

Q1.

Answer: c

Explanation:

- Article 154 of the Indian Constitution states that the executive power of the State shall be vested in the Governor and shall be exercised by him either directly or through officers subordinate to him in accordance with this Constitution. So, statement 1 is correct.
- The Governor has constitutional discretion in the cases such as:
  - Reservation of a bill for the consideration of the President. So, statement 2 is correct.
  - Recommendation for the imposition of the President's Rule in the state.
  - While exercising his functions as the administrator of an adjoining union territory (in case of additional charge).

Therefore, option (c) is the correct answer.

Q2.

Answer: b

Explanation:

- Under Article 82 of the Indian Constitution, the Parliament by law enacts a Delimitation Act after every census.
- Population is the basis of allocation of seats of the Lok Sabha. As far as possible, every State gets representation in the Lok Sabha in proportion to its population as per census figures.

Therefore, option (b) is the correct answer.

Q3.

Answer: d

Explanation:

- India follows a bicameral system at both the center and state levels. Under this system, the State's Legislature is divided into two parts - Legislative Assembly or Vidhan Sabha and Legislative Council or Vidhan Parishad.
- But most of the states have a unicameral system, while others have a bicameral system. At present, only six states have two Houses (bicameral). These are Andhra Pradesh, Telangana, Uttar Pradesh, Bihar, Maharashtra and Karnataka. The Jammu and Kashmir Legislative Council was abolished by the Jammu and Kashmir Reorganization Act, 2019. Madhya Pradesh and Tamil Nadu do not have a bicameral legislature. So, points 1, 3 and 4 are correct and points 2 and 5 are not correct.
- Such Councils are formed or abolished by the use of Article 169 of the Constitution of India.

Therefore, option (d) is the correct answer.

Q4.

Answer: b

Explanation:

- A resolution is one of the procedural devices to raise a discussion in the House of the Parliament on a matter of general public interest. Every question when agreed to becomes either an order or a resolution of the House.
- Resolutions are different from the Motion in the following respect:
  - All the resolutions come in the category of substantive motions, that is, every resolution is a particular type of motion. All the motions need not necessarily be substantive. Thus all resolutions are motions but not all motions are resolutions. So, statement 1 is not correct.

- All the motions are not necessarily put to vote in the House, whereas **all the resolutions are required to be voted upon. So, statement 2 is correct.**
- Resolutions may be classified as:
  - **Government Resolutions:** Resolution which was moved by a Minister.
  - **Private member's Resolution:** Resolutions that are moved by a member other than Ministers.
  - **Statutory Resolutions:** Resolutions that are moved in pursuance of a **provision in the Constitution or an Act of Parliament** are termed statutory resolutions. Notice of such resolution may be given either by a Minister or by a Private member. **So, statement 3 is not correct.**

Therefore, option (b) is the correct answer.

Q5.

Answer: d

Explanation:

- **Fourth Schedule** of the Indian Constitution provides for allocation of seats to the Council of States or **Rajya Sabha** and not **Lok Sabha**. **So, statement 1 is not correct.**
- At present, the **Rajya Sabha** has representatives from only three **Union Territories** (i.e., **Delhi (3), Puducherry (1) and Jammu and Kashmir (4)**). Where as in **Lok Sabha** there can be a maximum of 20 members. *All the Union Territories have representation in Lok Sabha* (i.e., Andaman and Nicobar Islands, Lakshwadweep, Ladakh, Puducherry and Chandigarh all have been allotted 1 seat each; Dadra and Nagar Haveli and Daman and Diu have 2, Jammu and Kashmir has been allotted 5 and NCT of Delhi has 7 seats allotted). **So, statement 2 is not correct.**

Therefore, option (d) is the correct answer.

Q6.

Answer: d

Explanation:

In the following matters, the powers and status of the Legislative Council of the State are broadly equal to that of the State Legislative Assembly:

- **Selection of ministers including the Chief Minister.** Under the Constitution, the ministers including the Chief Minister can be members of either House of the State Legislature.
- **Approval of ordinances** issued by the Governor. **So, point 3 is correct.**
- **Enlargement of the jurisdiction** of the State Public Service Commission. **So, point 4 is correct.**

In the following matters, the powers and status of the Legislative Council of the State are unequal to that of the State Legislative Assembly:

- A **Money Bill** can be introduced only in the Assembly and not in the Council. **So, point 1 is not correct.**
- The **final power of passing an ordinary bill** also lies with the Assembly. At most, the Council can detain or delay the bill for the **period of four months**—three months in the first instance and one month in the second instance.
- The council **cannot remove the Council of Ministers** by passing a no-confidence motion. **So, point 2 is not correct.**

Therefore, option (d) is the correct answer.

Q7.

