

Answer & Explanation for G.S. Test-7 held on 16th April 2017

Q1. Which of the following institutions in India can make changes to an existing law?

- A. The Supreme Court
- B. The President
- C. The Prime Minister
- D. The Parliament

Answer: D

Exp: It is the Parliament, which can change the existing law or create a new law for India. The Parliament is the supreme legislative body comprising of the President and the two Houses – Lok Sabha (House of the People) and Rajya Sabha (Council of States).

Q2. Consider the following statements:

- 1. Mughal Painting reached its zenith under Akbar.
- 2. During Jehangir's reign, European painting was introduced in India.
- 3. Aurangzeb was an accomplished Veena player.

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: D

Exp: Mughal painting reflects an exclusive combination of Indian, Persian and Islamic styles. The Mughal Paintings of India revolved around themes, like battles, court scenes, receptions, legendary stories, hunting scenes, wildlife, portraits, etc. Indian Mughal paintings originated during the rule of Mughal Emperor, Humayun (1530-1540). When he came back to India from the exile, he brought along two excellent Persian artists, Mir-Sayyid Ali and Abd-us-samad. With time, their art got influenced by the local styles and gradually it gave rise to the Mughal painting of India. Mughal paintings of India developed as well as prospered under the rule of Mughal Emperors, Akbar, Jehangir and Shah Jahan. However, Mughal Painting reached their zenith under Jehangir and it was during Akbar's reign that European painting was introduced in India.

Q3. Who among the following studied Poverty Line through a method called 'jail cost of living'?

- A. M. N. Roy
- B. Dadabhai Naoroji
- C. R. C. Dutt
- D. Jawaharlal Nehru

Answer: B

Exp: In pre-independent India, Dadabhai Naoroji was the first to discuss the concept of a Poverty Line. He used the menu for a prisoner and used appropriate prevailing prices to arrive at what may be called 'jail cost of living'. However, only adults stay in jail whereas, in actual society, there are children too. He, therefore, appropriately adjusted this cost of living to arrive at poverty line. This is included in Poverty and un-British rule in India.

Q4. With reference to 'Pressure groups', which of the following statements is/are correct?

- 1. Pressure groups are the organizations that attempt to influence government policies without directly controlling or sharing political power.
- 2. They promote collective rather than selective good by helping groups other than their own members.

3. They have a loose organization so they depend much more on spontaneous mass participation to achieve their goals.

Select the correct answer using the code given below:

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

Answer: A

Exp: Pressure groups are formed when people with common occupation, interest, aspirations or opinions come together in order to achieve a common objective. But unlike the interest groups, movements have a loose organization. Their decision-making is more informal and flexible. They depend much more on spontaneous mass participation than an interest group. Promotional groups or public interest groups promote collective rather than selective good.

Q5. Consider the following statements:

- 1. Profits made by non-resident multinational companies are counted for calculating National Income.
- 2. Income of resident Indian workers working in foreign banks abroad is included in National Income calculation.
- 3. Profits, dividends and interest earned by resident Indian companies abroad form part of the National Income of the foreign country.

Which of the statements given above is/are correct?

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

Answer: B

Exp: National Income = Gross National Product - Depreciation

Gross National Product = GDP - net factor income from abroad

Net factor Income from abroad = Income of Indian residents abroad - Income of foreign residents in India

Income of Indian residents abroad includes earnings of Indians in Indian banks abroad and profits, dividends, interest earned from Indian investments abroad.

Hence, statements 1 and 3 are wrong

Source:- NCERT class 12th, Chp-2 , pg- 24

Q6. Consider the following statements:

- 1. Chin Qilich Khan founded the Asaf Jahi dynasty.
- 2. Sawai Raja Jai Singh of Amber founded the city of Jaipur and erected astronomical observatories at various places.
- 3. Banda Bahadur united different misls and established a powerful Sikh state.

Which of the statements given above is/are correct?

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

Answer: A

Exp: Maharaja Ranjit Singh united the misls and established a powerful Sikh state. In 1724, Nizam-ul-Mulk Asif Jah I founded the Asif Jahi Dynasty. Misl is a term which originated in the eighteenth century history of the Sikhs to describe a unit or brigade of Sikh warriors and the territory acquired by it in the course of its campaign of conquest following the weakening of the

Mughal authority in the country. The 'Misldar' was the leader or commander of the 'Misl' or 'army group'.

Q7. Consider the following pairs:

	Dam/Lake		River
1.	Rana Pratap Sagar Dam	:	Son
2.	Govind Ballabh Pant Sagar	:	Chambal
3.	Govind Sagar	:	Satluj

Which of the above pairs is/are correctly matched?

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

Answer: D

Exp: The Rana Pratap Sagar Dam is built on the Chambal River at Rawatbhata in Rajasthan. The Govind Ballabh Pant Sagar is named after Bharat Ratna Govind Ballabh Pant, the former Chief Minister of Uttar Pradesh. It is located around the southern part Sonebhadra, Uttar Pradesh. It is 46 km to the south of River Rihand and Son.

Q8. Which of the following are considered as the main sources of human capital?

- 1. Skill Training
- 2. Migration and Information
- 3. Investment in Health
- 4. Investment in Education

Select the correct answer using the code given below:

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

Answer: D

Exp: Investment in education is considered as the most important source of human capital ably supported by several other sources like investment in health, on job training, migration and information etc.

Q9. The Election Commission has laid down detailed criteria of the proportion of votes and seats that a party must get in order to be a recognized party. With reference to the above, which of the statements given below is/are correct?

- 1. A party that secures at least four per cent of the total votes in an election to the Legislative Assembly of a State and wins at least five seats is recognized as a State party.
- 2. A party that secures at least six per cent of total votes in Lok Sabha elections or Assembly elections in four States and wins at least four seats in the Lok Sabha is recognized as a national party.

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: A registered party is recognised as a National Party only if it fulfils any one of the following three conditions: The party wins 2% of seats in the Lok Sabha from at least 3 different States. At a General Election to Lok Sabha or Legislative Assembly, the party polls 6% of votes in four States and in addition it wins 4 Lok Sabha seats. A party gets recognition as State Party in four or more States.

Q10. With reference to the Maratha power, which of the following statements is/are correct?

1. The greatest expansion of the Maratha power took place under Balaji Vishwanath.
2. In 1761, the Third Battle of Panipat took place between the Marathas and Nadir Shah.

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 greatest expansion of the Maratha power took place under Balaji Baji Rao. In 1761, the Third Battle of Panipat took place between Maratha and Ahmad Shah Abdali. There have been three Battles of Panipat: The First Battle of Panipat (1526), between Babur (Mughal dynasty) and Ibrahim Lodi (Lodhi dynasty), resulting in the victory of Mughals and establishing of the Mughal empire in India. The Second Battle of Panipat (1556), between the Mughal Ruler Akbar (Bairam Khan represented him) and Hemu, resulting in a Mughal victory. The Third Battle of Panipat (1761), was fought between the Durrani Empire of Ahmad Shah Abdali of Afghanistan with the help of the Rohilla Afghans of the Doab and Shuja-ud-Daulah of Awadh against the Maratha Empire led by their prime minister Balaji Baji Rao, resulting in a decisive Afghan victory.

Q11. If the flow of counterfeit currency (fake currency) increases in the market, what will be the possible impact on the value of rupee and economic growth?

1. The value of rupee remains the same, as such currencies are immediately banned and there is no impact on economic growth.
2. The value of rupee appreciates and growth rate of economy increases.
3. The value of rupee depreciates and growth rate of economy reduces.
4. It will lead to an increase in inflation.
5. Economic growth will increase as companies will now have more money to invest.

Select the correct answer using the code given below:

- A. 1, 2, 4 and 5 only
- B. 1, 2 and 4 only
- C. 3 and 4 only
- D. 3, 4 and 5 only

Answer: C

Exp: It takes time to completely stop the flow of counterfeit currency; hence no immediate ban can take place.

As the quantum of currency in the market increases there is inflationary trend in the market due to rise in counterfeit currency circulation. Hence option 4 is correct.

Value of rupee depreciates as there is high liquidity of rupee in the market and hence demand for rupee is less.

Though companies will have more money, the fake currencies would be unacceptable to the banks and hence it will not drive economic growth.

Q12. Consider the following:

1. Latitude

2. Altitude
3. Pressure and wind system
4. Distance from the sea (Continentality)
5. Ocean currents

Which among the above are the major factors for affecting the climate of any place?

- A. 1 and 2 only
- B. 1, 2, 3 and 5 only
- C. 2, 4 and 5 only
- D. 1, 2, 3, 4 and 5

Answer: D

Exp: The climate of any particular place is influenced by a host of interacting factors. These include latitude, elevation, nearby water, ocean currents, topography, vegetation and prevailing winds.

Q13. Consider the following devices:

1. Deliberation and discussion
2. Approval or Refusal of laws
3. Financial control
4. No confidence motion

Which among the above are the instruments of Parliamentary Control over Executive?

- 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: There are several instruments of Parliamentary Control over Executive. They are:

Administrative Control: if any policy is formed in a wrong manner, the Parliament may ask for explanations.

Legislative Control: While enacting any law in the Parliament, the Government needs to explain all its provisions and answer questions asked in the Parliament. Thus, the Parliament does not allow the Executive to enact any arbitrary acts.

