

**Answer & Explanation for G.S. Test-2 (Polity & Eco) held on 17<sup>th</sup> December'2017**

Q1. Consider the following statements in relation to the Chief Justice of India (CJI) being recognised as the "Master of the Roster":

1. It is a tenet of judicial discipline in India and a principle of Justice delivery system.
2. It is a rule framed by the Supreme Court to conduct its business.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: C**

**Exp:** Order VI, Rule 2 of Supreme Court Rules, 2013, confers this power on the Chief Justice of India.

Q2. Which of the following are governed under the conventions as established in the practice of Parliament of India?

1. The three regular sessions of the Parliament
2. The first session of the Parliament every year shall begin with a joint address of both the Houses of Parliament by the President.
3. The introduction and the passage of a No-Confidence Motion in the Lok Sabha.
4. One-third of the members of the Rajya Sabha shall retire once in two years.

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 2 only
- C. 1, 3 and 4 only
- D. 2, 3 and 4 only

**Answer: A**

**Exp:** With respect to summoning the Parliament the Constitution imposes a duty upon the President that he must summon each House at such intervals that six months shall not intervene between its last sitting in one session and the date appointed for its first sitting in the next session. Thus, according to the Constitution the Parliament must meet at least twice a year and not more than 6 months shall elapse between two sessions. Thus, three regular sessions of the Parliament are governed by the convention.

Article 87 provides for the address of the President to a joint session at the beginning of the first session every year.

Article 75 of the Constitution says that the council of ministers shall be collectively responsible to the Lok Sabha. Thus, the introduction and the passage of a No-Confidence Motion in the Lok Sabha is provided in the Constitution itself.

A No-Confidence Motion is governed under the Rules of Procedure of the Lok Sabha. Article 83 covers retirement of members of the Rajya Sabha.

Q3. Consider the following statements:

1. The purpose of the fundamental rights is to impose fetters on the State and establish a limited government.
2. India is a Union of States and not a federation.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: A**

**Exp:** The Fundamental Rights are meant for promoting the ideal of political democracy. They prevent the establishment of an authoritarian and despotic rule in the country, and protect the liberties and freedoms of the people against the invasion by the State. Hence, statement 1 is correct.

Though the word 'federation' is not used anywhere in the Constitution, India is a federation because it has all the essential features of the federation viz dual government, division of powers between the Centre and the States, supremacy of the constitution, and authority of Courts in interpretation of the Constitution. The phrase "Union of States" means that the federation is not the result of an agreement among the States and therefore the States do not enjoy the right to secede from the Union. On the other hand, the phrase "Federation of States" means that the federation is a result of an agreement among the States and they have a right to secede from the Union.

Q4. Recently the state of West Bengal has changed its name to Bangla. In this context consider the following statements:

1. A Bill giving effect to change the name of any State shall only be introduced in the Rajya Sabha.
2. A prior recommendation of the President is required for the introduction of the Bill.
3. The Parliament is bound to act on the views expressed on that Bill by the State legislature.

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

**Answer: B**

**Exp:** Article 3 of the Indian Constitution empowers the Parliament to create new States and alter the areas, boundaries or names of existing States by making suitable law. A Bill giving effect to change the name of any State can be introduced in either House of the Parliament only with the recommendation of the President. Also before recommending the bill, the President has to refer the same to the state legislature concerned for expressing its views within a specified period. But, the Parliament is not bound to accept or act on the recommendations given by the State legislature on that Bill.

Q5. With reference to the 'Economic Advisory Council to Prime Minister (EAC-PM)', sometimes seen in the news, consider the following statements:

1. It is a constitutional body constituted to give economic advice to the Government of India.
2. With the resignation of the Prime Minister the EAC-PM also needs to resign.
3. The Economic Survey which is presented every year in the Parliament is prepared by the EAC-PM.

Which of the statements given above is/are correct?

- A. 1 and 2 only
- B. 2 only
- C. 2 and 3 only

D. 3 only

**Answer: B**

**Exp:** Economic Advisory Council to the Prime Minister is a non-constitutional, non-permanent and independent body constituted to give economic advice to the Prime Minister. The Council serves to highlight key economic issues facing the country to the Government of India from a neutral viewpoint. It advises the Prime Minister on a whole host of economic issues like inflation, microfinance, industrial output, etc.

Since the term of the EAC-PM is parallel to that of the Prime Minister, hence with the resignation of the Prime Minister the EAC-PM also needs to resign.

The Economic Survey is prepared by the Economic Division of the Department of Economic Affairs in the Finance Ministry under the overall guidance of the Chief Economic Adviser.

Q6. Under Article 35A of the Indian Constitution which of the following authorities is conferred with the power to decide who all are the “permanent residents” of Jammu and Kashmir and bestow on them special rights and privileges?

A. The Legislature of Jammu & Kashmir

B. The Legislature of Jammu & Kashmir in consultation with the Parliament of India

C. The Legislature of Jammu & Kashmir with approval given by the Parliament of India.

D. The Legislature of Jammu & Kashmir with the consent given by the President of India.

**Answer: A**

**Exp:** Article 35A is a provision incorporated in the Constitution giving the Jammu and Kashmir Legislature a *carte blanche* to decide who all are ‘permanent residents’ of the State and confer on them special rights and privileges in public sector jobs, acquisition of property in the State, scholarships and other public aid and welfare.

Q7. Consider the following statements relating to Fundamental Rights:

1. The Constitution does not contain grounds on which right against untouchability can be restricted by the State.

2. Freedom of Speech and Expression can be subjected to reasonable restrictions on the largest number of grounds as given under Article 19(2) of the Constitution.

Which of the statements given above is/are correct?

A. 1 only

B. 2 only

C. Both 1 and 2

D. Neither 1 nor 2

**Answer: C**

**Exp:** The Constitution does not contain any ground at all on which the State can impose reasonable restrictions on the right against untouchability. Its practice cannot be justified under any circumstances. In a way it can be called an absolute right. It is a right enjoyed by both citizens and non-citizens.

The right to freedom of speech and expression is more prone to misuse by the citizens than any other fundamental right. Thus, it is subjected to restrictions on more number of grounds than any other fundamental right.

Q8. Which of the following statements regarding National Capital Territory of Delhi is/are not correct?

1. The Constitution (Sixty Ninth Amendment) Act removed Delhi from the list of Union Territories and designated Delhi as National Capital Territory of Delhi under Article 239AA.

2. The Lieutenant Governor of National Capital Territory of Delhi has more discretionary powers than the Governor of a State.

3. Constitutionality of Article 239 AA is currently under challenge before the Supreme Court of India.

4. The disputes between Union of India and National Capital Territory of Delhi come under the original jurisdiction of the Supreme Court of India.

Select the correct answer using the code given below:

A. 3 and 4 only

B. 1, 3 and 4 only

C. 1 and 3 only

D. 2, 3 and 4 only

**Answer: B**

**Exp:**

1. Delhi is still a Union Territory under Schedule-I of the Constitution.

2. The Supreme Court on Thursday said that Delhi's lieutenant governor has more power than the governor of a state as he does not have to act on the aid and advice of the council of ministers all the time.

It said that the governor of a state has to more or less act on the aid and advice of the government expect in the case of discretion that could be exercised by the office.

3. It is not the constitutionality of this amended provision which is under challenge, but the relevant provisions of National Capital Territory of Delhi Act, 1991.

The disputes between NCT and Union of India comes under the appellate jurisdiction of Supreme Court of India; since NCT of Delhi is a UT, it does not share federal relationship with the Union, it does not fall under the Original jurisdiction of the Supreme Court.

Q9. Which of the following is/are correct regarding the Parliament of India?

1. The first seat on the right hand side of the Chair in both the Houses is reserved for the Prime Minister.

2. The first seat on the left hand side of the Chair in the House is reserved for the Leader of Opposition.

Select the correct answer using the code given below:

A. 1 only

B. 2 only

C. Both 1 and 2

D. Neither 1 nor 2

**Answer: D**

**Exp:** (1) In the Rajya Sabha, the first seat on right of the Chair is for Leader of the House and second seat is for the Prime Minister.

(2) The first seat on left of the Chair is the Deputy Speaker or Deputy Chairman, and second seat is for the Leader of Opposition.

Q10. Consider the following statements in reference to the Central Board of Film Certification (CBFC) and the Cinematograph Act, 1952:

1. CBFC may give four types of certificates viz. U, U/A, A or S.

2. CBFC may refuse to certify a film.

3. The certificate granted by the CBFC is valid for twenty years.

Which of the statements given above are correct?

A. 1 and 2 only

- B. 2 and 3 only
- C. 1 and 3 only
- D. 1, 2 and 3

**Answer: A**

**Exp:** CBFC gives four types of certificates:

U – Unrestricted public exhibition

U/A – Parental guidance for children below 12 years of age.

A – Restricted to Adults only

S – Restricted to some special class of persons

The certificate is valid for 10 years.

Q11. Consider the following statements regarding the members of the Union Council of Ministers:

1. Cabinet Ministers subscribe to the same oath/affirmation as the Ministers of State.

2. Cabinet Ministers' salary is same as that of the Ministers of State.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: C**

**Exp:** Before a minister enters upon his office, the President administers him the oaths of office and secrecy. In 1990 the Supreme Court ruled that the oaths for Cabinet Minister, Minister of State and Deputy Prime Minister are same.

A minister gets the salary and allowances that are payable to a Member of the Parliament. Additionally, he gets a sumptuary allowance according to his rank. Thus, salary of all ministers is same though allowances may differ according to their ranks.

Q12. Which of the following are parts of the Government?

- 1. Legislature
- 2. Executive
- 3. Autonomous Bodies of the Executive
- 4. Judiciary

Select the correct answer using the code given below:

- A. 1 and 2 only
- B. 1, 2 and 4 only
- C. 2 and 3 only
- D. 1, 2, 3 and 4

**Answer: D**

**Exp:** A government is the system or group of people governing an organized community, often a state. In the case of its broad associative definition, government normally consists of legislature, executive, and judiciary. Autonomous bodies of the executive are part of the Executive. Therefore, these are also part of the Government.