Answer: b

**Explanation:**

The institutions of Urban Local Government originated and developed in modern India **during the period of British rule**. Some of the major events in this context are as follows:

- In 1688, the first Municipal Corporation in India was set up at **Madras**. **So, statement 1 is not correct.**
- In 1726, Municipal Corporations were set up in Bombay and Calcutta.
- **Lord Mayo's Resolution of 1870** on financial decentralization visualized the development of Local Self-government institutions.
- In 1924, the Cantonments Act was passed by the Central Legislature.
- Under the dyarchical scheme introduced in Provinces by the Government of India Act of 1919, Local Self-government became a transferred subject under the charge of a responsible Indian Minister. Later, the **Government of India Act, 1935** introduced the provincial autonomy scheme. Under this scheme, **Local Self-government was declared a provincial subject**. **So, statement 2 is correct.**

Therefore, option (b) is the correct answer.

Q8.

Answer: c

**Explanation:**

- Under **Article 371 of the Indian Constitution**, the President is authorized to provide that the Governor of Maharashtra and of Gujarat would have special responsibility for the establishment of separate development boards for:
  - Vidarbha, Marathwada and the rest of Maharashtra,
  - **Saurashtra, Kutch and the rest of Gujarat**. **So, statement 1 is correct.**
- Under Article 371-A the Acts of Parliament relating to the following matters would not apply to Nagaland **unless the State Legislative Assembly so decides**:
  - Religious or social practices of the Nagas;
  - Naga customary law and procedure;
  - Administration of civil and criminal justice involving decision according to Naga customary law; and
  - **Ownership and transfer of land** and its resources. **So, statement 2 is correct.**

Therefore, option (c) is the correct answer.

Q9.

Answer: d

**Explanation:**

- Under the **bicameral system** in the State's Legislature, the Legislature is divided into two parts - **Legislative Assembly and Legislative Council**.
- The **Chairperson of the State Legislative Council is elected by the Council itself** from amongst its members. As a Presiding Officer, the powers and functions of the Chairperson in the Council are similar to those of the Speaker in the State Legislative Assembly. **The Governor is not its Chairperson**. **So, statement 1 is not correct.**
- The maximum strength of the Council is fixed at **one-third of the total strength of the Assembly** and the minimum strength is fixed at 40. **So, statement 2 is not correct.**
- The Constitution provides for the abolition or creation of Legislative Councils in States. Accordingly, the **Parliament** (not the State Legislative Assembly) can abolish a Legislative Council or create it, if the **Legislative Assembly of the concerned State passes a resolution** to that effect. Such a specific resolution must be passed by the State Assembly **by a special majority**, that is, a majority of the total membership of the Assembly and a majority of not less than two-thirds of the members of the Assembly present and voting. **So, statement 3 is not correct.**

Therefore, option (d) is the correct answer.

Q10.

Answer: a

Explanation:

- The Cabinet Committees are formed to **sort out issues, formulate proposals for the consideration of the Cabinet**. The Cabinet Committees also have some **decision making power**. However, such decisions can be **reviewed by the Cabinet**. The Cabinet Committees are **extra-constitutional** bodies as they are **not mentioned in the Constitution** of India. However, **Rules of Procedure and Conduct of Business in Lok Sabha** provide for their establishment. **So, statement 1 is correct.**
- They are **set up by the Prime Minister** whenever the situation requires. Their number, nomenclature and composition varies from time to time. They **usually include only the Cabinet Ministers** as members. However, **Non-Cabinet Ministers can also become members** of the committees. In case, the **Prime Minister is a member** of a committee, he **automatically becomes the head** of that committee. **So, statement 2 is correct.**
- At present, there are eight Cabinet Committees in existence:
  - **Appointments Committee** of the Cabinet
  - Cabinet Committee on **Accommodation**
  - Cabinet Committee on **Economic Affairs**
  - Cabinet Committee on **Parliamentary Affairs**
  - Cabinet Committee on **Political Affairs**
  - Cabinet Committee on **Security**
  - Cabinet Committee on **Investment and Growth**
  - Cabinet Committee on **Employment & Skill Development**
- All the committees except **Committees on Accommodation and Parliamentary Affairs** are headed by the Prime Minister. As of July 2022, Cabinet Committee on Accommodation is headed by the **Union Home Minister** while **Cabinet Committee on Parliamentary Affairs** is headed by the **Union Minister of Defence**. **So, statement 3 is not correct.**

Therefore, option (a) is the correct answer.

Q11.

Answer: b

Explanation:

- A member of the Panel of Chairpersons **cannot preside over the House when the office of the Speaker and the Deputy Speaker is vacant**. During such time, the Speaker's duties are to be performed by such members of the House as the President may appoint for the purpose.

Therefore, option (b) is the correct answer.

Q12.

Answer: b

Explanation:

- The ordinary bill can be introduced in **either House of Parliament**. It can be introduced either by a Minister or by a Private Member. Similarly, the **ordinary bill can be introduced in either House of the State Legislature**. It can be introduced either by a Minister or by a Private Member of the State Legislature. **So, statement 1 is not correct.**
- The Constitution of India provides for the mechanism of **joint sitting of two Houses of Parliament** to resolve a deadlock between them over the passage of a Bill. However, there is no Constitutional provision for joint sitting of two Houses of the State Legislature to resolve a deadlock between them over the passage of a Bill. **So,**

statement 2 is correct.

Therefore, option (b) is the correct answer.

Q13.