Financial Control: The Government is required to pass Budget and any financial bill in both the Houses. The Government cannot withdraw any amount of money from the Consolidated Fund without Parliamentary authority.

Representative Control: The MPs represents different sections of people. They ask questions from the Executive as representatives and thus serve the interest of their people through representation.

Collective and Individual Responsibility: The whole Council of Ministers in answerable to Lok Sabha for any step taken by any of the Minister.

Q14. Consider the following statements:

1. It is a women oriented community based poverty reduction program.
2. It is being implemented in Kerala.
3. It was inaugurated by the Prime Minister in 1998 at Malappuram.

The statements given above pertain to which of the scheme given below?

- A. Kudumbashree
- B. Self Employed Women's Association (SEWA)
- C. Annapurna
- D. Nai Roshni

Answer: A

Exp: Kudumbashree, the Kerala State Poverty Eradication Mission was launched on 17 May 1998 inaugurated by the then Prime Minister, Shri Atal Bihari Vajpayee. The Mission aims to eradicate absolute poverty within a definite time frame of 10 years under the leadership of Local Self Governments formed and empowered by the 73rd and 74th Amendments of the Constitution of India. The Mission launched by the State Government with the active support of Government of India and NABARD has adopted a different methodology in addressing poverty by organizing the poor into community-based organizations. The Mission follows a process approach rather than a project approach.

Q15. From 1765 to 1772, there was Dual Government in Bengal. With reference to it, which of the following statements is/are correct?

1. Under the Dual Government system the British controlled the army and the revenue, while the Nawab was supposed to look after the administration.
2. In 1772, Lord Clive became the Governor of Bengal and the Dual Government system was abolished.

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: In 1772, Warren Hastings became the Governor of Bengal and the Dual Government system was abolished. The Dual System of Government in Bengal was the brainchild of Lord Clive. The Diwani (Civil Administration and Revenue) was carried out by the Company so the Company was performing functions of Diwan. The Nizamat (law and order) jurisdiction was carried out by the Bengal Nawab. So, this system of separate Diwani and Nizamat rights being invested in different authorities was called Dual Administration.

Q16. With reference to 'the Peninsular Plateau', which of the following statements is/are correct?

1. Geologically, it constitutes one of the ancient landmasses on the Earth's surface.
2. It is composed of sedimentary rocks with gently rising hills and wide valleys.

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: It is composed of igneous and metamorphic rocks with gently rising hills and wide valleys. The triangular shaped Peninsular Plateau of India extends from the south of Indo-Ganga Plain to the Cape Comorin. This plateau is one of the oldest surfaces of the Earth and represents a segregated part of the old Gondwanaland. The Aravalli range in the west and the Satpura, the Mahadeo and the Kaimur range in the south divide the Peninsular Plateau into two parts: The Central Indian Plateau in the north and the Deccan Plateau in the south of it.

Q17. Consider the following statements regarding possible impacts on the macroeconomic situation in India due to a sharp decline in oil prices:

1. The current account deficit would reduce significantly.
2. Inflation would increase as people will have more disposable income.
3. Fiscal deficit will reduce.
4. Oil companies in India would make huge losses.

Which of the statements given above are correct?

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

Answer: C

Exp: Oil imports form a significant portion of India's import. Hence, a reduction in oil prices would reduce import price and thereby reduce the current account deficit.

In India, inflation is high due to very high transportation and logistics price which is because of high oil prices. When oil prices reduce, the cost of logistics also reduces and inflation will reduce.

With a reduction in oil prices, government may reduce or withdraw subsidy from oil, which will reduce the fiscal deficit.

Oil companies would still make profit as they will have greater profit margins.

Q18. With reference to 'the Rajya Sabha, which of the following statements is/are correct?

- 1. The number of members to be elected from each State for Rajya Sabha has been fixed by the Third Schedule to the Constitution.
- 2. Every six years, one third members of the Rajya Sabha complete their term and elections are held for those one third seats only.

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 number of members to be elected from each State for Rajya Sabha has been fixed by the Fourth Schedule to the Constitution. Every two years, one third members of the Rajya Sabha complete their term and elections are held for those one third seats only.

Q19. The Tropic of Cancer does not pass through which of the following States?

- A. Rajasthan
- B. Chhattisgarh
- C. Tripura
- D. Odisha

Answer: D

Exp: The Tropic of Cancer does not pass through Odisha. In India, the Tropic of Cancer passes through 8 States. It passes through Rajasthan, Gujarat, Madhya Pradesh, Chhattisgarh, Jharkhand, West Bengal, Tripura and Mizoram.

Q20. Arrange the following in increasing order with respect to source of credit per Rs. 1000 of rural households in India:

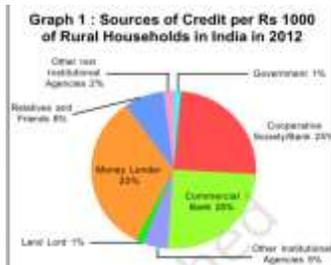
- 1. Government
- 2. Money lenders
- 3. Relatives and friends
- 4. Commercial Banks

Select the correct answer using the code given below:

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

Answer: A

Exp:



Q21. Consider the following statements:

1. Under the Regulating Act of 1773 the Governor of Bengal was made the Governor-General of India.
2. The British Governor-General of India was given the title of Viceroy under the Charter Act of 1833.
3. The British paramountcy in India was clearly stated in the Act of 1876 by which Queen Victoria assumed the title of Empress of 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: D

Exp: In 1773, the Governor of Bengal became the Governor-General of Bengal. In 1833, the Governor-General of Bengal became the Governor-General of India. The Governor-General of India was given the title of Viceroy under the Act of 1858. The Government of India Act 1858 marked the beginning of a new chapter in the constitutional history of India. The Act was known as the Act for the Good Government of India, and it provided for liquidation of East India Company, and transferred the powers of government, territories and revenues to the British Crown.

Q22. Consider the following statements:

1. The Narmada River rises from the Amarkantak hills in Madhya Pradesh.
2. The Mahanadi River rises in the highlands of Jharkhand.
3. The Godavari River rises from the slopes of the Western Ghats in Karnataka.
4. The Kaveri River rises in the Brahmagiri range of the Western Ghats.

Select the correct answer using the code given below:

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

Answer: B

Exp: The Mahanadi rises in the highlands of Chhattisgarh and the Godavari rises from the slopes of the Western Ghats in the Nasik district of Maharashtra.

Q23. To improve India's balance of trade in goods, what possible steps can be taken?

1. Encourage Make in India initiative
2. Devalue rupee to increase exports
3. Appreciate rupee to increase exports
4. Lower export and import duties
5. Ratify Trade Facilitation agreement at the WTO

Which of the statements given above are correct?

- A. 1, 2 and 3 only
- B. 1, 2 and 5 only
- C. 1, 2, 3 and 4 only
- D. 1, 2, 4 and 5 only

Answer: B

Exp: Make in India would boost production and hence increase exports. Statement 1 is correct. Rupee devaluation would increase cost competitiveness of Indian goods thereby increasing exports. So, statement 2 is correct and 3 is incorrect.

Lower import duties would increase import flow in the economy hence statement 4 is incorrect.

Trade Facilitation Agreement at the WTO would ease custom regulations thereby boosting exports. Hence statement 5 is correct.

Q24. A Parliamentary Executive means:

- A. Executive where there is a Parliament.
- B. Executive elected by the Parliament.
- C. Where the Parliament functions as the Executive.
- D. An Executive that is dependent on support of the majority in the Parliament.

Answer: D

Exp: A Parliamentary Executive, has a President who is the formal Head of the State and the Prime Minister and the Council of Ministers, which run the government at the national level. At the State level, the Executive comprises the Governor and the Chief Minister and Council of Ministers.

Q25. Who among the following National Leaders had founded the United Patriotic Association to oppose the Congress Party?

- A. Syed Ahmed Khan
- B. Subhash Chandra Bose
- C. Mohammad Ali Jinnah
- D. Dr. B.R. Ambedkar

Answer: A

Exp: Syed Ahmed Khan founded the Indian Patriotic Association to oppose the Congress Party. The United Patriotic Association was a political organisation founded by Sir Syed Ahmed Khan, the founder of the Aligarh Muslim University and Raja Shiv Prasad Singh of Benaras opposed to the Indian National Congress, the group aimed to develop close ties between the Muslim community and the British Raj.

Q26. What do you understand by Fiat Money?

- A. Money which is based on an actual, fixed item which is considered valuable.
- B. Money that a government has declared to be legal tender, but is not backed by a physical commodity.
- C. Money whose value comes from the value of resource used for the purpose.
- D. None of the above.

Answer: B

Exp: Option (a) is Hard money. Eg. Gold etc.

Option (c) is talking about barter system.

Fiat money is currency that a government has declared to be legal tender, but is not backed by a physical commodity. The value of fiat money is derived from the relationship between supply and demand rather than the value of the material that the money is made of. Historically, most currencies were based on physical commodities such as gold or silver, but fiat money is based solely on the faith and credit of the economy e.g. Modern day Indian Rupee.

Q27. Which of the following factors is the reason for rainfall during winters in the north-western part of India?