Q13. Which of the following is a sufficient method to provide a constitutional status to the National Commission for Backward Classes as has been recently proposed by the Government of India?

- A. Amend the NCBC Act, 1993.

- B. Amend the Constitution of India by enacting NCBC (Amendment) Act, by a simple majority.  
C. Amend the Constitution of India through a Constitutional Amendment Act, passed by special majority.  
D. Amend the Constitution of India through a Constitutional Amendment Act, passed by special majority and ratified by at least half of the State legislatures.

**Answer: D**

**Exp:** When a constitutional amendment aims to modify an article related to distribution of powers between the States and the Central government, provisions related to federal structure, provisions about fundamental rights etc. then it requires special majority of the Parliament and consent of half of the State legislatures.

Q14. Arrange the following in top-down hierarchy within a Ministry under the Government of India:

1. Department
2. Division
3. Wing
4. Branch
5. Section

Select the correct answer using the code given below:

- A. 1-2-3-4-5
- B. 1-4-5-3-2
- C. 1-3-2-4-5
- D. 1-4-3-5-2

**Answer: C**

**Exp:** General designations in Government of India

Department – Secretary (S)

Wing – Special Secretary/ Additional Secretary/ Joint Secretary

Division – Director/ Joint Director/ Deputy Secretary

Branch – Under Secretary

Section – Section Officer

Q15. Consider the following statements:

1. Dissolution of the Council of Ministers leads to the dissolution of the House of People.
2. Dissolution of the House of People leads to the dissolution of the Council of Ministers.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: B**

**Exp:** Statement 1 is incorrect as dissolution of Council of Ministers has no impact on the duration of the Lok Sabha that is House of People.

Dissolution of the House of People does lead to the dissolution of the Council of Ministers but the outgoing Council of Ministers continues as care-taker government. In 1971, the Supreme Court held that even after the dissolution of the Lok Sabha, the Council of Ministers does not cease to hold office. Article 74 is mandatory and therefore, the President cannot exercise the executive power without the aid and advise of the Council of Ministers. Any exercise of

executive power without the aid and advice will be unconstitutional as being violative of Article 74.

Q16. Which of the following fundamental rights has/have been held by a constitutional bench of the Supreme Court as a natural right(s) recently?

1. Right to Life
2. Right to Freedom of Speech and Expression ‘
3. Right to Privacy

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 2 only
- C. 3 only
- D. 1 and 3 only

**Answer: C**

**Exp:** In Justice (Retd) Puttaswamy vs. Union of India 2017 case, the Supreme Court held that ‘Right to Privacy’ is a natural right inherent in the dignity of an individual and the Constitution under Article 21 merely recognises this natural right. Right to privacy, according to the Supreme Court, is not a constitutional largesse. This was the recent decision of the Supreme Court. In A.D.M. Jabalpur vs. S.K. Shukla 1976, it was the minority view that held right to life as a natural right.

Q17. Consider the following statements regarding the meaning of the State and Law which have been mentioned in Part III of the Constitution:

1. Article 12 of the Constitution provides the definition of State.
2. Article 13 provides for the doctrine of judicial review and the definition of law.
3. A Constitutional Amendment is included in the meaning of law as given under Article 13.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 and 3 only
- C. 1 and 2 only
- D. 1, 2 and 3

**Answer: C**

**Exp:** The Supreme Court in Shankari Prasad vs. Union of India 1951 case held that the term “law” as given under Article 13(2) includes ordinary legislations but not Constitutional Amendments. Article 13(3) that defines what is “law”, does not include a Constitutional Amendment Act under it. Further, Article 13(4), which was added by the 24<sup>th</sup> Constitutional Amendment Act 1971, excludes Constitutional Amendments from the purview of the definition of “law” as used under Article 13(2).

Q18. In the light of recent disqualification of some members from Council of States, examine the following statements:

1. The decision on a petition under anti-defection law is taken by the Chairman of Rajya Sabha, while a decision on a disqualification petition on office of profit under government allegedly being held by a member is taken by the Election Commission.
2. An Order passed by the Chairman of Rajya Sabha regarding disqualification is excluded from judicial review.
3. Resignation of a member from the membership of the political party is a ground of his/her disqualification.

4. Expulsion of a member of the Parliament from his/her political party does not result in his/her disqualification.

Which of the statements given above is/are correct?

- A. 1 and 4 only
- B. 2 and 3 only
- C. 3 and 4 only
- D. 2 and 4 only

**Answer: C**

**Exp:** The power in case of a disqualification petition on office of profit of an MP or MLA is vested in the President or the Governor, as the case may be who needs to act in accordance with the recommendation of Election Commission.

Any decision under anti-defection law is subject to judicial review (Kihoto Hollohan, vs. Zachilhu 1992 case).

While resignation is a ground of disqualification, expulsion has nothing to do with the volition of the member and hence does not come under the purview of anti-defection law.

Q19. Which of the following statements relating to veto power of the President is/are correct?

- 1. It is the power of the President to allow, suspend, reject or stall indefinitely a Bill passed by the Parliament.
- 2. The President enjoys the power to apply suspensive veto on a Money Bill.
- 3. While applying suspensive or pocket veto, the President enjoys discretionary power but he cannot apply absolute veto on any Bill without the aid and advice of the Council of Ministers.
- 4. A Constitutional Amendment Bill is beyond the veto power of the President.

Select the correct answer using the code given below:

- A. 1, 3 and 4 only
- B. 2, 3 and 4 only
- C. 2 and 4 only
- D. 3 and 4 only

**Answer: D**

**Exp:** When the President allows legislation, by giving his assent to a Bill, it is not called application of veto. Therefore, statement (1) is wrong.

The suspensive veto is exercised by the President when he returns a bill for reconsideration of the Parliament. This veto can be over-ridden by a re-passage of the Bill by the same ordinary majority. The President does not possess this veto in the case of Money Bills. The President can give his assent to a Money Bill but cannot return it for the reconsideration of the Parliament. Statements 3 and 4 are correct.

In case of Constitutional Amendment Bill the President must give his assent to the Bill. He can neither withhold his assent to the Bill nor return the Bill for reconsideration of the Parliament.

Q20. Consider the following statements relating to the difference between the Preamble and the rest of the Constitution:

- 1. The Preamble is not an essential part of the Constitution as opposed to the rest of the Constitution.
- 2. The Preamble pertains to the realm of what the law "ought to be" and the rest of the Constitution pertains to "What the law is."

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only



- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: C**

**Exp:** In the Kesavanand Bharti case (1973) the Supreme Court held that the Preamble is a part of the Constitution and it is of extreme importance. The Constitution should be read and interpreted in the light of the grand and noble vision expressed in the Preamble. Statement 1 is correct because the Preamble is a part, but not an 'essential' part of the Constitution.

Q21. Consider the following statements regarding the special powers of Rajya Sabha:

1. The powers that are exercised under Article 249 and Article 312 are bound by time as the maximum period specified for the operation of such a resolution is one year.
2. Creation of All India Judicial Service does not require the invocation of the special power of Rajya Sabha as the Constitution (Forty-Second Amendment) Act, 1976 provided for the creation of such a service by parliamentary law.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** Article 249 deals with the power of the Parliament to legislate with respect to a matter in the State List in the national interest while Article 312 deals with the creation of an All India Service.

The maximum duration of a resolution passed under Article 249 is one year whereas there is no time duration prescribed for such a resolution under Article 312.

Creation of an All India Judicial Service (AIJS) certainly requires the passage of a resolution under Article 312, as the Constitutional (Forty Second Amendment) Act, 1976 only inserted the expression "All India Judicial Service" in Article 312(1) so that any such service can be created in the future by the passage of such a resolution followed by Parliamentary law.

Q22. Consider the following statements regarding representation of Union Territories in the Parliament:

1. The Constitution of India prescribes for the representation of Union Territories in the Rajya Sabha in accordance with the system of proportional representation by means of single transferable vote.
2. The Union Territories are represented in the House of People through direct election from territorial constituencies.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: B**

**Exp:** The Constitution of India prescribes for the representation of Union Territories in the Rajya Sabha in accordance with the system of proportional representation by means of single transferable vote.

As per Article 80 (4)-representation of States is as per proportional representation by STV.

As per Article 80 (5) – representation of UTs shall be in such a manner that parliament may by law prescribe.

So method of representation for UTs in Rajya Sabha is not prescribed by the Constitution. It is prescribed through Section 27H of RPA, 1950. As such statement 1 is incorrect.

Q23. Consider the following pairs:

	Rights		Article
1.	Right against Exploitation	-	Articles 23-24
2.	Cultural and Educational Rights	-	Articles 29-30
3.	Right to Constitutional Remedies	-	Article 226

Which of the above pairs is/are correctly matched?

- A. 1 and 2 only
- B. 1, 2 and 3
- C. 1 and 3 only
- D. 3 only

**Answer: A**

**Exp:** Right to Constitutional Remedies relates to enforcement of fundamental rights only. It is provided under Article 32 in the form of approaching the Supreme Court directly to get ones fundamental rights enforced, if they are found violated. Though the High Courts also enjoy the powers to issue writs under Article 226 to enforce fundamental rights, they have not been created by the Constitution as protectors of the fundamental rights.

Q24. With reference to the Right to Equality, which of the following statements is/are correct?

- 1. Equality before law is borrowed from the US Constitution.
- 2. Equal protection of the laws owes its origin to the English Constitution.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** Equality before law is borrowed from the English Common Law. Equal protection of the laws owes its origin to American Constitution.

Q25. Consider the following statements about the Union Executive:

- 1. Its power extend to the matters with respect to which the Parliament has the power to make laws.
- 2. Every Executive action must have a legislative sanction.

Which of the statements given above are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: A**

**Exp:** (1) Statement 1 is related to Article 73 of the Constitution of India. It states that the executive power of Union Government extends to the matters with respect to which the Parliament has the power to make laws.

(2) Executives cannot violate legislation, but need not always have legislative approval for all its actions – e.g. NITI Aayog's creation.

Q26. Which of the following is/are discretionary power(s) of the President of India?

