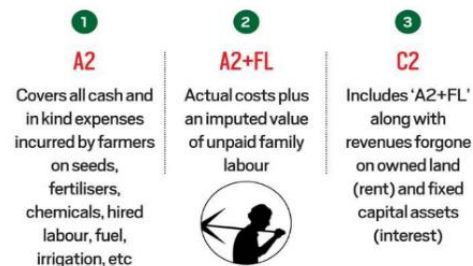
Government agencies like **FCI or NAFED** procures at MSP



HOW ARE MSPs DETERMINED?

The Centre fixes MSPs for every kharif and rabi cropping season based on recommendations of the Commission for Agricultural Costs and Prices (CACP)

- When a farmer grows a crop, he incurs costs, some of it explicit and some implicit or unpaid. The CACP considers the following costs:



#QUIXPLAINED

2

Q1913. With reference to the Minimum Support Price (MSP) system in India, consider the following statements:

1. The MSP is determined solely by the Cabinet Committee on Economic Affairs without any external recommendation.
2. The CACP recommends MSP based on the A2+FL cost calculation method.
3. Fair and Remunerative Price (FRP) is applicable to crops such as wheat and rice.
4. The Swaminathan Committee had recommended fixing MSP at 1.5 times the cost of production.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Incorrect. The MSP is not determined solely by the Cabinet Committee. It is based on the recommendations of the Commission for Agricultural Costs & Prices (CACP).

Statement 2: Correct. The A2+FL (actual paid costs + imputed value of family labor) is the basis used by CACP for MSP recommendations.

Statement 3: Incorrect. FRP applies only to sugarcane, not wheat and rice.

Statement 4: Correct. The MS Swaminathan Committee recommended setting MSP at 1.5 times the cost of production.



Q1914. Consider the following statements regarding MSP and recent developments:

1. Currently, MSP is announced for a total of 22 mandated crops.
2. The Sanjay Agarwal Committee was constituted to suggest a statutory mechanism for MSP implementation.
3. MSP is legally enforceable for all the crops for which it is announced.
4. Farmers have been demanding statutory status for MSP to make it legally binding.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: Correct. MSP is currently announced for 22 mandated crops.

Statement 2: Correct. The Sanjay Agarwal Committee was set up to explore ways to bring transparency and possibly statutory status to MSP.

Statement 3: Incorrect. MSP is not legally enforceable; it lacks statutory backing.

Statement 4: Correct. A major demand of protesting farmers is to make MSP legally binding, i.e., giving it statutory status.

Q1915. With reference to cost calculations used in MSP determination, consider the following statements:

1. The 'A2' cost includes all out-of-pocket expenses paid by the farmer.
2. 'FL' refers to interest on institutional loans taken by the farmer.
3. 'C2' includes A2 + FL plus the rental value of owned land and interest on owned capital.
4. CACP uses C2 as the base cost to recommend MSP.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct. 'A2' includes out-of-pocket costs such as seeds, fertilizers, hired labor, etc.

Statement 2: Incorrect. 'FL' stands for Family Labour, not interest on institutional loans.

Statement 3: Correct. 'C2' = A2 + FL + rental value of owned land + interest on owned capital, giving a more comprehensive cost estimate.

Statement 4: Incorrect. Though C2 is calculated, the CACP usually recommends MSP based on A2+FL, not C2.

Topic 639

639. Badge engineering

- Refers to using the same platform (chassis, parts, etc.) for different car models under varied branding.
- Leads to cost and time savings without compromising individuality by tweaking features and design elements.

Example of Badge engineering in India?

1. Toyota Glanza (Maruti Suzuki Baleno equivalent).
2. Grand Vitara/Urban Cruiser Hyryder (both developed jointly).

Benefits of Platform Sharing:

1. Reduces production and development costs significantly.
2. Offers quicker launches
3. Economies of scale benefit



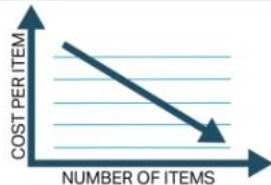
The Maruti Suzuki Grand Vitara (right) and Toyota Urban Cruiser Hyryder are siblings that were developed on the same platform, look alike, and share most of their features.



ECONOMIES OF SCALE

WHAT

a proportionate savings in costs gained by an increased level of production.



Q1916. With reference to the concept of badge engineering in the automotive sector, consider the following statements:

1. Badge engineering involves designing and manufacturing completely unique vehicles for each brand.
 2. It allows manufacturers to save cost and time while offering vehicles under different brand names.
 3. In India, Toyota Glanza is an example of badge engineering as it is based on Maruti Suzuki Baleno.
 4. Badge engineering always involves a compromise in quality due to cost-cutting.
- How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Incorrect. Badge engineering does not involve completely unique vehicles. Instead, it uses the same platform and components, tweaking only design or branding elements.

Statement 2: Correct. One of the key benefits of badge engineering is cost and time efficiency.

Statement 3: Correct. Toyota Glanza is based on the Maruti Suzuki Baleno, making it a textbook case of badge engineering in India.

Statement 4: Incorrect. There is no inherent compromise in quality; while cost is optimized, brand identity and features may still be retained or enhanced.

Q1917. Consider the following statements regarding platform sharing in automobile manufacturing:

1. Platform sharing refers to the practice of using the same underlying chassis and mechanical components for different vehicle models.
2. One of the advantages of platform sharing is faster model rollout.
3. Platform sharing eliminates the need for any design modifications across models.
4. It helps achieve economies of scale in production.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: Correct. Platform sharing is the core of badge engineering, involving shared chassis and components.

Statement 2: Correct. By reusing platforms, companies speed up product launches.

Statement 3: Incorrect. While platforms are shared, design tweaks and feature differentiation are still commonly made to suit brand identities.

Statement 4: Correct. Shared platforms lower per-unit production cost via economies of scale.

Q1918. With reference to badge engineering practices in India, consider the following statements:

1. Toyota Urban Cruiser Hyryder and Maruti Suzuki Grand Vitara are jointly developed, illustrating platform sharing.
2. Badge engineering helps carmakers enter new segments without starting from scratch.
3. The core mechanical specifications of badge-engineered cars are always different.
4. Badge engineering may be part of a broader strategy involving cross-brand collaborations.

How many of the above statement(s) is/are incorrect?

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

Ans: a



Sol: Statement 1: Correct. The Urban Cruiser Hyryder and Grand Vitara are jointly developed, showcasing badge engineering in India.

Statement 2: Correct. Badge engineering enables market expansion by leveraging existing designs and platforms.

Statement 3: Incorrect. The mechanical specs are usually similar or identical, not different.

Statement 4: Correct. Badge engineering is often part of strategic collaborations, like that of Toyota and Suzuki in India.

Topic 640

640. Tax terrorism

- **Tax Terrorism** essentially means the undue exercise of power by tax authorities to levy taxes using legal or extra legal means.

Some events considered as examples of Tax Terrorism-

1. Vodafone case

- Despite the Supreme Court order ruling in favour of the company, tax laws were amended, retrospectively.

2. Harassment of businessmen

- CCD owner Vijay Siddhartha committed suicide because of alleged harassment by tax authorities

Initiatives taken by the government to address Tax terrorism

1. Honouring The Honest Platform

- Objective of the platform-bringing transparency in income tax systems and empowering taxpayers.

2. Angel tax for startups abolished in Union Budget 2024-25.



Q1919. Consider the following statements regarding the concept of Tax Terrorism in India:

1. Tax Terrorism refers to strict adherence to tax laws with minimal discretion to authorities.
2. The Vodafone case is cited as an example of tax terrorism due to retrospective amendments to tax law.
3. The term also includes harassment of individuals or businesses using extra-legal powers.

4. Retrospective taxation has been constitutionally prohibited in India after 2010.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Incorrect. Tax terrorism implies abuse of authority, not strict or fair adherence.

Statement 2: Correct. In the Vodafone case, even after a favorable Supreme Court verdict, retrospective taxation was introduced, often seen as an unjust move.

Statement 3: Correct. Harassment through extra-legal powers is a key feature of what is termed tax terrorism.

Statement 4: Incorrect. There is no absolute constitutional prohibition on retrospective taxation, though recent reforms have rolled back its use in some cases.

Q1920. How many of the following statements about recent steps taken by the Government of India to counter tax terrorism are correct?

1. The 'Honouring the Honest' platform aims to ensure a faceless, transparent, and taxpayer-friendly income tax system.
 2. In Union Budget 2024–25, the government abolished angel tax for all startups regardless of their investor profile.
 3. 'Honouring the Honest' platform was introduced by the Central Board of Direct Taxes (CBDT).
 4. Abolishing angel tax was a response to criticism that tax provisions were being misused against young companies.
- (a) Only one
 - (b) Only two
 - (c) Only three
 - (d) All four

Ans: c

Sol: Statement 1: Correct. The Honouring the Honest platform was designed to promote transparency and accountability.

Statement 2: Correct. The angel tax was abolished in Budget 2024–25 as a measure to boost startup growth.



Statement 3: Incorrect. The platform was launched by the government, though administered by CBDT—it was not originally "introduced" by CBDT alone.

Statement 4: Correct. Abolishing angel tax was largely due to concerns of harassment and arbitrary assessments, which startups considered a form of tax terrorism.

Q1921. With reference to events often cited under tax terrorism in India, consider the following statements:

1. In the Vodafone case, the Indian government passed a law to tax past transactions retroactively even after a favorable court ruling.
2. The suicide of CCD founder Siddhartha Hegde was linked to mental harassment by income tax authorities.
3. The retrospective tax amendments introduced in the Vodafone case were upheld by the Supreme Court.
4. Tax terrorism often emerges from both legal loopholes and overreach by tax officers.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: Correct. The Vodafone retrospective taxation law was introduced after the SC verdict in Vodafone's favor.

Statement 2: Correct. The CCD founder's suicide note explicitly cited pressure and harassment by tax authorities.

Statement 3: Incorrect. The Supreme Court ruled in Vodafone's favor, but the government bypassed it via legislation — the Court did not uphold the retrospective amendment.

Statement 4: Correct. Tax terrorism typically stems from overzealous enforcement and vague laws that allow misuse.

Topic 641

641. Contract Farming

- It is an agricultural production system where farmers enter into agreements with buyers, often agribusiness firms or processors, to produce specific crops.

Legal framework

- Model Agricultural Produce and Livestock Contract Farming and Services (Promotion & Facilitation) Act, 2018 provides for-

a. Transparent agreements.

- b. Protects farmers interests by setting clear terms for dispute resolution.

Examples of Contract farming in India

1. Amul

- Dairy farmers supply milk based on quality and quantity agreements.

2. PepsiCo

- Contracts with farmers for specific potato varieties used in their products.

3. ITC e-Choupal

- Rural internet kiosks are set up in villages, acting as a hub for information and services.
- Farmers can access market prices, weather forecasts, best farming practices, and crop management techniques.
- Farmers sell directly to ITC, bypassing traditional intermediaries, ensuring better prices for their produce.



Current development

- Production of large size potatoes has been increased by farmers as their demand has increased due to contract farming.

Q1922. Consider the following statements regarding the legal framework and practice of contract farming in India:

1. The 2018 Model Act provides for a transparent framework for agreements and protects farmers' interests.



2. Contract farming agreements are enforceable only when signed by a recognized Farmer Producer Organization (FPO).

3. One of the goals of the model law is to provide a mechanism for time-bound dispute resolution between farmers and sponsors.

4. Buyers under contract farming agreements can only be government agencies and not private agribusiness firms.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct. The Model Act of 2018 indeed promotes transparent agreements and farmer protection.

Statement 2: Incorrect. While FPOs can facilitate contracts, there is no requirement that only FPO-signed agreements are valid.

Statement 3: Correct. The law explicitly provides for dispute resolution mechanisms, which is one of its core purposes.

Statement 4: Incorrect. Private firms like PepsiCo, Amul, ITC are key examples of private sector participation in contract farming.

Q1923. Which of the following statements about examples and recent developments in contract farming in India are correct?

1. Amul's model involves milk procurement under quality and quantity agreements, representing a form of contract farming.

2. PepsiCo contracts farmers to cultivate specific potato varieties for use in its products.

3. The production of smaller-size potatoes has increased recently due to their growing demand under contract farming.

4. ITC's e-Choupal initiative removes traditional intermediaries and enables farmers to sell directly to the company.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct. Amul engages in contract-like arrangements with dairy farmers.

Statement 2: Correct. PepsiCo's model is a classic case of crop-specific contract farming.

Statement 3: Incorrect. The demand has increased for large-size potatoes, not smaller ones, as per current developments.

Statement 4: Correct. The e-Choupal system helps farmers get better prices by bypassing middlemen.

Q1924. With reference to the concept and functioning of contract farming, consider the following statements:

1. Contract farming is limited to high-value crops and excludes livestock and dairy.

2. It typically involves agreements on both pre-agreed quality and quantity of output.

3. Farmers under contract farming are fully insulated from market risks and fluctuations.

4. Contract farming can encourage farmers to adopt better agronomic practices and modern inputs.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: Incorrect. Contract farming includes livestock, as per the Model Act 2018.

Statement 2: Correct. Contracts often specify quantity and quality standards.

Statement 3: Incorrect. While some price protection may be offered, full insulation from market risks is not guaranteed.

Statement 4: Correct. Contract farming can lead to technological adoption and better practices, supported by buyers.

Topic 642

642. Global Minimum Corporate Tax

- The Global Minimum Corporate Tax (GMCT) is an initiative spearheaded by the Organisation for Economic Co-operation and Development (OECD).
- Later on G20 also supported it.



- The initiative was proposed under the **OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting** (BEPS).

Why Global Minimum Corporate Tax is being proposed?

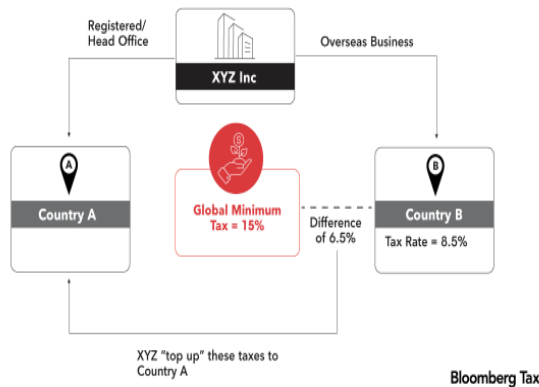
- To deal with issue of **tax loss to economies due to tax havens.**

Implementation

- GMCT is gradually becoming applicable in **phased manner**.
- Over **130 countries** have **agreed** to the framework.

Global minimum corporate tax- how it works?

- **Measures to make companies pay** part of tax in the countries **where they do business.**
- Global minimum corporate tax **rate of 15%.**



- A tax haven is generally an offshore country that offers foreign individuals and businesses little or no tax liability with politically and economically stable environment.

Q1925. With reference to the Global Minimum Corporate Tax (GMCT), consider the following statements:

1. The primary aim of the GMCT is to prevent multinational companies from shifting profits to low-tax jurisdictions.
 2. GMCT proposes a global minimum corporate tax rate of 21%.
 3. It is being implemented under the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS).
 4. GMCT mandates that companies must pay tax only in their country of headquarters.
- How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct. The GMCT is intended to address tax base erosion by reducing the use of tax havens.

Statement 2: Incorrect. The proposed minimum rate is 15%, not 21%.

Statement 3: Correct. The initiative operates under the OECD/G20 BEPS Inclusive Framework.

Statement 4: Incorrect. GMCT requires companies to pay tax in countries where they operate, not just where they are headquartered.

Q1926. How many of the following statements regarding the implementation of the Global Minimum Corporate Tax (GMCT) are correct?

1. Over 130 countries have agreed to adopt the GMCT framework.
 2. Implementation of GMCT has been uniform and simultaneous across all countries.
 3. The tax is being implemented in a phased manner globally.
 4. Tax havens have been entirely eliminated due to the enforcement of GMCT.
- (a) Only one
(b) Only two
(c) Only three
(d) All four

Ans: b

Sol: Statement 1: Correct. Over 130 countries have shown support for the GMCT framework.

Statement 2: Incorrect. The implementation is not uniform or simultaneous; it's phased.



Statement 3: Correct. GMCT is being adopted in phases by different countries.

Statement 4: Incorrect. Tax havens still exist, though GMCT seeks to reduce their impact.

Q1927. With reference to tax havens and how GMCT addresses them, consider the following statements:

1. A tax haven typically has low or zero corporate tax and offers political and economic stability.
2. GMCT ensures that if a multinational pays less than 15% tax in a tax haven, its home country can collect the shortfall.
3. Under GMCT, multinational companies must pay tax only in the country where they report their profits.
4. GMCT eliminates the incentive for companies to shift profits to jurisdictions with no substantial economic activity.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1: Correct. A tax haven is characterized by low or no tax and stable governance.

Statement 2: Correct. The "top-up tax" mechanism allows the home country to collect the difference if tax paid is below 15%.

Statement 3: Incorrect. GMCT allocates taxing rights to market jurisdictions where economic activity happens, not just where profits are reported.

Statement 4: Correct. The system removes the incentive to shift profits artificially to low-tax jurisdictions with no real operations.

Topic 643

643. National Turmeric Board

Current news?

- The **National Turmeric Board (NTB)** was established in **Nizamabad, Telangana** by Government of India.
- **Palle Ganga Reddy** has been announced as its **first Chairperson**.
- The board will support **turmeric farmers in around 20 states**.

Turmeric

- It is a plant belongs to the **ginger family**.

Soil and climate

- **Well drained, red loamy soil** in wet or garden lands under **tropical conditions is ideal**.

Rain

- It can be grown in regions receiving an **annual rainfall of 1500 mm**.

Temperature

- range of **20 to 35 °C**
- India is the largest **producer, consumer and exporter** of **turmeric in the world**.
- The **largest producing states** of Turmeric are **Maharashtra**, Telangana, Karnataka and Tamil Nadu.

Note - Earlier **Telangana was at top** but in **2023 Maharashtra** have become the **largest turmeric producer**.



Q1928. With reference to the National Turmeric Board (NTB), consider the following statements:

1. The National Turmeric Board has been established in Karnataka to promote turmeric exports.
2. Its mandate includes supporting turmeric farmers in more than 10 Indian states.
3. Palle Ganga Reddy is the first Chairperson of the National Turmeric Board.
4. NTB has been created under the Ministry of Chemicals and Fertilizers.

How many of the above statement(s) is/are correct?

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



- (c) Only three
(d) All four

Ans: b

Sol: Statement 1 – Incorrect: The NTB is established in Nizamabad, Telangana, not Karnataka.

Statement 2 – Correct: It aims to support turmeric farmers in around 20 states, so this is correct.

Statement 3 – Correct: Palle Ganga Reddy is indeed the first Chairperson.

Statement 4 – Incorrect: The ministry is not specified in the given information; however, there is no mention of it being under the Ministry of Chemicals and Fertilizers, so we treat it as incorrect.

Hence, **Statements 2 and 3 are correct** → Only two correct.

Q1929. Consider the following statements about turmeric cultivation in India:

1. Turmeric requires red loamy soil with poor drainage and cold climatic conditions.
2. The ideal temperature range for turmeric cultivation lies between 20°C to 35°C.
3. India is both the largest consumer and exporter of turmeric globally.
4. Karnataka was the top turmeric-producing state as of 2023.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect: Turmeric prefers well-drained red loamy soil in tropical (not cold) regions.

Statement 2 – Correct: The ideal temperature is 20°C to 35°C.

Statement 3 – Correct: India is the largest producer, consumer, and exporter of turmeric.

Statement 4 – Incorrect: As of 2023, Maharashtra overtook Telangana to become the largest producer, not Karnataka.

Hence, only **Statements 2 and 3 are correct**.

Q1930. With reference to recent developments and facts related to turmeric in India, consider the following statements:

1. As of 2023, Telangana remains the largest turmeric-producing state in India.
2. Turmeric belongs to the same plant family as ginger.
3. An annual rainfall of 1500 mm is considered adequate for turmeric cultivation.

Which of the above statement(s) is/are incorrect?

- (a) 1 only
(b) 1 and 2 only
(c) 2 and 3 only
(d) None

Ans: a

Sol: Statement 1 – Incorrect: Telangana was earlier the top producer, but in 2023, Maharashtra became the largest turmeric-producing state.

Statement 2 – Correct: Turmeric belongs to the ginger family.

Statement 3 – Correct: It can be grown in regions receiving annual rainfall of 1500 mm.

Topic 644

644. Poverty Estimation in India-evolution

- The estimation of poverty in India has evolved significantly over time.

Pre-Independence Era

- By Dadabhai Naoroji (1876)
- Introduced the concept of a "poverty line" based on cost of food (bare minimum) required for survival.

Post-Independence Era

1. VM Dandekar and N. Rath, 1971

- Poverty line was defined based on income required to meet this caloric intake need.

2. Alagh Committee (1979)

- Same as Dandekar and Rath Committee- Calorie intake-just suggested ways to identify BPL based on NSSO data (consumption expenditure).

3. Lakdawala Committee (1993)

- Retained calorie-based norm but used price indices to account for inflation (making 1973–74 prices as Base Price).

4. Tendulkar Committee (2009)

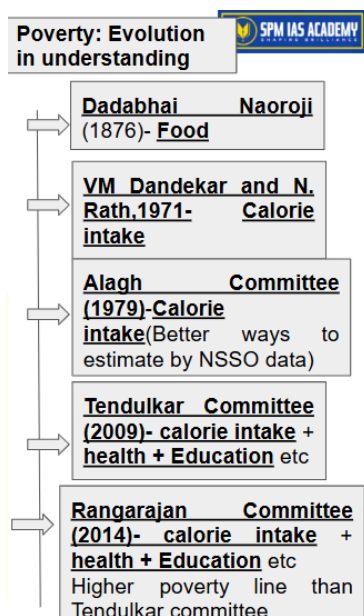


- Shifted focus from calorie intake to expenditure on food, health, education, and other essentials.

Defined Poverty line as -Rural poverty: ₹27/day
and Urban poverty: ₹33/day (2011–12)

5. Rangarajan Committee (2014)

- Just like Tendulkar committee, suggested to move beyond calorie intake to expenditure on food, health, education, and other essentials.
- Proposed a higher poverty line than Tendulkar Committee.



Q1931. With reference to the evolution of poverty estimation in India, consider the following statements:

1. Dadabhai Naoroji was the first to introduce the idea of a poverty line in pre-independent India based on caloric needs.
2. The Alagh Committee and Dandekar-Rath approach both relied on calorie intake norms for defining poverty.
3. The Lakdawala Committee recommended use of consumption expenditure data instead of calorie norms.
4. The Tendulkar Committee retained the focus on calorie norms but adjusted the poverty line for inflation.

How many of the above statement(s) is/are correct?

- (a) Only one

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

Ans: b

Sol: Statement 1 – Incorrect: Naoroji's poverty line was based on cost of minimum food required, not explicitly caloric needs.

Statement 2 – Correct: Both Dandekar-Rath and Alagh Committee used calorie intake norms.

Statement 3 – Incorrect: Lakdawala Committee did not discard calorie norms; it retained them but adjusted for inflation using price indices.

Statement 4 – Correct: Actually incorrect, since Tendulkar Committee moved away from calorie norms and focused on expenditure-based poverty line.

Q1932. Which of the following statements correctly differentiate between the Tendulkar Committee and the Rangarajan Committee?

1. Unlike Tendulkar Committee, Rangarajan Committee reintroduced calorie-based poverty estimation.
2. Tendulkar Committee considered expenditure on health and education, while Rangarajan Committee did not.
3. Both committees proposed moving beyond calorie intake to broader expenditure-based measures.
4. Rangarajan Committee proposed a higher poverty line than Tendulkar Committee.

Which of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: Rangarajan did not return to calorie-based estimation; it also supported expenditure-based.

Statement 2 – Incorrect: Both Tendulkar and Rangarajan included health and education expenditures.



Statement 3 – Correct: Both committees emphasized moving beyond calorie-based norms.

Statement 4 – Correct: Rangarajan proposed a higher poverty line than Tendulkar.

Hence, only **Statements 3 and 4 are correct.**

Q1933. Consider the following statements about the Lakdawala and Alagh Committees:

- Both committees-based poverty estimation on minimum calorie requirements.
 - Alagh Committee incorporated price indices for inflation adjustment, unlike Lakdawala Committee.
 - Lakdawala Committee used the 1973–74 price level as the base for estimating the poverty line.
 - Alagh Committee relied on NSSO consumption expenditure data for identifying BPL households.
- How many of the above statement(s) is/are correct?

- Only one
- Only two
- Only three
- All four

Ans: c

Sol: Statement 1 – Correct: Both committees used calorie-based norms.

Statement 2 – Incorrect: It was the Lakdawala Committee, not Alagh, that introduced inflation adjustment using price indices.

Statement 3 – Correct: Lakdawala Committee used 1973–74 prices as the base.

Statement 4 – Correct: Alagh Committee suggested using NSSO data to identify BPL households.

Only Statements 1, 3 and 4 are correct → Three correct statements

Topic 645

645. Poverty Estimation in India-In current times

- In current times Poverty estimation in India is done in **2 ways-**

1. Household Consumption Expenditure Survey

- This survey is conducted by **National Sample Survey Office (NSSO)** under the **Ministry of**

Statistics & Programme Implementation (MoSPI).

- The consumption expenditure by a family in month becomes basis to identify BPL and APL.