Answer: d

Explanation:

- The right to vote is **not a Fundamental Right**. It is also **not mentioned under the Part-III of the Constitution**. Article 326 of the Indian Constitution states that the elections to the House of the People and to the Legislative Assembly of every State shall be on the basis of adult suffrage. **So, statement 1 is not correct.**
- As per Rule 18 of the Conduct of Elections Rules, 1961, the electors under preventive detention are entitled to cast their votes by post. **So, statement 2 is not correct.**

Therefore, option (d) is the correct answer.

Q14.

Answer: c

Explanation:

- According to the **Constitution (73rd Amendment) Act, 1992**, all the members of Panchayats at the **village, intermediate and district levels** shall be elected directly by the people. **So, statement 1 is correct.**
- Further, the Chairperson of Panchayats at the intermediate and district levels shall be **elected indirectly by and from amongst the elected members** thereof. However, the chairperson of a Panchayat at the village level shall be elected in such manner as the State Legislature determines. **So, statement 2 is correct.**
- The Chairperson of a Panchayat and other members of a Panchayat **elected directly or indirectly shall have the right to vote** in the meetings of the Panchayats.

Therefore, option (c) is the correct answer.

Q15.

Answer: b

Explanation:

- The Panchayats (Extension to the Scheduled Areas) (PESA) Act, 1996 is a central legislation that extends the provisions of the Panchayats, as given in **Part IX of the Constitution of India, to the Fifth Schedule Areas** with certain modifications and exemptions. **So, statement 1 is not correct.**
  - The States with Fifth Schedule Areas that are covered under PESA are Andhra Pradesh, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh, Maharashtra, Odisha, Rajasthan and Telangana.
- Important provisions of the Act are:
  - All **seats of Chairpersons of Panchayats** at all levels shall be reserved for the Scheduled Tribes. **So, statement 2 is correct.**
  - The reservation for the Scheduled Tribes shall **not be less than one-half** of the total number of seats. **So, statement 3 is not correct.**
  - **Every village shall have a Gram Sabha** consisting of persons whose names are included in the electoral rolls for the Panchayat at the village level.
  - The reservation of seats in the Scheduled Areas in every Panchayat shall be in **proportion to the population of the communities** for whom reservation is sought to be given under Part IX of the Constitution.

Therefore, option (b) is the correct answer.

**Relevance:** Electoral Parties in Gujarat are mentioning about strictly implementing the Panchayat Extension to Scheduled Areas (PESA) Act, 1996.

Q16.

Answer: b

Explanation:

- Privileges of a State Legislature are a **sum of special rights, immunities and exemptions** enjoyed by the Houses of the State Legislature, their committees and their members.
- Privileges of the State Legislature **do not extend to the Governor** who is also an integral part of the State Legislature. The Constitution has extended the privileges of the State Legislature to those persons **who are entitled to speak and take part in the proceedings of a House of the state legislature or any of its committees**. These include **Advocate-General of the State** and State Ministers. **So, statement 1 is not correct.**
- The State Legislature can **punish members as well as outsiders** for breach of its privileges or its contempt by **reprimand, admonition or imprisonment** (also suspension or **expulsion**, in case of members). **So, statement 2 is correct.**
- Some of the privileges belonging to the members of the State Legislature individually are:
  - They cannot be arrested during the **session of the State Legislature** and 40 days before the beginning and 40 days after the end of such a session. This privilege is available **only in civil cases and not in criminal cases** or preventive detention cases.
  - They are **exempted from jury service**. They can refuse to give evidence and appear as a witness in a case pending in a court when the State Legislature is in session. **So, statement 3 is correct.**

Therefore, option (b) is the correct answer.

Q17.

Answer: d

Explanation:

- A session of Parliament consists of many meetings. Each meeting of a day consists of two sittings. A sitting of Parliament can be terminated by adjournment or adjournment sine die or prorogation or dissolution (in the case of the Lok Sabha).
- **Adjournment suspends the work in a sitting for a specified time**, which may be hours, days or weeks. Adjournment **only terminates a sitting and not a session of the House**. Power to adjourn a house lies with the **presiding officer** of the House. **So, statement 1 is correct.**
- Adjournment sine die means terminating a sitting of Parliament for an indefinite period. In other words, when the House is adjourned without naming a day for reassembly, it is called adjournment sine die. The **power of adjournment sine die lies with the presiding officer of the House**. **So, statement 2 is correct.**
- **Prorogation not only terminates a sitting but also a session** of the House. Power to prorogue a session lies with the **President**. The President can prorogue a session **within the next few days** after the House is adjourned sine die, or even **while the House is in session**. **So, statement 3 is correct.**
- **Dissolution ends the very life of the House** and a new House is constituted after the general elections are held. **Rajya Sabha, being a permanent House, is not subjected to dissolution. Only the Lok Sabha is subjected to dissolution**. **So, statement 4 is correct.**
- The dissolution of the Lok Sabha may take place in either of two ways:
  - **Automatic dissolution** takes place on the expiry of its tenure of five years or the term as extended during national emergency.

- **The President is also authorized to dissolve** the Lok Sabha. If the Lok Sabha is dissolved before the completion of its normal tenure, the dissolution is irrevocable.