1. Summoning a session of the Parliament.
2. Removing a Minister of the Union against whom there are allegations of corruption.
3. The President's address to both Houses of the Parliament at the beginning of the first session every year.
4. Presidential reference to the Supreme Court of India.

Select the correct answer using the code given below:

- A. 1, 2 and 3 only
- B. 1, 3 and 4 only
- C. 2 only
- D. None of the above

**Answer: D**

**Exp:**

- (1) The session is summoned on advice of the Union Council of Ministers. In case the time limitation under Article 85 is violated, then the President may summon a session at his discretion.
- (2) Removing a Minister of the Union on mere allegations will not be justified. It is the Prime Minister who is expected to take action appropriately to either seek resignation or removal of the Minister.

Q27. Consider the following statements regarding the Parliamentary system of governance:

1. The Head of the State is elected by the people.
2. There is an Upper House in the Parliament.
3. There is Parliamentary supremacy.

Which of the statements given above are correct?

- A. 1 and 2 only
- B. 2 and 3 only
- C. 1 and 3 only
- D. None of the above

**Answer: D**

**Exp:** All of the given statements are incorrect because:

- (1) Head of the State may be hereditary as well.
- (2) The Upper House is necessity of a Federation.
- (3) Supremacy of the Parliament is not necessary, e.g. India.

Q28. Which of the following Presidents of India had the shortest term in office?

- A. Shri V.V. Giri
- B. Shri Zail Singh
- C. Shri Zakir Hussain
- D. Shri Shankar Dayal Sharma

**Answer: C**

**Exp:** Zakir Hussain died in office after about 24 months spent in office. All the other elected Presidents completed their terms.

Q29. In the context of the special provisions for weaker sections mentioned in the Indian Constitution consider the following statements:

1. The main object of Article 16 is to create a Constitutional right to equality of opportunity in matters of public employment, for the citizens.
2. Article 16 specifically states that the backwardness of citizens is measured on the basis of social and educational backwardness but not economic backwardness.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: A**

**Exp:** It is Article 15 that specifically states that backwardness of citizens is measured on the basis of social and educational backwardness. What constitutes backwardness of citizens in matters of public employment as given under Article 16 was a matter of judicial interpretation given by the Supreme Court in Indra Sawhney vs. Union of India 1992 case.

Q30. Which of the following is/are the correct definition(s) of Procedure Established by Law and Due Process of Law?

1. Uses and practices as laid down in the statute are followed under the doctrine of Due Process of Law.
2. Intention of the law is examined under the Procedure Established by Law.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** The Procedure Established by Law means the uses and practices as laid down in the statute or law.

Due Process of Law means that the court should examine the law, not only from the point of view of legislature's competence, but also from the broad view of the intention of the law.

Q31. The Finance Commission does not make recommendations on which one of the following areas?

- A. Sharing of central taxes with the States.
- B. Principles which govern the distribution of central grants to States.
- C. Measures to improve the financial position of States in order to supplement the resources of panchayats and municipalities.
- D. To determine the salaries of the central and state government employees.

**Answer: D**

**Exp:** The Pay Commission is an administrative system/mechanism that the Government of India set up to determine the salaries of government employees. The Finance Commission makes recommendations on subjects including:

- (i) sharing of central taxes with the states; (ii) principles which govern the distribution of central grants to states, and
- (iii) measures to improve the financial position of states in order to supplement the resources of panchayats and municipalities.

Q32. Recently the Government of India has made Aadhaar mandatory for which of the following?

1. Filing of income tax returns.
2. Opening of bank accounts
3. All welfare schemes of the central government

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 2 only
- C. 2 and 3 only
- D. 1, 2 and 3

**Answer: B**

**Exp:** Recently the Supreme Court ordered that the government cannot be stopped from using Aadhaar identification for its non-welfare schemes like opening of bank accounts, filing of tax returns, verification of new and existing mobile phone numbers and user credentials etc. However, it did maintain that the government cannot make Aadhaar mandatory for welfare schemes and it has allowed the government to use it in some schemes, not permitted to be used as a mandatory requirement.

Q33. Consider the following statements:

1. Schedule III to the Constitution contains only oaths or affirmations of the office bearers under the Constitution.
2. Schedule IV to the Constitution contains the Representation of States in the Council of States.
3. Representation of States in the House of the People is mentioned in the Schedule to the Representation of People Act, 1950.

Which of the statements given above is/are correct?

- A. 2 and 3 only
- B. 1 and 3 only
- C. 1 and 2 only
- D. 1, 2 and 3

**Answer: A**

**Exp:** Schedule III also contains oath or affirmation to be taken by the contestants to Union and State Legislatures. Hence the first statement is incorrect.

Q34. Which of the following provisions pertaining to Indian Parliament is/are borrowed from the Constitution of Australia?

1. Joint Sitting of the Houses of Parliament
2. Power of the Council of States to suggest amendments to a Money Bill
3. Concurrent List
4. Indirect Election of members of the Council of States

Select the correct answer using the code given 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

**Answer: A**

**Exp:** The power of Council of States to suggest amendments to a Money Bill is borrowed from Section 53 of Australian Constitution. Indirect election of members of Council of States was borrowed from the then Constitution of South Africa.

Q35. Which of the following statements is/are correct regarding the office of Prime Minister of India?

1. So far, only 14 persons have been appointed as Prime Ministers.
2. The Prime Minister is given a term of five years.
3. The Prime Minister must be an elected member from either House of the Parliament or shall become so within six months of appointment.

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 3 only
- C. 2 and 3 only
- D. 3 only

**Answer: A**

**Exp:** Shri Narendra Modi is the 14<sup>th</sup> Prime Minister. Shri G.L. Nanda was appointed only as the acting Prime Minister.

- (1) There is no term prescribed for the Prime Minister. It depends on the majority enjoyed in Lok Sabha and the term of the Lok Sabha.
- (2) The Prime Minister must become a member of either House of Parliament within six months of appointment. Nomination can be a way to gain membership and election is not necessary.

Q36. Which of the following statements with regard to the Prime Minister's Office (PMO) are correct?

1. It has the status of a department under the Government of India Allocation of Business Rules.
2. It is headed by the Principal Secretary to the Prime Minister.
3. Its jurisdiction extends over all such subjects and activities as are not specially allotted to any individual department.
4. It directly operates the Prime Ministers' National Relief Fund and the National Disaster Response Fund.

Select the correct answer using the code given below:

- A. 1, 2 and 3 only
- B. 1, 3 and 4 only
- C. 2 and 4 only
- D. 1, 2, 3 and 4

**Answer: A**

**Exp:** The PMO is declared as a department under the Government of India Allocation of Business Rules, 1961. The PMO's role is to assist the Prime Minister in dealing with all the references which come to him under the Rules of Business. It is headed by the Principal Secretary to the Prime Minister. It does not operate the Disaster Response Fund, which is managed by NDMA.

Q37. Consider the following statements regarding the current practice and procedure of the Houses of Parliament:

1. If the Speaker and Deputy Speaker are absent from a sitting, then the House will decide in each instance as to who will be the presiding officer.

2. If the Offices of Chairman and Deputy Chairman of the Council of States fall vacant, then the President will decide as to who will preside the next sitting.

3. The Lok Sabha can disapprove the continuation of National Emergency, if not less than one tenth of the members of the House write to the President seeking permission to introduce such a resolution in case the House is in session.

Which of the statements given above are not correct?

- A. 1 and 3 only
- B. 2 and 3 only
- C. 1 and 2 only
- D. 1, 2 and 3

**Answer: A**

**Exp:** As per the Rules of Procedure of Lok Sabha which governs the current practice, a member of the Panel of Chairman presides the House if both Speaker and Deputy Speaker are absent.

During National Emergency, the Speaker is the authority constitutionally prescribed to be approached in case the House of People is in session so that a resolution seeking the discontinuation of emergency can be sought to be presented.

Q38. Consider the following statements:

1. The Parliament has not yet enacted an Asylum law to regulate the procedure governing the grant of asylum to international refugees.

2. A State legislature can also legislate such an act provided such a Bill obtains the assent of the President after being reserved by the Governor.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: A**

**Exp:** Only the Parliament can enact such a law, as the subject "foreign affairs" is in the Union List under Schedule I to the Constitution.

Q39. Consider the following statements relating to fundamental rights:

1. Under the President's rule the President can suspend the enforcement of any or all the fundamental rights, except the fundamental rights given under Articles 20 and 21.

2. Article 29 promotes harmonious diversity in the country.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: B**

**Exp:** When a National Emergency is proclaimed but not under President's Rule, the President under Article 359, can suspend the enforcement of any or all the fundamental rights, except the Right to Protection in respect of conviction for offences (Article 20) and Right to life and personal liberty (Article 21).

Article 29 recognises the fundamental right of any section of the citizens, resident in India, the right to conserve its distinct identity based on language, script or culture. The term "Culture"

includes identity based on religion as well. Therefore, Article 29 seeks to promote pluralism, tolerance and co-existence among the people. The acceptance of the above concepts is the core of India's unity that is built on its diversity. Thus Article 29 promotes harmonious diversity.

Q40. Which of the following statements is/are correct regarding the various powers given in the Constitution?

1. The Schedule VII contains the distribution of powers between the Centre and the States.
2. That the Residuary Power belongs to the Parliament is implicit under the Constitution.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: A**

**Exp:** The Residuary Powers have been given to the Union Government, explicitly under Article 248.

Q41. Which of the following statements is/are correct?

1. Central Statistical Organisation (CSO) measures both Index of Industrial Production (IIP) and Gross Domestic Product (GDP) in India.
2. From January 2015 GDP at market price is the headline GDP of India.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: C**

**Exp:** Central Statistical Organisation (CSO) is a governmental agency in India under the Ministry of Statistics and Programme Implementation responsible for co-ordination of statistical activities in India, and evolving and maintaining statistical standards. It measures both GDP and IIP.

IIP is an index which details out the growth of various sectors in an economy such as mineral mining, electricity and manufacturing.

In 2015 headline GDP i.e. GDP to be considered for policy making has been changed from GDP at factor cost to GDP at market price.

Q42. What is Net factor income from abroad?