2. Multidimensional Poverty Index

• By NITI Aayog

- The MPI by NITI Aayog is calculated at the national, state, and district levels and focuses on **three broad dimensions** with a total **of 12 indicators.**

- The MPI in India is calculated by the **NITI Aayog** in **collaboration** with the **Oxford Poverty and Human Development Initiative (OPHI)** and **UNDP.**

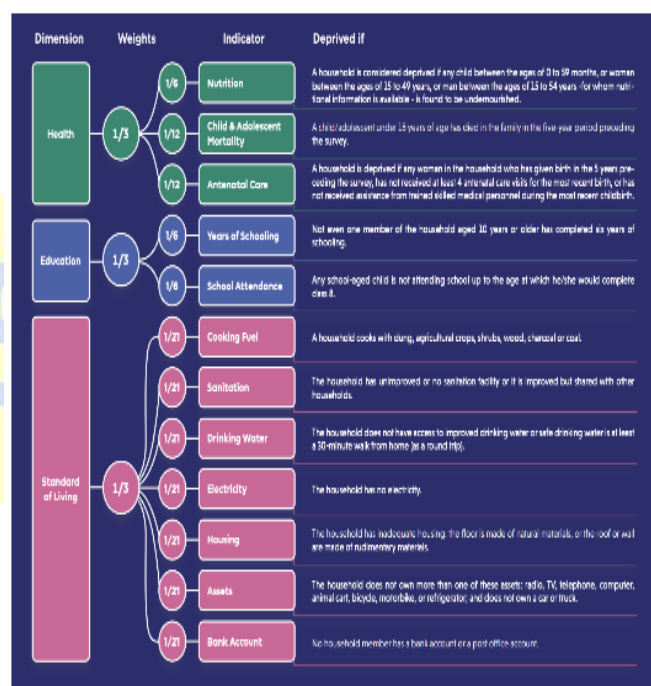
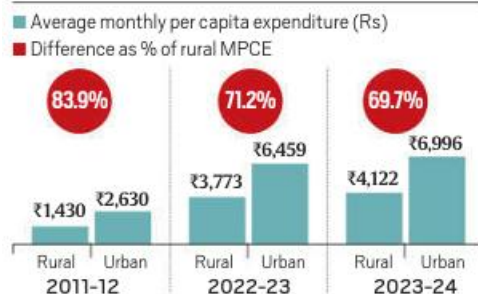


FIGURE 1: INDICATORS IN INDIA'S NAT ONLINE MPI

ALL-INDIA CONSUMPTION TREND



Household Consumption Expenditure Survey (HCES) for August 2023 to July 2024



Q1934. With reference to the Household Consumption Expenditure Survey (HCES) in India, consider the following statements:

1. It is conducted by the Ministry of Rural Development.
2. The monthly consumption expenditure of a household is used to categorize families as BPL or APL.
3. HCES is carried out by the National Sample Survey Office under the Ministry of Statistics and Programme Implementation.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: The survey is conducted by NSSO under MoSPI, not the Ministry of Rural Development.

Statement 2 – Correct: It uses monthly consumption expenditure to classify households as BPL or APL.

Statement 3 – Correct: NSSO, under MoSPI, conducts the Household Consumption Expenditure Survey.

Q1935. Which of the following statements regarding the Multidimensional Poverty Index (MPI) as applied in India are correct?

1. The MPI includes indicators across health, education, and standard of living.
2. The index is published solely by the United Nations Development Programme (UNDP).
3. In India, MPI is estimated at the national, state, and district levels.
4. The NITI Aayog collaborates with OPHI and UNDP for MPI computation.

Which of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: MPI covers three dimensions: health, education, and standard of living.

Statement 2 – Incorrect: In India, MPI is calculated by NITI Aayog, not solely by UNDP.

Statement 3 – Correct: MPI is calculated at national, state, and district levels.

Statement 4 – Correct: NITI Aayog collaborates with OPHI and UNDP for MPI calculations in India.

Q1936. Consider the following statements regarding poverty estimation methods used in India today:

1. Household Consumption Expenditure Survey directly measures income earned by households.
2. Multidimensional Poverty Index considers only consumption-based metrics.
3. Household Consumption Expenditure Survey is used to determine Below Poverty Line (BPL) categorization.
4. MPI is an outcome of collaboration between a domestic and international institution.

How many of the above statement(s) is/are incorrect?

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

Ans: b

Sol: Statement 1 – Incorrect: HCES measures consumption, not income.

Statement 2 – Incorrect: MPI considers non-consumption indicators like education, health, housing, sanitation, etc.

Statement 3 – Correct: HCES is used to determine BPL/APL classification.

Statement 4 – Correct: MPI in India is a result of collaboration between NITI Aayog (India) and OPHI/UNDP (international).

Topic 646

646. NITI Fiscal health index

- Recently NITI Aayog released **first Fiscal Health Index (FHI) report.**



- The report titled **“Fiscal Health Index 2025”** ranked **18 major States** for **2022-23**, in terms of their contribution to-

1. India's GDP
2. Demography
3. Total public expenditure
4. Revenues
5. Overall Fiscal stability

States were divided into four categories

1. Achievers: States with the best fiscal health

- Odisha, Chhattisgarh, Goa, and Jharkhand.

2. Front-runners: States performing well but below the achievers

- Maharashtra, Uttar Pradesh, Telangana, Madhya Pradesh, and Karnataka.

3. Performers: States with average fiscal health

- TN, Rajasthan, Bihar, Haryana

4. Aspirational: States with poor fiscal health and requiring significant improvement

- Punjab, Andhra Pradesh, West Bengal, and Kerala

E.1 Final Ranking of States for 2022-23

States	FHI Score	Rank 2022-23	Quality of Expenditure	Revenue Mobilization	Fiscal Prudence	Debt Index	Debt Sustainability
Odisha	67.8	1	52.0	69.9	54.0	99.0	64.0
Chhattisgarh	55.2	2	55.1	56.5	56.0	79.6	29.0
Goa	53.6	3	45.5	87.1	59.4	51.0	25.2
Jharkhand	51.6	4	47.3	45.7	62.4	66.9	35.7
Gujarat	50.5	5	40.0	48.7	52.7	69.0	42.0
Maharashtra	50.3	6	37.1	59.1	41.8	76.4	36.8
Uttar Pradesh	45.9	7	45.8	34.6	44.7	59.9	44.5
Telangana	43.6	8	36.9	75.2	40.8	53.3	11.7
Madhya Pradesh	42.2	9	59.7	27.6	35.6	61.0	27.2
Karnataka	40.8	10	47.4	43.9	43.9	62.2	6.7
Tamil Nadu	29.2	11	32.0	41.2	25.8	36.0	11.1
Rajasthan	28.6	12	38.3	35.4	19.9	32.3	16.8
Bihar	27.8	13	56.1	5.3	11.5	47.2	18.8
Haryana	27.4	14	24.8	47.8	26.1	24.1	14.3
Kerala	25.4	15	4.2	54.2	34.0	23.1	11.3
West Bengal	21.8	16	32.3	12.4	25.4	18.3	20.6
Andhra Pradesh	20.9	17	31.4	22.1	13.3	37.8	0.0
Punjab	10.7	18	4.7	28.1	5.6	0.0	15.2

- **Odisha was declared best performing state with FHI score of 67.8.**
- **Chhattisgarh** ranked next with strong fiscal discipline.
- **Punjab was worst ranked.**
- **Himalayan and North Eastern states** were not considered for NITI Fiscal health index.

Q1937. With reference to the NITI Aayog's Fiscal Health Index (FHI), consider the following statements:

1. The FHI 2025 report ranks Indian states based on their fiscal performance in 2023–24.
2. Odisha emerged as the top-ranking state in the Achievers category.
3. States like Punjab and Kerala were placed in the Aspirational category.
4. The report considered all Indian states and union territories, including the Himalayan and North Eastern states.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: The FHI 2025 report ranks states based on their performance in 2022–23, not 2023–24.

Statement 2 – Correct: Odisha topped the Achievers category with the highest score of 67.8.

Statement 3 – Correct: Punjab and Kerala were placed in the Aspirational category due to weak fiscal health.

Statement 4 – Incorrect: The Himalayan and North Eastern states were excluded from the index.

Q1938. Which of the following statements regarding the categorization in the Fiscal Health Index (FHI) are incorrect?

1. Goa and Jharkhand are among the states in the Front-runners category.
2. Maharashtra and Telangana fall under the Performers category.
3. Tamil Nadu and Bihar are categorized under Performers.
4. Chhattisgarh is classified as an Achiever state.

Select the correct option:

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



Ans: c

Sol: Statement 1 – Incorrect: Goa and Jharkhand are in the Achievers category, not Front-runners.

Statement 2 – Incorrect: Maharashtra and Telangana are in the Front-runners category, not Performers.

Statement 3 – Incorrect: Tamil Nadu and Bihar are in the Performers category → this is correct.

Statement 4 – Correct: Chhattisgarh is correctly categorized as an Achiever with strong fiscal discipline.

Q1939. Consider the following statements regarding the methodology and scope of the Fiscal Health Index (FHI):

1. The index incorporates factors such as contribution to India's GDP and public expenditure.
2. The FHI report excludes both Union Territories and North Eastern states.
3. Revenue performance and overall fiscal stability are key components of the index.
4. Kerala was placed in the Front-runners category in the FHI report.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: The FHI considers metrics like GDP contribution, public expenditure, demography, etc.

Statement 2 – Correct: The index excludes Himalayan and North Eastern states, UTs are not mentioned but implicitly excluded.

Statement 3 – Correct: Revenue performance and overall fiscal stability are among the key pillars.

Statement 4 – Incorrect: Kerala is categorized as Aspirational, not a Front-runner.

Topic 647

647. Different schemes of GOI with Budgetary allocations

Scheme	Explanation	2024-25
PM Surya Ghar Muft Bijli Yojana	For installing rooftop solar panels	6,250
Centres of Excellence (CoE) in Artificial Intelligence (AI)	To establish three centres of excellence for AI in educational institutions for research and development	255
IndiaAI Mission	To catalyse the AI innovation ecosystem	551.75
National Green Hydrogen Mission	To make India the global hub for production, usage and export of green hydrogen	600
Legal Aid Defense Counsel System (LADCS)	To provide legal aid work in criminal matters	200
PM Vishwakarma	To strengthen and nurture the guru-shishya parampara or family-based practice of traditional skills	4,824
Rashtriya Gram Swaraj	To re-imagine panchayati raj institutions	1063.67
Global Biofuels Alliance	To expedite the global uptake of biofuels	0.01
Mission Anveshan	To fill gaps in seismic coverage and build a robust geoscientific database	332
National Quantum Mission	To create an ecosystem in quantum technology	427
Pradhan Mantri Janati Adivasi Nyaya Maha Abhiyan (PM JANMAN)	To enhance the socio-economic conditions of particularly vulnerable tribal groups	240
National Action for Mechanised Sanitation Ecosystem (NAMASTE)	To ensure the safety and dignity of sanitation workers and safe delivery of mechanised sanitation services	116.94
ITI Upgradation Scheme	To upgrade ITIs	1,000

Scheme	Explanation	2022-23	2023-24	2024-25
Regional connectivity scheme	To enhance regional air connectivity from unserved and underserved airports	1,063.81	850	502
Smart cities mission	Aims to enhance the quality of life in 100 selected cities	8,652.92	8,000	2,400
Promotion of digital payment	To help in growth of digital transactions	1,989.62	584	-
Digital India	To transform India into a digitally empowered society	5,518.09	4,428.01	4,216.51
Startup India	Aims to support entrepreneurs and build a strong startup ecosystem	44.21	45.61	0.01
Prime Minister Employment Generation Programme (PMEGP)	To generate self-employment opportunities through the establishment of micro-enterprises in the non-farm sector	2733.21	2,958.22	2,300
Unnat Bharat Abhiyan	To enable higher educational institutions to work with the people in rural India in identifying development challenges	11.58	5	5
Internationalisation of Higher Education	Help internationalisation of education services	144.36	100	104
Development of Particularly Vulnerable Tribal Groups (PVTGs)	Provides various measures for the overall development of the backward population of STs	137.18	-	20



Scheme	Explanation	2024-25
FAME	To promote electric mobility in India	2,671.33
Electric mobility promotion scheme	To accelerate the adoption of electric two-wheelers	500
Scheme to promote manufacturing of electric passenger cars in India (SMEC)	To promote manufacturing of electric passenger cars in India	13
PM-eBus Sewa Scheme	To boost India's electric mobility infrastructure	1,300

Q1940. Which of the following statements best describes the primary goal of the PM Surya Ghar Muft Bijli Yojana?

1. Replace conventional power grids with 100% solar energy-based electricity generation.
2. Provide subsidies for commercial and industrial solar power projects.
3. Reduce dependence on imported fossil fuels by mandating solar energy adoption in all homes
4. Rooftop solar energy installations and provide free electricity to households up to a certain limit.

Ans: d

Sol: The PM Surya Ghar: Muft Bijli Yojana is a government initiative launched in 2024 aimed at promoting the installation of rooftop solar systems in residential households.

The scheme's primary goal is to:

- Promote clean and renewable energy through rooftop solar.
- Provide free electricity (up to 300 units per month) to households by generating solar power.
- Offer subsidies and support to facilitate the installation of rooftop solar systems in one crore households.

Q1941. Which of the following is not correct for PM Shri scheme implemented by Ministry of education?

1. A total of 14500 new schools will be established
2. These schools will emerge as exemplary schools over a period of time, and also offer leadership.
3. The duration of the scheme is from 2022-23 to 2026-27.
4. The schools will have facilities like nutritional gardens with natural farming

Ans: a

Sol: The PM SHRI Scheme (PM Schools for Rising India) is an initiative by the Ministry of Education to upgrade and develop 14,500 existing schools, not to establish new ones.

Q1942. Which of the following are not covered under the recently launched government scheme PM electric drive revolution in innovative vehicle enhancement (PM E-DRIVE) scheme?

- (a) Electric two wheelers
(b) Electric three wheelers
(c) Electric cars
(d) Electric buses

Ans: c

Sol: The PM Electric Drive Revolution in Innovative Vehicle Enhancement (PM E-DRIVE) Scheme, launched by the Government of India, aims to promote electric mobility through fiscal incentives. The scheme covers the following categories:

- **Electric Two-Wheelers (e-2Ws):** Support for approximately 24.79 lakh units, including both personal and commercial use.
 - **Electric Three-Wheelers (e-3Ws):** Incentives for around 3.16 lakh units, encompassing registered e-rickshaws, e-carts, and L5 category vehicles.
 - **Electric Buses (e-Buses):** Provision for 14,028 units to enhance public transportation.
 - **Electric Ambulances (e-Ambulances):** Grants allocated with specific performance standards.
 - **Electric Trucks (e-Trucks):** Support contingent upon scrapping certificates from certified centers.
- Notably, electric cars are excluded from the PM E-DRIVE scheme. This exclusion contrasts with the earlier FAME-II program, which did offer support for electric four-wheelers. The government's current stance is that existing measures, such as reduced Goods and Services Tax (GST) rates for electric cars and initiatives for localizing components and batteries, are sufficient to support the electric car segment. Additionally, funds have been allocated for establishing charging infrastructure to mitigate range anxiety among



potential users. Therefore, among the options provided, electric cars (Option C) are not covered under the PM E-DRIVE scheme.

Topic 648

648. Bell Curve of Financial Development

- Discussed in Economic Survey 2024-25

Lessons from the 2008 Financial Crisis

- Unchecked financial sector growth can destabilize the real economy.

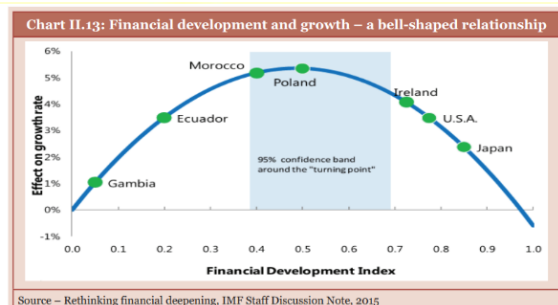
Importance of Financial sector

- A developed financial system reduces transaction costs, aids capital flow and aids growth.

Over-Financialization

- Financial sector competes for skilled labor, diverting resources from productive industries and may cause decline in growth.

	Real Sector	Financial Sector
Definition	Produces goods & services	Manages financial assets & transactions
Example	Agriculture, manufacturing, retail	Banks, stock markets, insurance
Output	Physical goods & services	Credit, investments, financial instruments
Dependency	Can operate without financial transactions (e.g., subsistence farming)	Relies on the real sector to create value



Bell Curve of Financial Development

- Developed nations** (USA, Japan, Ireland) have surpassed the point where finance boosts growth.
- Developing nations** (Gambia, Ecuador, Morocco) still benefit from financial expansion.

Q1943. Which of the following statements about the implications of the Bell Curve of Financial Development are correct?

- A financial system that grows unchecked may eventually undermine real economic growth.
- Excessive financialization may divert human capital away from core sectors like manufacturing.

3. A mature financial system has no bearing on reducing transaction costs in the economy.

4. The Bell Curve highlights that there is a non-linear relationship between financial development and economic growth.

- Only 1 and 2
- Only 1, 2 and 4
- Only 2, 3 and 4
- All 4 statements

Ans: b

Sol: Statement 1 – Correct. One of the key lessons from the 2008 financial crisis and the Bell Curve concept is that beyond a certain point, unchecked financial sector growth can destabilize the economy.

Statement 2 – Correct. Over-financialization leads to competition for skilled labor, pulling talent away from productive sectors like manufacturing.

Statement 3 – Incorrect. A developed financial system *does* reduce transaction costs, facilitating better economic outcomes.

Statement 4 – Correct. The Bell Curve metaphorically illustrates a *non-linear* relationship: up to a point, financial development aids growth, but beyond that, it can become a drag.

Q1944. How many of the following statement(s) is/are *incorrect* regarding the concept of over-financialization as discussed in the Economic Survey 2024–25?

- Over-financialization enhances long-term economic productivity by attracting top talent to finance.
- It can lead to economic decline if the financial sector grows excessively large.
- It diverts capital and skilled resources from high-growth sectors of the real economy.
- It is considered a stabilizing force during economic downturns.

- Only one
- Only Two
- Only Three
- All four

Ans: b



Sol: Statement 1 – Incorrect. Over-financialization is criticized for *reducing* productivity in the real economy by drawing talent away.

Statement 2 – Correct. Yes, excessive financial sector growth can reduce growth and stability — one of the Bell Curve insights.

Statement 3 – Correct. The financial sector may divert capital and skilled labor from productive sectors — a key concern.

Statement 4 – Incorrect. It is *not* considered a stabilizing force; rather, it can *exacerbate* economic downturns.

→ So, 2 statements (1 and 4) are incorrect.

Q1945. Which of the following statements is/are not aligned with the Bell Curve of Financial Development?

1. Financial deepening always leads to proportionally higher growth.

2. Unchecked growth of finance may risk creating asset bubbles and instability.

3. Financial sector development must be balanced with growth in the real economy.

(a) Only 1

(b) Only 1 and 2

(c) Only 2 and 3

(d) All three

Ans: a

Sol: Statement 1 – Not aligned (Incorrect). The Bell Curve idea warns *against* the assumption that financial deepening *always* leads to proportional growth — it suggests diminishing and even *negative* returns beyond a point.

Statement 2 – Aligned (Correct). This reflects the post-2008 insight that financial sector excesses can destabilize economies.

Statement 3 – Aligned (Correct). Maintaining a balance between financial and real sectors is *central* to avoiding over-financialization.

Topic 649

649. Mittelstand Model

• The Mittelstand model refers to the successful ecosystem of **small and medium-sized enterprises (SMEs)** in **Germany**.

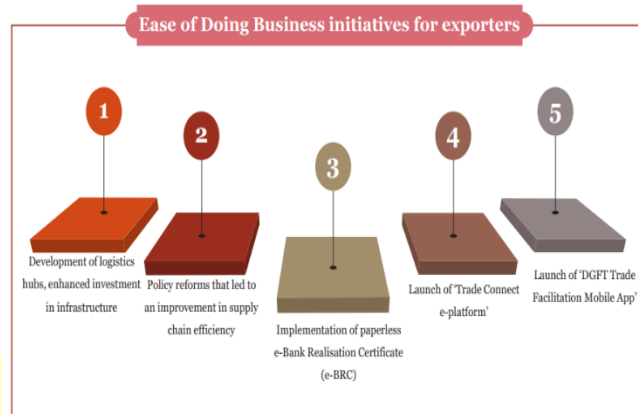
• These businesses form the **backbone of the German economy**.

• They are Known as "**Hidden Champions**", they export **high-quality, specialized products worldwide**.

• These are generally **family owned businesses**.

• Discussed in **Economic Survey 2024-25**

• The survey suggests that **India should try to replicate the model**.



Q1946. How many of the following statement(s) is/are correct about the Mittelstand Model as discussed in the Economic Survey 2024–25?

1. Mittelstand firms are large corporations that dominate the German stock exchange.

2. These firms are typically family-owned and produce high-quality, specialized products.

3. Mittelstand enterprises are often export-oriented and considered "Hidden Champions."

4. India has already replicated the Mittelstand model through its large-scale corporate sector.

(a) Only one

(b) Only Two

(c) Only Three

(d) All four

Ans: b



Sol: Statement 1 – Incorrect. Mittelstand refers to *SMEs*, not large corporations.

Statement 2 – Correct. These firms are generally *family-owned* and focus on *specialized, high-quality* products.

Statement 3 – Correct. They are well-known as *Hidden Champions* due to their strong presence in global niche markets.

Statement 4 – Incorrect. The Economic Survey suggests that India *should try to replicate* the model — implying it hasn't yet.

→ Therefore, only 3 statements (2, 3, and part of 4's inverse implication) are correct.

Q1947. Which of the following statements about Germany's Mittelstand firms are incorrect?

1. They are primarily focused on local markets and avoid international trade.
2. Most of them are family-owned with long-term business orientation.
3. They form the backbone of Germany's manufacturing exports.
4. These firms usually operate in niche sectors with a global competitive edge.

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

Ans: a

Sol: Statement 1 – Incorrect. Mittelstand firms are *export-oriented*, not limited to local markets.

Statement 2 – Correct. They are typically *family-owned* and focused on *sustainability and long-term goals*.

Statement 3 – Correct. They significantly contribute to *Germany's manufacturing and exports*.

Statement 4 – Correct. Known as “*Hidden Champions*,” they often dominate global *niche* sectors.

Q1948. Which of the following statements correctly reflect the recommendations of the Economic Survey 2024–25 regarding the Mittelstand model?

1. India should develop a similar SME-based ecosystem to boost high-quality exports.

2. The model emphasizes innovation-led growth within family-run businesses.

3. Large public sector enterprises should be made central to India's industrial development.

4. A focus on niche manufacturing capabilities could help India compete globally.

(a) Only 1, 2 and 4

(b) Only 2, 3 and 4

(c) Only 1 and 3

(d) All four statements

Ans: a

Sol: Statement 1 – Correct. The Survey suggests replicating the Mittelstand model for promoting *SMEs and exports*.

Statement 2 – Correct. The model is known for *innovation within family-owned enterprises*.

Statement 3 – Incorrect. The Mittelstand model focuses on *SMEs*, not large public sector units.

Statement 4 – Correct. Competing in *global niche markets* is a key feature and recommendation.

Topic 650

650. GIFT City

- It is **India's first International Financial Services Centre (IFSC)**, developed as a global financial hub in **Gandhinagar, Gujarat.**
- It aims to **compete** with **international financial centers** like **Dubai, Singapore, and London.**
- It provides a **tax-friendly**, globally competitive financial ecosystem.
- Unlike the rest of India, GIFT IFSC operates as a **non-resident zone.**
- International Financial Services Centres Authority (**IFSCA**) is a **regulator** for India's International Financial Services Centres (IFSCs).
- It aims to align with global financial standards.
- Stock exchanges like **NSE & BSE** have also **started to operate** in GIFT City, providing international investment opportunities.




Why is GIFT City Important?

1. Reduces reliance on offshore financial hubs.
2. Tax incentives for companies operating in GIFT IFSC.
3. Promotes India as a global financial services hub for banking, capital markets, insurance etc

Q1949. How many of the following statement(s) about GIFT City is/are correct?

1. GIFT City functions as a domestic financial zone with relaxed FDI rules.
2. It is regulated by the International Financial Services Centres Authority (IFSCA).
3. Stock exchanges like NSE and BSE offer international investment opportunities in GIFT City.
4. GIFT IFSC is designed to align with global financial standards.

- (a) Only one
- (b) Only Two
- (c) Only Three
- (d) All four

Ans: c

Sol: Statement 1 – Incorrect. GIFT City operates as a non-resident financial zone, not a domestic one. It's distinct from domestic regulatory frameworks.

Statement 2 – Correct. IFSCA is the dedicated regulator for India's International Financial Services Centres, including GIFT City.

Statement 3 – Correct. NSE & BSE have operational arms in GIFT City offering international investment products.

Statement 4 – Correct. One of GIFT City's core goals is to align with global financial standards and compete with hubs like London, Singapore.

Q1950. Which of the following statements about the regulatory and economic aspects of GIFT City are incorrect?

1. The tax structure in GIFT City is more stringent compared to the rest of India.
2. GIFT IFSC provides a globally competitive financial ecosystem.
3. GIFT City is India's second International Financial Services Centre after Mumbai.
4. GIFT City aims to attract global investors by offering a liberal financial regime.

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

Ans: b

Sol: Statement 1 – Incorrect. The tax structure in GIFT City is liberal and investor-friendly, not more stringent.

Statement 2 – Correct. GIFT IFSC indeed offers a globally competitive financial environment.

Statement 3 – Incorrect. GIFT City is India's first and only International Financial Services Centre as of now.

Statement 4 – Correct. Attracting global investors through a liberal regime is a key objective.