- A. Cyclonic depression
- B. Southwest monsoon
- C. Retreating monsoon
- D. Western disturbances

Answer: D

Exp: Due to Western disturbances rainfall occurs during winters in north-western part of India. A Western Disturbance is an extra tropical storm originating in the Mediterranean region that brings sudden winter rain to the northwestern parts of the Indian subcontinent. It is a non-monsoonal precipitation pattern driven by the westerlies. The moisture in these storms usually originates over the Mediterranean Sea and the Atlantic Ocean. Extra tropical storms are a global phenomena with moisture usually carried in the upper atmosphere, unlike their tropical counterparts where the moisture is carried in the lower atmosphere. In the case of the subcontinent, moisture is sometimes shed as rain when the storm system encounters the Himalayas.

Q28. The power wielded by the Indian Prime Minister flows from:

- 1. Control over the Council of Ministers
- 2. Leadership of the Lok Sabha
- 3. Command over the bureaucratic machine
- 4. Projection as national leader during international summitry as well as foreign visits.

Which among the above are the sources from which the Prime Minister wields his power?

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

Answer: D

Exp: The Prime Minister enjoys the following powers as Head of the Union Council of Ministers. He recommends persons who can be appointed as Ministers by the President. The President can appoint only those persons as Ministers who are recommended by the Prime Minister. He presides over the meeting of the Council of Ministers and influences its decisions. He can ask a Minister to resign or advise the President to dismiss him in case of a difference of opinion. He allocates and reshuffles various portfolios among the ministers. He guides, directs, controls, and coordinates the activities of all the Ministers. He can bring about the collapse of the Council of Ministers by resigning from office.

Q29. Consider the following colleges:

- 1. Jamia Millia Islamia, Delhi
- 2. Bihar Vidyapith, Patna
- 3. Kashi Vidyapith, Benaras
- 4. Gujarat Vidyapith, Ahmedabad

Which among the above colleges were built during the Non-Cooperation Movement?

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

Answer: D

Exp: All the above Colleges were built during the Non- Cooperation movement. Originally the Jamia Millia Islamia was established at Aligarh. Later on it became a central university and

started functioning from Delhi. The Non-Cooperation Movement was a significant phase of the Indian independence movement from British rule. It was led by Mahatma Gandhi after the Jallianwala Bagh Massacre. It aimed to resist British rule in India through nonviolent means. Protestors would refuse to buy British goods, adopt the use of local handicrafts and picket liquor shops. The non-cooperation movement was launched on 31 August, 1920.

Q30. Real exchange rate of 0.5 for a commodity would indicate that:

1. The price of the commodity is higher in the foreign nation
2. The price of the commodity is lower in the foreign country
3. Indian currency has a lower purchasing power capacity
4. Indian currency has a higher purchasing power capacity

Which of the statements given above are correct?

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

Answer: A

Exp: Real exchange rate

= $\frac{\text{price of the commodity in foreign country in rupees}}{\text{Price of the same commodity in India in rupees}}$

Price of the same commodity in India in rupees

(Rer) of 0.5 = $\frac{1}{2}$

Thus the same commodity will cost rupee 1 in foreign country and rupees 2 in India.

Thus cost of the commodity in the foreign nation is cheaper. Hence statement 2 is correct.

Since in India, more money is required to purchase the same good, purchasing power of rupee is less. Hence statement 3 is correct.

Q31. Consider the following crops:

1. Wheat
2. Sorghum
3. Maize
4. Pulses

Which among the above crops do NOT require animals for their pollination?

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

Answer: D

Exp: Most of our staple food crops do not require animals for their pollination; however, wild pollinators play a very important role in the production of other crops such as pulses, sunflower seeds, cardamom, cashew nuts, etc.

Q32. With reference to 'the President of India', which of the following statements is/are correct?

1. The only ground for impeachment of the President of India is the violation of the Constitution.
2. The election of the President of India takes place in accordance with the principle of proportional representation with single transferable vote system.

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: Article 54 of the Indian Constitution discusses the election of the President. It says that the President shall be elected by the members of an electoral college, which consists of the elected members of both the Houses of Parliament, and the Legislative Assemblies of the States and the two Union Territories, namely Delhi and Puducherry. The election of the President is held in accordance with a system of proportional representation by means of a single transferable vote. He can be re-elected to the office of the President. The oath of the President is administered by the Chief Justice of India, and in his absence, by the most senior judge of the Supreme Court.

Q33. What do you understand by High Powered Money?

- A. It is the total liability of monetary authority of a country, like RBI in India.
- B. It is the currency that is widely accepted around the world as a form of payment for goods and services.
- C. It is money in any form including bank or other deposits as well as notes and coins.
- D. None of the above

Answer: A

Exp: Option (a) states about High Powered Money or Monetary base because it forms the base which when multiplied to money multiplier results in total money supply.

Option (b) is about Hot Currency.

Option (c) is about Broad Money.

Q34. With reference to 'the Standard Meridian', which of the following statements is/are correct?

- 1. The Standard Meridian has been selected in multiples of 7°30' of longitude all over the world.
- 2. 82°30'E has been selected as the Standard Meridian 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: Indian Standard Time is calculated on the basis of 82.30' E longitude, in Shankargarh Fort, Mirzapur (25.15°N 82.58°E) (in Mirzapur district in the state of Uttar Pradesh) which is nearly on the corresponding longitude reference line.

Q35. What will be the effect on Nominal and Real GDP with a reduction in inflation?

- A. Ambiguous on both
- B. Both will increase
- C. Nominal GDP will increase and Real GDP will reduce.
- D. Nominal GDP will reduce and Real GDP will remain same.

Answer: D

Exp: Nominal GDP is calculated as per the prevalent rates which includes inflation. Hence any change in inflation figures will get reflected in Nominal GDP calculation. Thus a reduction in inflation would reduce nominal GDP.

Suppose 100 packets of bread are produced in the country in 2011 and 110 packets in 2012.

In 2011 if one packet bread costs Rs. 10, so GDP for 100 packets = 10 x 100 = Rs. 1000/-.

In 2012 one packet bread costs Rs. 15, so nominal GDP for 110 packets = 15 x 110 = Rs. 1650/-

And, by mid 2012 it costs Rs. 12, so nominal GDP by mid 2012 for 110 packets = 12 x 110 = Rs. 1320/-

But real GDP for 110 packets = 10 x 110 = 1100 both in the start of year 2012 and by mid 2012.

Real GDP is calculated at the base price which is price of bread in the year 2011.

Q36. With reference to 'the Election Commission of India', which of the following statements is/are correct?

1. The Election Commission of India is responsible for conducting all the elections in India.
2. The Chief Election Commissioner (CEC) can be removed before the expiry of the term by the President if both Houses of the Parliament make such a recommendation with a simple majority.
3. After declaring the dates of elections, the Election Commission of India cannot postpone the election; the decision has to be taken by the Supreme Court of India.

Select the correct answer using the code given below:

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

Answer: D

Exp: The Election Commission of India is not responsible for the conduct of local body elections.

An Election Commissioner can be removed only with a special majority in the Parliament.

The Election Commission can decide to postpone elections. The Election Commission of India is an autonomous constitutional authority responsible for administering election processes in India. The body administers elections to the Lok Sabha, Rajya Sabha, State Legislatures, and the offices of the President and Vice President in the country. The Election Commission operates under the authority of Constitution per Article 324, and subsequently enacted Representation of the People Act.

Q37. Which of the statements given below is/are *incorrect*?

1. Currency notes and coins do not have intrinsic value.
2. Currency notes and coins are issued by the Reserve Bank 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: B

Exp: Currency Notes and Coins do not have intrinsic value like gold and silver and that is why they are called "fiat money".

Currency Notes are issued by RBI but Coins are issued by Government of India.

Q38. Who among the following leaders on behalf of the Indian National Congress attended the Congress of Oppressed Nationalities at Brussels in 1927?

- A. Subhash Chandra Bose
- B. Jawaharlal Nehru
- C. Abul Kalam Azad
- D. M.K. Gandhi

Answer: B

Exp: Jawaharlal Nehru on behalf of the Indian National Congress attended the Congress of Oppressed Nationalities at Brussels. The League against Imperialism was a transnational anti-imperialist organization in the interwar period. It was established in the Egmont Palace in Brussels, Belgium, on February 10, 1927, in presence of 175 delegates from around the world. It was significant because it brought together representatives and organizations from the communist world and anti-colonial organizations and activists from the colonized world.

Q39. Consider the following statements:

1. Landforms like Gorges, V-shaped Valleys, and Rapids are indicative of the rigid and stable stages of a mountain.
2. India shares the second longest coastline after Madagascar with the Indian Ocean.
3. Himalayan Mountains are still subjected to the interplay of exogenic and endogenic forces, resulting in the development of faults, folds and thrust plains.

Which of the statements given above is/are correct?

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

Answer: B

Exp: India has the longest coastline on the Indian Ocean. Landforms like Gorges, V-shaped Valleys, and Rapids are indicative of the youthful stages of a mountain.

Q40. Consider the following statements regarding GDP deflator and CPI based GDP calculation:

1. GDP deflator includes commodities which are not in the CPI basket.
2. CPI includes items of imports, whereas GDP deflator does not.
3. GDP deflator includes commodities which are not consumption oriented.
4. Both are same.