- A. All income of residents from abroad net of similar incomes of non residents and their transfers.
- B. All income in terms of operating surplus and compensation of employees earned by domestic residents abroad minus similar income paid to non residents.
- C. All income of Indian citizens abroad
- D. All the above are correct

**Answer: B**

**Exp:** Net factor income earned from abroad which is used to differentiate between national income and domestic income. Also called as the net foreign factor income (NFFI) is the difference between a nation's gross national product (GNP) and gross domestic product (GDP).

$NFFI = GNP - GDP$ .



NFFI may assume increasing importance in a globalized economy, as people and companies move across international borders more easily.

Factor income does not include transfers so it is only the income in terms of factor payments. According to System of National Accounts (SNA) 1992, it is only residents income and has no relation to citizenship.

Q43. Incremental Capital Output Ratio (ICOR) is:

- A. Same in agriculture and industries in India
- B. Lower when capital efficiency increases
- C. Always a stock variable
- D. Always more than 1

**Answer: B**

**Exp:** Incremental Capital Output Ratio (ICOR) is the additional capital required to increase one unit of output. This ratio is used to measure the efficiency of an industrial unit or country as an economic unit. The lesser the ICOR, more efficient the organization. The measure is used predominantly in determining a country's level of production efficiency.

ICOR is calculated as:

$$\text{ICOR} = \frac{\text{Annual Investment}}{\text{Annual Increase in GDP}}$$

It is a ratio of 2 flow variables. It can take any value depending on efficiency of capital because it shows the extra capital needed for producing extra output.

ICOR has differed across industry and agricultural sector in India, especially after 1991.

Q44. Which of the following statements is not true about investment in India?

- A. Investment as a ratio of GDP has been declining in the last 4 quarters as a trend
- B. Investment as a ratio of GDP peaked in 2007-8 and has not reached that level ever gain
- C. Investments are inversely affected by high government borrowing
- D. Investment does not include change in stock

**Answer: D**

**Exp:** Investment includes change in stock. It is the sum of gross fixed capital formation and change in stock or inventory investment. 2007-08 had highest investment to GDP ratio at 38% and then after subprime crisis it has never reached that level again.

Q45. Which institution replaced Disinvestment Commission in 2016?

- A. Niti Aayog Investment Authority
- B. NCLT
- C. DIPAM
- D. Department for Reorganisation and Planning Management of Public Asset

**Answer: C**

**Exp:** Department of Disinvestment has been renamed as Department of Investment and Public Asset Management or 'Dipam'. It is aimed at proper management of Centre's investments in equity including its disinvestment in central public sector undertakings. It has been mandated to advise the government in the matters of financial restructuring of central public sector enterprises and for attracting investment through capital markets.

National Company Law Appellate Tribunal (NCLAT) is a quasi-judicial body in India that adjudicates issues relating to companies. It was established under the Companies Act 2013. Decisions of the NCLT may be appealed to the National Company Law Appellate Tribunal. The decisions of NCLAT may be appealed to the Supreme Court of India.

Q46. Which among the following is not a macro-economic stabilisation policy?

- A. High Government expenditure for poverty alleviation.
- B. FRBM Act
- C. Inflation targeting
- D. Export promotional offers

**Answer: A**

**Exp:** Macroeconomics is a branch of the economics field that studies how the aggregate economy behaves. It studies the behaviour and performance of an economy as a whole.

In macroeconomics, a variety of economy-wide phenomena is thoroughly examined such as, inflation, price levels, rate of growth, national income, gross domestic product and changes in unemployment.

Macro-economic stability means controlled fiscal deficit, controlled current account deficit, and controlled inflation along with stable growth. High government expenditure for non capital expenditure will result in possibility of de-stabilisation.

The Fiscal Responsibility and Budget Management Act, 2003 (FRBMA) is an Act of the Parliament of India to institutionalize financial discipline, reduce India's fiscal deficit, improve macroeconomic management and the overall management of the public funds by moving towards a balanced budget.

Inflation targeting is a monetary policy regime in which a central bank has an explicit target inflation rate for the medium term and announces this inflation target to the public.

Q47. Which among the following is not a micro-economic structural reform?

- A. Delicensing of textile industry
- B. Deregulation of cement price
- C. Repealing FERA
- D. Dereservation of telecom

**Answer: C**

**Exp:** Microeconomics is the study of individuals, households and firms' behavior in decision making and allocation of resources. It generally applies to markets of goods and services and deals with individual and economic issues.

The Foreign Exchange Regulation Act (FERA) 1973, imposed strict regulations on transactions involving foreign exchange and controlled the import and export of currency. FERA was repealed by the government in 1999 and replaced by the Foreign Exchange Management Act (FEMA), which liberalized foreign exchange controls and removed many restrictions on foreign investment.

Repealing FERA is not sector sensitive and therefore it is a macro-economic policy reform. All others are targeting specific sectors and so micro economic.

Q48. Which among the following is not a reserved industry?

- A. Nuclear power generation
- B. Railway services
- C. Atomic mineral value addition
- D. Defence ordinance manufacturer

**Answer: D**

**Exp:** Defence ordnance or industrial explosives are in licensed category and not reserved category. It has been shifted since June 2015. Rest all are exclusively reserved for public sector reservation.

Q49. Which among the following is not a second generation reform?

- A. Amendment of Apprentice Act
- B. Insolvency and Bankruptcy Code
- C. Real Estate Regulation Act
- D. Interest Rate Deregulation

**Answer:** D

**Exp:** The term 'second generation reform' was coined by the IMF in the context of the perception by some that the globalisation of the world economy, while benefiting developing countries to a degree with an increase in trade and investment, would also create certain problems of a magnitude sufficient to result in their near or complete marginalisation. The IMF intended that second generation reform would supplement basic reform structured on the achievement of balance of payments viability, reduction of government deficits, trade liberalisation and a reduction of the role of the state.

Second generation of economic reforms in India gave special stress on fiscal reforms, financial reforms, structural reforms, labour law reforms etc. Apprenticeship Act Reform is a part of Labour Law Reform. IBC is an exit law reform and RERA is related to land distribution reform but interest rate deregulation was done with 1<sup>st</sup> generation reforms in 1997.

Q50. Which of the following restrictions need to be removed for improving the manufacturing development in India due to which the Government has not been able to introduce a policy mechanism so far?

- A. High cost related to logistics
- B. Lack of ease of doing business
- C. Rigidity in land acquisition
- D. Licensing requirements

**Answer:** C

**Exp:** The government has given logistics sector infrastructural status which will result in faster clearance and easier and cheaper funds for the sector. It has also improved ease of doing business by cutting on red tapism and making procedures of entry and exit simplified. Licensing requirements are now limited to only 5 industries. But land acquisition has been very rigid in India after 2013.

Q51. What is crowding out?

- A. Decrease in private consumption due to rise in government expenditure
- B. Decrease in private investment due to rise in government expenditure
- C. Decrease in private expenditure due to inflation
- D. None of the above

**Answer:** B

**Exp:** The crowding out effect is an economic theory arguing that rising public sector spending drives down or even eliminates private sector spending. Sometimes, government adopts an expansionary fiscal policy stance and increases its spending to boost the economic activity. Usually this increase in government spending is funded using *higher taxes or borrowing* on part of the government.

When governments raise taxes in order to introduce or expand welfare programs, individuals and businesses are left with less discretionary income, which can reduce charitable contributions. In this respect, public sector expenditures for social welfare can reduce private sector giving for social welfare, offsetting the government's spending on those same causes.

Higher borrowings by the Government has the effect of absorbing the economy's lending capacity by increasing interest rate and thus discouraging businesses from making capital investments.

Q52. Which is one of the benefits of service growth in India?

- A. Large increase in employment
- B. Regional balance
- C. Technological gap has been reduced between India and rest of the world
- D. All of the above

**Answer: C**

**Exp:** Technological gap in sectors like telecom, banking, software, etc. has been drastically reduced in last 25 years backed by these services.

Employment generated is relatively less due to less employment intensive and more skill-intensive nature of the service sector.

Regional balance is skewed as service is mostly concentrated in urban regions and southern/western India where educational and infrastructural facilities are available along with market demand because of higher purchasing power.

Q53. Which of the following is not correct about 'Effective Revenue Deficit'?

- A. It excludes those grants given to States which are used by States for creation of capital assets.
- B. Effective Revenue deficit will always be lower than Revenue Deficit.
- C. It clearly distinguishes grants used for consumption purposes and those for investments.
- D. This concept was introduced in the year 2008-2009.

**Answer: D**

**Exp:** This concept was introduced in the Union Budget for 2012-13 with the objective of fiscal consolidation path to be adopted by the government. Effective Revenue Deficit will always be less than Revenue Deficit as it excludes productive grants for capital assets to States.

Reason –

While revenue deficit is the difference between revenue receipts and revenue expenditure, the present accounting system includes all grants from the Union Government to the state governments/Union territories/other bodies as revenue expenditure, even if they are used to create assets. Such assets created by the sub-national governments/bodies are owned by them and not by the Union Government. Nevertheless they do result in the creation of durable assets. Such revenue expenditures contribute to the growth in the economy and therefore, should not be treated as unproductive in nature.

Q54. Consider the following statements about GST:

- 1. It is in the nature of a national level VAT.
- 2. It merges all indirect taxes including basic custom duties.
- 3. A salient feature of GST is Input Tax Credit.
- 4. Imports are also subjected to GST.

Which of the statements given above are correct?

- A. 1, 2 and 3 only
- B. 1, 3 and 4 only
- C. 1, 2, 3 and 4
- D. 1 and 3 only

**Answer: B**

**Exp:** VAT is a type of general consumption tax that is collected incrementally, based on the increase in value of a product or service at each stage of production or distribution. VAT is usually implemented as a destination-based tax.

Only countervailing Custom Duty is included in GST and not basic custom duty. Imports will be treated as inter-state transactions and subjected to IGST in addition to the prevailing rate of custom duty.

Import duties are generally of the following types:- Basic Duty, Additional customs duty, Countervailing duty and Anti-dumping Duty.