Q1951. How many of the following statement(s) about GIFT City and its regulatory framework is/are incorrect?

1. GIFT City operates within the standard Indian financial and regulatory framework.
2. IFSCA oversees GIFT City and other domestic financial centers in India.
3. GIFT City aims to serve both international and domestic financial clients.
4. GIFT IFSC is envisioned to compete with global hubs such as Singapore and Dubai.

- (a) Only one
- (b) Only Two
- (c) Only Three
- (d) None

Ans: b



Sol: Statement 1 – Incorrect. GIFT City operates under a separate legal and regulatory framework as a non-resident zone.

Statement 2 – Incorrect. IFSCA only regulates International Financial Services Centres, not domestic financial centres.

Statement 3 – Correct. GIFT City serves both international and domestic clients, especially through its unique positioning.

Statement 4 – Correct. Competing with global financial hubs is a central aim of GIFT IFSC.

Day 63

Topic 651

651. Tax cut announced in Union Budget 2025-26

Tax cut measures

1. Rebate increased from Rs 7 Lakh to Rs 12 Lakh

- In the Union Budget 2025-26, the government announced that individuals with an annual **income of up to ₹12 lakh will not be required to pay any income tax.**

2. Standard deduction increased from Rs 50k to Rs 75K

- **Salaried individuals** are eligible for a standard deduction of ₹75,000 as per IT Act 1961.
- This effectively making the total **tax-exempt income limit ₹12.75 lakh per annum** for salaried class.

3. For Income beyond 12 Lakh Rs

- Tax free income limit has been increased from **Rs 3 Lakhs to rs 4 Lakhs.**

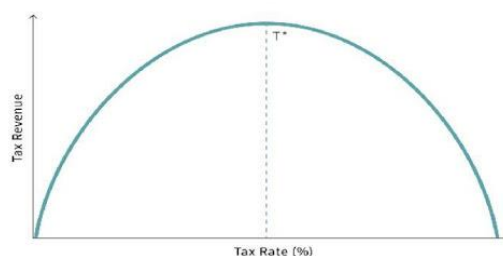
Analysis of the Tax cut strategy (as per Laffer Curve)

- Lower taxes will **allow more money** in the **hands of the people** which will **boost spending** and **economic activity.**
- This may spur the **virtuous cycle of the economy.**
- Increased economic activity will overall lead to **increased revenue generation** for the government.

Personal Income Tax reforms with special focus on the middle class



The Laffer Curve



Q1952. With reference to the income tax rebate and standard deduction changes announced in Union Budget 2025–26, consider the following statements:

1. The income tax rebate limit under the new regime has been increased from ₹7 lakh to ₹12 lakh.
2. The revised standard deduction of ₹75,000 applies to all individuals, regardless of their income source.
3. The total tax-exempt income limit for salaried individuals is ₹12.75 lakh.

Which of the above statements is/are correct?

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

Ans: c

Sol: Statement 1 is correct: The rebate threshold has indeed been increased from ₹7 lakh to ₹12 lakh.

Statement 2 is incorrect: The standard deduction of ₹75,000 applies only to salaried individuals and pensioners, not to all individuals.

Statement 3 is correct: Combining the ₹12 lakh rebate with ₹75,000 standard deduction gives



salaried individuals a total tax-exempt income of ₹12.75 lakh.

Q1953. Consider the following statements regarding taxation of income beyond ₹12 lakh under the Union Budget 2025–26:

1. For income above ₹12 lakh, an additional tax-free limit of ₹4 lakh is provided.
2. The tax-free income slab beyond ₹12 lakh was increased from ₹3 lakh to ₹4 lakh.
3. These revisions aim to simplify the tax structure while enhancing revenue through economic growth.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 is incorrect: No additional ₹4 lakh is tax-free beyond ₹12 lakh. Instead, the tax-free slab for income beyond ₹12 lakh is increased to ₹4 lakh.

Statement 2 is correct: It correctly identifies the increase from ₹3 lakh to ₹4 lakh.

Statement 3 is correct: It reflects the budget's intent based on Laffer Curve analysis—lower taxes can boost growth and revenue.

Q1954. With reference to the Laffer Curve analysis mentioned in Budget 2025–26, consider the following statements:

1. The Laffer Curve suggests that reducing tax rates can lead to higher tax revenues in the long run.
 2. Increased disposable income due to tax cuts may stimulate consumer demand and economic activity.
 3. The Laffer Curve justifies higher taxation to control inflation and reduce public spending.
- Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 is correct: The core idea of the Laffer Curve is that lower tax rates can sometimes increase revenue by encouraging economic activity.

Statement 2 is correct: Lower taxes increase disposable income, boosting demand—a virtuous economic cycle.

Statement 3 is incorrect: The Laffer Curve does not justify higher taxation; rather, it highlights that beyond a certain point, higher taxes reduce incentives to earn, invest, and consume.

Topic 652

652. Different digital payment modes

1. National Electronic Funds Transfer (NEFT)

- do **not** take place in **real-time**
- payments made via NEFT are processed and settled **half hourly batches (takes upto 2 hours to settle)**.
- NEFT transactions can be **performed 24*7**.
- Minimum Transfer Value: **Rs. 1**
- Maximum transfer value: **No limit**

2. Real-time Gross Settlement (RTGS)

- in **real-time**, without any delay.
- It is mostly used for **transactions of high value**.
- When using the banking method, RTGS is the **fastest possible way to transfer money**.
- RTGS transactions can be **performed 24*7**.
- Minimum Transfer Value: **Rs. 2 lakhs**
- Maximum transfer value: **No upper limit**

For **RTGS and NEFT** the **Bank accounts** have to be **linked**. But **UPI can be done without linking** the bank accounts.

3. NACH (National Automated Clearing House) Payment System

- It is an **electronic payment system** implemented by the **National Payments Corporation of India (NPCI)**.
- It is designed to facilitate **high-volume, repetitive, and periodic transactions**.
- Used for **Salary, EMI payments, Government subsidies etc**



	NEFT	RTGS	IMPS
Minimum Transfer Value	Re. 1	Rs. 2 Lakh	Re. 1
Maximum Transfer Value	No Limit	No Limit	Rs. 2 Lakh
Payment Mode	Both, online and offline	Both, online and offline	Online only
Settlement Type	Both, online and offline	Both, online and offline	Online only
Settlement Time	2 hours	Immediate	Immediate
Operational Time	24*7	Varies from bank to bank	24*7
Transaction Charges	NIL	NIL	Varies from bank to bank

Payment method	Share
UPI	82.96
NEFT	4.47
Prepaid Payment Instruments	3.37
NACH	3.26
IMPS	2.86
Credit cards	2.15
Debit cards	0.84
NETC (linked to bank account)	0.08
BHIM Aadhaar Pay	0.01
AePS (Fund Transfers)	0.001

Q1955. With reference to NEFT (National Electronic Funds Transfer), consider the following statements:

1. NEFT transactions are processed in real-time and settled instantly.
2. NEFT is available 24x7 for users.
3. NEFT allows fund transfer with a minimum of ₹1 and has no upper limit.
4. NEFT requires both sender and receiver bank accounts to be linked.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 is incorrect: NEFT is *not* real-time; it settles in half-hourly batches, possibly taking up to 2 hours.

Statement 2 is correct: NEFT is available 24x7.

Statement 3 is correct: It allows transfers from ₹1 with no upper limit.

Statement 4 is correct: NEFT requires bank accounts to be linked.

Q1956. Which of the following statements regarding Real-Time Gross Settlement (RTGS) are correct?

1. RTGS is suitable for low-value retail transactions due to its speed.
2. RTGS has a minimum transfer limit of ₹2 lakh.
3. RTGS payments are settled instantly and individually.
4. RTGS transactions can only be performed during banking hours.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 is incorrect: RTGS is not meant for low-value transactions; it's used for high-value transfers (min. ₹2 lakh).

Statement 2 is correct: Minimum value is ₹2 lakh.

Statement 3 is correct: RTGS settles transactions individually and instantly.

Statement 4 is incorrect: RTGS is now available 24x7, not restricted to banking hours.

Q1957. With reference to digital payment systems, consider the following statements:

1. NACH is suitable for high-frequency, low-volume fund transfers like individual peer-to-peer payments.
2. UPI transactions can occur without linking bank accounts.
3. NACH is used for recurring payments like salaries and government subsidies.
4. Unlike NEFT and RTGS, UPI does not require the sender and receiver to have bank accounts linked.

How many of the above statement(s) is/are incorrect?

- (a) Only one
(b) Only two



- (c) Only three
(d) All four

Ans: b

Sol: Statement 1 is incorrect: NACH is for high-volume, repetitive transactions—not individual or low-volume payments.

Statement 2 is incorrect: UPI does require bank accounts, but it works without needing to add account numbers manually; it uses a VPA (Virtual Payment Address) instead.

Statement 3 is correct: NACH is widely used for salary, pension, EMI, subsidies etc.

Statement 4 is correct: UPI doesn't require linking accounts in the traditional sense like NEFT/RTGS; instead, it uses VPAs.

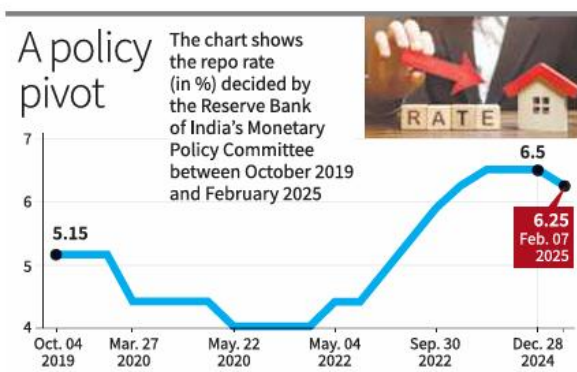
Topic 653

653. Monetary Policy Review-February 2025

- The **Reserve Bank of India (RBI)** cut the **repo rate** by **25 basis points** (bps) to **6.25%**.
- This is the **first rate** cut in **57 months** (since May 2020).
- The initiative aims to **boost economic growth** amid rising inflation.

Forex Reserve (as announced by RBI in MP Review)

- India's foreign exchange reserves stood at **\$630.6 billion** (as of January 31), providing over **10 months of import cover**.



Q1958. If the design of currency note has to change, then,

1. Final approval is from the Central Government
2. Final approval is given by RBI board on consideration of recommendations of central government.
3. Monetary Policy Committee takes the final decision

4. There is no role of central government, solely taken by RBI

Ans: a

Sol: RBI Act, 1934: Section 25: Form of bank notes. "The design, form and material of bank notes shall be such as may be approved by the Central Government after consideration of the recommendations made by the Central Board."

Q1959. With reference to the Cash Reserve Ratio (CRR) in India, consider the following statements:

1. CRR is the percentage of a bank's total deposits that must be maintained as reserves with the Reserve Bank of India (RBI) in cash form.
2. An increase in CRR reduces the money supply in the economy, thereby controlling inflation.
3. Banks earn interest on the reserves maintained under CRR with the RBI.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1 is correct: The Cash Reserve Ratio (CRR) is a regulatory requirement under which banks must keep a certain percentage of their total deposits as cash reserves with the Reserve Bank of India (RBI). This helps in regulating liquidity in the banking system.

Statement 2 is correct: When the RBI increases CRR, banks have to keep a higher portion of their deposits as reserves, reducing the amount available for lending. This leads to a reduction in the money supply, which helps in controlling inflation. Conversely, a reduction in CRR increases liquidity in the economy.

Statement 3 is incorrect: The RBI does not pay any interest on the reserves maintained under CRR. It is a mandatory requirement, and banks do not earn any return on these funds.

1960. Consider the following statements.

1. At present, RBI's contingency risk buffer (CRB) should be maintained in a range of 5.5 per cent to 6.5 per cent of the central bank's balance sheet.



2. As per the RBI Act, RBI is required to pay balance of its profits to the central government after making provision for bad and doubtful debts, depreciation in assets, and contributions to staff. Select the correct code.

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

Ans: c

Sol: An expert committee led by Bimal Jalan, former RBI Governor, was set up in November 2018, to review the ECL framework of the RBI. In 2019, the RBI had adopted the recommendations of the expert committee on ECF. The committee had suggested that the RBI's contingency risk buffer (CRB) should be maintained in a range of 5.5 per cent to 6.5 per cent of the central bank's balance sheet. Section 47 of the Reserve Bank of India (RBI) Act, 1934 states that the remaining profits of the RBI are to be paid to the Central Government after making provisions for certain matters. As per this provision, the central bank is required to pay balance of its profits to the central government after making provision for bad and doubtful debts, depreciation in assets, and contributions to staff.

Topic 654

654. Special domain for Banks

What is the news?

- **RBI** will **introduce** an **exclusive 'bank.in' internet domain** for **Indian banks**.
- Registrations for this domain will **start** in **April 2025** to help customers identify legitimate banking websites and avoid phishing scams.

Expansion plan

- **After** implementing 'bank.in', **RBI plans** to introduce '**fin.in**' for other **non-bank financial entities** in the financial sector.
- This will help **strengthen cybersecurity across NBFCs and digital lenders**.
- **RBI's Indian Banks' Association (IBA)** and the **Institute for Development and Research in Banking Technology (IDRBT)** will oversee **registrations**.



Q1961. With reference to the RBI's initiative of introducing a 'bank.in' domain, consider the following statements:

1. The domain aims to help customers easily identify authentic banking websites and avoid phishing.
2. Registrations for the 'bank.in' domain will be handled directly by the Ministry of Electronics and IT.
3. The domain will be exclusively available for banks regulated in India.
4. RBI has stated that this domain will also be open to all e-commerce platforms providing financial services.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: One of the main goals is to prevent phishing and fake websites by offering a trusted domain for Indian banks.

Statement 2 – Incorrect: Registrations will be overseen by IBA and IDRBT, not the Ministry of Electronics and IT.

Statement 3 – Correct: The domain is meant for Indian banks—i.e., regulated entities.

Statement 4 – Incorrect: E-commerce platforms are not part of this banking-specific domain initiative

Q1962. How many of the following statement(s) is/are correct regarding RBI's domain expansion plan?

1. After launching 'bank.in', RBI plans to introduce 'fin.in' for NBFCs and digital lenders.
2. The 'fin.in' domain will be used by private insurance companies under IRDAI.
3. The RBI's digital domain initiative is intended to strengthen cybersecurity in India's financial sector.



4. IDRBT will be responsible for registering non-bank entities under the 'fin.in' domain.

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

Ans: c

Sol: Statement 1 – Correct: RBI will introduce 'fin.in' for non-bank financial entities.

Statement 2 – Incorrect: No mention of insurance companies being included under 'fin.in'. It is targeted at NBFCs and digital lenders.

Statement 3 – Correct: The goal is cybersecurity enhancement across financial institutions.

Statement 4 – Correct: IDRBT and IBA will oversee registration for both ‘bank.in’ and ‘fin.in’.

Q1963. Consider the following statements about the 'bank.in' domain initiative by the RBI:

1. It will be mandatory for all Indian banks to shift their websites to the 'bank.in' domain starting April 2025.
2. The Indian Banks' Association (IBA) is involved in the registration process.
3. This move is intended to mitigate cyber frauds like phishing and impersonation websites.
4. The Institute for Development and Research in Banking Technology (IDRBT) is a partner in the implementation.

Which of the above statements is/are correct?

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

Ans: c

Sol: Statement 1 – Incorrect: There is no mention of it being mandatory; it is a voluntary security measure.

Statement 2 – Correct: IBA is involved in managing domain registration.

Statement 3 – Correct: The initiative aims to reduce phishing and fraud by making legitimate bank sites easier to identify.

Statement 4 – Correct: IDRBT, a tech institution under RBI, is also part of the implementation and oversight.

Topic 655

655. Gross Domestic Knowledge Product (GDKP)

- Gross Domestic Knowledge Product (GDKP) aims to capture the knowledge economy's impact on economic and social life.

What is a knowledge Economy?

- A system that is driven by **intellectual capital, innovation, and technology**.
- Advanced information technology (**IT**), artificial intelligence (**AI**), research & development (**R&D**), and **automation are part of knowledge economy.**

How it is different from traditional economies?

- Unlike traditional economies that rely on land, labour, and capital, a knowledge economy thrives on ideas, skills, and expertise.

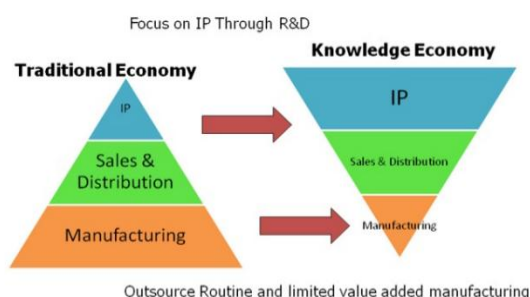
Examples of Knowledge Economy Sectors

- Universities-learning platforms, IT and Software Development (Google, Microsoft, Infosys) etc

Current news?

- The **government** has decided that a **technical committee** will be formed to capture the **knowledge economy's** **impact on economic and social life.**

Towards IP Driven Knowledge Economy



Q1964. With reference to the concept of Gross Domestic Knowledge Product (GDKP), consider the following statements:

1. GDKP measures the contribution of sectors driven by intellectual capital and innovation to the broader economy.
 2. The GDKP concept is aimed at capturing both the economic and social dimensions of the knowledge economy.
 3. Traditional economies also focus primarily on intangible assets like ideas and intellectual capital.
- How many of the above statement(s) is/are correct?



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

Ans: b

Sol: Statement 1 – Correct: GDKP is explicitly designed to measure the impact of knowledge sectors like IT, AI, and R&D.

Statement 2 – Correct: The government's initiative includes economic and social life, not just GDP contributions.

Statement 3 – Incorrect: Traditional economies rely on tangible assets such as land, labor, and capital, not intangible knowledge.

Q1965. Consider the following statements regarding the Knowledge Economy:

1. It is largely driven by factors such as information technology, research, and innovation.
2. Examples include industries such as agriculture and heavy manufacturing.
3. It prioritizes intellectual capital over physical capital.
4. Universities and e-learning platforms form an integral part of it.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: IT, AI, R&D, and automation are core enablers of the knowledge economy.

Statement 2 – Incorrect: Agriculture and heavy manufacturing belong to traditional sectors, not the knowledge economy.

Statement 3 – Correct: It thrives on ideas, skills, and expertise, placing intellectual capital above physical capital.

Statement 4 – Correct: Education-based institutions and platforms are vital contributors to knowledge creation and dissemination.

Q1966. With reference to the recent developments in India concerning the Gross Domestic Knowledge Product (GDKP), consider the following statements:

1. The GDKP initiative is part of the government's effort to modernize GDP accounting by incorporating intangible knowledge assets.
2. A special technical committee has been announced to study the knowledge economy's impact.
3. GDKP will replace GDP as the official metric for economic measurement in India.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: GDKP is designed to supplement GDP by capturing value generated by knowledge-based sectors.

Statement 2 – Correct: A technical committee has been announced by the government for this purpose.

Statement 3 – Incorrect: GDKP is not intended to replace GDP, but to complement it by highlighting intangible, knowledge-driven growth.

Topic 656

656. Gender Budgeting

- It is a method of **framing budget** in a manner that could ensure-

1. Women Empowerment
2. Mainstreaming of Women
3. Reducing Gender based discrimination
4. Address gender Disparity

- This concept was **first** brought by **Australia in 1984.**

It includes 2 steps-

1. **Examining all the Budgetary allocations from Gender lens(how it is going to impact women?)**

2. **Introducing Women specific Schemes**

Eg- Beti Bachao Beti Padhao, Sukanya Samriddhi yojana.

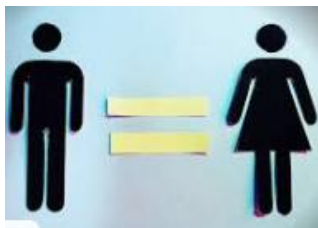
3. Gender Budgeting does **not mean creating separate budgets** for **women** but rather **ensuring** that financial planning addresses **gender disparities** in all sectors.

Gender Budgeting in India

- **Introduced in 2005-06** by **Ministry of Women and Child Development (MWCD)**



- **Gender Budget Statement (GBS)** is annexed to the Union Budget, showing allocations for gender-related schemes.
- **Gender Budgeting Cells (GBCs)** jointly created by 57 Ministries/Departments.



Gender Budgeting approach in India

- **Two-Part** of Gender Budgeting-

a. Part A

- **100% allocation** for women-centric **schemes** (e.g., Beti Bachao Beti Padhao, One Stop Centres).

b. Part B

- **At least 30%** allocation benefiting women (e.g., MGNREGS, NRLM).

Q1967. With reference to Gender Budgeting in India, consider the following statements:

1. Gender Budgeting was first introduced in India in the 1990s by the Planning Commission.
2. The Gender Budget Statement (GBS) is a part of the Union Budget and lists schemes with significant benefits for women.
3. Gender Budgeting involves creating separate budgets exclusively for women.

How many of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect: Gender Budgeting was officially introduced in India in 2005–06 by the Ministry of Women and Child Development, not the Planning Commission in the 1990s.

Statement 2 – Correct: The Gender Budget Statement (GBS) is annexed to the Union Budget and reflects allocations for women-related schemes.

Statement 3 – Incorrect: Gender Budgeting does not mean creating separate budgets for women. Instead, it ensures gender equity in mainstream financial allocations.

Q1968. Consider the following statements regarding the approach to Gender Budgeting in India:

1. Part A includes schemes where at least 30% of funds benefit women.
2. Part B includes schemes with 100% allocation for women.
3. MGNREGS and NRLM fall under Part B of Gender Budgeting.
4. Beti Bachao Beti Padhao and One Stop Centres fall under Part A.

Which of the above statements is/are incorrect?

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

Ans: d

Sol: Statement 1 – Incorrect: Part A is for 100% allocation to women-centric schemes.

Statement 2 – Incorrect: Part B includes schemes where at least 30% of funds benefit women, not 100%.

Statement 3 – Incorrect: MGNREGS and NRLM fall under Part B, not Part A.

Statement 4 – Incorrect: Beti Bachao Beti Padhao and One Stop Centres fall under Part A, not Part B.

Q1969. Which of the following statements correctly reflect the objectives and mechanisms of Gender Budgeting?

1. It aims to reduce gender-based discrimination through targeted financial planning.
 2. It involves examining existing budgetary allocations through a gender lens.
 3. It was first globally introduced by Australia in 1984.
 4. Gender Budgeting Cells (GBCs) in India are created by the Ministry of Finance alone.
- How many of the above statement(s) is/are correct?
- (a) Only two
 - (b) Only three
 - (c) All four
 - (d) Only one

Ans: b



Sol: Statement 1 – Correct: One of the primaries aims of Gender Budgeting is to reduce gender-based disparities.

Statement 2 – Correct: Reviewing budget allocations from a gender perspective is a core part of the approach.

Statement 3 – Correct: The concept was first introduced by Australia in 1984.

Statement 4 – Incorrect: Gender Budgeting Cells (GBCs) are created jointly by 57 ministries/departments, not solely by the Ministry of Finance.

Topic 657

657. New Income-Tax Bill 2025

- Finance Minister has introduced a new **Income-Tax Bill, 2025** in Lok Sabha.
- The new bill seeks to **amend Income Tax Act 1961**
- While the **overall tax structure remains unchanged**, the bill aims at **simplifying tax laws (making it compact)**.
- Tax Bill is expected to come into **effect from April 1, 2026**.

Key provisions of the New Income-Tax Bill

1. 'Tax Year' Concept

- The bill **replaces** the terms '**previous year**'/'**financial year**' and '**assessment year**' with a unified 'tax year' to reduce confusion among taxpayers.

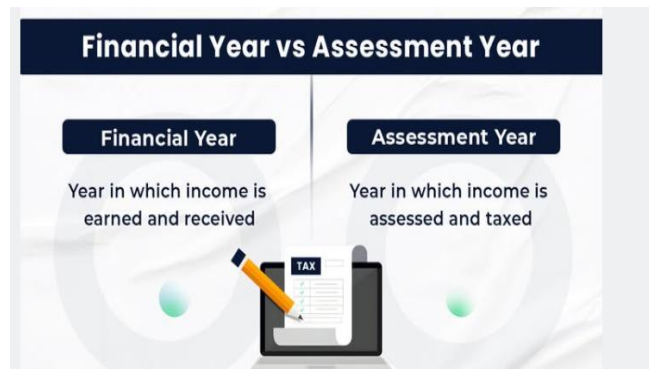
2. Expansion of the Definition of 'Income'

- The new bill includes **virtual digital assets (VDAs)**, such as **cryptocurrencies and NFTs**, as part of **taxable capital assets**.
- This aligns VDAs with **existing asset categories like land, buildings, shares, bullion, and artwork**.

3. Digital Access for Tax Authorities:

- The bill proposes **granting tax authorities** broader powers to **access taxpayers' electronic records**, including emails, social media accounts, and online banking during searches.

4. Removal of Redundant Provisions



Q1970. With reference to the New Income-Tax Bill, 2025, consider the following statements:

1. The bill seeks to replace the Income Tax Act of 1961 with a simplified, compact framework.
2. It introduces a unified concept of 'tax year' by merging 'previous year' and 'assessment year'.
3. The bill introduces new tax slabs and alters the base exemption limit.
4. The bill is expected to be implemented from April 1, 2025.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: The bill aims to amend and simplify the Income Tax Act, 1961, making it more compact.

Statement 2 – Correct: It introduces a 'tax year' to replace the older concepts of 'previous year' and 'assessment year'.

Statement 3 – Incorrect: The bill does not change tax slabs or exemption limits; the overall structure remains unchanged.