Which of the statements given above is/are correct?

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

Answer: B

Exp: CPI basket only includes items which are consumed by public. Hence it does not include items like scrap iron, aluminum, coal which are not consumed but whose value is taken into account while calculating GDP. Hence, statement 1 and 4 are true.

CPI does include items of imports as they are consumed by people. However GDP calculation only considers goods and services produced within the territorial boundary of India and hence excludes imports.

Q41. Consider the following statements:

1. The number of seats reserved for both the Scheduled Castes and Scheduled Tribes are in proportion to their share in the population of India.
2. In order to stand for the Lok Sabha or Assembly election, a candidate must be at least 30 years old.
3. A person who has been sentenced to imprisonment for two or more years for some offence is disqualified from contesting elections.

Which of the statements given above is/are correct?

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

Answer: A

Exp: In order to stand for Lok Sabha or Assembly election, a candidate must be at least 25 years old. As per Article 84 of the Constitution, a person is qualified to be a Member of Parliament provided he is a citizen of India and has completed 30 years of age in case of Rajya Sabha and 25 years in case of Lok Sabha.

Q42. With reference to the Himalayan Mountains, which of the following statements is/are correct?

1. Structurally the Himalayan mountains are fold mountains.
2. The altitudinal variations are greater in the western half than those in the eastern half.
3. The middle Himalayan range is the most continuous range consisting of all the prominent Himalayan peaks.

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: The altitudinal variations are greater in the eastern half than those in the western half and the northern most range is the most continuous range consisting of all the prominent Himalayan peaks.

Q43. With reference to the Theosophical Society, which of the following statements is/are correct?

1. It was founded in the United States by Madam H.P. Blavatsky and Colonel H.S. Olcott.
2. It advocated the revival and strengthening of the ancient Indian philosophy and culture.

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: It advocated the revival and strengthening of the ancient religions of Hinduism, Zoroastrianism and Buddhism. The Indian Section of the Theosophical Society was a component part of the Theosophical Society which was founded in New York, USA on 17 November 1875 by Helena Petrovna Blavatsky, Henry Steel Olcott, William Quan Judge and others, and was incorporated under the laws of British India on 3 April 1905 with its Headquarters at Adyar, Madras, India. Its Objectives were: To form a nucleus of the universal brotherhood of humanity without distinction of race, creed, sex, caste, or colour, to encourage the study of comparative religion, philosophy, and science, to investigate the unexplained laws of nature and the powers latent in man.

Q44. What does full Capital Account convertibility imply?

1. All the restrictions on FDI would be removed.
2. Restrictions on FDI may remain same.
3. Transactions could be done in different currencies.
4. Inflation will not be affected.
5. Companies may have more funds at their disposal.

Select the correct answer using the code given below:

- A. 1, 3 and 4 only
- B. 1, 3, 4 and 5 only
- C. 1, 3 and 5 only
- D. 2, 3 and 5 only

Answer: D

Exp: Full Capital account convertibility will only relax the quantum of money that could be invested, it would not alter the limits of FDI investment in the companies.

FDI investment above Rs. 1500 crore requires approval by cabinet committee on economic

affairs. Such restrictions on amount of FDI will be removed. However FDI limits in sectors would continue. Hence statement 1 is incorrect and 2 is correct.

Full Capital account convertibility will imply that investments could be done in many currencies rather than the one specified by the monetary authority of the country. Thus, statement 3 is correct.

With full capital account convertibility FDI would increase and hence more money with companies. Thus, money flow (liquidity) in the economy will increase which would raise inflation. So statement 4 is incorrect and statement 5 correct.

Q45. With reference to 'the Proportional Representation (PR) and First Past the Post (FPTP) system', which of the following statements is/are correct?

1. Under the method of the First Past the Post (FPTP) system the candidate who wins the election gets majority of votes.
2. Under the system of Proportional Representation (PR) a party gets the same proportion of seats as its proportion of votes.

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: It is not under the method of the First Past the Post (FPTP) system but under the Proportional Representation (PR), that the candidate who wins the election gets majority of votes.

Q46. With reference to 'the Inter Tropical Convergence Zone (ITCZ)', which of the statements given below is/are correct?

1. The ITCZ is a broad trough of high pressure zone in equatorial latitudes.
2. The location of the ITCZ can vary as much as 40° to 45° of latitude north or south of the Equator based on the pattern of land and ocean.
3. The shift of the position of ITCZ has an important effect on Indian monsoon.
4. The northeast and the southeast trade winds converge in the ITCZ

Select the correct answer using the code given below:

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

Answer: B

Exp: The Inter Tropical Convergence Zone (ITCZ) is a broad trough of low pressure in equatorial latitudes. The Inter Tropical Convergence Zone, or ITCZ, is a belt of low pressure which circles the Earth generally near the equator where the trade winds of the Northern and Southern Hemispheres come together. It is characterized by convective activity which generates often vigorous thunderstorms over large areas.

Q47. What do you understand by Ricardian Equivalence?

- A. It means that investments made by companies increase when either demand or income increases
- B. It means that as real wages increase, real profits decrease because the revenue from the sale of manufactured goods is split between profits and wages
- C. It suggests when a government tries to stimulate an economy by increasing debt-financed government spending, demand remains unchanged.

D. It states that the economic system is automatic, and, when left with substantial freedom, is able to regulate itself.

Answer: C

Exp: Option (a) is about Accelerator Theory

Option (b) is about Ricardo's theories of wages and profits.

Option (d) is theory propagated by Adam Smith in "The Wealth of Nations".

Ricardian equivalence theory states that the public saves its excess money to pay for expected future tax increases that will be used to pay off the debt.

Q48. The Comrade News Paper was published by which of the following nationalist leaders?

A. Mohammad Ali Jinnah

B. Maulana Mohamed Ali

C. Abul Kalam Azad

D. None of the above

Answer: B

Exp: The Comrade was a weekly English-language newspaper that was published and edited by Maulana Mohammad Ali between 1911 and 1914.

Q49. According to Dr. B.R. Ambedkar which of the following Fundamental Right of the Indian Constitution is considered as the 'heart and soul of the Constitution'?

A. Right to Equality

B. Right to Freedom

C. Right Against Exploitation

D. Right to Constitutional Remedies

Answer: D

Exp: Dr. Ambedkar considered the right to constitutional remedies as 'heart and soul of the Constitution'. Article 32 which was referred to "as the very soul of the constitution" by Dr. Ambedkar, provides for constitutional remedies. When any of our rights are violated we can seek remedy through Courts. If it is a Fundamental Right we can directly approach the Supreme Court or the High Court of a State.

Q50. Consider the following statements:

1. Budget deficit always has a positive or a negative value.

2. Primary deficit implies borrowings taken for non-interest payment purpose.

3. Fiscal deficit is nothing but total borrowing requirements of a nation.

4. Revenue receipts of India are always neutralised by revenue expenditure.

Which of the statements given above are correct?

A. 2 and 3 only

B. 1 and 4 only

C. 1, 2 and 3 only

D. 2, 3 and 4 only

Answer: A

Exp: Budget deficit = Total (revenue + capital) receipts - Total (revenue + capital) expenditure = 0. Expenditures are always compensated from receipts or borrowings budget deficit is always zero. Hence statement 1 is incorrect

Fiscal deficit = Budget deficit + borrowings = 0 + borrowings = borrowing requirement.

.....so fiscal deficit is equal to the borrowing requirements of an economy.

Primary deficit = fiscal deficit - borrowings for interest payments...so it indicates borrowings for meeting the actual consumption and investment requirement in the economy.

Hence statements 2 and 3 are correct

- Revenue receipts of India are lower than revenue expenditures and hence they do not

neutralise each other.

Q51. Consider the following:

1. Parent Material
2. Topography
3. Climate
4. Biological Activity
5. Time

Which among the above are factors that control the formation of soils?

- A. 1 and 2 only
- B. 1, 2, 4 and 5 only
- C. 2, 4 and 5 only
- D. 1, 2, 3, 4 and 5

Answer: D

Exp: Soils are formed through the interaction of five major factors: time, climate, parent material, topography and relief, and organisms. The relative influence of each factor varies from place to place, but the combination of all five factors normally determines the kind of soil developing in any given place.

Q52. Consider the following statements:

1. The provision of Directive Principles of State Policy was borrowed from the French Constitution
2. The institution of the Speaker and his role was borrowed from the British Constitution
3. The power of judicial review and independence of the Judiciary was borrowed from the United States Constitution
4. The quasi-federal form of government (a federal system with a strong central government) was borrowed from the Canadian Constitution

Which of the statements given above are correct?

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

Answer: D

Exp: The provision of Directive Principles of State Policy was borrowed from the Irish Constitution. The Directive Principles of State Policy are the guidelines or principles given to the federal institutes governing the state of India, to be kept in citation while framing laws and policies. These provisions, contained in Part IV (Article 36-51) of the Constitution of India, are not enforceable by any court, but the principles laid down therein are considered irrefutable in the governance of the country, making it the duty of the State to apply these principles in making laws to establish a just society in the country. The principles have been inspired by the Directive Principles given in the Constitution of Ireland and relate to social justice, economic welfare, foreign policy, and legal and administrative matters.