Therefore, option (d) is the correct answer.

Q18.

Answer: a

Explanation:

The State Legislature may:

- Authorize a municipality to levy, collect and appropriate **taxes, duties, tolls and fees**. **So, statement 1 is correct.**
- Assign to a municipality taxes, duties, tolls and fees levied and collected by the State Government.
- Provide for making **grants-in-aid** to the municipalities from the Consolidated Fund of the State.
- Provide for the **constitution of funds for crediting all money** of the municipalities. **So, statement 2 is not correct.**

Therefore, option (a) is the correct answer.

Q19.

Answer: b

Explanation:

- Under **Article 111** of the Indian Constitution, the President has the veto power over the bills passed by the Parliament, that is, he can withhold his assent to the bills.
- The President of India is vested with three—**absolute veto, suspensive veto and pocket veto**.
- Absolute veto is **withholding of assent** to the bill passed by the legislature. The bill then ends and does not become an Act. **So, pair 1 is correctly matched.**
- Qualified veto can be overridden by the legislature with a **higher majority**. There is **no qualified veto in the case of an Indian President**; it is possessed by the American President. **So, pair 2 is not correctly matched.**
- Suspensive veto can be overridden by the legislature with an **ordinary majority**. **So, pair 3 is not correctly matched.**
- Pocket veto is **taking no action on the bill** passed by the legislature. **So, pair 4 is correctly matched.**

Therefore, option (b) is the correct answer.

Q20.

Answer: b

Explanation:

- Both the National Commission for Scheduled Castes (SCs) and the National Commission for Scheduled Tribes (STs) are **constitutional bodies**. **The 89<sup>th</sup> Constitutional Amendment Act of 2003** bifurcated the combined National Commission for SCs and STs into two separate bodies, namely, National Commission for Scheduled Castes (Article 338) and National Commission for Scheduled Tribes (Article 338-A). **So, point 1 and point 2 are correct.**
- The **National Commission for Minorities (NCM)** is a **statutory body** (not a Constitutional body) setup under the National Commission for Minorities Act, 1992. **So, point 3 is not correct.**
- The **National Commission for Backward Classes** is a **Constitutional body** under Article 338B of the Indian Constitution. It was conferred constitutional status by the **102<sup>nd</sup>**

Amendment Act, 2018. So, point 4 is correct.

- The **National Commission for Women (NCW)** is a **statutory body** established in 1992 under the provisions of the **National Commission for Women Act, 1990**. So, point 5 is not correct.

Therefore, option (b) is the correct answer.

**Relevance:** According to recent reports, the Central government is yet to appoint the Chairperson and members of the ninth National Commission for Backward Classes (NCBC).

Q21.

Answer: a

Explanation:

- **Collective Responsibility of the Council of Ministers** is the fundamental principle underlying the working of the Parliamentary System of Government. According to **Article 75**, the Council of Ministers shall be collectively responsible to the **Lok Sabha and not to the Rajya Sabha**. This means that all the Ministers own joint responsibility to the Lok Sabha for all their acts of omission and commission. The principle of collective responsibility also means that **Cabinet decisions bind all the Cabinet Ministers and other Ministers**. So, statement 1 is correct.
- **Article 75 contains the principle of individual responsibility**. It states that the Ministers hold office during the pleasure of the President, which means that the President can remove a Minister even at a time when the Council of Ministers enjoy confidence in the Lok Sabha. However, the **President removes a Minister only on the advice of the Prime Minister**. So, statement 2 is not correct.
- In India there is **no provision in the Constitution for the system of legal responsibility of a Minister**. It is **not required that an order of the President for a public act should be countersigned by a Minister**. Moreover, the courts are barred from enquiring into the nature of advice rendered by the Ministers to the President. **In Britain, every order of the King for any public act is countersigned by a minister**. If the order is in violation of any law, the minister would be held responsible and would be liable in the court. So, statement 3 is not correct.

Therefore, option (a) is the correct answer.

Q22.

Answer: d

Explanation:

- **Model Code of Conduct (MCC)** is a voluntary agreement among the parties for regulating the conduct of political parties and their members during elections to assemblies and Parliament. The idea of a model code for political parties originated in the State of Kerala, which adopted, for the first time, a code of conduct for observance for political parties during the general election to the State Legislative Assembly in February 1960.
- **Model Code of Conduct comes into operation right from the time and day the election schedule is announced by the Election Commission of India** and remains in force till the end of the complete electoral process. So, statement 1 is not correct.
- The Model Code of Conduct **does not have legal sanctity** and there is no statutory backing of the **Representation of the People Act, 1951** or the rules framed thereunder. So, statement 2 is not correct.
- **Applicability of MCC during general elections and bye-elections:** During general elections to the House of People (Lok Sabha), the code is applicable throughout the country. During general elections to the Legislative Assembly (Vidhan Sabha), the code is applicable in the entire State. **During bye-elections, the code is applicable in the**



entire district or districts in which the constituency falls. So, statement 3 is not correct.

Therefore, option (d) is the answer.

Q23.