Statement 4 – Incorrect: The bill is proposed to come into effect from April 1, 2026, not 2025.

Q1971. Consider the following statements regarding the key provisions of the New Income-Tax Bill, 2025:

1. Virtual Digital Assets (VDAs) have been excluded from the definition of capital assets to reduce compliance burden.
2. The bill allows tax authorities to access digital platforms like emails and social media accounts during official searches.



3. VDAs have now been aligned with traditional assets such as shares, land, and bullion.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect: The bill includes, not excludes, VDAs (cryptocurrencies, NFTs) as taxable capital assets.

Statement 2 – Correct: Tax authorities have been granted broader access to digital records, including emails and social media.

Statement 3 – Correct: VDAs are aligned with traditional asset categories like land, buildings, and shares for taxation purposes.

Q1972. Which of the following are among the intended outcomes of the New Income-Tax Bill, 2025?

1. Simplification of tax laws by removing outdated provisions.
2. Ensuring better compliance through enhanced digital scrutiny mechanisms.
3. Promoting cryptocurrency investments by exempting them from capital gains tax.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: One of the goals of the bill is to simplify tax laws and eliminate redundant clauses.

Statement 2 – Correct: The bill expands digital access for tax authorities, which is aimed at enhancing compliance.

Statement 3 – Incorrect: The bill does not exempt cryptocurrencies from capital gains tax; in fact, it brings them under the tax net.

Topic 658

658. Inland waterway terminal at Jogighopa

- Union Minister **Sarbananda Sonowal** **inaugurated** a **inland waterway terminal** at **Brahmaputra River** at **Jogighopa, Assam**. **Inauguration was marked with flagging off**
Ships & Barges –

- Ships: mv Padma Navigation-II and mv Trishul.
- Barges: Ajay and Dikshu.

Significance of inland water terminal at Jogighopa

1. Boosts Trilateral Trade

- Enhances trade connectivity between **India, Bhutan, and Bangladesh.**
- **Jogighopa** has **road** connectivity with **Gelephu, Bhutan.**

2. Strategic Positioning

- The terminal is expected to **act as an economic multiplier** for the region.



Q1973. With reference to the recently inaugurated Inland Waterway Terminal at Jogighopa, consider the following statements:

1. It is located on the banks of the Ganga River in Assam.
 2. The terminal was inaugurated by the Union Minister for Ports, Shipping and Waterways.
 3. The terminal aims to enhance trilateral trade between India, Bhutan, and Bangladesh.
- How many of the above statement(s) is/are correct?

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



Ans: b

Sol: Statement 1 – Incorrect: The terminal is on the Brahmaputra River, not the Ganga River.

Statement 2 – Correct: It was inaugurated by Union Minister Sarbananda Sonowal, who holds the Ports, Shipping and Waterways portfolio.

Statement 3 – Correct: The terminal is expected to boost trilateral trade between India, Bhutan, and Bangladesh.

Q1974. Which of the following vessels were flagged off during the inauguration of the Inland Waterway Terminal at Jogighopa?

1. mv Padma Navigation-II
2. mv Trishul
3. Barges Ajay
4. Barge Vikramaditya

Which of the above is/are correct?

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

Ans: a

Sol: The following were flagged off:

- Ships: mv Padma Navigation-II and mv Trishul
 - Barges: Ajay and Dikshu, not Vikramaditya
- Hence, statements 1, 2, and 3 are correct.

Q1975. Consider the following statements with reference to the strategic and economic significance of the Inland Waterway Terminal at Jogighopa:

1. The terminal connects directly by waterway to Bangladesh's Chittagong port.
2. Jogighopa's road connectivity with Gelephu facilitates integration with Bhutan's trade network.
3. The terminal is expected to serve as an economic multiplier in the region.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: While the terminal enhances trade connectivity with Bangladesh,

there is no direct waterway link to Chittagong port mentioned here.

Statement 2 – Correct: Jogighopa is connected by road to Gelephu, a major Bhutanese town, enhancing trade with Bhutan.

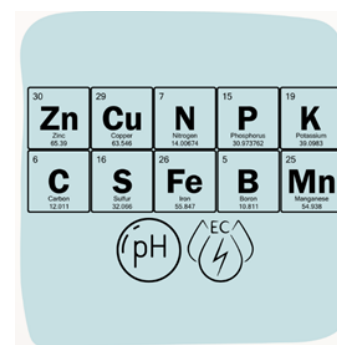
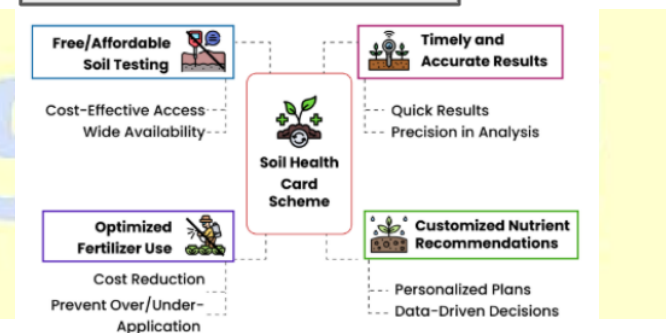
Statement 3 – Correct: The terminal is expected to act as an economic multiplier for the region.

Topic 659

659. 10 years of Soil Health Card Scheme

- The Scheme was **introduced in 2015** by Ministry of Agriculture and Farmers Welfare.
- SHCS has been **merged** in **Rashtriya Krishi Vikas Yojana (RKVY)** scheme as one of its components named **‘Soil Health & Fertility’** from the **year 2022-23**.
- **Village level Soil Testing Labs** and **Soil Health Card Portal** is established to issue **soil health cards** every **two years to all farmers**.

Benefits of Soil Health Card Scheme



Soil Health Card contains **status of soil** with respect to **12 parameters**

- a. N,P,K, S (Macronutrients);**
b. Zn, Fe, Cu, Mn, Bo (Micro - nutrients)
c. pH (Acidity or Basicity), EC (Electrical Conductivity) and OC (Organic Carbon).



Q1976. With reference to the Soil Health Card Scheme (SHCS), consider the following statements:

1. The scheme was initially launched under Rashtriya Krishi Vikas Yojana in 2015.
 2. The Soil Health Card contains information on both macro and micro nutrients, as well as physical parameters of the soil.
 3. Farmers are required to pay a fixed fee for receiving soil health cards every two years.
- How many of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect: SHCS was launched independently in 2015 by the Ministry of Agriculture and Farmers Welfare, not under RKVY. It was merged into RKVY only from 2022-23.

Statement 2 – Correct: The Soil Health Card includes data on 12 parameters – covering macronutrients (N, P, K, S), micronutrients (Zn, Fe, Cu, Mn, Bo), and soil properties (pH, EC, OC).

Statement 3 – Incorrect: The scheme provides free Soil Health Cards to farmers every two years; no fixed fee is charged.

Q1977. Which of the following statements is/are correct regarding the current status of the Soil Health Card Scheme?

1. The scheme now operates as a component under Rashtriya Krishi Vikas Yojana.
2. Soil Health Cards are issued annually to all farmers across India.
3. The component under RKVY is named 'Soil Health & Fertility'.

Select the correct answer using the code below:

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

Ans: c

Sol: Statement 1 – Correct: From 2022–23, SHCS has been merged into RKVY as a component.

Statement 2 – Incorrect: Soil Health Cards are issued once every two years, not annually.

Statement 3 – Correct: The component is officially named 'Soil Health & Fertility'.

Q1978. Which of the following parameters are not part of the 12 indicators listed in the Soil Health Card?

1. Sodium (Na)
2. Organic Carbon (OC)
3. Electrical Conductivity (EC)
4. Boron (Bo)

How many of the above parameters is/are NOT part of the Soil Health Card?

- (a) Only one
- (b) Two
- (c) Three
- (d) None

Ans: a

Sol: The 12 parameters in the Soil Health Card include:

- Macronutrients: N, P, K, S
- Micronutrients: Zn, Fe, Cu, Mn, Bo (Boron)
- Other parameters: pH, EC (Electrical Conductivity), OC (Organic Carbon)
- Sodium (Na) is not included.

So, only one of the given parameters (Na) is not part of the Soil Health Card.

Topic 660

660. Dinesh Khara Committee

- The **Insurance Regulatory and Development Authority of India (IRDAI)**, regulator of Insurance sector, recently set up a seven-member committee headed by former chairman of SBI **Dinesh Khara** to examine **proposed amendments to the Insurance Act, 1938**, and suggest a framework for its implementation.
- The **proposed amendments** include **increasing the foreign direct investment (FDI) cap in the insurance sector from 74% to 100%**, announced during **Budget 2025-26**.

Insurance Act, 1938

- It serves as the **primary regulatory framework** for the country's insurance industry and **led to the establishment of IRDAI**.





Q1979. With reference to the Dinesh Khara Committee, consider the following statements:

1. It has been constituted by the Securities and Exchange Board of India (SEBI).
 2. The committee will examine proposed changes to the Insurance Act, 1938.
 3. One of the proposed amendments includes raising the FDI cap in insurance to 100%.
- How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: The committee was set up by IRDAI, not SEBI.

Statement 2 – Correct: The committee's mandate is to examine proposed amendments to the Insurance Act, 1938.

Statement 3 – Correct: A key proposal is to increase the FDI cap from 74% to 100%, as announced in Budget 2025–26.

Q1980. Which of the following statements is/are correct regarding the Insurance Act, 1938 and its recent developments?

1. It is the foundational legislation regulating India's insurance sector.
2. It led to the creation of the Insurance Regulatory and Development Authority of India (IRDAI).
3. The Act was originally passed after the establishment of IRDAI.

Select the correct answer using the code below:

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

Ans: a

Sol: Statement 1 – Correct: The Insurance Act, 1938 serves as the primary legislation for the insurance industry.

Statement 2 – Correct: The Act paved the way for establishing IRDAI as the insurance sector regulator.

Statement 3 – Incorrect: The Act was passed in 1938, while IRDAI was established much later, in 1999.

Q1981. Consider the following statements regarding recent policy proposals for India's insurance sector:

1. The Budget 2025–26 proposed raising the FDI cap in insurance from 49% to 74%.
2. The Dinesh Khara Committee is tasked with implementing existing insurance regulations.
3. IRDAI is the statutory regulator of the Indian insurance sector.

Which of the above statements is/are incorrect?

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

Ans: b

Sol: Statement 1 – Incorrect: The proposed FDI cap increase is from 74% to 100%, not from 49% to 74%.

Statement 2 – Incorrect: The committee is not tasked with implementing existing regulations, but with examining amendments and proposing a framework.

Statement 3 – Correct: IRDAI is the statutory regulator for the insurance industry in India.

Topic 661

661. RBI's USD-INR Buy/Sell Swap Auction

- A USD-INR Buy/Sell swap auction is a foreign exchange liquidity management tool used by the Reserve Bank of India (RBI). It also helps in managing rupee liquidity and stabilize exchange rates in the Indian market.

It includes 2 steps-

1. Buy Leg or Spot Transaction (RBI Buys US Dollars)

- RBI first purchases USD from banks (Authorized Dealers - Category I banks) in



exchange for INR at the current spot exchange rate.

2. Sell Leg or Forward Transaction (RBI Sells Back US Dollars)

- Simultaneously, the RBI agrees to sell back the same amount of USD to the banks after a fixed period at a pre-agreed forward exchange rate.

Current news?

- RBI plans to infuse \$10 billion in liquidity through a USD-INR Buy/Sell swap auction.
- The swap is intended for a tenor of three years.

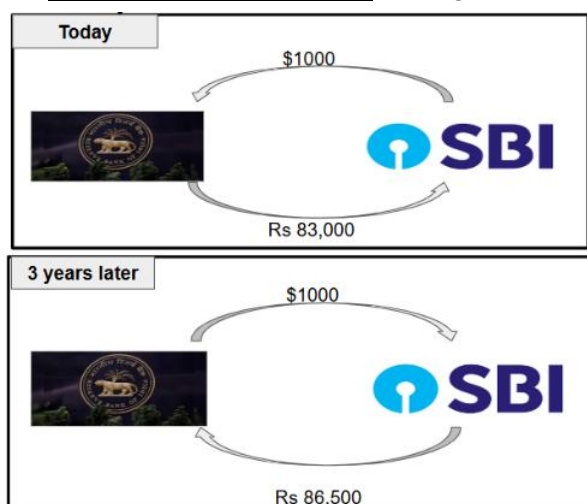
Benefits of the move

1. Infuses INR Liquidity

- This is a types of expansionary monetary policy, boosting growth in the Indian economy.

2. Avoids long-term exchange rate distortions

- Since the transaction is reversed at a future date at fixed rate, it helps in controlling exchange rate volatility in long run.



Let's understand with example, how it works?

- Suppose the current USD-INR exchange rate is 83.
- A bank, say SBI, participates in the auction and bids \$1000 for a premium of 350 paise (ie 3.5 rupees) for 3 years.

This means:

- Today SBI sells 1000 USD to RBI at 83 INR/USD.
- After 3 years, RBI will sell back the same USD to the bank at 86.50 INR/USD (83 + 3.5).

Q1982. Consider the following statements with reference to the mechanism of RBI's USD-INR Buy/Sell Swap Auction:

1. RBI first buys US Dollars from banks at the current forward exchange rate.

2. The sell leg involves the RBI selling back the same amount of USD at a pre-agreed rate in the future.

3. It is a type of sterilized foreign exchange intervention by the RBI.

How many of the above statement(s) is/are correct?

- Only one
- Only two
- All three
- None

Ans: b

Sol: Statement 1 – Incorrect: RBI buys USD from banks at the current spot exchange rate, not the forward rate.

Statement 2 – Correct: In the forward leg, RBI agrees to sell back the same amount of USD at a pre-agreed forward rate.

Statement 3 – Correct: This is a form of sterilized intervention, as it separates liquidity injection (INR) from long-term monetary effects by reversing the transaction later.

Q1983. With reference to the recent RBI USD-INR Buy/Sell Swap Auction announced in 2025, which of the following statements is/are correct?

- The swap is designed for a tenor of five years.
 - The auction aims to infuse \$10 billion worth of INR liquidity into the market.
 - This operation is consistent with an expansionary monetary policy stance.
- Select the correct answer using the code below:
- 1 and 2 only
 - 2 and 3 only
 - 1 and 3 only
 - 1, 2 and 3

Ans: b

Sol: Statement 1 – Incorrect: The current swap announced by RBI is for a tenor of three years, not five.

Statement 2 – Correct: RBI is infusing \$10 billion worth of INR liquidity, which helps in easing tight liquidity.

Statement 3 – Correct: It aligns with expansionary monetary policy by injecting more rupee liquidity into the system.



Q1984. Which of the following statements best describe the macroeconomic benefits of USD-INR Buy/Sell swap operations by RBI?

1. They help control long-term exchange rate volatility without affecting immediate interest rates.
2. They serve as a tool for managing short-term inflation targets through forward guidance.
3. These swaps enable RBI to infuse rupee liquidity without permanent expansion of the monetary base.
4. They reduce the need for open market operations involving G-Secs.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: Since the sell leg is pre-agreed, long-term volatility in the exchange rate is minimized.

Statement 2 – Incorrect: Swaps are not typically used for inflation targeting or forward guidance; these are handled via policy rates and MPC communication.

Statement 3 – Correct: Swaps inject liquidity temporarily, without permanent monetary expansion, unlike outright bond purchases.

Statement 4 – Correct: This reduces reliance on OMO operations involving G-Secs, offering an alternative liquidity tool.

Topic 662

662. Time Use Survey 2024 by MoSPI

- **Ministry of Statistics and Programme Implementation** released **Time Use Survey, 2024** which mainly accounted gender-based time use pattern.

Key findings-

1. Participation in employment

- **Men's** participation in employment: **75% in 2024** (up from 70.9% in 2019).
- **Women's** participation in employment: **25%** in 2024 (up from 21.8% in 2019).

2. Time spent on employment-related activities:

- Men: 473 minutes per day
- Women: 341 minutes per day

3. Unpaid caregiving work

- Women: 137 minutes per day.
- Men: 75 minutes per day.
- **41% of women** in the 15-59 age group participated in **caregiving**, compared to **21.4% of men**.

Conclusion

- The **gap in unpaid domestic work** between men and women is **narrowing**.
- **Men's participation** in **unpaid domestic work** has **increased** but remains **significantly lower than women's**.



Q1985. Consider the following statements regarding employment trends from the Time Use Survey 2024:

1. Women's participation in employment rose by more than 3 percentage points between 2019 and 2024.
2. The gap between men's and women's employment participation in 2024 remains greater than 40 percentage points.
3. In 2024, more than two-thirds of the male population is engaged in employment.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: Women's participation increased from 21.8% to 25%, a rise of 3.2 percentage points.

Statement 2 – Correct: Men's participation is 75%, and women's is 25% in 2024. The gap is 50 percentage points, which is greater than 40 percentage points.

Statement 3 – Correct: With 75% participation, clearly more than two-thirds (≈66.7%) of men are employed.



Q1986. Consider the following statements based on time spent on employment-related and caregiving work in Time Use Survey 2024:

1. On average, men spend over two hours more than women on employment-related activities per day.
2. Women spend nearly twice as much time on unpaid caregiving compared to men.
3. The average time spent by women on caregiving exceeds their time spent on employment-related activities.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: Men: 473 mins, Women: 341 mins → difference = 132 mins ≈ 2.2 hours.

Statement 2 – Correct: Women: 137 mins, Men: 75 mins → women's caregiving time is ~1.8x men's.

Statement 3 – Incorrect: Women spend 341 mins on employment vs 137 mins on caregiving. So, caregiving time is much less.

Q1987. Consider the following statements regarding interpretations and broader conclusions drawn from the Time Use Survey 2024:

1. Men's participation in unpaid domestic work is now almost equal to that of women.
2. The gender gap in unpaid caregiving participation among the 15–59 age group has narrowed.
3. Despite improvements, men still spend significantly less time on unpaid caregiving than women.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: Men's participation in unpaid caregiving: 21.4%, women: 41% → still not equal.

Statement 2 – Correct: The data shows increased male participation in unpaid caregiving, indicating narrowing gap.

Statement 3 – Correct: Women spend 137 mins, men only 75 mins → still a significant difference.

Topic 663

663. Maharatna, Navratna, and Miniratna status

- **Miniratna, Navratna and Maharatna Status** are given to PSUs depending on their **profitability and success**.
- **Dept of Public Enterprises** under **Ministry of Finance grants this status**.
- **Maharatna** is the **highest status** followed by **Navratna**.

Average annual net profit criteria

1. Maharatna

- Average annual net profit of over **₹5,000 crore** for the last **three years**.

2. Navratna

- A net profit of **₹3,000 crore** or more in the last **three years on average**.

3. Miniratna

- a. **Category I-₹30 crore** or more in at **least one of the three years**.
- b. **Category II-No threshold**

Current news?

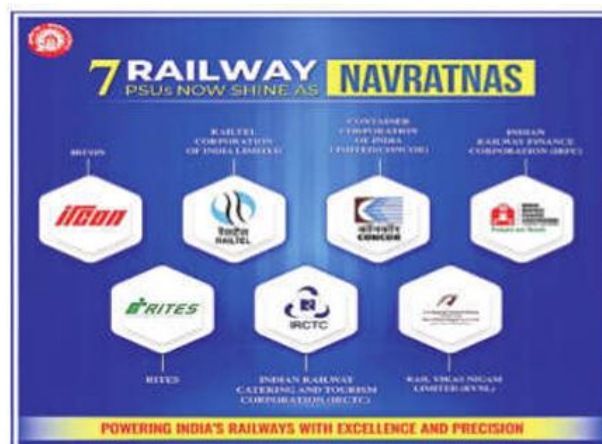
- **Navratna status** to 2 railway companies **IRCTC and IRFC**.

IRCTC (Indian Railway Catering and Tourism Corporation)

- It is responsible for **catering, tourism, and online ticketing** services for Indian Railways.

Indian Railway Finance Corporation (IRFC)

- It serves as the **financial arm of Indian Railways**, responsible for **raising funds for railway infrastructure development**.



Railway has **12 companies**. Out of them **7 are listed**. All **listed companies** of Railway has been given **Navratna Status**.

Q1988. Consider the following statements regarding classification of Public Sector Undertakings (PSUs):

1. To qualify as a Navratna, a PSU must have an average annual net profit of at least ₹3,000 crore over the last three years.
 2. Maharatna status requires an average annual net profit of over ₹5,000 crore for the past three years.
 3. Miniratna Category I companies must have earned a net profit of at least ₹30 crore in all three preceding years.
 4. Miniratna Category II companies are not required to meet any specific profitability threshold.
- How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: Navratna requires a net profit of ₹3,000 crore on average over the last three years.

Statement 2 – Correct: Maharatna requires over ₹5,000 crore average net profit in the last three years.

Statement 3 – Incorrect: It is sufficient for Miniratna Category I to have ₹30 crore profit in at least one of the three years—not all three.

Statement 4 – Correct: Miniratna Category II has no profitability threshold.

Q1989. Consider the following statements:

1. The Maharatna, Navratna, and Miniratna status to PSUs is conferred by the Department of Public Enterprises.
 2. These classifications empower PSUs with enhanced financial and operational autonomy.
 3. The Department of Public Enterprises functions under the Ministry of Heavy Industries.
- Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: The status is granted by the Department of Public Enterprises, under the Ministry of Finance.

Statement 2 – Correct: The classification provides greater operational and financial autonomy (like capital expenditure limits).

Statement 3 – Incorrect: The DPE used to be under Ministry of Heavy Industries, but it now functions under the Ministry of Finance.

Q1990. Consider the following statements:

1. IRFC and IRCTC have been recently granted Navratna status by the government.
2. All listed companies under Indian Railways have now received Navratna status.
3. Indian Railway Finance Corporation (IRFC) is the primary logistics and catering arm of Indian Railways.
4. Indian Railways has 12 companies, of which 5 are unlisted.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: IRFC and IRCTC have recently received Navratna status.

Statement 2 – Correct: There are 7 listed railway PSUs, and all 7 have been granted Navratna status.

Statement 3 – Incorrect: IRCTC, not IRFC, handles catering and logistics. IRFC is the financial arm.

Statement 4 – Correct: Indian Railways has 12 companies, of which 7 are listed, so 5 are unlisted.

Topic 664

664. Coal-fired power plants in India cut rice, wheat yield

- Coal-fired power plants are **electricity-generating plants** that **burn coal** to produce energy.
- These plants **heat water to create steam**, which **drives a turbine** connected to a generator, **producing electricity**.



Environmental Impact of Coal-fired power plants

1. Air Pollution

- Releases carbon dioxide (**CO₂**), sulfur dioxide (**SO₂**), nitrogen oxides (**NOx**), and **particulate matter**.

2. Climate Change

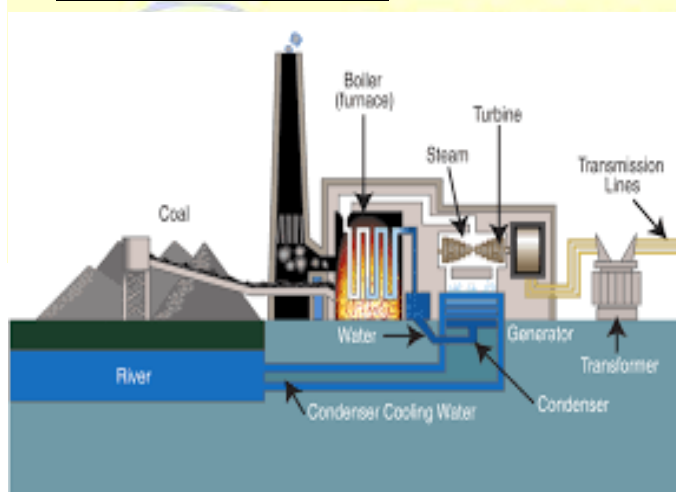
- Major contributor to **global warming** due to **high CO₂ emissions**.

3. Acid Rain

- SO₂ and NOx emissions **cause acid rain**, **harming soil, water, and buildings**.

Current news?

- A **new study** by **U.S. and Indian researchers** highlights that **emissions from coal-fired power plants** significantly **reduce rice and wheat yields** in India.
- These power plants **release nitrogen oxides (NOx)**, which are **phytotoxic** (harmful to plants) and **hinder cellular function**, increasing crop damage.
- **10% yield** of rice and wheat declined due to **Coal fired power plants**.



Q1991. Consider the following statements regarding coal-fired power plants:

1. Emissions from these plants contribute to acid rain through the release of sulfur dioxide and nitrogen oxides.

2. Nitrogen oxides (NOx) from coal-fired power plants act as fertilizers and boost crop yields.
3. Coal-fired power plants are major contributors to climate change due to carbon dioxide emissions.
4. Exposure to NOx emissions can reduce rice and wheat yields by around 10%.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: SO₂ and NOx are primary causes of acid rain.

Statement 2 – Incorrect: NOx is phytotoxic, not beneficial—it harms plant cellular function and reduces yield.

Statement 3 – Correct: Coal plants emit CO₂, a major greenhouse gas, driving climate change.

Statement 4 – Correct: The study indicates that rice and wheat yields dropped by ~10% due to NOx exposure.

Q1992. Consider the following statements:

1. Coal-fired power plants produce electricity by using steam to turn turbines connected to generators.
2. The process of electricity generation in coal plants involves direct combustion of coal to rotate turbines.
3. Particulate matter released from these plants contributes to air pollution.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: Steam generated from heating water turns a turbine → generator → electricity.

Statement 2 – Incorrect: Coal is not used directly to rotate turbines—it heats water to create steam, which then drives turbines.