Q53. Any sterilisation operation by the RBI will involve

1. Declaration of 100% CRR to reserve all the deposits with the bank in the event of demonetisation.
2. Undertaking open market operations in case of rise in inflation.
3. Sale of government securities to maintain value of rupee in the event of pullout of investments by foreign investors.
4. Purchase of government securities in case of huge FDI inflow.

Which of the statements given above is/are correct?

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

Answer: A

Exp: Sterilization by the RBI is defined as undertaking open market operations by the RBI to prevent the economy from external shocks hence statement 3,4 are correct.

Q54. With reference to the March 1946 Cabinet Mission Plan, consider the following statements:

1. It proposed a two-tier federal plan which was expected to maintain national unity while conceding the largest measure of regional autonomy.
2. Muslim League had rejected the Cabinet Mission Plan and therefore did not join the Interim Cabinet.

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: Both the National Congress and the Muslim League accepted the Cabinet Mission Plan. Cabinet Mission was composed of three Cabinet Ministers of England Sir Pethick Lawrence, Secretary of State for India. Sir Stafford Cripps, President of the Board of Trade, Alexander, and the First Lord of the Admiralty. The Mission arrived on March 24, 1946. The objective of this Mission was to devise a machinery to draw up the Constitution of Independent India and make arrangements for interim Government.

Q55. Consider the following methods:

1. Mulching
2. Rock dam
3. Terrace farming
4. Intercropping
5. Strip cropping

Which among the above methods can be useful for soil conservation?

- A. 1 and 2 only
- B. 1, 2, 4 and 5 only
- C. 2, 4 and 5 only
- D. 1, 2, 3, 4 and 5

Answer: D

Exp: Soil conservation is the preventing of soil loss from erosion or reduced fertility caused by over usage, Soil acidification, salinization or other chemical soil contamination. Techniques for improved soil conservation include crop rotation, cover crops, conservation tillage and planted windbreaks and affect both erosion and fertility.

Q56. Consider the following statements:

1. An increase in human capital is indicated by a high Labour Force Participation Ratio (LFPR).
2. Human development takes place when better education and health opportunities are provided and human capital formation occurs when an individual generates income.
3. With changing structure of workforce participation in India, Human Capital of India has increased.

4. Higher the proportion of economically active population, higher is the Human Capital of a country.

5. India's high Demographic Dividend indicates the need for more Human Capital generation.

Which of the statement given above is/are correct?

- A. 1, 4 and 5 only
- B. 1, 2 and 3 only
- C. 3, 4 and 5 only
- D. 3 and 5 only

Answer: D

Exp: Though a country has high LFPR it may have low human capital because its workforce has low skills and poor health. Hence statement 1 is incorrect. Human development and Human Capital formation includes providing better education and health opportunities. Thus in statement 2 definition of human capital formation is incorrect. Thus, statement 2 is incorrect.

With a change in the structure of workforce participation, the number of people engaged in high skill requiring jobs (eg - IT professionals) has increased. Hence, Human capital has also improved. Thus, statement 3 is correct.

Human Capital formation involves improving the productive capacity of individuals by improving their skills and health. Hence, even though there may be high economically active population most of them can be in casual jobs which does not imply an improvement in Human Capital. Thus, statement 4 is incorrect.

India needs to improve its Human Capital to convert its demographic explosion into demographic dividend and not a demographic disaster.

Q57. With reference to 'the Objectives Resolution', which of the statements given below is/are correct?

- 1. The Objectives Resolution encapsulated the aspirations and values behind the Constitution.
- 2. On 13 December, 1946, Dr. B.R. Ambedkar moved the Objectives Resolution.

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: Pt. Jawaharlal Nehru introduced the 'Objective Resolution' in the Constituent Assembly on December 13, 1946. This Resolution as accepted by the Constituent Assembly forms the basis of the Indian political system. It guided the Constitution making process.

Q58. Which of the following was one of the main ideas in Keynes's "The General Theory of Employment, Interest and Money"?

- A. He gave idea of the invisible hand i.e. the tendency of free markets to regulate themselves by means of competition, supply and demand, and self-interest.
- B. He said that all actors, at all times, can mutually benefit from cooperation and voluntary trade.
- C. He argues that state should lead in investment in innovation.
- D. The Government fiscal policy should be used to stabilize the level of output and employment, through autonomous investment.

Answer: D

Exp: Option (a) - "The Theory of Moral Sentiments" Adam Smith proposed this idea.

Option (b) - It is Ricardo's 'Comparative Advantage' theory

Option (c) - It was argued by Mariana Mazzucato in "The Entrepreneurial State"

Q59. Consider the following crops:

1. Moong and Gram are drought resistant crops.
 2. Sugarcane and Guar are water intensive crops.
 3. Watermelons and Cucumbers are the example of Zaid crops.
- Which of the statements given above is/are correct?

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

Answer: C

Exp: Guar is a drought resistant crop. Drought tolerance refers to the degree to which a plant is adapted to arid or drought conditions. Desiccation tolerance is an extreme degree of drought tolerance. Plants naturally adapted to dry conditions are called xerophytes.

Q60. Consider the following statements:

1. Many retail shop workers have become unemployed with the rise of e-commerce, this is an example of frictional unemployment.
 2. Proportion of self employed people is high in rural India.
 3. While (Labour Force Participation Rate) LFPR is high in rural areas, women LFPR is high in urban areas.
 4. Employment elasticity of growth has declined in India.
- Which of the statements given above are NOT correct?

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

Answer: A

Exp: Statement 1 describes an example of structural unemployment which results due to technological change rather than fluctuation in supply and demand. Hence, statement 1 is incorrect.

Many people in rural areas work on their own lands, hence proportion of self employed is high in rural areas. Hence, statement 2 is correct.

Women LFPR is high in rural areas as more women in rural areas are engaged in agricultural and casual wage employment from very young age due to poverty. Hence, statement 3 is incorrect

Statement 4 is correct, as India is witnessing jobless growth. Employment elasticity indicates the ability of economy to generate jobs with 1% growth in economy. Hence, statement 4 is correct.

Q61. Consider the following statements:

1. The Vijayanagara kingdom was founded by Harihara and Bukka.
2. The battle of Bannihatti is considered to mark the end of the great age of Vijayanagara kingdom.

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 Vijayanagara Empire was based in the Deccan Plateau region in South India. It was established in 1336 by Harihara I and his brother Bukka Raya I of Sangama Dynasty. Two brothers Harihara (Hakka) I and Bukka Raya laid the foundation of the Vijaynagara city, which was on the South bank of Tungabhadra River near Anegudi Fortress. They were also known as

Sangama brothers. Vijaynagara Empire consolidated under Harihara I and began to expand and prosper under Bukka Raya which was more defensible and secure for its location between 14th and 16th century.

Q62. The Indian Constitution mandates that the Indian State be secular. According to the Constitution, only a secular State can realize its objectives by ensuring which of the following:

1. One religious community does not dominate another.
2. Some members do not dominate other members of the same religious community.
3. State should not enforce any particular religion nor take away the religious freedom of individuals.

Which of the statements given above is/are correct?

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

Answer: D

Exp: Secularism in India means equal treatment of all religions by the state. With the 42nd Amendment of the Constitution of India enacted in 1976, the Preamble to the Constitution asserted that India is a secular nation. However, neither India's constitution nor its laws define the relationship between religion and the State.

Q63. Consider the following statements:

1. Nominal Effective Exchange Rate (NEER) is the weighted average of nominal exchange rates, adjusted for inflation.
2. Real Effective Exchange Rate (REER) is the unadjusted weighted average rate at which one country's currency exchanges for a basket of multiple foreign currencies.

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 definitions have been interchanged.

NEER is the weighted average of bilateral nominal exchange rates of the home currency in terms of foreign currencies.

REER is the weighted average of nominal exchange rates, adjusted for inflation.

Q64. Consider the following statements:

1. Most of the petroleum deposits in India are found in the metamorphic rocks.
2. Most of the metallic minerals in India occur in the peninsular plateau.

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: Petroleum deposits in India are found in the sedimentary rocks on the Western and Eastern flanks of peninsula. Sedimentary rocks are types of rock that are formed by the deposition and subsequent cementation of that material at the Earth's surface and within bodies of water. Sedimentation is the collective name for processes that cause mineral and/or organic particles (detritus) to settle in place.

Q65. Consider the following statements related to a unique agrarian ecosystem:

1. It is known for farming below sea level.
2. It is called the rice bowl of its State.
3. Four major rivers flow to this region.
4. It is an example of a rare wetland.
5. There is a Ramsar site near to this agrarian ecosystem.
6. It is recognised as a Globally Important Agricultural Heritage Systems (GIAHS).

Which of the agrarian ecosystem is being referred to?