Answer: b

Explanation:

- The Council of Ministers includes all three categories of Ministers that are **Cabinet Ministers, Ministers of State and Deputy Ministers**.
- The term Cabinet was inserted in **Article 352** of the Indian Constitution in 1978 by the **44<sup>th</sup> Constitutional Amendment Act**. Article 352 only defines the Cabinet saying that it is 'the council consisting of the Prime Minister and other ministers of Cabinet rank appointed under Article 75' and **does not describe its powers and functions**. So, **statement 1 is not correct**.
- The **functions of the Council of Ministers are determined by the Cabinet** and it implements the Cabinet decisions. The Cabinet takes decisions regarding policies and directs the Council of Ministers which are binding on all the Ministers. So, **statement 2 is correct**.
- The total number of Ministers, including the Prime Minister, in the Council of Ministers shall not exceed 15% of the total strength of the Lok Sabha. **But there is no such provision defined for the Cabinet**. So, **statement 3 is not correct**.

Therefore, option (b) is the correct answer.

Q24.

Answer: d

Explanation:

- **Article 280** of the Constitution of India provides for a Finance Commission as a quasi-judicial body. The Finance Commission consists of a **Chairman and four other members** to be appointed by the President.
- The **Constitution authorises the Parliament** to determine the qualifications of members of the commission and the manner in which they should be selected. Accordingly, the Parliament has specified the qualifications of the Chairperson and members of the Commission under the Finance Commission (Miscellaneous Provisions) Act, 1951.
- The Chairperson should be a person having experience in public affairs and the four other members should be selected from amongst the following:
  - A judge of the High Court or one qualified to be appointed as one. **So, point 1 is correct**.
  - A person who has specialised knowledge of finance and accounts of the government.
  - A person who has special knowledge of economics. **So, point 3 is correct**.
  - A person who has wide experience in financial matters and in administration. **So, point 2 is correct**.

Therefore, option (d) is the correct answer.

**Relevance:** The Fifteenth Finance Commission has recommended a total Post Devolution Revenue Deficit Grant of Rs. 86,201 crores to 14 states for the financial year 2022-23.

Q25.

Answer: c

Explanation:

- **Article 330 of the Indian Constitution** provides for the reservation of seats for the

members from Scheduled Castes and Scheduled Tribes in Lok Sabha and in State Legislative Assemblies. **There is no such provision of reservation for the Rajya Sabha membership. So, statement 1 is correct.**

- **The 104<sup>th</sup> Constitutional Amendment Act, 2019 amended Article 334 of the Indian Constitution. The amendment extended the reservation for Scheduled Castes and Scheduled Tribes for ten years (i.e., up to 2030) and discontinued the reservation for Anglo-Indians in the Lok Sabha and State Legislative Assemblies. So, statement 2 is correct.**

Therefore, option (c) is the correct answer.

Q26.

Answer: c

Explanation:

- Financial Bills are those bills that deal with **fiscal matters, that is, revenue or expenditure**. Financial Bills are of three kinds:
  - A Bill is deemed to be a Money Bill if it contains only those specific provisions which are mentioned in Article 110. It can be introduced **only in the Lok Sabha by a Minister**. Private members (other than Ministers) cannot introduce a Money Bill in the Lok Sabha.
  - **Financial Bill (I)** is a Bill under Article 117 (I) that contains **any or all matters mentioned in Article 110 and in addition other matters of general legislation** also. It also requires the **prior recommendation of the President** before its introduction and can be introduced **only in the Lok Sabha**.
  - **Financial Bill (II)**, mentioned under Article 117 (3), contains provisions involving expenditure from the **Consolidated Fund of India**. Unlike the Money Bill and Financial Bill (I), it **does not include any of the matters mentioned in Article 110**. It is treated as an **ordinary bill** and can be introduced in both the Lok Sabha and the Rajya Sabha. It **does not require the prior recommendation of the President** before its introduction in a House. **So, statement 1 is not correct.**
- **A Money Bill can neither be rejected nor be amended by Rajya Sabha**. The Rajya Sabha can only recommend some suggestions and **should return the bill with or without recommendations within a maximum period of 14 days**. *However, Financial Bill (I) and Financial Bill (II) can be either rejected or amended by the Rajya Sabha. So, statement 2 is not correct.*
- **Only the Speaker of the Lok Sabha has authority to decide whether a bill is a money bill or not**. The Speaker's decision in this regard is final and **cannot be questioned in any court of law** or, in either the Houses of the Parliament or, even by the President. **So, statement 3 is correct.**

Therefore, option (c) is the correct answer.

Q27.

Answer: b

Explanation:

- There are three types of municipal personnel systems in India:
  - Under the **Separate Personnel System**, each local body appoints, administers, and controls its own personnel. They are not transferable to other local bodies. This system **upholds the principle of local autonomy** and promotes undivided loyalty. **So, statement 1 is not correct.**
  - In the **Unified Personnel System**, the **State Government appoints, administers, and controls the municipal personnel**. In other words, state-wide

services (cadres) are created for all the urban bodies in the state. This system is prevalent in Andhra Pradesh, Tamil Nadu, Uttar Pradesh, Rajasthan, Madhya Pradesh and so on. **So, statement 2 is correct.**

- Under the **Integrated Personnel System**, the personnel of the State Government and those of the local bodies form part of the same service. In other words, the **municipal personnel are members of the state services**. This system is prevalent in Odisha, Bihar, Karnataka, Punjab, Haryana and other states. **So, statement 3 is correct.**

Therefore, option (b) is the correct answer.