Statement 3 – Correct: Particulate matter (PM) is a by-product that contributes to air pollution and respiratory issues.



Q1993. Consider the following statements:

1. A recent Indo-U.S. study revealed that NOx emissions from coal-fired plants have no measurable impact on agriculture.
2. Nitrogen oxides (NOx) impair plant cellular function and act as phytotoxic agents.
3. The reduction in crop yield due to coal-fired power plant emissions has implications for India's food security.

Which of the above statements is/are correct?

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

Ans: c

Sol: Statement 1 – Incorrect: The study does show measurable negative impact—a ~10% reduction in yields.

Statement 2 – Correct: NO_x is phytotoxic, interfering with plant cellular activity.

Statement 3 – Correct: Crop yield decline can threaten food security, especially in a heavily agrarian economy like India.

Topic 665

665. India's Agricultural trade

Declining Trade Surplus in Agriculture

- India's agricultural **trade surplus is shrinking** as **imports, particularly pulses and edible oils**, are rising.
- The trade **surplus reduced** from **\$10.6 billion** to **\$8.2** in the April-December period and is expected to narrow further for the fiscal year.

TOP IMPORTS(\$ MN)

	2022-23	2023-24	Apr-Dec 2023	Apr-Dec 2024
Vegetable oils	20,837.7	14,871.66	11,638.03	13,518.96
Pulses	1,943.89	3,746.78	2,467.93	3,789.75
Fresh fruits	2,483.95	2,734.97	2,032.64	2,230.2
Cashew	1,805.67	1,431.39	1,193.04	1,414.36
Spices	1,336.65	1,455.57	1,123.81	1,220.61
Raw cotton	1,438.69	598.66	498.81	918.69
Natural rubber	937.6	739.18	554.15	875.7
TOTAL	35,686.2	32,870.03	24,641.45	29,251.41

Source: Department of Commerce

TOP EXPORTS (\$ MN)

	2022-23	2023-24	Apr-Dec 2023	Apr-Dec 2024
Marine products	8,077.98	7,372.00	5,852.32	5,678.65
Basmati rice	4,787.65	5,843.30	3,971.13	4,322.59
Non-basmati rice	6,356.71	4,573.41	3,347.46	4,404.98
Spices	3,785.36	4,248.56	2,909.24	3,158.63
Buffalo meat	3,193.69	3,743.26	2,758.42	2,927.14
Tobacco	1,213.39	1,449.54	1,110.56	1,530.59
Sugar	5,770.83	2,824.74	1,990.20	1,476.44
Fruits & Vegetables	1,791.05	2,037.58	1,362.94	1,348.73
Processed F&V	1,417.59	1,624.22	1,149.56	1,324.20
Coffee	1,146.18	1,286.28	876.84	1,247.06
Oil meals	1,601.72	1,713.98	1,227.04	1,017.14
Oilseeds	1,337.69	1,437.02	1,031.50	1,009.38
Castor oil	1,265.64	1,071.55	771.40	854.52
Raw cotton	781.43	1,116.52	626.29	575.74
Wheat	1,520.46	56.74	35.35	1.44
Other cereals	1,194.07	517.79	454.60	191.29
TOTAL	53,153.55	48,821.67	35,195.24	37,479.83

Q1994. Consider the following statements about India's agricultural trade trends:

1. India's agricultural trade surplus is showing a rising trend due to increased exports of food grains.
2. Imports of pulses and edible oils are contributing to the narrowing of the agricultural trade surplus.
3. The agricultural trade surplus in the April–December period fell from \$10.6 billion to \$8.2 billion.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: The trade surplus is shrinking, not rising.

Statement 2 – Correct: Increased imports of pulses and edible oils are major contributors to the decline in surplus.

Statement 3 – Correct: The surplus declined from \$10.6 billion to \$8.2 billion (April–December period).

Q1995. Consider the following statements:

1. India is self-sufficient in edible oil production, which reduces import reliance.
2. Increasing agricultural imports contribute to a decline in the net agricultural trade surplus.
3. A declining trade surplus in agriculture can strain the overall current account balance.



Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: India imports a significant portion of its edible oil needs; not self-sufficient.

Statement 2 – Correct: Rising imports, especially of pulses and oils, reduce net surplus.

Statement 3 – Correct: Lower trade surplus in Agri-sector may impact overall trade balance, potentially affecting the current account.

Q1996. Consider the following statements regarding India's agricultural trade:

1. Pulses and edible oils are among the major agricultural imports of India.
2. A narrowing agricultural trade surplus implies that export growth is outpacing import growth.
3. India's Agri-import bill has increased in recent years.
4. The decline in agricultural trade surplus is expected to reverse by the end of the current fiscal year.

How many of the above statement(s) is/are incorrect?

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

Ans: b

Sol: Statement 1 – Correct: Pulses and edible oils are major Agri-imports.

Statement 2 – Incorrect: Import growth is outpacing export growth, hence narrowing the surplus.

Statement 3 – Correct: Recent trends show a rise in import bills.

Statement 4 – Incorrect: Surplus is expected to narrow further, not reverse.

Day 64

Topic 666

666. Race to secure copper

- Copper is used for EV batteries and other clean energy technologies like solar and wind power generation.
- Copper is used in battery wiring, connectors etc
- Lithium-ion batteries (used in most EVs) have copper foil anodes.
- Copper is used in inverters and EV chargers.
- Considering the significance of copper, India has categorised copper amongst its 30 critical minerals.
- India has large untapped copper deposits, but extensive exploration is required before mining.

Current development

- Recently, India secured a 9,000-sq-km block in Zambia to explore copper and cobalt.
- Chile has largest copper producer and reserve holder.

Agreement with Chile

- Agreement for Cooperation and Exchange of Information between National Copper Corporation of Chile, CODELCO, and Hindustan Copper Limited.



India, US and China are looking forward to ramp up copper production in Africa which is known for reserves of copper.



- | | |
|---|---------------|
| 1. Antimony | 20. Rhenium |
| 2. Beryllium | 21. Selenium |
| 3. Bismuth | 22. Silicon |
| 4. Cadmium | 23. Strontium |
| 5. Cobalt | 24. Tantalum |
| 6. Copper | 25. Tellurium |
| 7. Gallium | 26. Tin |
| 8. Germanium | 27. Titanium |
| 9. Graphite | 28. Tungsten |
| 10. Hafnium | 29. Vanadium |
| 11. Indium | 30. Zirconium |
| 12. Lithium | |
| 13. Molybdenum | |
| 14. Niobium | |
| 15. Nickel | |
| 16. PGE (Platinum Group Elements) i. Platinum ii. Palladium iii. Rhodium iv. Ruthenium v. Iridium vi. Osmium | |
| 17. Phosphorus | |
| 18. Potash | |
| 19. REE (Rare Earth Elements) i. Lanthanum ii. Cerium iii. Praseodymium iv. Neodymium v. Promethium vi. Samarium vii. Europium viii. Gadolinium ix. Terbium x. Dysprosium xi. Holmium xii. Erbium xiii. Thulium xiv. Ytterbium xv. Lutetium xvi. Scandium xvii. Yttrium | |

Q1997. Consider the following statements regarding the role of copper in clean energy technologies:

1. Copper is used in connectors and wiring in electric vehicles (EVs).
 2. Copper anodes are a standard feature of lithium-ion batteries used in EVs.
 3. Copper is essential for renewable energy technologies such as solar and wind power.
- How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: Copper is extensively used in wiring and connectors in EVs.

Statement 2 – Correct: Copper foil anodes are used in lithium-ion batteries, a common battery type in EVs.

Statement 3 – Correct: Copper is critical in solar panels, wind turbines, and inverters due to its high conductivity.

Q1998. Consider the following statements:

1. India has declared copper as one of its critical minerals.
2. India has entered into an agreement with Chile to import refined copper directly from CODELCO.
3. India recently acquired a copper-cobalt exploration block in Zambia.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: India has included copper among 30 critical minerals due to its strategic importance.

Statement 2 – Incorrect: India signed an agreement for cooperation and information exchange with Chile's CODELCO, not a direct import agreement.

Statement 3 – Correct: India secured a 9,000 sq km copper-cobalt block in Zambia for exploration.

Q1999. Consider the following statements:

1. Chile holds the largest copper reserves and is the top producer globally.
 2. India's domestic copper reserves are highly exploited, with very few new deposits left to explore.
 3. CODELCO is the National Copper Corporation of Zambia with which India recently signed a copper supply pact.
 4. Hindustan Copper Limited is a public sector company engaged in copper production in India.
- How many of the above statement(s) is/are incorrect?

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

Ans: b

Sol: Statement 1 – Correct: Chile is the global leader in copper reserves and production.

Statement 2 – Incorrect: India has large untapped copper reserves, but extensive exploration is still needed.

Statement 3 – Incorrect: CODELCO is the National Copper Corporation of Chile, not Zambia.



Statement 4 – Correct: Hindustan Copper Limited is India's PSU engaged in copper mining and production.

Topic 667

667. Pashu Aushadhi Initiative

Pradhan Mantri Bhartiya Janaushadhi Pariyojana

- Launched by: Department of Pharmaceuticals, **Ministry of Chemicals & Fertilizers**, under- **Jan Aushadhi Campaign**.
- Bureau of Pharma PSUs of India (BPPI)** is the **implementation agency**.
- Purpose:** To providing **Quality generic Medicines at Affordable Prices**.

BPPI (Bureau of Pharma Public Sector Undertakings of India)

- Established under the **Department of Pharmaceuticals**.
- Establish **Jan Aushadhi Stores**.

Jan Aushadhi Store

- All **therapeutic medicines** and **surgical equipments** are made available from **Jan Aushadhi Stores**.
- Pharmacists** of Pradhan Mantri Jan Aushadhi Kendra are known as **Swasth ke Sipahi**.

Who can open a Jan Aushadhi Kendra?

- State Governments or **any organization / reputed NGOs/ Trusts / Private hospitals / charitable institutions / Doctors / Unemployed pharmacists/ individual entrepreneurs**.
- The applicants shall have to **employ one B Pharma / D Pharma degree holder as Pharmacist** in their proposed store.

Current news?

- On the occasion of **Jan Aushadhi diwas** ie 7th March the government has announced it will establish **"Pashu Aushadhi" stores**.



"Pashu Aushadhi" stores

- On **"Pashu Aushadhi" stores** generic **veterinary medicines** will be available.
- The initiative is **part of** the revised **Livestock Health and Disease Control Program (LHDCP)**.
- The **Department of Animal Husbandry & Dairying** will oversee their **operations** of **Pashu Aushadhi kendra**.

Q2000. Consider the following statements:

- The Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) is implemented by the Department of Animal Husbandry & Dairying.
 - The Bureau of Pharma PSUs of India (BPPI) is responsible for establishing Jan Aushadhi Stores.
 - The pharmacists working at Jan Aushadhi Kendras are referred to as Swasth ke Sipahi.
- Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Incorrect: PMBJP is implemented by the Department of Pharmaceuticals, not the Department of Animal Husbandry.

Statement 2 – Correct: BPPI (Bureau of Pharma PSUs of India) is the implementing agency for Jan Aushadhi Stores.

Statement 3 – Correct: Pharmacists working at Jan Aushadhi Kendras are known as "Swasth ke Sipahi".

Q2001. Consider the following statements:

- Only government organizations and hospitals are allowed to open Jan Aushadhi Kendras.
 - A B.Pharm or D.Pharm qualified person must be employed as a pharmacist in Jan Aushadhi Kendras.
 - Reputed NGOs, unemployed pharmacists, and individual entrepreneurs are also eligible to apply for opening Jan Aushadhi Kendras.
- Which of the above statements is/are correct?

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



Ans: a

Sol: Statement 1 – Incorrect: Not limited to government entities; private hospitals, NGOs, and individuals can also apply.

Statement 2 – Correct: It is mandatory to appoint a B.Pharm/D.Pharm qualified person as pharmacist.

Statement 3 – Correct: NGOs, trusts, private hospitals, unemployed pharmacists, and individuals are all eligible.

Q2002. Consider the following statements regarding Pashu Aushadhi Kendras:

1. These stores will provide generic veterinary medicines at affordable rates.
2. The initiative is a part of the Livestock Health and Disease Control Program (LHDCP).
3. The Department of Pharmaceuticals will operate Pashu Aushadhi Kendras.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: Pashu Aushadhi stores will sell veterinary generic medicines.

Statement 2 – Correct: The initiative is part of the Livestock Health and Disease Control Program (LHDCP).

Statement 3 – Incorrect: The Department of Animal Husbandry & Dairying, not Pharmaceuticals, will oversee their operations.

Topic 668

668. Currency printing in India

- The **Reserve Bank of India (RBI)** has the **sole authority** to issue **banknotes in India** under the **RBI Act, 1934**.
- The **Government of India** issues **coins and ₹1 notes**, while the **RBI issues ₹2 and higher denominations**.

Currency Printing Presses in India

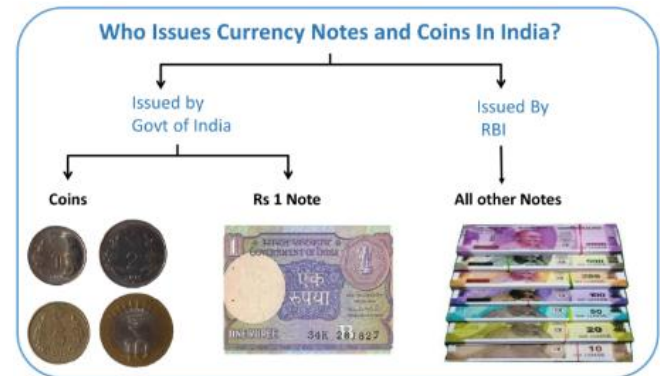
1. Security Printing and Minting Corporation of India Ltd. (SPMCIL)

- Government-Owned

- 2 printing/ minting centres- Nashik, Maharashtra & Dewas, Madhya Pradesh

2. Bharatiya Reserve Bank Note Mudran Pvt. Ltd

- **RBI-Owned**
- Printing press at **Mysore**, Karnataka and **Salboni**, West Bengal.



Currency design in India

- The **RBI proposes** new designs for currency notes based on security needs, durability, and aesthetics.
- The **final approval** for any new banknote design is given by the **Government of India.**
- The **Department of Economic Affairs (DEA)** under the **Ministry of Finance** makes the final decision.

Q2003. Consider the following statements:

1. The Reserve Bank of India (RBI) issues all denominations of banknotes and coins in India.
2. ₹1 notes and coins are issued by the Government of India.
3. The RBI issues currency notes of ₹2 and above denominations under the RBI Act, 1934.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect: The RBI does not issue coins or ₹1 notes; they are issued by the Government of India.

Statement 2 – Correct: ₹1 notes and all coins are issued by the Government of India.

Statement 3 – Correct: Under the RBI Act, 1934, the RBI issues ₹2 and higher denominations.



Q2004. Consider the following statements:

1. SPMCIL is a government-owned company with currency printing facilities at Dewas and Nashik.
 2. Bharatiya Reserve Bank Note Mudran Pvt. Ltd. (BRBNMPL) is owned by RBI and operates printing presses at Mysore and Salboni.
 3. All four currency printing presses in India are managed exclusively by the Government of India.
- Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Correct: SPMCIL (Govt-owned) runs presses at Nashik and Dewas.

Statement 2 – Correct: BRBNMPL (RBI-owned) operates presses at Mysore and Salboni.

Statement 3 – Incorrect: Not all presses are government-managed; two are managed by the RBI through BRBNMPL.

Q2005. Consider the following statements:

1. The RBI independently designs and approves all new banknotes based on technical and aesthetic considerations.
2. Final approval for the design of currency notes lies with the Government of India.
3. The Department of Economic Affairs (DEA) under the Ministry of Finance is responsible for approving new currency note designs.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect: The RBI proposes new designs but cannot approve them independently.

Statement 2 – Correct: The Government of India gives the final approval for currency design.

Statement 3 – Correct: The Department of Economic Affairs (DEA) under the Ministry of Finance approves the design.

Topic 669

669. Q-Commerce

- Quick commerce is a subset of e-commerce that enables rapid deliveries (typically within 10 to 20 minutes).
- The model relies on dark stores and distribution centers to facilitate speedy deliveries.

How Quick Commerce Works?

1. Dark stores (warehouses exclusively for online orders) ensure faster order fulfillment without in-person shopping.

2. Uses customer data from mobile apps to:

a. Create a feedback loop.

b. Personalized shopping experiences.

3. Optimize inventory based on demand patterns.

- Example: Stocking products based on seasonal demand or demographic trends.

Examples of Q-Commerce- Blinkit, Zepto, Swiggy Instamart, Rapido Auto etc



Q2006. Consider the following statements:

1. Quick commerce enables deliveries typically within 10 to 20 minutes.
2. It heavily relies on dark stores and distribution centers for rapid order fulfillment.
3. Quick commerce allows in-person shopping for faster service.

Which of the above statements is/are correct?



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

Ans: a

Sol: Statement 1 – Correct: Q-commerce is known for ultrafast deliveries, generally within 10–20 minutes.

Statement 2 – Correct: It uses dark stores (online-only warehouses) and distribution hubs to ensure speed.

Statement 3 – Incorrect: No in-person shopping is allowed in dark stores; they are not open to customers.

Q2007. Quick commerce platforms use customer data from mobile apps primarily to:

1. Personalize shopping experiences
2. Create a feedback loop
3. Optimize inventory based on demand patterns
4. Increase shelf space for in-store customers

Which of the above options are correct?

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

Ans: a

Sol: Q-commerce uses mobile app data to enhance personalization, create feedback loops, and optimize inventory.

Statement 4 – Incorrect: There is no in-store customer presence in dark stores, so shelf space optimization for in-store use is irrelevant.

Q2008. Which of the following are examples of Q-Commerce platforms in India?

1. Zepto
2. Swiggy Instamart
3. Rapido Auto
4. Blinkit

How many of the above is/are correct?

- (a) Only 2
(b) Only 3
(c) All 4
(d) Only 1

Ans: b

Sol: Correct Q-commerce players: Zepto, Swiggy Instamart, and Blinkit.

Rapido Auto is a ride-hailing/auto booking platform, not a Q-commerce service.

Topic 670

670. Technical Recession

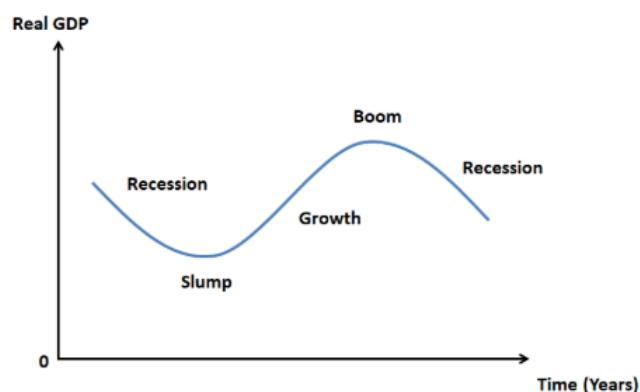
- When the overall **output** of goods and services — typically measured by the GDP — **increases** the economy is said to be in an **expansionary phase**.
 - And when the **GDP contracts** the economy is said to be in a **recessionary phase**.
 - Together, these two phases create what is called a **“business cycle”** in any economy.
 - When a **recessionary phase sustains for long** enough, it is called a **recession**.
 - But there is a **technical definition also of recession** generally accepted amongst economists worldwide.
- This is known as **‘Technical Recession’**.

Technical Recession

- When the **economy shrinks** for two **back-to-back quarters**.

When did India witness a Technical Recession?

- **2020 (COVID-19 Pandemic Impact):** India experienced **two consecutive quarters of negative GDP growth** in 2020 due to the severe economic impact of the COVID-19 lockdown.



CONTRACTION IN INDIA. ELSEWHERE

Quarterly Real GDP growth rate (in %)

	October to December 2019	January to March 2020	April to June 2020	July to September 2020
India	4.1	3.1	-23.9	-8.6*
US	2.3	0.3	-9	-2.9
UK	1	-2.1	-21.5	-9.6
China	6	-6.8	3.2	4.9
Brazil	1.7	-0.3	-11.4	NA
Indonesia	5	3	-5.3	-3.5
South Africa	-0.5	0.1	-17.1	NA

* RBl estimates: Source: Trading Economics

Q2009. Consider the following statements:

1. Technical Recession occurs when GDP contracts for two consecutive quarters.
2. A single quarter of GDP contraction is enough to declare a full recession.
3. The term "Technical Recession" is globally accepted among economists.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: Technical recession is defined as two consecutive quarters of negative GDP growth.

Statement 2 – Incorrect: A single quarter contraction does not qualify as a full or technical recession.

Statement 3 – Correct: The term "technical recession" is a widely accepted economic benchmark globally.

Q2010. Which of the following are phases of the business cycle?

1. Expansionary phase
2. Recessionary phase
3. Inflationary phase
4. Recovery phase

How many of the above is/are correct?

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

Ans: b

Sol: Expansionary, Recessionary, and Recovery phases are standard components of a business cycle.

Inflationary phase is not typically counted as a separate phase of the business cycle, though inflation may occur within different phases.

Q2011. India experienced a Technical Recession during which of the following periods?

- (a) 2008 Global Financial Crisis
(b) 2016 Demonetisation
(c) 2020 COVID-19 pandemic
(d) 2022 Russia-Ukraine conflict

Ans: c

Sol: India faced two successive quarters of GDP contraction in 2020 due to the COVID-19 lockdown, marking its first recorded technical recession.

Other options (2008, 2016, 2022) involved economic disruptions but did not result in two consecutive quarters of GDP decline.

Topic 671

671. PM Internship Scheme

- The scheme is **part** of the **Prime Minister's Package for Employment and Skilling**, announced in the **2024-25 Union Budget**.
- **Aim**: providing **internship opportunities** to **1 crore youth** in **India's top 500 companies** over **five years**.

Stipend

- ₹4,500 per month stipend provided by the government via Direct Benefit Transfer (DBT).
- ₹500 additional to be provided by the company through Corporate Social Responsibility (CSR) funds.
- One-time grant of ₹6,000 for covering incidental expenses (travel, food, etc.) to be given by the government to each intern after joining the internship.

Who is eligible for internship?

- **Open to youth** across India, **targeting fresh graduates** and job seekers.
- **Selection** based on **eligibility criteria** set by participating companies.

Reforms in PMIS

1. A **dedicated PMIS mobile app** launched for easier application and tracking.



2. The dashboard of the PMIS portal has been improved for user-friendliness.
3. A referral program introduced to encourage youth to bring in more applicants.



- **Corporate social responsibility (CSR)** is how companies manage their business processes to produce an **overall positive impact on society**.
- Made **mandatory in 2013 by Companies Amendment Act** → From a **moral obligation**, it became a **legal obligation**.

Condition for CSR

- A company has to spend at least 2% of their average net profit made during the 3 preceding financial years.
- It applies to companies:
 - Having a net worth of Rs 500 crores or more, or
 - Having a turnover of Rs 1,000 crores or more, or
 - Having a net profit of Rs 5 crores or more

Q2012. Consider the following statements regarding the PM Internship Scheme:

1. It aims to provide internship opportunities to 1 crore youth over a period of five years.
2. The scheme is open to youth only from economically weaker sections.
3. It is part of the Prime Minister's Package for Employment and Skilling announced in the 2024-25 Budget.

Which of the above statements is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: The scheme targets 1 crore youth over five years.

Statement 2 – Incorrect: The scheme is open to all youth, not just from economically weaker sections.

Statement 3 – Correct: PMIS was announced in the 2024-25 Union Budget as part of an employment and skilling package.

Q2013. Which of the following benefits are provided to interns under the PM Internship Scheme?

1. ₹4,500/month stipend via DBT from the government
 2. ₹500/month contribution from the company under CSR
 3. ₹6,000 one-time grant for incidental expenses
 4. ₹2,000 bonus for completion of the internship
- How many of the above is/are correct?

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

Ans: c

Sol: Statements 1, 2, and 3 are correct: Government pays ₹4,500, company adds ₹500 from CSR, and ₹6,000 one-time grant is given.

Statement 4 is incorrect: There is no bonus of ₹2,000 mentioned for completion.

Q2014. Which of the following are recent reforms introduced under the PM Internship Scheme?

1. PMIS Mobile App for application and tracking
2. User-friendly dashboard for the portal
3. CSR made optional for companies participating in PMIS
4. Referral program for peer outreach

Which of the statements above are correct?

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

Ans: b

Sol: Statement 1 & 2 – Correct: PMIS app and improved dashboard are introduced.

Statement 3 – Incorrect: CSR is mandatory by law (since 2013); it is not made optional.

Statement 4 – Correct: A referral program is part of the reforms to bring in more applicants.

Topic 672

672. Creators economy

- The **Creator economy** is an **internet-facilitated economy** that allows **content creators** and **influencers** to **earn revenue** from their **creations**.



- This economy is driven by digital platforms, social media, and direct audience engagement.
- Examples of creator economy software platforms include YouTube, TikTok, Instagram, Facebook, Twitch, Spotify, etc.



Q2015. Consider the following statements regarding the Creator Economy:

1. It allows content creators to generate revenue using digital platforms and direct audience engagement.
2. It is entirely based on traditional employment contracts and fixed salaries.
3. It includes platforms like YouTube, TikTok, and Twitch.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1 – Correct: Creator economy enables income through digital content creation and audience interaction.

Statement 2 – Incorrect: It is not based on fixed salaries or traditional jobs, but on monetized content, sponsorships, and platform payouts.

Statement 3 – Correct: YouTube, TikTok, and Twitch are examples of creator economy platforms.

Q2016. Which of the following are key features of the Creator Economy?