- A. Koraput
- B. Kuttanad
- C. Kalalundi
- D. Kayathar

Answer: B

Exp: Kuttanad Wetland Agriculture System is unique as it is the only system in India that favours rice cultivation below sea level in the land created by draining delta swamps in brackish waters. This system also allows fisheries system, livestock and home garden to be grown. The below sea-level farming is an approach to cope with the imminent climate impacts in coastal areas and evolve efficient methods to deal with soil and pest-related issues in agriculture. Noted for its farming below sea level (about 4 to 10 feet) the land of Kuttanad possesses a socio-cultural fabric of its own. Four major rivers in Kerala viz. Pampa, Meenachil, Achankovil and Manimala flow into the region. The most popular route taken to get close and explore *Kuttanad* is the *Alappuzha-Changanasserry* road. Vembanad wetland, Ramsar site of Kerala, is near to Kuttanad. It has been recognised as Globally Important Agricultural Heritage system (GIAHS) by the FAO.

Q66. Consider the following description of a biome:

1. It is characterised by rainy and dry seasons.
2. The isolated trees in this biome have cork-like bark outer coating to withstand fire damage.
3. Fork-tailed drongos are found in this biome.
4. This biome is also called Serengeti type biome.

Which biome is being described above?

- A. Tropical rain forest
- B. Savanna
- C. Temperate deciduous forest
- D. Boreal forest

Answer: B

Exp: Savannas are sometimes classified as forests. The predominant vegetation consists of grasses and forbs (small broad-leaved plants that grow with grasses). Different savannas support different grasses due to disparities in rainfall and soil conditions. Because the savanna supports such a large number of species competing for living space, usually only one or a few kinds of grass are more successful than the others in a particular area. Deciduous trees and shrubs are scattered across the open landscape. One type of savanna common in southwestern Kenya, Tanzania, and Uganda, known as grouped-tree grassland, has trees growing only on termite mounds—the intervening soil being too thin or poorly drained to support the growth of trees at all. Frequent fires and large grazing mammals kill seedlings, thus keeping the density of trees and shrubs low. Savannas receive an average annual rainfall of 76.2-101.6 cm (30-40 inches). However, certain savannas can receive as little as 15.24 cm (6 inches) or as much as 25.4 cm (10 inches) of rain a year. Savanna has both a dry and a rainy season. Seasonal fires play a vital role in the savanna's biodiversity.

Q67. Which of the statements given below is/are correct about the ocean biome?

1. Open Ocean is one of the least productive ecosystems on the Earth.
2. Cold corals are more abundant and found only in polar region.
3. Corals can be planktons, nektons and benthos.
4. The coral bleaching is seen in cold corals.

Select the correct answer using the code given below:

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

Answer: A

Exp: Ocean water is not as mineral rich as the land. Minerals are essential for photosynthesis and primary productivity of oceans is less. Cold water coral are found up to 6,000m (20,000ft) below the ocean's surface, where the water is icy cold and the light dim or absent. In fact, scientists have discovered nearly as many species of deep-sea corals as shallow-water species. Like shallow-water corals, deep-sea corals may exist as individual coral polyps, as diversely-shaped colonies containing many polyps of the same species, and as reefs with many colonies made up of one or more species. Unlike shallow-water corals, however, deep-sea corals don't need sunlight. They obtain the energy and nutrients they need to survive by trapping tiny organisms in passing currents. Cold water corals are found in all oceans. These corals do not have symbiotic association with marine algae zoo-xanthealle and not affected by coral bleaching.

Q68. Which of the following pairs is/are correct?

	Species seen in the news		Ecological term to describe the species
1.	Dugong	:	Keystone Species
2.	Red Sanders	:	Threatened Species
3.	Gharial	:	Edge Species

Select the correct answer using the code given below:

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

Answer: D

Exp: Dugong dugong (sea cow) is a herbivorous mammal living in sea grass bed. Dugong maintains ecosystem balance as keystone species and plays significant role in modifying its sea grass bed ecosystem for other species to survive.

Red sanders are endemic to Andhra Pradesh and is an endangered plant species of India. It has been listed in the IUCN Red Data Book as well as in CITES as threatened species.

Edge Species are found most abundantly in ecotone boundary. Gharial (*Gavialis gangeticus*) is an edge species and found in the transition/ecotone boundary between river and sand banks.

Q69. Consider the following statements about biotic interactions seen in marine turtles:

1. Olive Ridley turtle has symbiotic relationship with sea weeds.
2. Leatherback turtles are herbivorous.

3. Green turtles and sea cows show commensalism.

Which of the above statements is/are *incorrect*?

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

Answer: D

Exp: Olive Ridley marine turtle has no symbiotic relation with sea weeds. Leatherback marine turtles are carnivores and feed on jelly fish. Sea cow or dugong as keystone species help provide suitable habitat to green turtles. There is no commensalism between sea cow and green turtle.

Q70. Which of these pairs related to Ramsar Sites recently seen in news is/are *incorrect*?

	Ramsar Site		Endangered Species
1.	Loktak Lake	:	Sangai
2.	Tso Moriri	:	Kiang
3.	Deepor Beel	:	Hoolock Gibbon

Select the correct answer using the code given below:

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

Answer: D

Exp: Loktak lake is the Ramsar site of India and also included in the Montreaux record under the convention. Loktak lake has a unique floating park named Keibul Lamjao national park which is home of Sangai, brow-antelored deer, state bird of Manipur. It is also a birder's paradise. The most commonly sighted birds in the region include black kite, northern hill myna, East Himalayan pied kingfisher, lesser skylark, lesser eastern jungle crow, Burmese pied myna, and more. The lake is now endangered, with innumerable threats like pollution, decline in diversity of avifauna and thinning of *phumdis*. All this, in turn, threatens the Sangai deer.

Famous for the large herds of *kiang*, or wild ass, which graze on its shores, the lake of Tso Moriri, 210km southeast of Leh, lies in the sparsely populated region of Rupshu. Nestling in a wide valley flanked by some of the highest peaks in Ladakh – Lungser Kangri (6666m) and Chanmser Kangri (6622m) – the 20km-long lake is home to flocks of migratory *nanpa* or bar-headed geese, as well as occasional herds of pashmina goats and camps of nomadic herders.

Situated amidst lush greenery sprinkled with sparkling water bodies, Deepor Beel (beel means large aquatic body in Assamese) is an extensive wetland formed by a channel of Brahmaputra River. The only major storm water storage basin for the Guwahati city, it is located in Kamrup district, Assam. One of the largest and most important beels in the Brahmaputra valley of lower Assam, it is a representative wetland found within the bio geographic province, 'Burma Monsoon Forest'. Deepor Beel has also been designated as a Ramsar site in November 2002. Previously, this wetland was once 40 kilometres, but today its area has been limited to only 20 kilometres and the core area is 4.14 kilometres which notified as Deepor Beel Bird Sanctuary with the Rani Forest of Tripura on one side. Besides its rich avi fauna, the sanctuary is ideal for an encounter with other wildlife including hoolock gibbons, the only ape species in Indian subcontinent.

Q71. Which of the following pairs is/are correct?

	Term		Convention
1.	Aichi Targets	:	UNCCD
2.	SDGs	:	CBD
3.	CDM	:	UNFCCC

Select the correct answer using the code given below:

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

Answer: C

Exp: Twenty biodiversity Aichi targets were adopted during the Nagoya summit held in Japan in 2010 under the Convention on Biological Diversity (CBD).

17 Sustainable Development Goals (SDGs) were adopted by the UN General Assembly after the Rio+20 conference held in 2012. The Clean Development Mechanism (CDM) is one of three carbon market mechanism under the Kyoto protocol of the UNFCCC. The other two are carbon credit system and joint implementation.

Q72. In recent times marine biodiversity is being threatened by natural and anthropogenic factors. Consider the following statements about marine biodiversity:

1. Corals are found in pelagic and benthic zones of ocean biome.
2. Hope Spots are primarily coral reef ecosystems.
3. Cold corals are colourless and found in Antarctic Ocean.
4. Coral bleaching is caused by El Nino and La Nina.
5. Hotspots are both terrestrial and marine ecosystems selected for conservation by the UNESCO.

Which of the above statements are correct?

- A. 1 and 2 only
- B. 2, 3 and 4 only
- C. 1, 3 and 4 only
- D. 1, 2, 3, 4 and 5

Answer: A

Exp: There are two types of corals found worldwide – warm water corals and cold water corals. Warm water corals are found in the sunlit pelagic zone of the oceans while cold water corals are found in deeper waters of the benthic zone of the oceans. Hope spots declared by the Mission Blue organisation and the IUCN are underwater habitats in oceans rich in biodiversity and are critical to health of oceans. Most of these areas are coral reef ecosystems. Though cold corals are colourless but they are distributed all throughout the oceans of the world. Coral bleaching of warm water corals is due to global warming, ocean acidification and El Nino effect and not La Nina. Hotspots are terrestrial areas with forests which can also include coastal areas but not marine waters. These biogeographic areas are declared based on endemic varieties of vascular plants.

Q73. Which of the statements given below is/are correct about biodiversity?

1. Biodiversity map is primarily based on alpha, beta and gamma diversities.
2. India is one among 15 Megadiverse countries of the world.
3. India has 3 biodiversity hotspots but no hope spots.
4. Aichi targets seen in news have been recently included within National Action Plan on Climate Change (NAPCC).