Q28.

Answer: c

Explanation:

- The Fifth Schedule of the Constitution deals with the administration and control of Scheduled Areas and Scheduled Tribes in any state except the four states of Assam, Meghalaya, Tripura and Mizoram.
- **The President** is empowered to **declare an area to be a Scheduled Area**. He can also increase or decrease its area, alter its boundary lines, rescind such designation or make fresh orders for such re-designation on an area in **consultation with the Governor** of the State concerned. **So, statement 1 is not correct.**
- The **executive power of a State extends to the Scheduled Areas** therein. But the Governor has a special responsibility regarding such areas. Similarly, the **executive power of the Centre extends** to giving directions to the states regarding the administration of such areas. **So, statement 2 is not correct.**
- The **Governor is empowered** to direct that any particular **act of Parliament or the State Legislature** does not apply to a Scheduled Area or apply with specified modifications and exceptions.
  - S/He can also make regulations for repealing or amending **any act of Parliament or the State Legislature**, which is applicable to a Scheduled Area. But all such regulations require the **assent of the President**. **So, statement 3 is correct.**

Therefore, option (c) is the correct answer.

Q29.

Answer: c

Explanation:

- Since the Prime Minister stands at the **head of the Council of Ministers**, the other Ministers cannot function when the Prime Minister resigns or dies. In other words, the resignation or death of an incumbent Prime Minister **automatically dissolves the Council of Ministers** and thereby generates a vacuum. **So, statement 1 is correct.**
- He/She advises the President with regard to the **appointment of important officials** like the **Attorney General of India, Comptroller and Auditor General of India**, Chairman and members of the Union Public Service Commission, Election Commissioners, Chairman and members of the Finance Commission.
- He/She advises the President with regard to **summoning and proroguing** of the sessions of the Parliament. **So, statement 2 is correct.**

Therefore, option (c) is the correct answer.

Q30.

Answer: b

**Explanation:**

- **First Past the Post (FPTP) system:** In this system the candidate who secures the highest number of votes in that constituency is declared elected. It is important to note that whoever has more votes than all other candidates is declared elected in this system. The winning candidate need not secure a majority of the votes. **So, statement 1 is not correct.**
- In **Proportional Representation System**, every party declares a list of its candidates. But voters vote for the party and not for the candidates. A party gets seats in the legislature in proportion to the votes polled by it. This allows even smaller parties with a very small support base to get representation in the legislature. **So, statement 2 is correct.**

Therefore, option (b) is the correct answer.

Q31.

Answer: b

**Explanation:**

- A **Notified Area Committee** is created for the administration of two types of areas—a **fast-developing town due to industrialisation**, and a town that does not yet fulfil all the conditions necessary for the constitution of a municipality, but which otherwise is considered important by the State Government.
- Since it is established by **notification in the Government Gazette**, it is called a Notified Area Committee.
- Though it functions within the framework of the State Municipal Act, only those provisions of the Act apply to it which are notified in the Government Gazette by which it is created. It may also be entrusted to exercise powers under any other Act. Its powers are almost equivalent to those of a municipality.
- Unlike the municipality, it is an **entirely nominated body**, that is, all the members of a Notified Area Committee including the Chairman are nominated by the State Government. Thus, it is neither an **elected body nor a statutory body**.

Therefore, option (b) is the correct answer.

Q32.

Answer: d

**Explanation:**

- The **74th Amendment Act of 1992** lays down that every state shall constitute at the district level, a **District Planning Committee (DPC)** to consolidate the plans prepared by Panchayats and Municipalities in the district, and to prepare a draft development plan for the district as a whole. Similarly, every metropolitan area shall have a **Metropolitan Planning Committee (MPC)** to prepare a draft development plan.
- Both DPC and MPC are **Constitutional bodies** set up under the provisions of Article 243ZD and Article 243ZE respectively. **So, statement 1 is not correct.**
- The act lays down that **four-fifths of the members of a DPC** should be elected by the elected members of the district Panchayat and Municipalities in the district from amongst themselves.
- Similarly, **two-thirds of the members of an MPC** should be elected by the elected members of the municipalities and chairpersons of the Panchayats in the metropolitan area from amongst themselves. **So, statement 2 is not correct.**

Therefore, option (d) is the correct answer.

Q33.