Q55. Consider the following statements regarding 'Revenue Deficit':

1. It is the difference between expenditure and receipt of the Government on revenue account.
2. It reflects how much government borrows to finance its revenue expenditure.
3. A higher revenue deficit shows inability of the government to manage its finances.

Which of the statements given above are correct?

- A. 1 and 2 only
- B. 1 and 3 only
- C. 1, 2 and 3
- D. 1 only

**Answer: C**

**Exp:** A revenue deficit occurs when the net income generated, (revenues minus expenditures), falls short of the projected net income. A revenue deficit impacts cash flow in future months.

Revenue deficit should ideally be zero which would mean that government meets its day to day receipts. A high revenue deficit indicates a slippage in the fiscal consolidation path adopted by the government.

Q56. The term 'Tax Expenditure' implies:

1. Expenditure incurred by the government in collecting taxes.
2. Total revenue from taxation as percentage of total expenditure of the government.
3. Revenue foregone by the government due to various exemptions and rebates given on direct and indirect taxes.

Which of the statements given above is/are correct?

- A. 1 and 3 only
- B. 1 only
- C. 3 only
- D. 1, 2 and 3

**Answer: C**

**Exp:** Tax Expenditure corresponds to relaxations given when tax burden becomes difficult for the sustainability of a particular sector. Tax exemptions or incentives are given in the form of lower rates of tax relative to normal rates. Tax expenditures are revenue losses attributable to tax provisions that often result from the use of the tax system to promote social goals without incurring direct expenditures.

It does not relate to the expenditures incurred by the Government in the collection of taxes. Rather it refers to the opportunity cost of taxing at concessional rates, or the opportunity cost of giving exemptions, deductions, rebates, deferrals credits etc. to the tax payers. Tax expenditures indicate how much more revenue could have been collected by the Government if not for such measures. In other words, it shows the extent of indirect subsidy enjoyed by the tax payers in the country.

There is enormous amount of revenue totalling nearly 6 lakh crores lost by the government by way of rebates and exemptions. This makes a strong case for reducing and rationalising some of these rebates.

Q57. Consider the following statements on Inverted Duty Structure:

1. A tax structure in which custom duty on inputs is higher than that on finished goods using these inputs.
2. A tax structure in which custom duty on inputs is lower than that on furnished goods using these inputs.
3. A situation in which rates of excise duty are the same as rates of custom duty.

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

- A. 1 only
- B. 1 and 2 only
- C. 2 and 3 only
- D. 1, 2 and 3

**Answer: A**

**Exp:** Inverted duty structure is a situation where import duty on finished goods is low compared to the import duty on raw materials that are used in the production of such finished goods.

For example, suppose the tariff (import tax) on the import of steel is 10% and the tariff on the imports of iron ore which is used in the production of steel is 20%; this is a case of inverted duty structure.

When the import duty on raw materials is high, it will be more difficult to produce the concerned good domestically at a competitive price. Several industries depend on imported raw materials and components.

High tax on the raw materials compels them to raise price. On the other hand, foreign finished goods will be coming at a reduced price because of low tax advantage. In conclusion, manufactured goods by the domestic industry becomes non-competitive against imported finished goods.

Q58. Which of the following is not a source of revenue of State governments?

- A. Land revenue
- B. Luxury tax
- C. Entertainment tax
- D. Expenditure tax

**Answer: D**

**Exp:** Expenditure tax is a tax imposed on expenditure rather than income. The Expenditure Tax Act, 1987 applies to any charges incurred by an individual and in the event that these charges are implied to be chargeable expenditure. Such a tax is now in the nature of luxury tax imposed by five star hotels.

With the introduction of GST, luxury tax and entertainment tax have been subsumed in GST.

Q59. The Committee set up in 2016 to review FRBM Act has recommended, inter alia, that

1. Fiscal expansion and contraction should be aligned with monetary expansion and contraction.
2. Total Debt as percentage of GDP should be the principal target for fiscal consolidation.
3. Primary deficit should replace fiscal deficit as a major indicator.

Which of the statements given above is/are correct?

- A. 2 only
- B. 1 and 2 only

C. 1, 2 and 3

D. 2 and 3

**Answer: B**

**Exp:** N.K. Singh Committee set up in 2016 on FRBM Act in its report given in early 2017 recommended fiscal, revenue and total outstanding debt targets to be achieved by 2022-23.

The Committee suggested using debt as the primary target for fiscal policy. A debt to GDP ratio of 60% should be targeted with a 40% limit for the centre and 20% limit for the states. To achieve the targeted debt to GDP ratio, it proposed yearly targets to progressively reduce the fiscal and revenue deficits till 2023.

The Committee proposed to create an autonomous Fiscal Council with a Chairperson and two members appointed by the centre.

The Committee also noted that under the FRBM Act, the government can deviate from the targets in case of a national calamity, national security or other exceptional circumstances notified by it. Allowing the government to notify these grounds diluted the 2003 Act. The Committee suggested that grounds in which the government can deviate from the targets should be clearly specified, and the government should not be allowed to notify other circumstances.

Q60. Which of the following is correct about 'Laffer Curve'?

1. There is an optimum rate of tax at which tax revenues are maximised.
2. If tax rate is lower than this optimum rate, raising tax rate will increase tax revenues.
3. If tax rate is above the optimum rate, lowering tax rates will increase tax revenues.

Select the correct answer using the code given below:

A. 1, 2 and 3

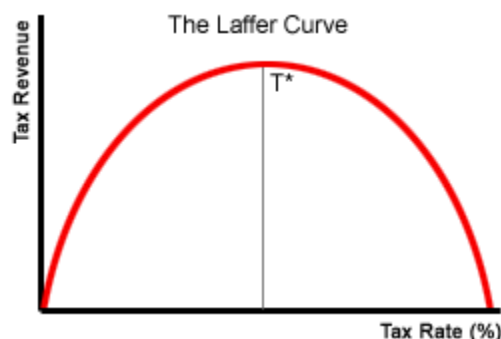
B. 1 only

C. 1 and 2 only

D. 1 and 3 only

**Answer: A**

**Exp:** The Laffer Curve is a theory developed by supply-side economist Arthur Laffer to show the relationship between tax rates and the amount of tax revenue collected by governments. The curve is used to illustrate Laffer's main premise that the more an activity such as production is taxed, the less of it is generated. Likewise, the less an activity is taxed, the more of it is generated.



Laffer argues that the more money taken from a business in the form of taxes, the less money it has to invest in the business. A business is more likely to find ways to protect its capital from taxation, or to relocate all or a part of its operations overseas. Investors are less likely to risk their own capital if a larger percentage of their profits are taken. When workers see increasing

portion of their paychecks taken due to increased efforts on their part, they will lose the incentive to work harder. For every type of tax, there is a threshold rate above which the incentive to produce more diminishes, thereby reducing the amount of revenue the government receives.

Q61. Of every rupee collected in the Union Budget 2017-18, the highest share belongs to:

- A. Service Tax
- B. Excise Duty
- C. Custom Duty
- D. Corporate Tax

**Answer: D**

**Exp:** Corporate tax accounts for 19 paise out of every rupee followed by Income Tax (16 paise), Excise Duty (14 paise) and Service Tax (10 paise).

Q62. A surcharge of 10 per cent has been imposed in the Union Budget 2017 on those individuals whose annual income

- A. Exceeds two crore
- B. Is between 1 to 1.5 crore
- C. Is between Rs. 50 lakh to Rs. 1 crore
- D. Is between Rs. 75 lakh to Rs. 1 crore

**Answer: C**

**Exp:** There is already a surcharge of 15 per cent on those individuals whose annual income exceeds Rs. 1 crore. A fresh surcharge of 10 per cent has been imposed on those earning between 50 lakh to 1 crore. Surcharge is a tax on tax imposed to make the tax structure more progressive.

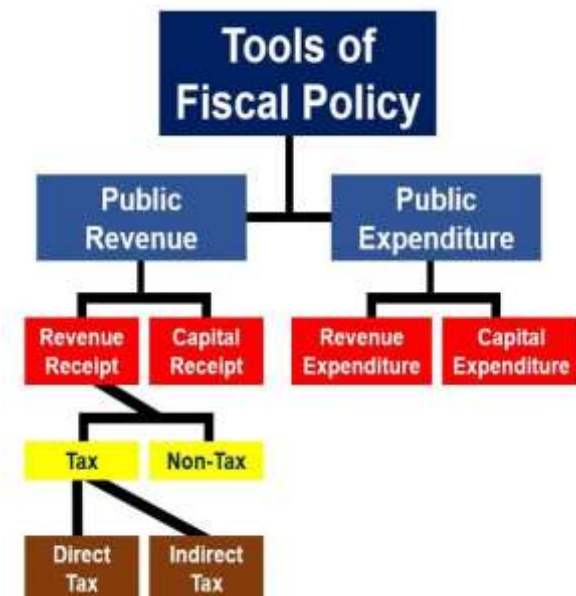
Q63. Which of the following is a part of Fiscal Policy?

- 1. Government expenditure
- 2. Taxation by the Government
- 3. Interest rate determination
- 4. Revenues from disinvestment of PSUs.

Select the correct answer using the code given below:

- A. 1, 2, 3 and 4
- B. 1, 2 and 4 only
- C. 1 and 2 only
- D. 1, 2 and 3 only

**Answer: B**



**Exp:** Fiscal policy is based on the theories of British economist John Maynard Keynes. Also known as Keynesian economics, this theory basically states that governments can influence macroeconomic productivity levels by increasing or decreasing tax levels and public spending. This influence, in turn, curbs inflation (generally considered to be healthy when between 2-3%), increases employment and maintains a healthy value of money. Fiscal policy is very important to the economy.



Proceeds from disinvestment are always taken into account while presenting the Union Budget. These receipts are treated as part of Capital Receipts. Interest rate determination is the job of Central bank and is a part of monetary policy.

There are two types of fiscal policy. The first, and most widely-used, is expansionary. It stimulates economic growth. It's most critical at the contraction phase of the business cycle. The second type, contractionary fiscal policy, is to stamp out inflation.

Q64. Which of the following is also known as CENVAT?