Select the correct answer using the code given below:

- A. 1 and 2 only

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

Answer: D

Exp: Biodiversity mapping is based on two important concepts of richness and evenness. There are different indices used by ecologists to do measurements of biodiversity richness. One such indices are alpha, beta and gamma diversities. There are others like Simpson's also used for measurements. India is one among 17 Megadiverse countries in the world. India comes within 4 global biodiversity hotspots such as western ghats, Himalayas, Indo-Burma and Sundaland. India has two hope spots such as Andaman & Nicobar Islands and Lakshadweep Islands. 20 Aichi targets within five main strategic goals have been incorporated in the revised national action plan on biodiversity.

Q74. Consider the following description about a threatened species of India:

1. It is a migratory species.
2. It is listed as vulnerable in IUCN list.
3. It is found in all tropical and sub-tropical areas.
4. It grows to 2 meters and weighs as much as 900 kilograms.
5. It is guided by the Earth's geo-magnetism and migrates more than 10,000 kilometres for breeding.
6. It comes for breeding to islands and coastal areas.

The species described above is:

- A. Great one-horned Rhino
- B. Olive Ridley turtle
- C. Great Indian Bustard
- D. Leatherback turtle

Answer: D

Exp: Leatherback turtles are the largest of living sea turtles, growing up to 2 metres and weighing as much as 900 kg. Guided by the Earth's geomagnetic field to navigate, leatherback turtles can migrate more than 10,000 kilometres across oceans from breeding to feeding grounds. Leatherbacks dive deep into cold anaerobic waters (as deep as 1200 metres) and range into sub-arctic waters making them the most widely ranging among sea turtles. Leatherback turtles are adapted to a diet predominated by soft-bodied animals like the hydromedusae. These turtles are carnivores. Migration patterns of leatherback turtles seem to follow thermal fronts and oceanic gyres, seeking areas of high productivity for soft-bodied invertebrates. They are found nesting in the Andaman & Nicobar islands in an interval of 2-3 years.

Q75. Which of the statements given below is/are correct about environmental initiatives undertaken by India?

1. India is the first country in the world to have made provisions for the protection and conservation of environment in its Constitution.
2. The National Biodiversity Authority was constituted under the Wildlife (Protection) Act, 1972.
3. India is implementing provisions of Cartagena Protocol through the working of the Genetic Engineering Appraisal Committee (GEAC).

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: C

Exp: India is the first country in the world to have made provisions for the protection and conservation of environment in its Constitution. In the Constitution of India it is clearly stated that it is the duty of the State to 'protect and improve the environment and to safeguard the forests and wildlife of the country'. It imposes a duty on every citizen 'to protect and improve the natural environment including forests, lakes, rivers, and wildlife'. Reference to the environment has also been made in the Directive Principles of State Policy as well as the Fundamental Rights. The Department of Environment was established in India in 1980 to ensure a healthy environment for the country. This later became the Ministry of Environment and Forests in 1985. The National Biodiversity Authority (NBA) was established in 2003 under the Biodiversity Act, 2002. The Genetic Engineering Appraisal Committee (GEAC) has been established to implement bio-safety guidelines related to the GM varieties before environmental release as per the Cartagena Protocol on Bio-safety under the UN CBD.

Q76. Which of the statements given below is/are correct about the Ministry of Environment, Forest and Climate Change (MOEFCC)?

1. The Ministry is implementing India's Integrated Coastal Zone Management project with World Bank assistance.
2. The Ministry prepared the National Biodiversity Action Plan which was approved in 2008 with 20 national targets on biodiversity.
3. The Ministry joined United Nations Development Programme (UNDP) managed global initiative on Biodiversity Finance Initiative (BIOFIN) in 2015.

Select the correct answer using the code given below:

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

Answer: C

Exp: The objective of the Integrated Coastal Zone Management Project is to assist Government of India in building national capacity for implementation of comprehensive coastal management approach in the country, and piloting the integrated coastal zone management approach in states of Gujarat, Odisha and West Bengal with the assistance of the World Bank. These 20 national targets under the NBAP are based on Aichi Biodiversity Targets. BIOFIN (Biodiversity Finance Initiative) is a global partnership under the UNDP addressing the biodiversity finance challenge in a comprehensive manner. The Initiative provides an innovative methodology enabling countries to measure their current biodiversity expenditures, assess their financial needs in the medium term and identify the most suitable finance solutions to bridge their national biodiversity finance gaps.

Q77. Which of the following pairs is/are *incorrect*?

	Protected Area	:	State
1.	Lemru Elephant Reserve	:	Nagaland
2.	Kawal Tiger Reserve	:	Telangana
3.	Rudrasagar Wetland	:	Tripura

Select the correct answer using the code given below:

- A. 1 and 2 only

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

Answer: B

Exp: Lemur elephant reserve is located in Korba district of Chhattisgarh. Kawal tiger reserve is located in Adilabad district of Telangana. Rudrasagar lake, Ramsar site of India, is located about 55 km. away from Agartala near Melaghar with 5.3 Sq. km. water area is a big attraction. The Neermahal Palace is a picturesque fairy-tale royal mansion located in the middle of the Rudrasagar Lake which is 53 km. south of Agartala. The lake witnesses a large number of migratory birds in every winter. Every year a boat race is organized in July/August.

Q78. Which of the following statements is/ are correct about ecological succession?

1. Ecological succession always initiates with formation of new soil.
2. Seral community is formed before climax community in ecological succession.
3. Jhum cultivation carried out by tribes in north-eastern India has resulted into primary ecological succession.
4. Nainital forest fire has resulted into large scale secondary ecological succession.

Select the correct answer using the code given below:

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

Answer: B

Exp: There are two types of ecological succession – Primary and Secondary. Primary ecological succession initiates with new site formation whereas Secondary ecological succession occurs on already existing site. Seral community leads to formation of climax community and seral community comes before the Climax community. Forest clearance activities such as in the shifting cultivation or Jhum cultivation results in secondary succession. Forest fire as disturbance again leads to secondary succession, but such process is slow. Though the forest fire in Nainital has affected the forest there as climax community but it has not led to a rapid secondary succession. The process of change in any ecosystem after disturbance is slow.

Q79. Which of the following processes related to cycling of nutrients in ecosystems is/are correct?

1. Kokkare Bellur in Karnataka is a community reserve of India and is related to phosphorus cycle.
2. Ocean is the lowest carbon sink in the carbon cycle.
3. Decomposition of Sulphur containing amino acids releases hydrogen sulphide gas to atmosphere.
4. Guano bird droppings contain phosphorus.

Select the correct answer using the code given below:

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

Answer: B

Exp: Kokkare Bellur in Mandya district of Karnataka has been notified as community reserve for bird conservation. Sea birds such as Guanoses visiting the village deposit bird droppings rich in phosphorus which villagers use as manure. Oceans have higher carbon sequestration through the diffusion process in the carbon cycle. Amino acid such as Cysteine contains Sulphur and

hydrogen sulphide gas is released due to decomposition of organic matter containing such amino acid.

Q80. Consider the following statements:

1. Bharat Ratna is awarded for exceptional work in the advancement of art, literature and science or in recognition of public service of highest order.
2. These awards have been given regularly without any discontinuation since 1954 every year on 26th January by the Prime Minister.

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 Bharat Ratna awards were discontinued in 1977 by the Janta government but revived in 1980 by the Congress government. They are awarded every year by the President of India.

Q81. Consider the following statements:

1. Blocking, heave and smash are terms associated with tennis.
2. Caddie, niblick and birdie are terms associated with golf.
3. Cannon, pot scratch and short jenny are terms associated with Billiards.

Which of the statements given above is/are correct?

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

Answer: C

Exp: Blocking, heave and smash are associated with Volleyball.

Q82. Consider the following statements:

1. The ratio of width of the National Flag (the tricolour) to its length is 3:2.
2. The Flag was adopted by the constituent Assembly on 22nd July, 1947.

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 width:length ratio 2:3.

Q83. Consider the following statements:

1. The State Emblem was adopted by the Constituent Assembly on 26th January, 1950.
2. The original emblem has four lions, elephant, horse, cow and a lion separated by intervening wheels over a bell shaped lotus.

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 Emblem was adopted by the Government of India. The Emblem has a bull and not a cow.

Q84. Consider the following statements:

1. National calendar is based on Saka Era with Chaitra as the first month.
2. India's National fruit, Mango is rich in Vitamins A, C and D.

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: None

Q85. Consider the following statements:

1. Indian currency symbol was designed by D. Udai Kumar.
2. The design was chosen by the RBI from thousands of entries through an open competition.

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 design was chosen by the Ministry of Finance.

Q86. Which of the following constitute core elements of the Heritage City Development and Augmentation Yojana (HRIDAY)?

1. Urban Planning
2. Economic Growth
3. Heritage Conservation
4. Safety and Security of tourists
5. Cleanliness of identified cities

Select the correct answer using the code given below:

- A. 1, 2 and 3 only
- B. 2, 3 and 4 only
- C. 4 and 5 only
- D. 3 and 5 only

Answer: A

Exp: Safety and security of tourists, cleanliness, livelihood and skills are focus areas while options (1), (2) and (3) are the core elements of HRIDAY.

Q87. Consider the following statements regarding Kasturba Gandhi Balika Vidyalaya Scheme:

1. The scheme intends to set up residential schools for girls belonging to minority communities only.
2. The scheme is implemented in identified Educationally Backward Districts in the country.
3. The scheme was merged with Sarva Shiksha Abhiyan as a sub-component of the Abhiyan.