Answer: b

Explanation:

- **Article 93** of the Constitution provides for the **election of both the Speaker and the Deputy Speaker**. The Speaker is the constitutional and ceremonial head of the House. **The Speaker is elected by the Lok Sabha from amongst its members**. In contrast, the Chairperson of the Rajya Sabha is **not elected from amongst its members**. This function is performed by the **Vice-President of India** who is the **ex-officio Chairperson of the Rajya Sabha**. However, the Rajya Sabha elects a Deputy Chairperson from amongst its members. **So, statement 1 is not correct.**
- The **Speaker does not vote in the first instance**. But s/he can exercise a casting vote in the case of a tie. In other words, only when the House is divided equally on any question, the Speaker is entitled to vote. Such a vote is called casting vote, and its purpose is to resolve a deadlock. **Similarly, the Chairman of the Rajya Sabha cannot vote in the first instance. S/he too can cast a vote in the case of an equality of votes.** However, if at any sitting of the House a resolution for the removal of the Chairperson from his office is under consideration, he is not to preside at that sitting. He cannot also vote at all on such resolution or on any other matter during such proceedings. **So, statement 2 is correct.**

Therefore, option (b) is the correct answer.

Q34.

Answer: a

Explanation:

- The Goods and Services Tax Council or the GST Council is a **Constitutional body**, created under the provisions of Article 279-A, which was inserted into the Constitution by the **101<sup>st</sup> Amendment Act of 2016**.
- Every decision of the Council is to be taken by a majority of **not less than three-fourths** of the weighted votes of the members present and voting at the meeting. **So, statement 1 is correct.**
- The decision is taken in accordance with the following principles:
  - The vote of the Central Government shall have a weightage **one-third** of the total votes cast in that meeting.
  - The votes of all the State Governments combined shall have a weightage of **two-thirds** of the total votes cast in that meeting. Thus, the weightage of votes of the Central Government is less than the combined total weightage of all the State Governments. **So, statement 2 is not correct.**

Therefore, option (a) is the correct answer.

**Relevance:** The 47<sup>th</sup> meeting of the Goods and Services Tax (GST) Council was recently held in Chandigarh.

Q35.

Answer: a

Explanation:

**State Finance Commission:**

- Under Article **243-I** (added by the 73rd Constitutional Amendment Act, 1992) of the Constitution of India, the **Governor of a State** is required to constitute a Finance Commission **every five years**. Article **243-Y** also brought city councils or **municipalities** under the purview of the State Finance Commission.
- It recommends the following:
  - Taxes, levies and fees levied or appropriated by Panchayats themselves.

- **Grants-in-aid to Panchayati Raj Institutions** from the Consolidated Fund of a State. **So, statement 1 is correct.**
- Ways to improve the financial position of the Panchayati Raj Institutions.
- Measures for the overall improvement of Panchayat's finances.

#### State Election Commission:

- Article 243K of the Constitution of India added by the 73<sup>rd</sup> Constitutional Amendment Act, 1992, provides for the establishment of the State Election Commission. It states that the superintendence, direction and control of the preparation of electoral rolls for, and the **conduct of all elections to the Panchayats (Municipalities under Article 243ZA) shall be vested in a State Election Commission. So, statement 2 is not correct.**

Therefore, option (a) is the correct answer.

Q36.

Answer: b

#### Explanation:

- The American Vice-President succeeds to the presidency when it falls vacant, and remains President for the **unexpired term** of his predecessor. The Indian Vice-President, on the other hand, does not assume the office of the President when it falls vacant for the unexpired term. He merely serves as an **acting President** until the new President assumes charge. **So, statement 1 is not correct.**
- While acting as President or discharging the functions of President, the Vice-President does not perform the duties of the office of the Chairman of Rajya Sabha. During this period, those duties are performed by the **Deputy Chairperson** of the Rajya Sabha. **So, statement 2 is correct.**
- The **Speaker** of Lok Sabha presides over the joint sitting of both the Houses of Parliament. **So, statement 3 is correct.**

Therefore, option (b) is the correct answer.

Q37.

Answer: a

#### Explanation:

- The **Protection of Human Rights Act, 1993**, was enacted to provide for the constitution of a National Human Rights Commission (NHRC), the State Human Rights Commission (SHRC) and the Human Rights Courts for the protection of human rights.
- The NHRC and SHRC are **Statutory (and not Constitutional)** bodies.
- The Protection of Human Rights (Amendment) Act, 2019 provided for the following:
  - An Increase in the Members of the Commission from **two to three of which, one shall be a woman. So, statement 1 is correct.**
  - A person who has been a **Judge of the Supreme Court** is also made eligible to be appointed as Chairperson of the Commission in addition to the person who has been the Chief Justice of India. **So, statement 2 is correct.**
  - The term of the Chairperson and Members of the NHRC and the State Commissions is **reduced from five to three years and shall be eligible for re-appointment. So, statement 3 is not correct.**
- The functions of the commission are mainly recommendatory in nature. It has **no power to punish** the violators of human rights, nor to award any relief including monetary relief to the victim. **So, statement 4 is not correct.**

Therefore, option (a) is the correct answer.

**Relevance:** The National Human Rights Commission (NHRC) has sought an action taken report on the alleged detention of some students for five hours by a private school in Bhubaneswar for non-payment of outstanding fees.

Q38.