1. Revenue through brand collaborations and sponsorships
2. Dependence on social media algorithms for visibility
3. Digital content monetization via subscriptions and ads
4. Guaranteed minimum monthly income by platforms

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statements 1, 2, and 3 are correct: These are all defining characteristics of the creator economy.

Statement 4 – Incorrect: There is no guaranteed income; earnings depend on engagement and reach.

Q2017. Which of the following best differentiates the creator economy from a traditional economy?

- (a) Creator economy is based on heavy manufacturing and capital investment.
- (b) Traditional economy offers more opportunities for personalized audience engagement.
- (c) Creator economy relies on digital platforms and user-generated content for income.
- (d) Traditional economy supports freelance digital artists through decentralized apps.

Ans: c

Sol: The creator economy thrives on platforms like YouTube and TikTok and uses user-generated content.

Traditional economy is more focused on structured jobs, production, and formal employment models.

Topic 673

673. Incentive scheme to boost UPI

What is Merchant Discount Rate?

- MDR is the cost paid by a merchant to a bank for accepting payment from their



customers via Digital payments, debit and credit card transactions.

Current news?

- As per the recently introduced incentive scheme to promote low-value BHIM-UPI transactions-

1. Small merchants will pay **no merchant discount rate (MDR)**

2. Banks will receive an **incentive of 0.15%** per transaction.

- The scheme is for transactions ie upto Rs 2000.

How incentive will be given?

- The seller's bank will get the 0.15% incentive from the government of the transaction amount ie 0.15% of ₹50 = ₹0.075 from the government.

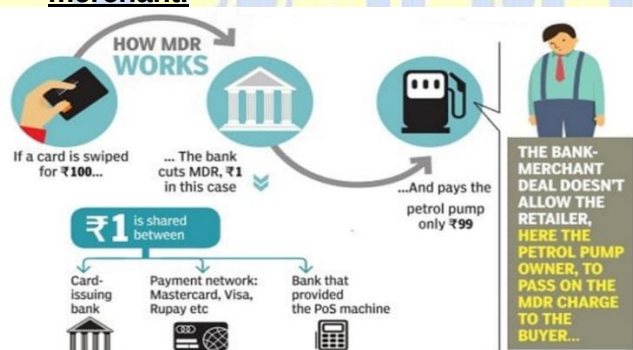
- The incentive is paid by the Government to the Acquiring bank (Merchant's bank) and Merchant Bank thereafter will share among other stakeholders ie

a. Issuer Bank (Customer's Bank)

b. Payment Service Provider App ie BHIM

Note

- MDR on BHIM based UPI payment has been made 0 since 2020 for both small and large merchant.



Category	Small Merchant	Large Merchant
Up to Rs. 2k	Zero MDR / Incentive (@0.15%)	Zero MDR / No Incentive
Over Rs. 2k	Zero MDR / No Incentive	Zero MDR / No Incentive

Q2018. Consider the following statements:

1. Merchant Discount Rate (MDR) is the fee that banks charge merchants for processing digital payments.
2. Under the new incentive scheme, MDR has been eliminated only for transactions above ₹2,000.
3. The acquiring bank receives a 0.15% incentive on low-value UPI transactions ($\leq ₹2,000$) from the government.
4. The MDR on BHIM-based UPI payments has been made zero since 2020 for both small and large merchants.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 – Correct: MDR is a fee paid by merchants to banks for digital transaction processing.

Statement 2 – Incorrect: The incentive scheme applies to transactions up to ₹2,000, not above.

Statement 3 – Correct: Acquiring (seller's) bank gets 0.15% incentive from the government for such transactions.

Statement 4 – Correct: MDR for BHIM-UPI payments was made zero in 2020 for all merchants.

Q2019. In the context of the government's incentive scheme for promoting low-value UPI payments ($\leq ₹2,000$), consider the following entities:

1. Acquiring Bank (Merchant's Bank)
 2. Issuer Bank (Customer's Bank)
 3. Payment Service Provider (e.g., BHIM App)
- Which of the above entities are involved in receiving a share of the 0.15% government incentive?

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

Ans: c



Sol: The government pays the full 0.15% incentive to the Acquiring Bank.

The Acquiring Bank shares this amount with the Issuer Bank and the Payment Service Provider App like BHIM.

Q2020. Consider the following statements regarding the recently introduced incentive scheme to boost UPI payments:

1. The scheme aims to promote high-value merchant transactions exceeding ₹2,000.
2. Under the scheme, the government bears the cost of MDR to ensure zero charges for small merchants.
3. The incentive amount (0.15% per transaction) is credited directly to the customer making the payment.
4. The scheme benefits include increased digital adoption among small merchants.

Which of the above statements is/are correct?

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

Ans: b

Sol:

• **Statement 1 – Incorrect:** The scheme targets low-value transactions ($\leq$ ₹2,000), not high-value ones.

• **Statement 2 – Correct:** The government pays 0.15% as an incentive to banks to ensure merchants are not charged MDR.

• **Statement 3 – Incorrect:** The incentive is not given to customers, but to acquiring banks, who then share it with stakeholders.

• **Statement 4 – Correct:** The scheme promotes digital inclusion and adoption, especially among small merchants.

Topic 674

674. World Happiness Report 2025

- published by the Sustainable Development Solutions Network (SDSN)

1. Centre for Sustainable Development at Columbia University

2. Gallup

3. Oxford Wellbeing Research Centre

- released annually around March 20 (International Day of Happiness declared by the United Nations).

Sustainable Development Solutions Network

- launched by the UN in 2012 by Jeffrey Sachs, a prominent economist.

World Happiness Report 2025

- eighth consecutive year, Finland remains the happiest country in the world.

- The US has dropped to 24th place—its lowest ranking ever.

- China's Rank 68th (2025).

- Afghanistan remains the unhappiest country in the world.

India's Rank:

- Moved up 8 places from 126th (2024) to 118th (2025).

- Still below Nepal, Pakistan, Ukraine, and the Palestinian territories



Key indicators used in the report:

1. GDP per capita
2. Social support
3. Healthy life expectancy
4. Perceptions of corruption
5. Freedom to make life choices

Methodology:

- Respondents are asked to rate their life on a scale from 0 (worst possible) to 10 (best possible).

Q2021. Consider the following statements:

1. The World Happiness Report is released annually by the Sustainable Development Solutions Network (SDSN), in partnership with Gallup and Oxford Wellbeing Research Centre.
2. Respondents rate their lives on a scale of 0 to 100 based on self-perceived well-being.
3. The report is released every year around March 20, which is celebrated as the International Day of Happiness.

How many of the above statement(s) is/are correct?

- (a) Only one



- (b) Only two
(c) All three
(d) None of the above

Ans: b

Sol: Statement 1 – Correct. SDSN, Gallup, and Oxford Wellbeing Research Centre are key contributors.

Statement 2 – Incorrect. The rating scale is 0 to 10, not 0 to 100.

Statement 3 – Correct. It is published annually around March 20 (International Day of Happiness).

Q2022. Consider the following statements:

1. India's rank improved by 8 places in the 2025 report compared to the previous year.
2. India ranked above China, Nepal, and Pakistan in the 2025 report.
3. India's position remains lower than that of countries like Ukraine and the Palestinian territories.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Correct. India moved up from 126th (2024) to 118th (2025).

Statement 2 – Incorrect. India ranked below Nepal and Pakistan, though above China (Rank 68).

Statement 3 – Correct. India remains ranked lower than Ukraine and Palestinian territories.

Q2023. Consider the following statements:

1. Finland has been ranked the happiest country for the 8th year in a row.
2. The United States improved its ranking in 2025, reaching the top 20 globally.
3. Afghanistan remains the unhappiest country in the world in the 2025 report.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Correct. Finland retained the top spot for the eighth consecutive year.

Statement 2 – Incorrect. The US dropped to its lowest-ever position – 24th.

Statement 3 – Correct. Afghanistan remains the unhappiest country in the world.

Topic 675

675. Rail connectivity in Meghalaya

Current news?

- **Indian Railways** is planning to shelve long-pending projects to Byrnihat and Shillong in the Khasi Hills due to local opposition.
- This makes Shillong the only state capital in India without railway connectivity or ongoing projects.

Existing Railway infrastructure in Meghalaya

- Mendipathar, in the North Garo Hills, is the only operational railway station in Meghalaya since 2014.
- Passenger trains ply between Mendipathar and Guwahati everyday.

Why opposition?

- Khansi Student Union (KSU) has opposed railway expansion as it will lead to large-scale migration, threatening the indigenous Khasi and Garo populations.

Demand for Inner Line Permit (ILP)

- The KSU has long demanded the introduction of the ILP regime, which restricts entry and stay of outsiders in protected areas.



Inner Line Permit is already in place in Arunachal Pradesh, Nagaland, Mizoram, and Manipur.



Q2024. Consider the following statements:

1. Mendipathar in the North Garo Hills is the only railway station in Meghalaya.
 2. There are currently operational railway projects connecting Shillong to Guwahati.
 3. Shillong is the only Indian state capital without railway connectivity or ongoing railway projects.
- How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 – Correct. Mendipathar has had rail connectivity since 2014.

Statement 2 – Incorrect. Projects to Byrnihat and Shillong are not operational and are now being considered for shelving.

Statement 3 – Correct. Shillong is currently the only state capital without railway connectivity or active projects.

Q2025. Consider the following statements:

1. The Khasi Students' Union (KSU) has opposed railway projects due to concerns about migration.
 2. The demand for the Inner Line Permit (ILP) in Meghalaya is to control entry and settlement of outsiders.
 3. The opposition is primarily from the Garo Hills region where railway lines already exist.
- How many of the above statement(s) is/are incorrect?

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

Ans: a

Sol: Statement 1 – Correct. KSU opposes railways fearing large-scale migration.

Statement 2 – Correct. ILP is a protective mechanism to regulate the entry of non-locals.

Statement 3 – Incorrect. Opposition comes from Khasi Hills, not the Garo Hills.

Q2026. Consider the following statements:

1. Indian Railways is planning to fast-track the Byrnihat-Shillong railway line by 2025.
 2. The Byrnihat and Shillong railway projects are facing delays primarily due to environmental clearance issues.
 3. Indian Railways is considering scrapping both Byrnihat and Shillong railway projects due to local resistance.
- How many of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1 – Incorrect. Indian Railways is not fast-tracking but considering shelving the projects.

Statement 2 – Incorrect. Local opposition, not environmental clearance, is the main cause of delay.

Statement 3 – Correct. Indian Railways is planning to shelve both projects due to sustained opposition.

Topic 676

676. Equalisation levy/Google tax to be removed

Equalisation levy

- Introduced in **2016**, it is a **6% tax on payments** made to **non-resident companies** (like Google, Facebook) for **online ads** targeting Indian users of value **Rs 1 lakh or more** in a **year**.
- Intended to **tax foreign tech giants** that **earn from Indian users** but do **not have a physical presence** in India.

Current news?

- **Equalisation levy** (known as the “**Google Tax**”) on **online advertisements** has been **removed from 1st April 2025**.

Equalisation levy 2.0

- The **2% Digital Services Tax (DST)** was a tax introduced by the Indian government in **2020**.
- Under it **Foreign companies without a physical presence** in India but **earning from Indian users** had to **pay 2% of their revenue** to government of India.



Applied to:

- E-commerce platforms (like Amazon), Websites eg YouTube, Streaming services like Netflix etc.
- For example, if a **foreign platform earned ₹100 crore** from Indian customers, **it had to pay ₹2 crore as tax.**

Digital Services Tax/Equalisation levy 2.0 withdrawn in 2023

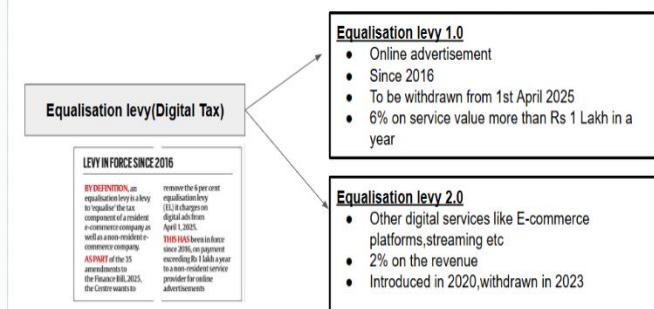
- In 2023, India agreed to **withdraw the 2% DST** as part of an **international agreement** under the **OECD-G20 global tax reform** (under which Global Minimum Corporate Tax is proposed).

How Equalisation levy applies?

- Suppose an **Indian company pays ₹10 lakh to Google (USA) for online advertisements.**
- Google doesn't have a permanent office in India.
- Then, the Indian **company must deduct 6% of ₹10 lakh = ₹60,000** as Equalisation Levy, and deposit it with the Indian government.
- Google will receive ₹9.4 lakh** (₹10 lakh – ₹60,000).
- This is called **withholding tax** — the payer (Indian firm) withholds and pays the tax.



Type	Rate	Applies To	Year Introduced
EL 1.0	6%	Online advertisement services	2016
EL 2.0	2%	E-commerce supply or services (sale of goods/services online)	2020



Q2027. Consider the following statements regarding the Equalisation Levy introduced in 2016:

- It was a 6% tax imposed on payments made to non-resident companies for online advertisements.
 - The levy applied only if the payment value exceeded ₹1 lakh in a financial year.
 - The levy was applicable even if the foreign company had a permanent establishment in India.
- How many of the above statement(s) is/are correct?
- (a) Only one
(b) Only two
(c) All three
(d) None of the above

Ans: b

Sol: Statement 1 – Correct. Introduced in 2016, the 6% tax applied to online ad payments.

Statement 2 – Correct. Applicable if annual payments to a non-resident exceeded ₹1 lakh.

Statement 3 – Incorrect. It applied only if the foreign entity had no permanent establishment in India.

Q2028. Consider the following statements about Equalisation Levy 2.0 (Digital Services Tax):

- It was introduced in 2020 and levied a 2% tax on foreign digital service providers earning from Indian users.
 - It applied only to online advertising services.
 - India agreed to withdraw this levy in 2023 as part of the OECD-G20 global tax deal.
- How many of the above statements is/are incorrect?
- (a) Only one
(b) Only two
(c) All three
(d) None of the above

Ans: a

Sol: Statement 1 – Correct. It was a 2% tax on revenues of foreign e-commerce and digital service companies.

Statement 2 – Incorrect. It applied beyond ads—including streaming, e-commerce, and content platforms.

Statement 3 – Correct. India agreed to withdraw DST under the OECD-G20 global minimum tax framework.



Q2029. How many of the following statements is/are true as of April 2025?

1. Equalisation levy on online advertisements has been withdrawn.
2. Equalisation Levy 2.0 (2% DST) is still applicable for foreign streaming services.
3. Both withdrawals are aligned with India's commitments under the OECD-G20 global tax reform.

Choose the correct option:

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

Ans: b

Sol: Statement 1 – Correct. The original 6% levy on online ads was removed from 1st April 2025.

Statement 2 – Incorrect. DST was already withdrawn in 2023.

Statement 3 – Correct. Both changes are aligned with India's international commitments under OECD-G20 tax deal.

Topic 677

677. Betting and gambling

- betting and gambling fall under the State List of the Indian Constitution.

Online Gaming- is it gambling?

- With beginning of IPL many 'Online Gaming' advertisements are seen like Dream 11, My Circle 11 are seen.
- There is a debate whether these are mere gaming or should be called gambling.
- States like Odisha, Andhra Pradesh, Telangana, Assam have banned online gaming like 'Dream 11' calling it gambling.
- While other states have allowed it.

Supreme Court's definition of gambling

- In Dr. K.R. Lakshmanan v. State of Tamil Nadu (1996) the Supreme Court held that "gambling" involves games of chance, not games of skill- (dominant factor test).
- SC held that Horse racing or Rummy was held as a game of skill, and thus not gambling.
- In 2021, the Court upheld the legality of Dream 11 fantasy sports format, recognizing it as a game of skill.

Note-

- The Assam government has restricted Dream11 and similar online fantasy sports platforms, including cash contests, due to the state's laws against betting and wagering on games and sports, with the exception of horse racing and lotteries.



Q2030. With reference to betting and gambling in India, consider the following statements:

1. Betting and gambling are subjects under the Union List of the Indian Constitution.
 2. The legality of platforms like Dream11 varies from state to state in India.
 3. The Supreme Court has ruled that horse racing is a game of chance and thus qualifies as gambling.
- How many of the above statement(s) is/are correct?

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

Ans: a

Sol: Statement 1 is incorrect: Betting and gambling fall under the State List, not the Union List.

Statement 2 is correct: States like Assam and Andhra Pradesh have banned Dream11, while others allow it.

Statement 3 is incorrect: The SC has ruled that horse racing is a game of skill, not chance, and thus not gambling.

Q2031. With reference to the legality of online fantasy sports in India, consider the following statements:

1. In 2021, the Supreme Court of India upheld the legality of Dream11, considering it a game of skill.
2. The Assam government allows horse racing and lotteries but restricts platforms like Dream11.



3. The Supreme Court in Dr. K.R. Lakshmanan v. State of Tamil Nadu held that gambling refers to games of skill.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1 is correct: SC upheld Dream11's legality, classifying it as a game of skill.

Statement 2 is correct: Assam permits horse racing and lotteries but bans Dream11 under local anti-gambling laws.

Statement 3 is incorrect: In Lakshmanan case, SC said gambling involves games of chance, not skill.

Q2032. Consider the following statements regarding the regulation of online gaming and gambling in India:

1. The legality of online games like Dream11 is uniformly regulated by a central law across all Indian states.
2. The Supreme Court uses the "dominant factor test" to distinguish between games of skill and games of chance.
3. States have the power to ban or permit online games within their jurisdiction.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 is incorrect: There is no uniform central law; states regulate betting and gambling individually.

Statement 2 is correct: The "dominant factor test" is used by courts to identify if a game is based on skill.

Statement 3 is correct: Since gambling is a state subject, states can ban or allow online gaming platforms.

Topic 678

678. India BioEconomy Report 2024

- Bioeconomy refers to the industrial use of biological resources (plants, animals, microorganisms) and natural biological processes for producing goods and services.

Example of Bioeconomy-

1. For sustainable fuel

- Ethanol, produced via fermentation of sugarcane or corn, is replacing hydrocarbon-based fuels.

2. Medicine

- Eg Fish oil, Probiotic tablets etc

BioE3 Policy

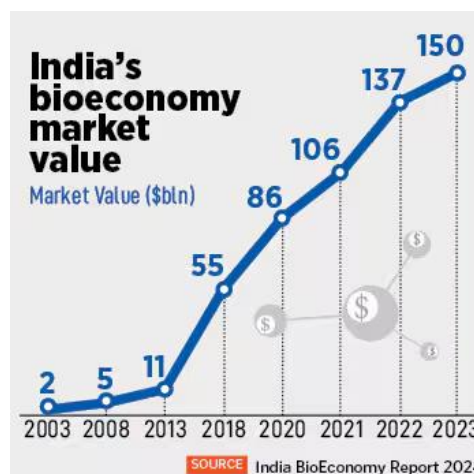
- Launched in 2024, the BioE3 policy (Biotechnology for Economy, Environment, and Employment) aims to make India a global hub for bio-manufacturing and R&D in biotechnology.

Implementation

- Assam became the first state to adopt the BioE3 framework.

Current news?

- The India BioEconomy Report 2024, released by the Department of Biotechnology, estimates India's bioeconomy to be worth over \$165 billion, contributing 4.2% of GDP.
- Five states (Maharashtra, Karnataka, Telangana, Gujarat, Andhra Pradesh) generated over two-thirds of bioeconomy value while NE states lag behind.



India's bioeconomy nearly doubled in five years, from \$86 billion (2020) to \$165 billion (2024).



Q2033. With reference to the India Bio Economy Report 2024, consider the following statements:

1. India's bioeconomy accounted for 4.2% of the country's GDP in 2024.
2. India's bioeconomy doubled in size between 2018 and 2024.
3. Assam was the first state to implement the BioE3 policy framework.
4. Maharashtra, Karnataka, Telangana, Gujarat, and Andhra Pradesh together contributed to more than two-thirds of India's bioeconomy output in 2024.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1 is correct – India's bioeconomy contributed 4.2% of GDP in 2024.

Statement 2 is incorrect – It nearly doubled from \$86 billion (2020) to \$165 billion in 2024 (i.e., in 5 years, not since 2018).

Statement 3 is correct – Assam became the first state to adopt the BioE3 framework.

Statement 4 is correct – The five states mentioned accounted for over two-thirds of the bioeconomy value.

Q2034. Consider the following statements regarding India's Bio Economy:

1. The BioE3 policy launched in 2024 aims to enhance biotechnology's role in economy, environment, and employment.
 2. Ethanol derived from sugarcane and corn is an example of bioeconomy's role in sustainable fuel.
 3. The BioE3 policy is implemented by the Ministry of Environment, Forest and Climate Change.
- Which of the above statement(s) is/are correct?

(c) 1 and 2 only

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

Ans: a

Sol: Statement 1 is correct – BioE3 stands for Biotechnology for Economy, Environment, and Employment.

Statement 2 is correct – Ethanol from biological sources is a clean fuel and part of the bioeconomy.

Statement 3 is incorrect – The policy is under the Department of Biotechnology, not the Environment Ministry.

Q2035. Which of the following are considered part of the bioeconomy?

1. Fish oil-based dietary supplements
2. Diesel obtained from crude oil
3. Ethanol produced through fermentation
4. Probiotic tablets

Select the correct answer using the code below:

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

Ans: b

Sol: Fish oil and probiotic tablets are bio-based health products.

Ethanol produced from sugarcane/corn fermentation is a biofuel.

Diesel from crude oil is fossil-based and not part of the bioeconomy.

Topic 679

679. National Financial Switch

- National Financial Switch (NFS) is an **ATM network (India's largest)**.
- It **connects ATMs of different banks** so that customers **can use any ATM**, **not** just their **own bank's**.
- It is **operated by NPCI**

Charges involved

1. ATM Transaction Fees

- The **customer pays** ATM transaction fees to his/her bank — but only after the **free limit is crossed**.

2. ATM Interchange Fees

- It's the amount **one bank pays to another bank** when a customer uses an ATM that doesn't belong to their bank.
- Eg Suppose **you have an HDFC Bank debit card** and you **use an SBI ATM**.
- Then, **HDFC (your bank)** will pay an **interchange fee to SBI** (ATM owner).

Current news?



- **RBI released new guidelines regarding ATM Transaction Fees and ATM Interchange Fees.**
- The **fee for ATM transactions after the free limit (5 times)** is **increased** from ₹21 to **₹23**.
- ATM interchange fee (bank-to-bank fee) will now be **decided by the ATM network**.

Applied when free limit is exhausted

Transaction Type	Paid By	Paid To	Notes
ATM Fee (after free limit)	Customer	Customer's Bank	Directly debited from customer's account
Interchange Fee	Customer's Bank	ATM-owner Bank	Bank-to-bank payment (behind the scenes)

Situation

- You use an **HDFC debit card** to **withdraw** money from an **SBI ATM**, after **exhausting your free** ATM transaction limit.

- HDFC (your bank) will charge you (the customer) the ATM transaction fee.
- HDFC pays SBI an interchange fee.



Q2036. With reference to the National Financial Switch (NFS), consider the following statements:

1. NFS is India's largest ATM network, allowing customers to access ATMs of any bank.
 2. It is operated by the Reserve Bank of India.
 3. It enables interbank ATM transactions through the payment of interchange fees.
 4. The ATM transaction fee is paid by the customer to the bank even within the free transaction limit.
- How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1 is correct – NFS enables customers to use any ATM, not just their banks.

Statement 2 is incorrect – It is operated by NPCI, not RBI.

Statement 3 is correct – Banks pay each other interchange fees when customers use another bank's ATM.

Statement 4 is incorrect – ATM fees apply only after the customer exceeds the free limit (usually 5 transactions/month).

Q2037. Consider the following pairs regarding fees related to ATM usage:

Type of Fee	Paid By
1. ATM Transaction Fee	Customer to Bank
2. ATM Interchange Fee	Customer to ATM network
3. ATM Interchange Fee	Issuer Bank to ATM Owner Bank

Which of the above pairs is/are correctly matched?

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

Ans: b

Sol: Pair 1 is correct – Once the free limit is crossed, the customer pays a fee to their bank.

Pair 2 is incorrect – The interchange fee is not paid by the customer but by the issuing bank to the ATM owner.

Pair 3 is correct – As per example, HDFC pays SBI if an HDFC cardholder uses an SBI ATM.

Q2038. Which of the following changes were made as per recent RBI guidelines on ATM usage?

1. ATM transaction fee after exceeding free limit was increased to ₹23.
2. The ATM interchange fee will now be regulated directly by RBI.
3. The free transaction limit at ATMs was reduced from 5 to 3.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 is correct – Fee was increased from ₹21 to ₹23 after the free limit.

Statement 2 is incorrect – Interchange fee will now be decided by the ATM network, not RBI.



Statement 3 is incorrect – The free transaction limit remains 5, not reduced to 3.

Topic 680

680. CIBIL Score and CIBIL Rank

- **Full loan history** of **individual /Corporates/ MSME** is maintained by **Credit information company (CIC)**.

Credit information company (CIC)

- Store the **database** of a **individual/ Corporates/ MSME**.

Data is accessed by banks

- to assess customer's **application for a loan or a credit card**.

a. There are **four CICs**

b. TransUnion CIBIL

c. Experian

d. Equifax

CRIF High Mark

- All of them are **regulated by the RBI**.
- They maintain **credit information of borrowers** — including **individuals, corporates, and MSME**
- **updated monthly**

CIBIL Score

- **A CIBIL score is a 3-digit number (ranging from 300 to 900)**
- It represents **creditworthiness of an individual**.
- **Higher the score better is creditworthiness and vice versa**.