Which of the statements given above is/are correct?

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

Answer: D

Exp: The Kasturba Gandhi Balika Vidyalaya scheme is for SC, ST, OBC and minority girls and is implemented in identified Educationally Backward Blocks, not districts.

Q88. Consider the following statements:

1. The aim of Rashtriya Avishkar Abhiyan is to create interest among school going students in mathematics and language development.
2. "Udaan" is an on-line self-review tool for schools affiliated to the CBSE allowing schools to identify areas of improvement in students and the curriculum.

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: Rashtriya Avishkar Abhiyan aims to create interest among students from Class 1 to Class 12 in sciences. Udaan seeks development of girl child education.

Q89. Which of the statements given below pertain to the goals of the National Health Policy, 2017?

1. Raising public health expenditure to 2.5% of the GDP in a time bound manner.
2. The policy seeks to strengthen health, surveillance system and establish registries for diseases of public importance by 2020.
3. It aims to establish a National Digital Health Authority.

Select the correct answer using the code given below:

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

Answer: D

Exp: None

Q90. Match List-I with List-II and select the correct answer using the code given below:

	List-I (Organisation)		List-II (Associated convention/ Person/ Place/ HQ)
A.	Amnesty International (AI)	1.	Viskuli
B.	Commonwealth of Independent States (CIS)	2.	Paris
C.	Danube Commission	3.	Peter Benenson
D.	European Space Agency	4.	Belgrade Convention

- A. 3:a 1:b 4:c 2:d
- B. 4:a 2:b 3:c 1:d
- C. 3:a 2:b 4:c 1:d
- D. 4:a 1:b 3:c 2:d

Answer: A

Exp: AI was founded by Peter Benenson in 1961.

- Danube Commission was established in 1948.
- Viskuli was the place in 1991 where leaders of Belarus, Ukraine and Russia established CISS.

Q91. Which of the following is/are an aid in furthering the government's objective of inclusive growth?

1. Promoting Self Help Groups
2. Promoting Micro, Small and Medium Enterprises
3. Implementing the Right to Education Act.

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: D

Exp: None

Q92. Which of the scheme given below intends to create jobs in agriculture as part of its overall strategy?

- A. National Food Security Mission
- B. Rashtriya Krishi Vikas Yojana
- C. Paramparagat Krishi Vikas Yojana
- D. Soil Health Card Scheme

Answer: A

Exp: The strategy is Area Expansion.

Q93. With reference to Economic Survey 2016-17, consider the following statements regarding trade to GDP ratio:

1. Larger countries tend to trade more within their boundaries because of presence of large internal markets.
 2. India's trade-to-GDP ratio has been decreasing very sharply and China has surpassed 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: A

Exp: The trade-to-GDP ratio is an indicator of the relative importance of international trade in the economy of a country. It is calculated by dividing the aggregate value of imports and exports over a period by the gross domestic product for the same period.

Economic survey 2016-17 in order to measure Country's progress

It used **four standard measures** which indicate India's progress they are both qualitative and measurable:

- Openness to trade
- Open to foreign capital
- Public sector enterprises:
- The share of government expenditure in overall spending

In relation to Openness to trade generally Larger countries tend to trade more within its boundaries because of presence of large internal markets.

But, in India's case trade-to-GDP ratio has been rising very sharply and has now surpassed China.

Q94. In the aftermath of Independence, consider the following statements regarding Indian Economy:

1. After independence, the guiding principle for Indian Economy was nationalism and protectionism. This framework was rejected after 1991.
2. After the sixth five year plan, strongly backed by policy reforms, India's growth performance has been robust.

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

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

Answer: D

Exp: Since about 1980 (sixth five year plan from 1980-85), backed by policy reforms, India's growth performance has been robust

After independence, the guiding principle for Indian Economy was nationalism and protectionism. This framework was rejected after 1991.

Q95. Consider a series of efforts taken by the government to curb illicit activities before demonetization:

1. Creation of the Special Investigative Team (SIT) in the 2014 budget
2. The Black Money and Imposition of Tax Act 2015
3. Benami Transactions Act 2016
4. Information Exchange Agreement with Switzerland
5. Changes in the tax treaties with Mauritius, Cyprus and Singapore
6. The Income Disclosure Scheme.

Which of the statements given above are correct?

- A. 1, 2 and 6 only
- B. 1 and 3 only
- C. 3, 4 and 5 only
- D. 1, 2, 3, 4, 5 and 6

Answer: D

Exp: Before Demonetization a series of efforts taken by govt. to curb illicit activities. They are

- Creation of the Special Investigative Team (SIT) in the 2014 budget;
- The Black Money and Imposition of Tax Act 2015;
- Benami Transactions Act 2016;
- Information exchange agreement with Switzerland;
- Changes in the tax treaties with Mauritius, Cyprus and Singapore; and
- The Income Disclosure Scheme.

Q96. Which of the statements given below is/are true about Insolvency and Bankruptcy Code (IBC), 2016?

1. It override's other existing laws on matters pertaining to insolvency and bankruptcy.
2. Insolvency and Bankruptcy Board of India is under the Ministry of Finance

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: Insolvency and Bankruptcy Code (IBC), 2016

- It override's other existing laws on matters pertaining to Insolvency and Bankruptcy.

- Resolve insolvencies within 180 days. (Extendable up to 270 days) for the Company.
- Debt Recovery Tribunal - Adjudicating authority for individuals.
- National Company Law Tribunal - Adjudicating authority for corporate insolvency.
- Insolvency and Bankruptcy Board of India to exercise regulatory oversight over insolvency professionals, insolvency professional agencies and information utilities.
- Insolvency and Bankruptcy Board of India is under the Ministry of Corporate Affairs (MCA).
- Enabling provisions to deal with cross border insolvency.

Q97. Consider the following statements:

1. Launch of the BHIM (Bharat Interface For Money) app for smart phones and BHIM (Unstructured Supplementary Service Data) USSD 2.0 for phone users
2. Reduction in fees (Merchant Discount Rate) paid on digital transactions and transactions that use the Unified Payments Interface (UPI).
3. Encouraging the adoption of point of sale (POS) devices though tariff reductions.

Select the correct answer using the code given below:

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

Answer: D

Exp: Steps to facilitate and incentivize the move to a digital economy:

- Launch of the BHIM (Bharat Interface For Money) app for smartphones and BHIM USSD 2.0 for phone users
- Launch of Aadhaar Merchant Pay, aimed at the 350 million who do not have phones.
- Reductions in fees (Merchant Discount Rate) paid on digital transactions and transactions that use the UPI.
- Encouraging the adoption of point of sale (POS) devices though tariff reductions.

Q98. Demonetisation is potentially:

1. An aggregate demand shock because cash is a necessary input for economic activity.
2. An aggregate supply shock because it reduces the supply of money and affects public wealth.
3. An uncertainty shock because economic agents face uncertainty in decision making.

Which of the statements given above is/are correct?

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

Answer: C

Exp: Demonetisation is potentially:

- ❖ An aggregate demand shock, because it reduces the supply of money and affects private wealth.

Impact on informal economy: informal economy depends heavily on bank notes for its transactions and there have been reports of job losses, declines in farm incomes, and social disruption.

Impact on formal economy: little direct impact on the formal economy, which depends instead on the banking system, where liquidity has actually improved.

- ❖ An aggregate supply shock to the extent that cash is a necessary input for economic activity (for example if agricultural producers require cash to pay labour)
 - If cash and other forms are substitutable, the impact will be relatively muted;

- If cash is not substitutable the impact will be greater.
- ❖ An uncertainty shock because economic agents face uncertainty in decision making:
 - Uncertainty caused consumers to postpone purchases and firms to put off investments in the third quarter.
 - There was clearly a wealth shock in the initial months, as cash assets were turned into the banks.

Q99. The term Loan ever greening sometimes seen in news is related to?

- A. In this, the Government lends money to the firms to pay their interest obligations until their conditions improve.
- B. In this, the banks lend money to the Government to pay their interest obligations until their conditions improve.
- C. In this, the banks lend money to the firms to pay their interest obligations until their conditions improve.
- D. In this, the banks lend money to the SC/ST's to pay their interest obligations until their conditions improve.

Answer: C

Exp: Loan ever greening

In this, the banks lend money to the firms to pay their interest obligations until their conditions improve.

Also called a "standing" or "revolving loan"

Q100. "Despite monetary easing, the Advanced Economies have not recovered as expected, therefore focus is shifting to fiscal policy (FP) to recover economies". This paradigm shift is because:

1. Fiscal policy can legitimately be used for a countercyclical policy.
2. It is effective in increasing the GDP and thus will lead to significant increase in tax revenues.

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: Despite monetary easing, the AEs have not recovered as expected.

Therefore focus is shifting to fiscal policy (FP) to recover economies.

there has been a paradigm shift because

- Fiscal policy can legitimately be used for a countercyclical policy.
- It is particularly effective when monetary policy is at the zero lower bound, because at that point multipliers are large.
- It is effective in increasing the GDP and thus will lead to significant increase in tax revenues.

So, the FP is now promoting fiscal deficits (FD) rather than being concerned about debts thus moving towards Fiscal Activism.