- A. Excise Duty
- B. Custom Duty
- C. Sales Tax
- D. Service Tax

**Answer: A**

**Exp:** Since the year 2000, Excise Duty is called CENVAT i.e. Central Value Added Tax. It was earlier called MODVAT since 1986.

Q65. Which among the following was not an economic activity performed between 2000 to 2010?

- A. Setting up Board for Reconstruction of Public Sector Enterprises
- B. Establishment of Competition Commission of India
- C. Establishment of National Disaster Management Authority
- D. Setting up of Disinvestment Commission

**Answer: D**

**Exp:** Board for Reconstruction of Public Sector Enterprises (BRPSE) was established in December 2004 as an advisory body to advise the Government on the strategies, measures and schemes related to strengthening, modernizing, reviving and restructuring of public sector enterprises. Composition.

Competition Commission of India is a statutory body of the Government of India responsible for enforcing The Competition Act, 2002 throughout India and to prevent activities that have an appreciable adverse effect on competition in India.

NDMA is an agency of the Ministry of Home Affairs whose primary purpose is to coordinate response to natural or man-made disasters and for capacity-building in disaster resiliency and crisis response. NDMA was established through the Disaster Management Act 2005.

Disinvestment Commission was set up in 1996.

Q66. Which of the following factors can increase economic growth?

- 1. Higher Savings Rate
- 2. Higher Government Expenditure on Infrastructure
- 3. Higher Exports
- 4. Higher Consumption Expenditure

Select the correct answer using the code given below:

- A. 1 and 2 only
- B. 1, 2 and 3 only
- C. 1, 3 and 4 only
- D. 1, 2, 3 and 4

**Answer: D**

**Exp:** From expenditure side, GDP can be divided into four constituents- Consumption Expenditure, Investment Expenditure (financed mainly through savings), Government Expenditure and Net Exports. So, all four can lead to higher GDP or Economic growth.

Q67. Which of the following is/are included in Remittances coming to India?

1. Salaries brought by Indian residents working abroad to India.
2. Transfers made by Non-resident Indians to Indian households.
3. Deposits kept by Non-resident Indians in Indian Banks.
4. Profits brought by Indian companies from its overseas subsidiary to India.

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 2 only
- C. 1, 2 and 3 only
- D. 1, 2, 3 and 4

**Answer: B**

**Exp:** Remittances to India are money transfers from non-resident Indians (NRIs) employed outside the country to family, friends or relatives residing in India. India is the world's leading receiver of remittances, claiming more than 12% of the world's remittances in 2015.

Under the Foreign Exchange Management Act (FEMA) of 1999, Non Resident Indians (NRIs) and Persons of Indian Origin (PIOs) can open bank accounts in India.

Remittances include short-term international inflows received by domestic households either in the form of compensation of employees or private transfers. NRI deposits are long-term and profits, although short-term, come to an enterprise, not households.

Q68. Which of the following policies can be examples of Contractionary Fiscal Policy?

1. Discontinuing subsidies on LPG cylinders for high-income households.
2. Increasing tax rate on Services under Goods and Services Tax
3. Demonetisation of high denomination currency notes.
4. Loan Waiver Scheme for the farmers by the Government.

Select the correct answer using the code given below:

- A. 1 and 2 only
- B. 1 and 3 only
- C. 1, 2 and 3 only
- D. 1, 2, 3 and 4

**Answer: A**

**Exp:** Contractionary Fiscal Policy is the one associated with either lower government expenditure like lower subsidies or higher government revenue like higher tax revenue.

In their crudest form, these policies are designed to siphon money out of the private economy in the hopes of slowing down unsustainable production or lowering asset prices. In modern times, an increase in the tax level is rarely seen as a viable contractionary measure. Instead, most contractionary fiscal policy unwinds a previous fiscal expansion by reducing government expenditures – and even then only in targeted sectors.

Demonetisation, along with return of old currency, impacted balance sheet of RBI and hence is a Monetary Policy action (Even if it is announced by the government). Loan waiver is like a subsidy given to farmers and hence expansionary fiscal policy.

Q69. Which of the following factors can lead to Supply Side Inflation?

1. Increase in loans provided by the commercial banks leading to higher money supply.

2. Increase in wages due to higher food prices during a drought year.
3. Increase in demand for the consumer goods resulting from higher incomes.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. 1 and 2 only
- D. 1, 2 and 3

**Answer: B**

**Exp:** Inflation means general rise in price of goods because of various economic activities like demand pull inflation, supply side inflation etc.

Supply side inflation means inflation because of supply side constraints i.e the supply is not being made as per the demand hence the rise in price.

It can occur because of middle men, hoarding of goods, increases in the cost of wages and raw materials.

Increase in loans or increase in demand due to higher incomes are reasons for increase in GDP from demand factors and hence causes Demand-pull inflation.

Q70. Consider the following statements:

1. A higher GDP growth in an economy must increase employment growth.
2. A higher employment growth must decrease unemployment rate.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** Higher GDP growth may not always increase employment growth, a phenomenon called Jobless Growth. Even higher employment growth may not always decrease unemployment rate as it depends also on how many people are entering the labour force (employed + unemployed).

Q71. Consider the following statements:

1. Demographic Dividend is associated with lower dependency ratio in the country.
2. Such dividend is followed by Demographic Echo under which old-age dependency ratio increases.

Which of the statements given above is/are correct?

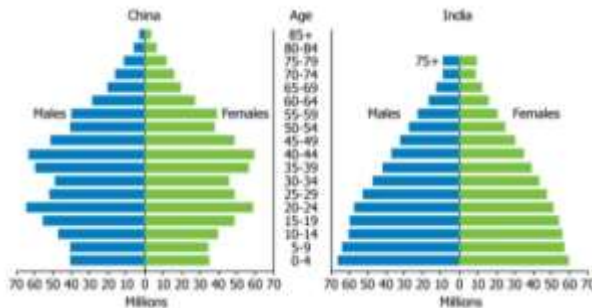
- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: C**

**Exp:** Demographic dividend occurs when the proportion of working people in the total population is high because this indicates that more people have the potential to be productive and contribute to growth of the economy.

The dependency ratio is a measure showing the number of dependents, aged zero to 14 and over the age of 65, to the total population, aged 15 to 64. It is also referred to as the "total dependency ratio." This indicator gives insight into the amount of people of nonworking age compared to the number of those of working age.

$$= \frac{\text{Number of Dependents}}{\text{Population (Ages 15 - 64)}} \times 100\%$$



Q72. Indian currency can depreciate with respect to a foreign currency when

1. The global price of imported crude oil increases
2. Foreign investors take investments out of India
3. Indian exports decline due to global slowdown
4. Indian companies' dependence on External Commercial Borrowings increases

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 2 only
- C. 1, 2 and 3 only
- D. 1, 2, 3 and 4

**Answer: C**

**Exp:** Currency depreciation is a fall in the value of a currency in a floating exchange rate system.

Reasons – economic fundamentals, interest rate differentials, political instability, risk aversion among investors.

Currency depreciation generally happens either due to factors which increase demand for foreign currency like costlier imports or which decreases its supply like lower exports or foreign investment outflow. ECBs increase foreign currency supply.

Q73. Which of the following instruments of Monetary Policy does not involve the use of government securities?

- A. Cash Reserve Ratio
- B. Statutory Liquidity Ratio
- C. Repo Rate
- D. Open Market Operations

**Answer: A**

**Exp:** Cash Reserve Ratio (CRR) – It is the percentage of cash deposits that banks need to keep with the Reserve Bank of India on a fortnightly basis.

Statutory Liquidity Ratio (SLR) – Apart from CRR, banks have to invest certain percentage of their deposits in specified financial securities like Central Government or State Government securities. Unlike CRR, banks earn some amount on it.

Repo Rate and Reverse Repo Rate. Repo rate is the rate at which RBI lends to its clients generally against government securities.

Open market operations (OMO) refer to the buying and selling of government securities in the open market in order to expand or contract the amount of money in the banking system.

Q74. An economy is going through a slowdown. Which of the following are likely to be true?

1. Level of Effective Demand is coming down.
2. Growth of Effective Demand is coming down.
3. Inflation rate is going up.
4. Unemployment rate is going up.

Select the correct answer using the code given below:

- A. 1 and 2 only
- B. 2 and 4 only
- C. 2 and 3 only
- D. 1, 2 and 4 only

**Answer: B**

**Exp:** Effective demand refers to the actual value of goods and services demanded in an economy achieved given the economy's potential to supply a particular value of G & S. ED is same as the National Income of the economy generally measured through GDP. Slowdown only means decrease in GDP growth with its level still increasing. Normally inflation rate is lower during a slowdown except when it is due to supply side constraints. Unemployment rate normally increases in any type of slowdown as with less GDP growth, job creation is affected.

Q75. Sterilized intervention by the RBI is associated with

1. Devaluation of currency
2. Revaluation of currency
3. Sale of government securities
4. Purchase of government securities

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. 1 and 3 only
- D. 2 and 4 only

**Answer: C**

**Exp:** A sterilized intervention is the purchase or sale of foreign currency by a central bank to influence the exchange value of the domestic currency, without changing the monetary base.

Under sterilized intervention, the RBI first devalues currency by purchasing dollars and selling rupees to exchange banks. Since it can cause higher inflation due to more loans, the RBI simultaneously sells government securities to banks so that such liquidity can be absorbed.

Q76. Consider the following statements:

1. Worker Population Ratio (WPR) denotes the size of labour-force per 1000 persons in the population.
2. WPR in urban India is higher than in rural India.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** Worker Population Ratio (WPR) denotes the size of employed persons per 1000 persons in the population.

It is higher in rural India as rural population tend to be employed with less educational qualifications and skill requirements as compared to urban population.

As an indicator, the employment-to-population ratio provides information on the ability of an economy to create jobs. This is also useful in knowing the proportion of population that is actively contributing to the production of goods and services in the economy.