CIBIL Rank

- A **numerical representation** of the **creditworthiness of corporates**.
- Represents on a **scale of 1 to 10, with 1 being the best and 10 being the worst**

Q2039. With reference to Credit Information Companies (CICs) in India, consider the following statements:

1. CICs store and update the credit data of individuals, corporates, and MSMEs.
2. All CICs in India are regulated by the Reserve Bank of India (RBI).
3. Banks and lenders access data from CICs to assess loan and credit card applications.

How many of the above statement(s) is/are correct?

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

(d) None

Ans: c

Sol: All three statements are correct:

CICs maintain and update credit records monthly.

They are regulated by RBI.

Banks use their data to assess creditworthiness.

Q2040. Which of the following are Credit Information Companies (CICs) recognized in India?

1. Equifax
2. TransUnion CIBIL
3. Capital One
4. CRIF High Mark
5. Experian

Which of the above statement(s) is/are correct?

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

Ans: c

Sol: Correct CICs: Equifax, TransUnion CIBIL, CRIF High Mark, Experian
Capital One is not a CIC in India; it's a financial institution in the U.S.

Q2041. Consider the following statements regarding CIBIL Score and CIBIL Rank:

1. CIBIL Score is a 3-digit number that indicates an individual's creditworthiness.
2. CIBIL Rank is used to assess the creditworthiness of corporate entities and ranges from 1 to 10.
3. A higher CIBIL Rank (closer to 10) indicates better creditworthiness.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 1 is correct – CIBIL Score (300–900) reflects an individual's credit health.

Statement 2 is correct – CIBIL Rank (1–10) applies to corporates.



Statement 3 is incorrect – A lower rank (closer to 1) is better.

Day 65

Topic 681

681. WTO's Dispute Settlement reform

World Trade Organization

- only global international organization-dealing with the rules of trade between nations.
- Estd-January 1, 1995 /Headquarters in Geneva, Switzerland (established by Marrakesh Agreement under Uruguay Round)
- India is a founding member of the WTO
- Members of WTO-166 countries (Timor-Leste latest to join in 2024).

World Trade Outlook Indicator report

Issues with Appellate body

- AB stopped functioning on December 10, 2019
- Appellate body 7 member body- not been able to meet its quorum of 3 members.

Recent

- Ind & SA submitted report to start AB

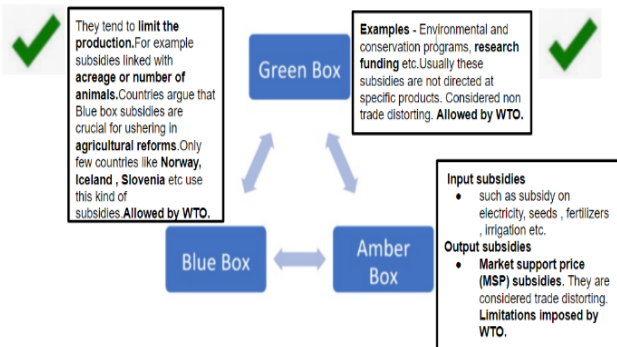
WTO was formed in 1995 with three main agreements

GATT General Agreement on Tariffs and Trade
GATS General Agreement on Trade in Services
TRIPS Trade-related Aspects of Intellectual Property Rights

Agreement on Agriculture

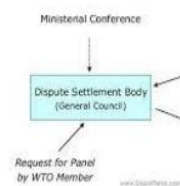
The agreement focuses on elimination of the so-called 'trade distorting' agricultural subsidies.

Agricultural Subsidies at WTO

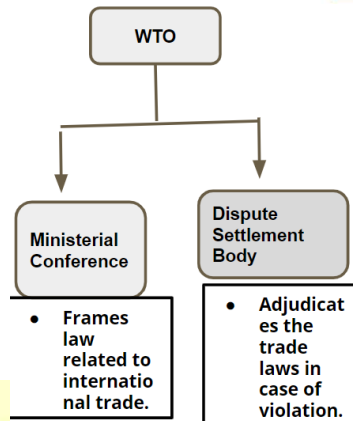


How a dispute is settled at WTO?

Dispute Settlement in the WTO:
Relationship of players



How the Dispute Settlement System works



Economist **Ngozi Okonjo-Iweala**

• **First Woman and First African Director General of the World Trade Organization (WTO).**

• From **Nigeria**

Q2042. With reference to the Appellate Body (AB) of the World Trade Organization (WTO), consider the following statements:

1. The Appellate Body consists of 7 members but has stopped functioning due to lack of quorum.
2. As of 2024, the United States and China jointly submitted a proposal to revive the Appellate Body.
3. The Appellate Body is a part of the WTO's dispute settlement mechanism.
4. India and South Africa recently submitted a report to initiate the revival of the Appellate Body.

How many of the above statement(s) is/are correct?
(a) Only one
(b) Only two
(c) Only three



(d) All four

Ans: c

Sol: Statement 1: Correct – The Appellate Body has 7 members but ceased functioning in December 2019 due to the lack of quorum (minimum 3 members).

Statement 2: Incorrect – The United States and China did not jointly submit a revival proposal. India and South Africa submitted the report.

Statement 3: Correct – The AB is a crucial part of the WTO's Dispute Settlement System.

Statement 4: Correct – India and South Africa have submitted proposals to initiate reform and restart the AB.

Q2043. With reference to the World Trade Organization (WTO), consider the following statements:

1. It was established under the Marrakesh Agreement during the Uruguay Round of negotiations.
2. Timor-Leste became the most recent member of the WTO in 2024.
3. The WTO's headquarters are located in Brussels, Belgium.
4. India is a founding member of the WTO.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1: Correct – WTO was established by the Marrakesh Agreement in 1995 under the Uruguay Round.

Statement 2: Correct – Timor-Leste joined as the 166th member in 2024.

Statement 3: Incorrect – WTO headquarters are in Geneva, Switzerland, not Brussels.

Statement 4: Correct – India is a founding member of the WTO.

Q2044. Consider the following statements regarding the leadership of the WTO:

1. Ngozi Okonjo-Iweala is the first woman to head the World Trade Organization.
2. She is also the first Director-General from Africa.

3. Ngozi Okonjo-Iweala is an economist from Ghana.

4. The Director-General of WTO is elected every two years.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – She is the first woman to lead WTO.

Statement 2: Correct – She is also the first African to head WTO.

Statement 3: Incorrect – She is from Nigeria, not Ghana.

Statement 4: Correct – WTO Directors-General serve a 4-year term, but election is not every 2 years (so technically incorrect on duration/frequency).

Topic 682

682. Types of Unemployment

1. Disguised Unemployment: It is a phenomenon wherein more people are employed than actually needed.

2. Seasonal Unemployment: It is unemployment that occurs during certain seasons of the year, generally seen in Agriculture.

2. Structural Unemployment: It is a category of unemployment arising from the mismatch between the jobs available in the market and the skills of the available workers in the market.

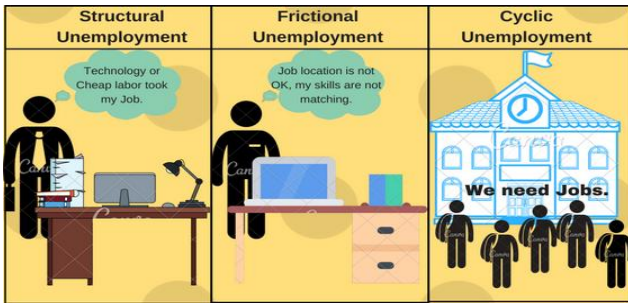
3. Cyclical Unemployment: It is a result of the business cycle, where unemployment rises during recessions and declines with economic growth.

4. Technological Unemployment: It is the loss of jobs due to changes in technology.

5. Frictional Unemployment: Frictional Unemployment also called Search Unemployment, refers to the time lag between the jobs when an individual is searching for a new job

6. Vulnerable Employment: This means, people, working informally, without proper job contracts and thus sans any legal protection.





Q2045. With reference to different types of unemployment, consider the following statements:

1. Disguised unemployment occurs when the marginal productivity of some workers is zero.
2. Structural unemployment is caused due to the mismatch between workers' skills and available jobs.
3. Cyclical unemployment increases during periods of high economic growth.
4. Frictional unemployment arises due to people voluntarily switching jobs or entering the workforce.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – Disguised unemployment reflects zero or negligible marginal productivity.

Statement 2: Correct – Structural unemployment is due to a skill-job mismatch.

Statement 3: Incorrect – Cyclical unemployment increases during a recession, not during high growth.

Statement 4: Correct – Frictional unemployment includes job transitions and new entrants.

Q2046. Consider the following types of unemployment:

1. Seasonal Unemployment
2. Technological Unemployment
3. Frictional Unemployment
4. Vulnerable Employment

Which of the above is/are generally associated with informal or low-income employment without job security or social protection?

- (a) 1 and 2 only

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

Ans: c

Sol: Only Vulnerable Employment is defined as working without contracts or protections, typically seen in informal sectors.

Others (Seasonal, Technological, Frictional) refer to specific causes or phases of joblessness, not necessarily lacking legal/job protection.

Q2047. With reference to unemployment types in India, consider the following statements:

1. Seasonal unemployment is predominantly seen in the agricultural sector.
2. Technological unemployment is a recent phenomenon that is not observed in developing countries like India.
3. Disguised unemployment can occur when five people are working on a farm that requires only three.

4. Structural unemployment can be reduced by improving education and skill training.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1: Correct – Seasonal unemployment is common in agriculture.

Statement 2: Incorrect – Technological unemployment is also present in India, e.g., due to automation in IT and manufacturing.

Statement 3: Correct – Classic example of disguised unemployment.

Statement 4: Correct – Skill development and education can help reduce structural unemployment.

Topic 683

683. Aadhar

- **12-digit** unique identification (UID)
- **Proof** given by the **residentship (not citizenship)**
- regulated under **UIDAI act 2016** (brought as Money bill)
- **Aadhar** regulated by **UIDAI**



- **Aadhaar-collects Biometrics** (Baal Aadhaar doesn't)

Application

- Aadhaar became mechanism for **DBT via JAM trinity**.

Issues

1. Privacy

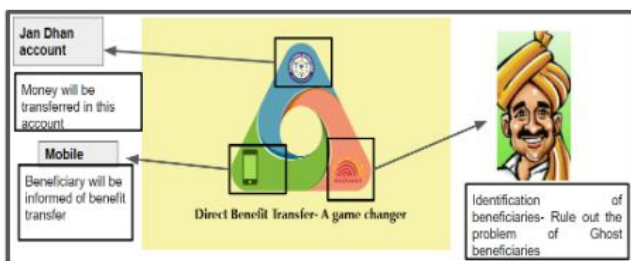
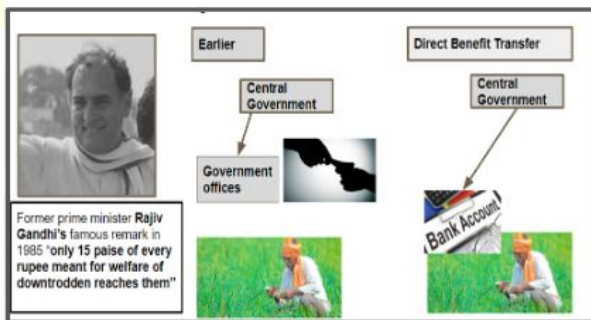
- biometric details like- Facial Image, IRIS and Fingerprints-leak

SC

- Aadhaar is **not compulsory** for citizens.
- Aadhaar **not necessary** for essential services.



Baal Aadhaar-Blue color-up to age 5



Q2048. With reference to Aadhaar and its regulation in India, consider the following statements:

1. Aadhaar is a 12-digit unique identification number issued only to Indian citizens.
2. The Unique Identification Authority of India (UIDAI) is responsible for Aadhaar and was established under the Aadhaar Act, 2016.
3. The Aadhaar Act, 2016 was passed as a Money Bill in Parliament.
4. The Aadhaar system includes the collection of biometric information like fingerprints, iris scans, and facial images.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Incorrect – Aadhaar is issued to residents, not necessarily citizens.

Statement 2: Correct – UIDAI was established under the Aadhaar Act, 2016.

Statement 3: Correct – The Aadhaar Act was passed as a Money Bill.

Statement 4: Correct – Aadhaar collects biometric data such as fingerprints, iris, and facial images.

Q2049. Which of the following best explains the relationship between Aadhaar and the JAM Trinity?

- (a) Aadhaar serves as proof of citizenship in JAM Trinity.
- (b) Aadhaar replaces Jan Dhan accounts in the JAM Trinity.
- (c) Aadhaar enables Direct Benefit Transfers (DBT) by linking beneficiaries with bank accounts and mobile numbers.
- (d) Aadhaar is only used for private financial transactions, not for government schemes.

Ans: c

Sol: JAM = Jan Dhan + Aadhaar + Mobile. Aadhaar helps identify genuine beneficiaries, enabling DBT, which improves transparency and reduces leakages in welfare schemes.

Q2050. With reference to Aadhaar and constitutional provisions, consider the following statements:



1. The Supreme Court ruled that Aadhaar cannot be made mandatory for receiving essential services.
 2. The Supreme Court upheld the use of Aadhaar for welfare schemes funded by the government.
 3. Aadhaar is a valid proof of citizenship under the Citizenship Act, 1955.
 4. Children below the age of five are not issued Aadhaar.
- Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1: Correct – The Supreme Court ruled that Aadhaar is not mandatory for essential services.

Statement 2: Correct – SC upheld Aadhaar for targeted delivery of subsidies/welfare schemes.

Statement 3: Incorrect – Aadhaar is not proof of citizenship, only residency.

Statement 4: Incorrect – Children below 5 are issued Baal Aadhaar (without biometrics).

Topic 684

684. Ayushman Bharat Scheme

National Health Authority (NHA)

- **Implementing authority** of Ayushman Bharat Scheme

Current news

- NHA has brought some changes in Ayushman Bharat scheme **implementation.**

Important changes

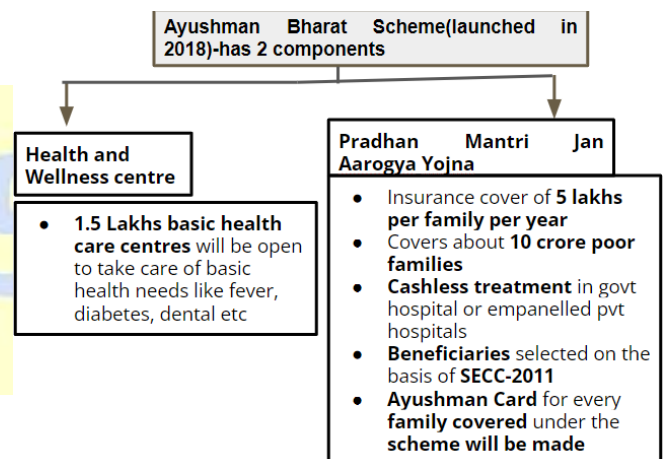
1. Co-branded Ayushman cards

- **beneficiary card for Ayushman Bharat—Pradhan Mantri Jan Arogya Yojana (AB-PMJAY)** can now be used to **avail benefits** for any existing **state health insurance schemes** as well with **same card**.

2. Initiatives for transgenders

- Transgender persons will get **yearly health insurance of Rs 5 lakh** each under the Ayushman Bharat scheme.
- The insurance policy will also **cover sex reassignment surgeries**
- **Agreement between Ministry of Health Affairs and Ministry of Social justice and**

Empowerment has been signed to **include transgenders** under Ayushman Bharat scheme



‘Mukhya Mantri Ayushman Asom Yojana’

- To give **100 percent health insurance** coverage to National Food Security Act beneficiaries.
- It will enable **27 lakh additional families** of the State to avail **Rs 5 lakh worth** of cashless treatment, making it the biggest health insurance scheme in the country.
- To avoid duplicity, **Atal Amrit Abhiyan** will be discontinued.

Q2051. With reference to the implementation of the Ayushman Bharat Scheme, consider the following statements:

1. The scheme is implemented by the National Health Authority (NHA).



2. A co-branded Ayushman card can now be used under both AB-PMJAY and state health insurance schemes.

3. The Ayushman Bharat scheme is limited only to rural households and does not include urban poor.

4. Transgender persons have been excluded from the scope of the scheme due to lack of proper documentation.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct – NHA implements the scheme.

Statement 2: Correct – The co-branded card now works across central and state schemes.

Statement 3: Incorrect – AB-PMJAY includes both rural and urban poor.

Statement 4: Incorrect – Transgenders are included under the scheme, with a yearly cover and surgeries covered.

Q2052. Which of the following best describes the recent initiative for transgender persons under the Ayushman Bharat scheme?

- (a) They will be provided one-time financial assistance for gender transition.
- (b) They will receive free outpatient consultation but not hospitalization.
- (c) They will receive ₹5 lakh annual health insurance including coverage for sex reassignment surgeries.
- (d) They have been provided separate hospitals for transgender-specific treatment under PMJAY.

Ans: c

Sol: The new provision includes transgender persons under AB-PMJAY with an annual ₹5 lakh cover and support for sex reassignment surgeries, based on an agreement between the Ministry of Health and Ministry of Social Justice.

Q2053. With reference to the 'Mukhya Mantri Ayushman Asom Yojana', consider the following statements:

1. It aims to provide universal health insurance to all residents of Assam.

2. The scheme targets beneficiaries under the National Food Security Act.

3. It enables up to ₹5 lakh worth of cashless treatment per family.

4. The Atal Amrit Abhiyan scheme has been discontinued to avoid overlap.

Which of the above statements is/are correct?

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

Ans: b

Sol: Statement 1: Incorrect – It covers NFSA beneficiaries, not all residents.

Statements 2, 3, 4: Correct – These align with the latest updates from Assam's health coverage expansion.

Topic 685

685. Pradhan Mantri Ujjwala Yojana

- **2016**-Under the scheme, **five crore LPG connections** are to be provided to **poor households**.
- Later-was expanded from **5 crore to 8 crore** LPG connections.
- **Administrative cost** of **Rs. 1600 per connection**-cylinder, pressure regulator, booklet, safety hose, etc.
- **Interest free loan** to **purchase a stove**.
- **Aim**-To **safeguard the health of women**
- **By**-Ministry of Petroleum and Natural Gas (MoPNG).

2 Recent announcements-

1. 75 lakh new connections under PM Ujjawala Yojana (PMUY).
2. Rs 200 additional subsidy on LPG cylinders for Ujjawala beneficiaries



Q2054. With reference to the Pradhan Mantri Ujjwala Yojana (PMUY), consider the following statements:

1. The scheme was launched in 2016 with an initial target of 5 crore LPG connections for poor households.
2. The Ministry of Health and Family Welfare is the nodal agency responsible for implementing the scheme.
3. An administrative cost of ₹1,600 per LPG connection is provided by the government under the scheme.
4. The scheme includes an interest-free loan for purchasing an LPG stove.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – Launched in 2016 with 5 crore connections, later expanded.

Statement 2: Incorrect – It is implemented by the Ministry of Petroleum and Natural Gas, not the Health Ministry.

Statement 3: Correct – ₹1,600 per connection covers regulator, hose, booklet, etc.

Statement 4: Correct – Interest-free loan is provided for stove purchase.

Q2055. Which of the following are recent developments under the Pradhan Mantri Ujjwala Yojana as of 2024–25?

1. Additional 75 lakh new LPG connections to be provided under the scheme.
2. A new subsidy of ₹400 per LPG cylinder has been announced for all consumers.
3. A ₹200 subsidy per LPG cylinder for Ujjwala beneficiaries was approved.
4. The scheme has now been shifted to the Ministry of Women and Child Development for implementation.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1: Correct – 75 lakh new connections announced.

Statement 2: Incorrect – ₹200 subsidy is for Ujjwala beneficiaries only, not all consumers.

Statement 3: Correct – ₹200 subsidy per cylinder for Ujjwala users was announced.

Statement 4: Incorrect – The scheme remains under Ministry of Petroleum and Natural Gas.

Q2056. Consider the following objectives of the Pradhan Mantri Ujjwala Yojana (PMUY):

1. To reduce dependence on traditional cooking fuels like firewood and cow dung.
 2. To improve indoor air quality and safeguard women's health.
 3. To promote clean fuel usage among rural and deprived households.
 4. To promote ethanol blending in automobile fuel.
- Which of the above is/are objectives of the PMUY?

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

Ans: a

Sol: The first three are key goals of PMUY. Statement 4 relates to biofuel/ethanol blending programs, not Ujjwala.

Topic 686

686. Arohan scheme

- new **flagship programme for meritorious students**
- **Mentor-mentee programme**
- **Class 9 to Class 12 of Assam.**
- **a mentor** will guide upto **5 students for 4 years** on various **skills and development.**

Schools are eligible for Arohan Scheme Assam

- Government Schools
- Provincialised Schools
- Adarsha Vidyalaya
- Kasturba Gandhi Balika Vidyalayas (KGBV)

From **each school 1 student will be selected.**

The selection of **boys and girls will be 50:50.**





Q2057. With reference to the Arohan Scheme launched in Assam, consider the following statements:

1. The scheme is a flagship mentor-mentee programme for meritorious students from Class 9 to Class 12.
 2. Each mentor is assigned to guide up to 5 students for a duration of 2 years.
 3. Both Government and Private schools are eligible under the Arohan Scheme.
 4. The scheme ensures equal gender representation in student selection.
- How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct – The scheme targets meritorious students of Class 9–12.

Statement 2: Incorrect – Mentorship duration is 4 years, not 2.

Statement 3: Incorrect – Only Government, Provincialised, Adarsha Vidyalayas, and KGBVs are eligible — not private schools.

Statement 4: Correct – The selection of boys and girls is in 50:50 ratio.

Q2058. Which of the following types of schools are eligible under the Arohan Scheme in Assam?

1. Government Schools
2. Kasturba Gandhi Balika Vidyalayas (KGBVs)
3. Private CBSE-affiliated Schools
4. Adarsha Vidyalayas

Which of the statements given above is/are correct?

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

Ans: b

Sol: Eligible schools: Government, Provincialised, Adarsha Vidyalayas, and KGBVs. Private schools are not included in the scheme.

Q2059. Consider the following features of the Arohan Scheme:

1. It is designed to provide long-term mentorship for holistic development of students.
2. One student is selected from each eligible school under the scheme.
3. The scheme is applicable to college-level students pursuing technical education.
4. The scheme focuses on skill development and career guidance.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1: Correct – The mentorship model is long-term (4 years).

Statement 2: Correct – One student is selected per eligible school.

Statement 3: Incorrect – It is for school students (Class 9–12), not college students.

Statement 4: Correct – Includes skill development and guidance focus.

Topic 687

687. Pradhan Mantri Krishi Sinchai Yojana

- Started in year 2015
- Amalgamated ongoing irrigation schemes- Integrated Watershed Management Programme (IWMP), On Farm Water Management (OFWM) component etc

Programme Components

1. Accelerated Irrigation Benefit Programme (AIBP)

- Focus on faster completion of ongoing Major and Medium Irrigation including National Projects.

2. Har Khet ko Pani

- Creation of new water sources through Minor Irrigation (both surface and groundwater)



- Creating and rejuvenating **traditional water storage systems** like Jal Mandir (Gujarat); Khatri, Kuhl (H.P.); Zabo (Nagaland); Eri, Ooranis (T.N.); **Dongs (Assam)**; Katas, Bandhas (Odisha and M.P.) etc. at feasible locations.

3. Per Drop More Crop

- Promote micro irrigation techniques like **drip irrigation, Sprinkler irrigation**

4. Watershed Development

- Converging with MGNREGS for creation of water source.



Q2060. With reference to the Pradhan Mantri Krishi Sinchai Yojana (PMKSY), consider the following statements:

1. It was launched in 2015 to amalgamate various irrigation schemes.
2. It includes components such as “Har Khet Ko Pani” and “Per Drop More Crop.”
3. The scheme exclusively focuses on major irrigation projects and excludes micro irrigation.
4. The Watershed Development component of PMKSY converges with MGNREGS.

How many of the above statement(s) is/are correct?

- (a) Only one
(b) Only two

- (c) Only three
(d) All four

Ans: c

Sol: Statement 1: Correct – Launched in 2015, amalgamating several schemes.

Statement 2: Correct – These are major components of PMKSY.

Statement 3: Incorrect – It includes micro irrigation under "Per Drop More Crop."

Statement 4: Correct – Watershed development converges with MGNREGS.

Q2061. Which of the following traditional water systems are correctly matched with their respective states under the “Har Khet Ko Pani” component of PMKSY?

1. Zabo – Nagaland
2. Eri and Ooranis – Tamil Nadu
3. Khatri and Kuhl – Himachal Pradesh
4. Katas and Bandhas – Punjab

Which of the above pairs is/are correctly matched?

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

Ans: b

Sol: 1: Zabo – Nagaland

- 2: Eri & Ooranis – Tamil Nadu
- 3: Khatri & Kuhl – Himachal Pradesh
- 4: Katas & Bandhas are found in Odisha and Madhya Pradesh, not Punjab

Q2062. Consider the following components under the Pradhan Mantri Krishi Sinchai Yojana (PMKSY):

1. Accelerated Irrigation Benefit Programme (AIBP) focuses on quick completion of major irrigation projects.
2. Har Khet Ko Pani aims to provide irrigation to every field through minor irrigation systems.
3. Per Drop More Crop promotes efficient water use through micro irrigation technologies.
4. Watershed Development excludes rejuvenation of traditional water bodies.

Which of the statements given above is/are correct?