Q77. Demand pull inflation in India can result from

1. Increase in proportion of young-age population in the country
2. Government reducing subsidy on electricity bills
3. Decrease in Indian exports

Select the correct answer using the code given below:

- A. 1 only
- B. 1 and 2 only
- C. 1 and 3 only
- D. 1, 2 and 3

**Answer:** A

**Exp:** Demand-pull inflation results from strong consumer demand. Many individuals purchasing the same good will cause the price to increase, and when such an event happens to a whole economy for all types of goods, it is called demand-pull inflation.

Demand-pull inflation is used by Keynesian economics to describe what happens when price levels rise because of an imbalance in the aggregate supply and demand. When the aggregate demand in an economy strongly outweighs the aggregate supply, prices go up.

Generally the reasons are higher consumption, investment, government expenditure, exports etc.

In Keynesian theory, an increase in employment leads to an increase in aggregate demand. Due to the increase of demand, firms hire more people to increase their output. The more people firms hire, the more employment increases. Eventually, output by firms becomes so small that the prices of their goods rise.

Q78. A country's government claims that GDP growth rate over last year has been lower due to base effect. It means that

- A. Last years' GDP was relatively lower
- B. Last years' GDP was relatively higher
- C. The base year chosen for GDP calculation last year is too old
- D. The base year chosen for GDP calculation this year is too old

**Answer:** B

**Exp:** Base effect refers to impact on a growth rate entirely due to choice of initial period's or base value.

The consequence of abnormally high or low levels of inflation in a previous month/year distorting headline inflation numbers for the most recent month/year. A base effect can make it difficult to accurately assess inflation levels over time. It wears off over time if inflation levels are relatively constant.

Q79. During which of the following Five Year Plans India introduced its Outward-Oriented Economic Policy?

- A. Fifth

- B. Sixth
- C. Seventh
- D. Eighth

**Answer: C**

**Exp:** Seventh FYP (1985-1990) began such a policy with emphasis on Exports promotion for the first time. Such policy was used more extensively after 1991 (Eighth FYP).

Q80. Suhaana was working as a software engineer with an IT company. She quits her job to prepare for Civil Services Examination. Suhaana is

- A. Seasonally Unemployed
- B. Structurally Unemployed
- C. Cyclically Unemployed
- D. Frictionally Unemployed

**Answer: D**

**Exp:** Seasonal unemployment occurs when people are unemployed at particular times of the year when demand for labour is lower than usual. seasonal-unemployment. For example, in a Ski resort unemployment is likely to be higher in the summer when there is no snow.

Structural unemployment refers to a mismatch between the jobs available and the skill levels of the unemployed. Unlike cyclical unemployment, it's caused by forces other than the business cycle. It occurs when an underlying shift in the economy makes it difficult for some groups to find jobs.

Cyclical unemployment is a factor of overall unemployment that relates to the cyclical trends in growth and production that occur within the business cycle. When business cycles are at their peak, cyclical unemployment will be low because total economic output is being maximized.

Frictional unemployment is unemployment during the intermediate time period between two jobs. It is mostly voluntary and temporary in nature.

Q81. What is Codex Alimentarius Commission, which was in the news recently?

1. Its main purpose is to protect the health of consumers and ensuring fair practices in the food trade.
2. It was established by the Food and Agriculture Organization and the World Health Organization.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: C**

**Exp:** The decision of the Codex Alimentarius Commission (CAC), the international food standards setting body set up by FAO and WHO, to adopt codex standards (they ensure that food is safe and could be traded) for pepper, cumin and thyme at its just concluded meeting in Geneva was a recognition of India's efforts to benchmark and harmonise global spices trade. The development could herald the entry of more spices and herbs in the list for universal trading of safe and quality commodities in various countries. The Codex Alimentarius Commission (CAC) is an intergovernmental body with over 180 members, within the framework of the Joint Food Standards Programme. It was established by the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO), with the purpose of protecting the health of consumers and ensuring fair practices in the food trade. The Commission also

promotes coordination of all food standards work undertaken by international governmental and nongovernmental organizations.

Q82. In the context of the Medical Termination of Pregnancy (MTP) Act, consider the following statements:

1. Abortion in India is legal only up to sixteen weeks of pregnancy.
2. Abortion can only be performed by a registered medical practitioner based solely on a woman's request.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** In India, under the MTP Act, abortion is a qualified right. An abortion can't be performed based solely on a woman's request. And it can only be performed by a registered medical practitioner before 12 weeks of pregnancy. In case the woman had been pregnant for more than 12 weeks – but for less than 20 weeks – the opinions of two medical practitioners are required. The Medical Termination of Pregnancy (MTP) Act in India came into existence in 1971. It was amended in 2003 to facilitate better implementation and increase access for women especially in the private health sector. Medical Termination of Pregnancy (MTP) Act prohibits abortion of a foetus after 20 weeks of pregnancy. Recently the Supreme Court has permitted a woman, who was in her 26th week of pregnancy, to abort her foetus that was suffering from severe cardiac ailments.

Q83. With reference to 'Global Conference on Cyber Space', that was in the news, consider the following statements:

1. India for the first time has hosted the Global Conference on Cyber Space.
2. It is for the first time that Global Conference on Cyber Space has been taken place outside OECD nations.
3. The Theme of GCCS 2017 is "Cyber4All: A Secure and Inclusive Cyberspace for Sustainable Development".

Which of the statements given above is/are correct?

- A. 1 only
- B. 1 and 2 only
- C. 2 and 3 only
- D. 1, 2 and 3

**Answer: D**

**Exp:** India, for the first time ever has hosted the Global Conference on Cyber Space (GCCS), one of the world's largest conferences in the field of Cyber Space and related issues. Established in 2011 in London, second GCCS was held in 2012 in Budapest with focus on relationship between internet rights and internet security. The third edition of GCCS was held in 2013 in Seoul with commitment to Open and Secure Cyberspace. The fourth version GCCS 2015 was held in The Hague, The Netherlands.

Q84. The term 'Innovate in India (i3) Program' is associated with which of the following?

- A. National Solar Mission
- B. National Biopharma Mission



- C. National Mission for a Green India
- D. National Mission for Sustainable Agriculture

**Answer: B**

**Exp:** In a bid to create a globally competitive biopharmaceutical industry that addresses the country's major concerns around barriers to affordable healthcare, innovate in India (i3) Program has been launched. It is a 250 million USD program of the Department of Biotechnology (DBT) and Ministry of Science & Technology in collaboration with the World Bank. It will be implemented by Biotechnology Industry Research Assistance Council (BIRAC), a Public Sector Enterprise, set up by DBT. It is a first-of-its-kind mission that brings together industry and academia to promote entrepreneurship and indigenous manufacturing in the biopharmaceutical sector.

Q85. Which of the following statements is/are correct regarding the 'Hamburg Action Plan'?

1. It is intended to put the world on track to avoid dangerous climate change by limiting global warming to well below 2°C.
  2. The Action Plan has been adopted by the G-20 Leaders in its 12<sup>th</sup> G-20 summit.
- Select the correct answer using the code given below:

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: B**

**Exp:** The 12th G-20 summit concluded in Germany's Hamburg city with adaptation of Hamburg Action Plan. The G20 Hamburg Action Plan, sets out the group's strategy for achieving strong, sustainable, balanced and inclusive growth. In the action plan, the G20 members resolved that they will continue to use all policy tools - monetary, fiscal and structural - individually and collectively to achieve the goal of strong, sustainable, balanced and inclusive growth, while enhancing economic and financial resilience.

G-20 was started in 1999 as a meeting of Finance Ministers and Central Bank Governors in the aftermath of the Southeast Asian (Tiger economies) financial crisis. In 2008, the first G20 Leaders' Summit was held in Washington DC, US. Since then the group had played a key role in responding to the global financial crisis. Its members include 19 countries India, Australia, Argentina, Brazil, Canada, China, France, Germany, Indonesia, Italy, Japan, South Korea, Mexico, Saudi Arabia, Russia, Turkey, South Africa, UK, US and European Union (EU). They collectively represent 85% of global GDP, 80% of international trade, 65% of world's population.

Q86. Which of the following is a purpose of 'FAME' a scheme of the Government?

- A. Providing technical and financial assistance to start-up entrepreneurs in the field of renewable sources of energy.
- B. Promoting entrepreneurship among SC/ST and women entrepreneurs.
- C. Providing incentives in the form of a reduced purchase price for buyers of hybrid and electric vehicles.
- D. Providing for financial turnaround and revival of power distribution companies.

**Answer: C**

**Exp:** FAME (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India) scheme was launched in April 2015 by the Ministry of Heavy Industries and Public Enterprises. The scheme provides incentives in the form of a reduced purchase price for buyers of hybrid

and electric vehicles. Such vehicles should have been manufactured in India, and meet certain technical criteria as mentioned in the scheme guidelines.

Q87. Recently under which of the following programmes the Government of India has launched SANKALP and STRIVE schemes?

- A. Make in India Programme
- B. Skill India Mission
- C. Swachh Bharat Abhiyan
- D. National Rural Health Mission

**Answer: B**

**Exp:** The Union Cabinet approved SANKALP and STRIVE schemes under the Skill India Mission. Skill Acquisition and Knowledge Awareness for Livelihood Promotion (SANKALP) and Skill Strengthening for Industrial Value Enhancement (STRIVE) schemes will be supported by loan assistance from the World Bank.

Q88. 'Pradhan Mantri Matru Vandana Yojana' an initiative of the Government of India, aims to achieve which of the following?

- A. To cover 100% immunization of children and pregnant women.
- B. To provide compensation for the wage loss of pregnant women and lactating mothers.
- C. To promote entrepreneurship among women entrepreneurs.
- D. To provide minimum guaranteed pension to women workers.

**Answer: B**

**Exp:** Recently the Ministry of Women and Child Development released the implementation guidelines for Pradhan Mantri Matru Vandana Yojana (PMMVY). The PMMVY is a conditional cash transfer scheme to provide compensation for the wage loss of pregnant women and lactating mothers. The scheme seeks to ensure that women can take adequate rest before and after delivery (for the first living child) and not be deprived of proper nutrition.

Q89. Regarding 'Pradhan Mantri Vaya Vandana Yojana (PMVVY)' which of the following statements is/are correct?