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



- (c) 1 and 4 only
(d) All four

Ans: a

Sol: Statement 4 is incorrect – Watershed Development does include rejuvenation of traditional water bodies and water source creation, often in convergence with MGNREGS.

Topic 688

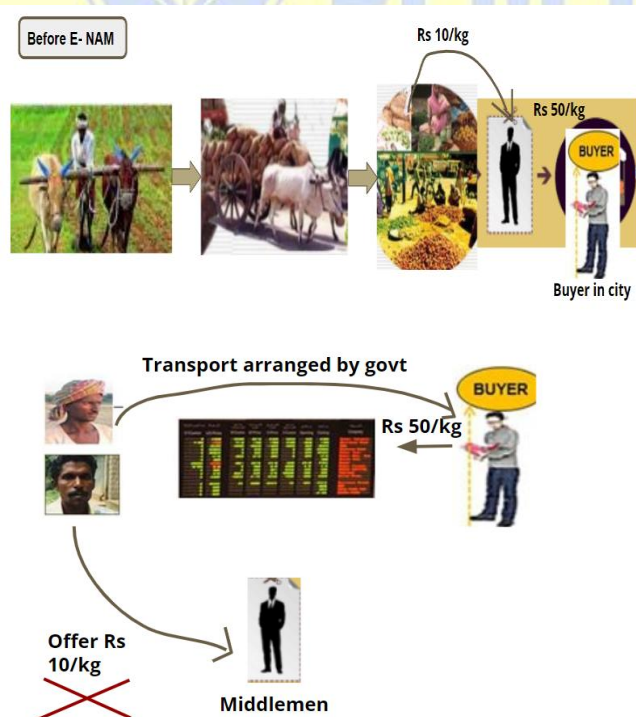
688. e-NAM

E- NAM (Electronic National Agriculture Market) Scheme

- launched on **14th April 2016**
- **electronic trade portal linking Agricultural Produce Market Committees (APMCs) across the States.**
- Now Mandis will have digital boards that will **display the price of the crops in the market.**
- **Small Farmers Agribusiness Consortium (SFAC)** is implementing agency of eNAM

E-NAM help in

- Right price discovery for farmers
- Help in doing away the problem of middlemen



Q2063. With reference to the Electronic National Agriculture Market (e-NAM) scheme, consider the following statements:

1. It was launched to digitally link all APMCs across India and promote unified national agricultural marketing.
 2. The implementing agency for e-NAM is the Small Farmers Agribusiness Consortium (SFAC).
 3. One of the main objectives of e-NAM is to strengthen the role of middlemen in agricultural trade.
 4. Under e-NAM, digital price display boards are installed in mandis for real-time crop price visibility.
- How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – e-NAM connects APMCs via a digital platform.

Statement 2: Correct – SFAC is the implementing agency.

Statement 3: Incorrect – e-NAM aims to reduce the role of middlemen, not strengthen it.

Statement 4: Correct – Mandis now has digital boards showing crop prices.

Q2064. Which of the following are objectives of the e-NAM scheme?

1. To ensure better price discovery for farmers.
2. To promote physical movement of farmers to distant mandis.
3. To reduce the role of intermediaries in agriculture marketing.
4. To promote transparency in agricultural trade through digital platforms.

Which of the above statements is/are correct?

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

Ans: a

Sol: Statement 2 is incorrect – e-NAM is meant to reduce the need for physical movement by enabling remote bidding and transactions.



Q2065. Consider the following statements regarding the e-NAM scheme:

1. It was launched in the year 2014 as part of the National e-Governance Plan in Agriculture.
2. It enables real-time price discovery and better market access for farmers.
3. APMCs are an essential component of e-NAM implementation.
4. The portal is exclusively available for large agribusiness corporations and not individual farmers.

Which of the statements given above is/are correct?

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

Ans: b

Sol: Statement 1: Incorrect – e-NAM was launched on 14th April 2016, not in 2014.

Statement 2: Correct – Real-time price discovery is a key benefit.

Statement 3: Correct – e-NAM functions through APMCs.

Statement 4: Incorrect – The platform is for all farmers, not just big corporates.

Topic 689

689. Different types of Budgeting

Zero Based budgeting

- method of **budgeting in which all expenses will be justified for each new year.**
- ZBB starts from a **“zero base”**

Outcome budget

- An outcome budget is a budgeting method that **links a government's spending to specific goals** and outcomes.
- It's a tool that helps **governments be more accountable and transparent.**
- Adopted in **2005** for **few dept/ministries.**

Performance budget

- In India, a performance budget is a system that **presents public expenditure** in terms of functions, programs, activities, and projects, **focusing on outputs** and their costs, **rather than just inputs.**

Traditional Budgeting vs Zero Base Budgeting

Basic difference	Traditional Budgeting	Zero Base Budgeting
Emphasis	It is accounting oriented; emphasis on “How Much”	It is more decision oriented; emphasis on “Why”
Approach	It is monitoring towards the expenditures	It is towards the achievement of objectives
Focus	To study the changes in the expenditures	To study the cost benefit analysis
Communication	It operates only Vertical communication	It operates in both directions horizontally and vertically
Method	It is based on the extrapolation i.e. from the yester figures future projections are carried out	Its decision package is totally based on the cost benefit analysis.

Q2066. With reference to Zero-Based Budgeting (ZBB), consider the following statements:

1. It requires justifying all expenditures for each new budget period, starting from a base of zero.
2. It allows automatic roll-over of past allocations without any review.

3. ZBB is useful in identifying redundant or obsolete activities and eliminating them.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct – ZBB starts from scratch and requires justification for each expense.

Statement 2: Incorrect – ZBB does not allow automatic roll-overs; every item must be justified anew.

Statement 3: Correct – ZBB is especially useful for trimming unnecessary expenditures.

Q2067. Consider the following statements regarding Outcome Budgeting:

1. It links government spending to measurable goals and outcomes.
2. It aims to improve transparency and accountability in public spending.
3. India adopted outcome budgeting for all ministries from the year 2005.
4. Outcome budget is purely concerned with physical infrastructure creation.

Which of the above statements is/are correct?

- (a) 1, 2 and 3 only



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

Ans: b

Sol: Statement 1: Correct – The goal is to link spending with outcomes.

Statement 2: Correct – It increases accountability.

Statement 3: Incorrect – India started outcome budgeting in 2005, but only for a few ministries, not all.

Statement 4: Incorrect – It is not limited to physical infrastructure; applies to all types of outcomes.

Q2068. With reference to Performance Budgeting in India, consider the following statements:

1. It presents public spending in terms of projects and activities instead of only financial inputs.
2. It ignores the link between inputs and outcomes.
3. The aim of performance budgeting is to focus on the cost-effectiveness of government programs.
4. It was first introduced in India after the adoption of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – Performance budgeting tracks expenditure by program and activity.

Statement 2: Incorrect – It does link inputs to outputs/outcomes.

Statement 3: Correct – Cost-effectiveness is a key goal.

Statement 4: Correct – Though elements existed earlier, it gained focus post-FRBM.

Topic 690

690. PM MITRA scheme



Textile - Mega Investment Textiles Parks (MITRA)

Aims at making Textile Industry:

1. Globally competitive
2. Attract large investments
3. Boost employment generation & exports

Main features:

- To create a world class infrastructure with plug and play facilities to enable create global champions in exports
- 7 Textile Parks will be established over 3 years

Weaving the Future

Seven PM MITRA textiles parks announced

STATES IDENTIFIED: TN,

TELANGANA, KARNATAKA,

MAHARASHTRA,

GUJARAT, MP, UP

LOCATION BASED ON FEASIBILITY

Mega park scheme has ₹4,445 cr outlay

Expected investment of ₹70,000 crore

Q2069. With reference to the PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme, consider the following statements:

1. The scheme aims to develop world-class industrial infrastructure to attract investment in textile manufacturing.
2. It follows the 5F vision – Farm to Fibre to Factory to Fashion to Foreign.
3. The parks will be fully funded and operated only by the Central Government.
4. Each park will be jointly implemented through a Special Purpose Vehicle (SPV) formed by both Centre and State Governments.



How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – PM MITRA aims to create world-class infrastructure to attract investment.

Statement 2: Correct – The scheme is inspired by the Prime Minister's 5F vision.

Statement 3: Incorrect – It is a joint initiative of Centre and States, not solely funded/operated by the Centre.

Statement 4: Correct – Implementation is through a Centre-State SPV model.

Q2070. Consider the following features of the PM MITRA scheme:

1. A Development Capital Support of up to ₹500 crore per park will be provided by the Ministry of Textiles.
2. A Competitive Incentive Support of up to ₹300 crore per park is also included under the scheme.
3. The PM Gati Shakti Master Plan is used for validating the site proposals under the scheme.
4. The scheme mandates that states provide at least 500 acres of encumbrance-free land.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1: Correct – ₹500 crore per park is provided as Development Capital Support.

Statement 2: Correct – ₹300 crore per park is provided as Competitive Incentive Support.

Statement 3: Correct – PM Gati Shakti is used to validate proposed sites.

Statement 4: Incorrect – The required land is at least 1000 acres, not 500 acres.

Q2071. With reference to the implementation and expected impact of PM MITRA Parks, consider the following statements:

1. The Ministry of Commerce is the implementing agency of the scheme.
2. The scheme is expected to generate 20 lakh employment opportunities.
3. States like Tamil Nadu, Gujarat, and Uttar Pradesh are among those selected for setting up the parks.
4. The parks will provide plug-and-play facilities and training infrastructure.

Which of the above statements is/are correct?

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

Ans: c

Sol: Statement 1: Incorrect – The Ministry of Textiles, not Commerce, is the implementing authority.

Statement 2: Correct – The scheme aims to generate around 20 lakh jobs.

Statement 3: Correct – These states are indeed among the seven selected.

Statement 4: Correct – The parks will provide modern infrastructure, including plug-and-play and training facilities.

Topic 691

691. 'Evergreening' of Patents' and Compulsory licensing

'Evergreening' of Patents'

- Patents-20 years- after the expiry of the patent-free for use, manufacture, sell, or import to all.
- Sometimes the patentees (mostly pharmaceutical companies) attempt to extend this monopoly right beyond the limited period of 20 years-by making trivial /insignificant variations

Section 3(d) of the Patent Act, 1970

- states that the "mere discovery of a new form of a known substance which does not result in the enhancement of the known efficacy-not patentable.

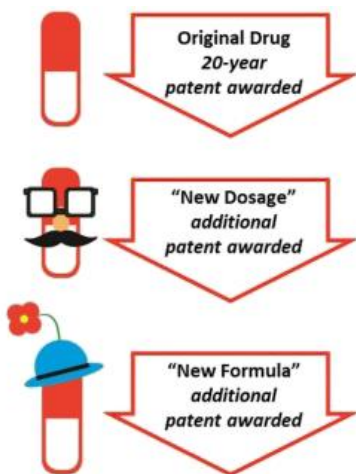
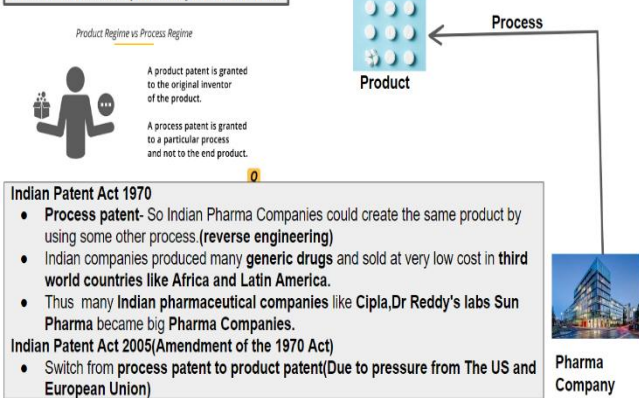
Compulsory licensing

- Licence of a branded drugs to generic manufacturers to make the drugs available at cheaper cost.

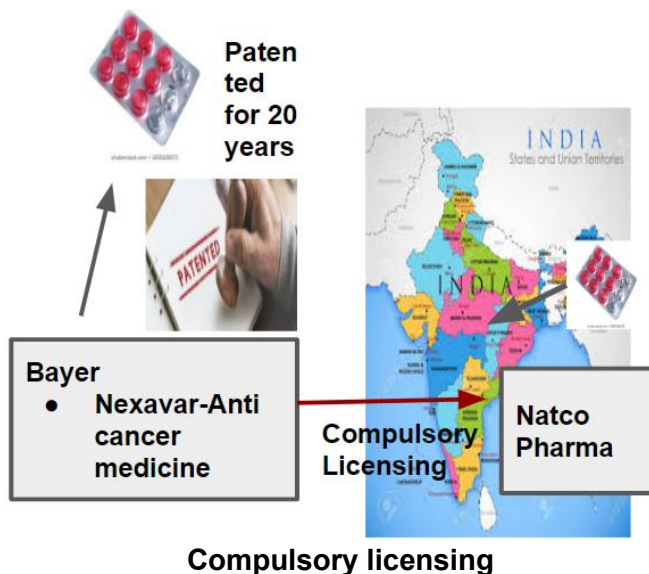


- **Section 92** of Indian patents act allows **compulsory licensing**.
- **TRIPS of WTO** also allow **Compulsory licensing**

How India became pharmacy of the world?



Evergreening of Patents



Q2072. With reference to the concept of 'Evergreening' of patents, consider the following statements:

1. Evergreening refers to extending the patent protection beyond 20 years by making minor changes to the original product.
2. Section 3(d) of the Indian Patents Act, 1970 prevents evergreening by disallowing patents for trivial modifications that do not enhance efficacy.
3. Evergreening is legally allowed in India as long as the product variation is new.
4. Pharmaceutical companies often use evergreening to continue monopoly pricing of drugs.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – This is the definition of evergreening.

Statement 2: Correct – Section 3(d) directly addresses and restricts evergreening.

Statement 3: Incorrect – Evergreening is not allowed if the change does not improve efficacy.

Statement 4: Correct – This is a common tactic to retain profits from high-priced branded drugs.

Q2073. Consider the following statements regarding Compulsory Licensing in India:

1. It allows the government to permit the production of a patented drug without the consent of the patent holder.
2. Section 92 of the Indian Patents Act enables compulsory licensing in case of a national emergency or public health crisis.
3. India's compulsory licensing provisions are not compatible with international agreements such as TRIPS.

4. Compulsory licensing can help in making life-saving drugs more affordable.

Which of the statements given above is/are correct?

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



Q2076. Consider the following statements about startup classifications in India:

1. Gazelles are startups with a valuation between \$500 million and \$1 billion.
2. Cheetahs are startups with a valuation between \$200 million and \$500 million.
3. Both Gazelles and Cheetahs must have been founded after the year 2000.
4. Cheetahs are expected to become unicorns within two years.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – Gazelles fall in the \$500M–\$1B range.

Statement 2: Correct – Cheetahs fall in the \$200M–\$500M range.

Statement 3: Correct – Both must be post-2000.

Statement 4: Incorrect – Cheetahs are expected to become unicorns in 4 years, not 2.

Q2077. With reference to startup classifications like Unicorns, Gazelles, and Cheetahs, consider the following statements:

1. Unicorns are companies listed on a stock exchange with high valuations.
2. Gazelles are potential unicorns within a span of two years.
3. Cheetahs are relatively earlier-stage startups than Gazelles, with potential to reach unicorn status in four years.
4. All three categories refer to companies that have crossed a minimum valuation of \$500 million.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1: Incorrect – Unicorns are privately held, not listed.

Statement 2: Correct – Gazelles have 2-year unicorn potential.

Statement 3: Correct – Cheetahs are earlier-stage, with 4-year potential.

Statement 4: Incorrect – Cheetahs start at \$200 million, not \$500 million.

Topic 693

693. Brickwork Ratings, SEBI, SAT

Securities and Exchange Board of India

- regulatory body-SEBI Act, of 1992.
- regulate the securities market

Brickwork Ratings

- **Brickwork** is one of the **SEBI-registered credit rating agencies** in India.
- Credit Rating Agencies (CRA) are agencies that **assess the creditworthiness** of organisation, individual or **entity** and **assign ratings** to it.

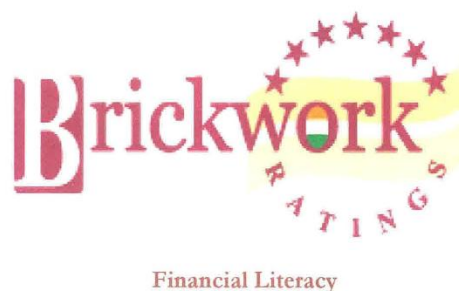
Current news?

- **SEBI** has **revoked the licence** held by Brickwork Ratings-for lack of **diligence**
- **Securities Appellate Tribunal (SAT)** quashed the order passed by SEBI

Securities appellate tribunal:

- **Statutory body** - under **Securities and Exchange Board of India Act, 1992**.
- It hears and **disposes of appeals** against orders passed by the-

- a. **Securities and Exchange Board of India,**
- b. **Pension Fund Regulatory and Development Authority (PFRDA) and**
- c. **Insurance Regulatory Development Authority of India (IRDAI).**



Q2078. With reference to the Securities Appellate Tribunal (SAT), consider the following statements:

1. It is a statutory body established under the SEBI Act, 1992.
2. It hears appeals only against orders passed by SEBI.
3. SAT also deals with appeals from IRDAI and PFRDA.



4. The decisions of SAT are final and cannot be challenged in any court.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct – SAT is a statutory body under SEBI Act.

Statement 2: Incorrect – It hears appeals not just from SEBI but also IRDAI and PFRDA.

Statement 3: Correct – It can hear appeals against IRDAI and PFRDA.

Statement 4: Incorrect – SAT decisions can be challenged in higher courts.

Q2079. Consider the following statements regarding Brickwork Ratings and its regulatory oversight:

1. Brickwork Ratings is a SEBI-registered credit rating agency.
2. Credit rating agencies assess the creditworthiness of entities and assign them ratings.
3. SEBI revoked the license of Brickwork Ratings citing lack of due diligence.
4. The Securities Appellate Tribunal (SAT) upheld SEBI's order against Brickwork Ratings.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – Brickwork is SEBI-registered CRA.

Statement 2: Correct – CRAs evaluate creditworthiness.

Statement 3: Correct – SEBI did revoke Brickwork's license for lack of diligence.

Statement 4: Incorrect – SAT quashed SEBI's order.

Q2080. With reference to SEBI and its powers, consider the following statements:

1. SEBI was established by an Act of Parliament in 1992 to regulate the securities market in India.
2. SEBI can register and revoke licenses of credit rating agencies.
3. SAT is subordinate to SEBI and must follow SEBI's directions.
4. SEBI regulates all financial institutions including banks and insurance companies.

Which of the statements given above is/are correct?

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

Ans: a

Sol: Statement 1: Correct – SEBI was formed via the SEBI Act, 1992.

Statement 2: Correct – SEBI has the power to regulate CRAs.

Statement 3: Incorrect – SAT is an independent appellate body, not subordinate.

Statement 4: Incorrect – SEBI doesn't regulate banks or insurance companies; those are under RBI and IRDAI.

Topic 694

694. Different Bank Accounts

1. Nostro Account

- It refers to an account that a **domestic bank holds** in a **foreign currency** in **foreign bank**.
- For example SBI maintains account with Citibank in dollar in the US.

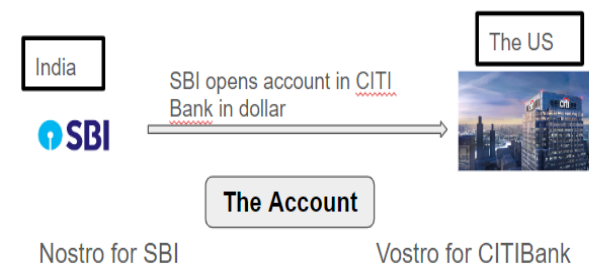
2. Vostro Account

- It is the account which is **held by a foreign bank** with a **domestic bank** in **domestic currency**.
- For example, if Citibank maintains an account with SBI in India in INR, it will be a vostro account for SBI.

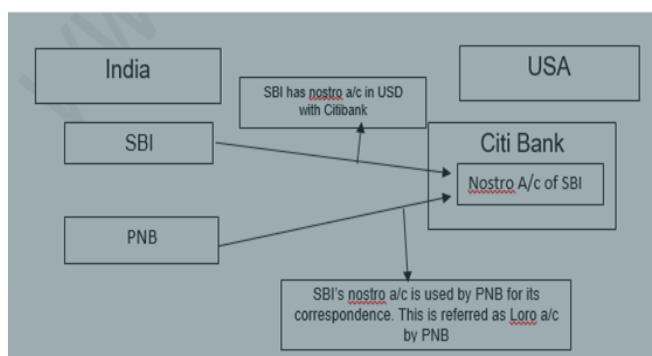
3. Loro Account

- It is a current account maintained by **one domestic bank (say SBI)** for other **domestic bank (say PNB)**.
- It is like a **third party account**.





If an Indian bank like the SBI wants to open an account in the United States, it will get in touch with a bank in the US. The account opened by the Indian bank in the US will be a Nostro account for the Indian bank, while for the US bank, the account will be considered a Vostro account.



Q2081. With reference to Nostro, Vostro, and Loro accounts, consider the following statements:

1. A Nostro account is one that a domestic bank holds in a foreign bank in foreign currency.
2. A Vostro account is one that a foreign bank holds in a domestic bank in domestic currency.
3. A Loro account involves a third-party account held between two foreign banks in India.
4. Nostro and Vostro are mirror accounts in the books of respective banks.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – A Nostro account is "our account with you" (e.g., SBI holding USD account in Citibank, US).

Statement 2: Correct – A Vostro account is "your account with us" (e.g., Citibank maintaining INR account with SBI).

Statement 3: Incorrect – A Loro account is a third-party account maintained between two domestic banks (not foreign banks in India).

Statement 4: Correct – Nostro and Vostro are indeed mirror accounts.

Q2082. Consider the following examples and match them correctly with the type of bank account:

1. SBI holds a USD account with Citibank in New York –
2. Citibank holds an INR account with SBI in India–
3. PNB uses SBI's account details to settle a foreign exchange deal –

Which of the following is the correct match?

- (a) Nostro – Vostro – Loro
- (b) Vostro – Nostro – Loro
- (c) Nostro – Loro – Vostro
- (d) Vostro – Loro – Nostro

Ans: a

Sol: SBI's USD account in Citibank = Nostro (our account with you)

Citibank's INR account in SBI = Vostro (your account with us)

PNB referring to SBI's account to settle a deal = Loro (their account with them)

Q2083. With reference to banking operations, consider the following statements:

1. Nostro and Vostro accounts are essential for facilitating international trade and forex settlements.
2. Loro accounts involve two banks, where one holds an account for the other directly.
3. A Vostro account is maintained by a domestic bank in foreign currency.
4. Nostro accounts are shown as assets in the books of the domestic bank.

How many of the above statement(s) is/are correct?

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

Ans: b

Sol: Statement 1: Correct – These accounts are crucial for foreign exchange transactions.



Statement 2: Incorrect – Loro involves three parties, not two.

Statement 3: Incorrect – Vostro account is in domestic currency, maintained by a domestic bank for a foreign bank.

Statement 4: Correct – Nostro accounts are assets for the domestic bank.

Topic 695

695. Non-Fungible Tokens

What is "Non-fungible" property?

- It means something is **unique and cannot be replaced** or **exchanged** for something else of equal value, unlike fungible assets like currency where one unit is the same as another.

Eg House, Plots etc

Fungible property?

- They also have value but they are **non-unique**.

What is "Non-fungible" token?

- Non-Fungible Tokens (NFTs) are **unique digital assets** stored on **blockchain technology**, representing ownership of items like art, music, videos, or virtual goods.

Q2084. With reference to Non-Fungible Tokens (NFTs), consider the following statements:

1. Non-fungible property refers to something that is unique and cannot be exchanged on a one-to-one basis.
2. NFTs are stored on blockchain technology and represent ownership of unique digital assets.
3. NFTs are interchangeable and function like cryptocurrencies such as Bitcoin.
4. Digital art and music are examples of items that can be represented through NFTs.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – non-fungible items like houses or plots are unique and not interchangeable.

Statement 2: Correct – NFTs are built on blockchain and provide verifiable ownership of unique assets.

Statement 3: Incorrect – NFTs are not interchangeable like fungible tokens (e.g., Bitcoin).

Statement 4: Correct – NFTs can represent ownership of digital content like art and music.

Q2085. Which of the following best describes the difference between fungible and non-fungible assets?

- (a) Fungible assets have no value, whereas non-fungible assets are always valuable.
- (b) Fungible assets are always physical, while non-fungible assets are digital.
- (c) Fungible assets are interchangeable units of value; non-fungible assets are unique and non-interchangeable.
- (d) Fungible assets cannot be used in financial markets, while non-fungible assets can.

Ans: c

Sol: Fungible assets like currency or stocks are identical and interchangeable.

Non-fungible assets like houses or NFTs are unique and not mutually replaceable.

Q2086. Consider the following statements regarding Non-Fungible Tokens (NFTs):

1. NFTs can represent ownership of real-world assets such as real estate or collectibles.
2. NFTs are created using blockchain technology to ensure uniqueness and traceability.
3. The ownership of an NFT can be transferred from one person to another.
4. NFTs are primarily stored on central servers controlled by governments.

How many of the above statement(s) is/are correct?

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

Ans: c

Sol: Statement 1: Correct – NFTs can be linked to real-world assets as digital certificates.

Statement 2: Correct – Blockchain ensures immutability and transparency.



Statement 3: Correct – NFTs are transferable through smart contracts.

Statement 4: Incorrect – NFTs are decentralized and not stored on central government servers.