- 1. It is a Pension Scheme exclusively for the senior citizens aged 60 years and above.
- 2. The scheme is exempted from Service Tax/ GST.
- 3. On death of the pensioner during the policy term of 10 years, the Purchase Price shall be paid to the beneficiary.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 and 3 only
- C. 1 and 3 only
- D. 1, 2 and 3

**Answer: D**

**Exp:** Pradhan Mantri Vaya Vandana Yojana (PMVVY), a pension scheme exclusively for senior citizens, has been launched. PMVVY is a Pension Scheme exclusively for the senior citizens aged 60 years and above. Scheme provides an assured return of 8% p.a. payable monthly (equivalent to 8.30% p.a. effective) for 10 years. On death of the pensioner during the policy term of 10 years, the Purchase Price shall be paid to the beneficiary.

Q90. Kaleshwaram Lift Irrigation Project (KLIP) which is Asia's longest tunnel to carry water is built in which one of the following states of India?

- A. Telangana
- B. Tamil Nadu
- C. Karnataka
- D. Andhra Pradesh

**Answer: A**

**Exp:** Claimed to be the costliest irrigation project to be taken up by any State till date with an estimated cost of Rs. 80,500 crore, the project holds the key to the government’s promise of providing irrigation facility to one crore acres of land under all projects/tanks. According to engineers, KLIP has many unique features, including the longest tunnel to carry water in Asia, running up to 81 km, between the Yellampally barrage and the Mallannasagar reservoir.

Q91. A disputed Island known as 'Triton Island', which was in the news recently is located in which one of the following Seas?

- A. The Caribbean Sea
- B. The Mediterranean Sea
- C. The South China Sea
- D. The Red Sea

**Answer: C**

**Exp:** Recently the US warship challenged Beijing's claims again, sailed near South China Sea. The destroyer USS Stethem passed less than 12 nautical miles (22 kilometers) from tiny Triton Island in the Paracel Islands archipelago, which is also claimed by Taiwan and Vietnam. China has recently built up its facilities on Triton Island, including a new helicopter landing site.

Q92. Consider the following statements:

	Area/Pass		Lies at the trijunction of
1.	Doklam Plateau	-	Bhutan, China and India
2.	Mintak Pass	-	India, China and Afghanistan
3.	Lipulekh Pass	-	India, Tibet and Nepal

Which of the pairs given above is/are correctly matched?

- A. 1 and 2 only
- B. 3 only
- C. 1, 2 and 3
- D. None of the above

**Answer: C**

**Exp:** All the pairs are correctly matched.

Q93. The Bondla Wildlife Sanctuary, Navelim Wetlands and Netravali Wildlife Sanctuary that have been recognised by Birdlife International as hotspots for protection are situated in which of the following States?

- A. Goa
- B. Arunachal Pradesh
- C. Kerala
- D. Uttarakhand

**Answer: A**

**Exp:** BirdLife International, a conservation organisation, has recognized three new sites in Goa as hotspots for protection. The sites have been added to their list of “Important Bird and Biodiversity Areas”. Now, seven areas in Goa have been termed important biodiversity areas by

BirdLife. Goa earlier had four recognised biodiversity areas: Bhagwan Mahavir Wildlife Sanctuary and Mollem National Park, Carambolim Wetlands, Cotigao Wildlife Sanctuary and Mhadei Wildlife Sanctuary. The list has now added Bondla Wildlife Sanctuary, Navelim Wetlands and Netravali Wildlife Sanctuary.

Q94. What is 'Delhi Dialogue', which was in the news recently?

1. It is an annual event to address the shared challenges and interests of Afghanistan and its neighbours and regional partners.
2. It is being organised by the Ministry of Defence in collaboration with USA.

Which of the statements given above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. Neither 1 nor 2

**Answer: D**

**Exp:** The Delhi Dialogue is an annual event to discuss politico-security, economic and socio-cultural engagement between ASEAN and India. It has been held annually since 2009. Delhi Dialogue is a conference in which policymakers converge to discuss a range of issues relating to India-ASEAN relations. The Delhi Dialogue is being organised by the Ministry of External Affairs in collaboration with the Observer Research Foundation (ORF), Federation of Indian Chambers of Commerce and Industry (FICCI), and other bodies of the ASEAN countries. The 9th edition of the Delhi Dialogue was recently held in New Delhi.

Q95. Which of the following issues are covered by the United Nations Convention on the Law of the Sea (UNCLOS)?

1. Exclusive Economic Zones (EEZs)
2. Continental Shelf Jurisdiction
3. Deep Seabed Mining
4. Settlement of Disputes

Select the correct answer using the code given below:

- A. 1, 2 and 3 only
- B. 2 and 4 only
- C. 1 and 3 only
- D. 1, 2, 3 and 4

**Answer: D**

**Exp:** The United Nations Convention on the Law of the Sea (UNCLOS), is the international agreement that resulted from the third United Nations Conference on the Law of the Sea (UNCLOS III), which took place between 1973 and 1982. The Law of the Sea Convention defines the rights and responsibilities of nations with respect to their use of the world's oceans, establishing guidelines for businesses, the environment, and the management of marine natural resources. This convention introduced a number of provisions and covered the most significant issues such as setting limits, navigation, archipelagic status and transit regimes, exclusive economic zones (EEZs), continental shelf jurisdiction, deep seabed mining, the exploitation regime, protection of the marine environment, scientific research, and settlement of disputes.

Q96. With reference to the Universal Service Obligation Fund (USOF), which of the following statements is/are correct?

1. The expenditure for the implementation of BharatNet is funded from USOF.

2. The fund given under USOF is a non-lapsable fund.
3. The fund is maintained by the government under the NITI Aayog.

Select the correct answer using the code given below:

- A. 1 and 2 only
- B. 2 only
- C. 1 and 3 only
- D. 3 only

**Answer: A**

**Exp:** The USOF was started in 2002-03. It is maintained by the government under the Department of Telecommunications, Ministry of Communications and was formed to help fund projects to boost connectivity in rural areas. It is a non-lapsable fund i.e., unspent amount under target financial year does not lapse, accrues for next years' spending. All credits to the fund require parliamentary approval and it has statutory support under Indian Telegraph (Amendment) Act 2003. The money for this fund comes through a 'Universal Access Levy,' charged from the telecom operators as a percentage of various licenses fees being paid by them. The vision of USOF is to enabling rural Indians to achieve their fullest potential and participate productively in the development of the nation by virtue of being effectively connected through a reliable and ubiquitous telecommunications network, access to which is within their reach and within their means.

Q97. With reference to the 'Malabar Naval Exercise', which of the following statements is/are correct?

1. Malabar Exercise is held annually in the Indian Ocean.
2. It began as an Indo-US bilateral naval drill in 2010.
3. Japan has formally joined the exercise as a permanent participant in 2017.

Select the correct answer using the code given below:

- A. 1 only
- B. 2 and 3 only
- C. 1 and 3 only
- D. 1, 2 and 3

**Answer: A**

**Exp:** Malabar Exercise began as an Indo-US bilateral naval drill in 1992. Since then it is held annually. Japan has formally joined the exercise as a permanent participant in 2015. The primary aim of this multilateral exercise is to increase interoperability amongst the three navies and develop common understanding of procedures for Maritime Security Operations and deepen defence relations. In 2007, the exercise also saw participation of Australia and Singapore.

Q98. India is buying the C-17 Globemaster Transport Aircraft from which of the following countries?

- A. United Kingdom
- B. Israel
- C. France
- D. USA

**Answer: D**

**Exp:** The USA has decided to sell one C-17 transport aircraft to India. The sale of USD 366.2 million C-17 transport aircraft manufactured by Boeing also includes one Missile Warning System, one Countermeasures Dispensing System, one Identification Friend or Foe (IFF)

Transponder and precision navigation equipment. At present, India is using C-17 aircraft and according to Pentagon, the sale of this aircraft will not alter the basic military balance in the region. The Boeing C-17A Globemaster III military airlift aircraft is one of the most flexible cargo aircraft of the US Air Force fleet. The aircraft is capable of strategic delivery of up to 170,900 pounds of personnel and/or equipment to operating locations. In addition, the aircraft is capable of short field landings with a full cargo load. The Boeing C-17A Globemaster III military airlift aircraft is one of the most flexible cargo aircraft of the US Air Force fleet.

Q99. With reference to 'the Chakma and Hajong refugees', sometimes seen in the news, consider the following statements:

1. Their main home state in India is Arunachal Pradesh.
2. They came to India from Myanmar.
3. They have been granted citizenship and voting rights in India.

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

**Answer: C**

**Exp:** The Chakmas and Hajongs, originally residents of the Chittagong Hill Tracts of the former East Pakistan (Now Bangladesh), had to flee when their land was submerged by the Kaptai dam project in the 1960s. Buddhists by faith, the Chakmas faced religious persecution in East Pakistan along with the Hajongs, who are Hindus.

Out of those who reached India, most of them were Chakmas and only 2,000 were Hajong. The groups entered India through what was then the Lushai Hills district of Assam (today's Mizoram). While some stayed back with Chakmas already living in the Lushai Hills, the Indian government moved a majority of the refugees to present-day Arunachal Pradesh.

In 2005, Election Commission issued guidelines to include Chakmas and Hajongs in Arunachal's electoral rolls.

In 2015, the Supreme Court had given a deadline to the central government to confer citizenship to these refugees within three months. The state government moved the top court against the order.

In September 2017, the Home ministry announced citizenship to be given to these refugees.

Though cleared for citizenship now, they can't own land in Arunachal and will have to apply for Inner Line Permits.

Q100. Which one of the following became the first State in the country to recently open a blood bank for cattle?

- A. Gujarat
- B. Rajasthan
- C. Madhya Pradesh
- D. Odisha

**Answer: D**

**Exp:** Odisha is set to become the first state in the country to open a blood bank for cattle. The proposal has received the nod from the National Agriculture Development Programme (NADP). Under this initiative, the blood would be procured voluntarily from the cattle farmers. The blood bank will also have blood transfusion facility or cattle blood. The blood bank will help in

preventing cattle deaths during deliveries and other ailments. It would come handy in saving the lives of the domesticated animals.