Answer: a

Explanation:

- On January 1, 2015, the **NITI Aayog (National Institution for Transforming India)** was established as the successor to the Planning Commission.
- It was established by an **executive resolution** of the Government of India (i.e., Union Cabinet). Hence, it is also **neither a Constitutional body nor a Statutory body**. In other words, it is a **Non-Constitutional or Extra-Constitutional body** (i.e. not created by the Constitution) and a non-statutory body (not created by an Act of Parliament). **So, statement 1 is correct.**
- Prime Minister of India is the Chairperson of NITI Aayog. The Vice-Chairperson of NITI Aayog is **appointed by the Prime Minister**. **So, statement 2 is correct.**
- The Governing Council comprises the Chief Ministers of all the States, Chief Ministers of Union Territories with Legislatures (i.e., Delhi, Puducherry and Jammu and Kashmir) and Lt. Governors of other Union Territories. **It is not headed by the Union Home Minister. So, statement 3 is not correct.**
  - The meetings of the Governing Council have been held under the chairmanship of the Prime Minister with Chief Ministers/Lt Governors of the States/UTs and other members of the Governing Council.
- Regional Councils of NITI Aayog are formed to address specific issues and contingencies impacting more than one state or region. These are formed for a specified tenure. These are **convened by the Prime Minister and comprise the Chief Ministers of States** and Lieutenant Governors of Union Territories in the region. These are chaired by the Chairperson of the NITI Aayog or his nominee.

Therefore, option (a) is the correct answer.

**Relevance:** Recently, the NITI Aayog has declared the holy city of Haridwar in Uttarakhand as the best aspirational district on five parameters.

Q39.

Answer: c

Explanation:

- The Jammu and Kashmir Reorganisation Act, 2019, bifurcated the erstwhile State of Jammu and Kashmir into two separate Union Territories, namely, the **Union Territory of Jammu & Kashmir and the Union Territory of Ladakh**.
- The Chief Minister shall be appointed by the **Lieutenant Governor** and the other Ministers shall be appointed by the Lieutenant Governor on the advice of the Chief Minister. **So, statement 1 is not correct.**
- Under the Jammu and Kashmir Reorganisation Act, 2019, the total number of seats fixed for the Legislative Assembly of the Union Territory of Jammu and Kashmir is 107. But, 24 seats fall in the Pakistan-occupied-Kashmir (PoK). These seats are vacant and are **not to be taken into account** for reckoning the total membership of the Assembly. **So, statement 2 is not correct.**
- The Lieutenant Governor of Jammu and Kashmir may nominate **two members to the Assembly to give representation to women**, if in his opinion; women are not adequately represented in the Assembly. **So, statement 3 is correct.**

Therefore, option (c) is the correct answer.

**Relevance:** The Jammu and Kashmir Reorganisation Act, 2019, has become a point of discussion in the delimitation process of Jammu and Kashmir and Ladakh.

Q40.

Answer: c

**Explanation:**

- A registered party is recognized as a National Party only if it fulfils any one of the following three conditions:
  - o At a General Election to the Lok Sabha or the Legislative Assemblies, the party polls 6% of votes in four States and in addition it wins 4 Lok Sabha seats from any State or States
  - o A party gets recognition as **State Party in four or more States. So, statement 1 is correct.**
  - o The party wins **2 per cent of the seats in the Lok Sabha from at least 3 different States. So, statement 2 is correct.**

Therefore, option (c) is the correct answer.

Q41.

**Answer: b**

**Explanation:**

- Every resolution approving the proclamation of the President's Rule or its continuation **can be passed by either House of Parliament only by a simple majority**, that is, a majority of the members of that House present and voting. **So, statement 1 is not correct.**
- The President **either suspends or dissolves the State Legislative Assembly**. When the President's Rule is imposed in a State, the President dismisses the State Council of Ministers headed by the Chief Minister. The State Governor, on behalf of the President, carries on the State administration with the help of the Chief Secretary of the State or the advisors appointed by the President. **So, statement 2 is correct.**
- The 38<sup>th</sup> Amendment Act of 1975 made the satisfaction of the President in invoking Article 356 final and conclusive which could not be challenged in any court on any ground. But this provision was subsequently deleted by the **44<sup>th</sup> Amendment Act of 1978** implying that the **satisfaction of the President is not beyond judicial review**. The Supreme Court in *S. R Bommai case (1994)* made the President proclamation imposing President's rule in a state subject to judicial review. **So, statement 3 is correct.**

Therefore, option (b) is the correct answer.

Q42.

**Answer: d**

**Explanation:**

- **Article 148 of the Indian Constitution** provides for an office of the Comptroller and Auditor-General of India who shall be **appointed by the President** by warrant under his hand and seal.
- The **administrative expenses** of the office of the Comptroller and Auditor-General including all salaries, allowances and pensions payable to or in respect of persons serving in that office, shall be **charged upon the Consolidated Fund of India. So, statement 1 is correct.**
- In India, the CAG has no control over the issue of money from the Consolidated Fund and many departments are authorised to draw money by issuing cheques without specific authority from the CAG. Thus, **CAG is concerned only at the audit stage when the expenditure has already taken place**. In Britain, the executive can draw money from the public exchequer only with the approval of the CAG. **So, statement 2 is correct.**
  - o In India, CAG is not a member of the Parliament while in Britain; CAG is a member of the House of the Commons.
- **Article 151** of Constitution of India states that the Audit reports of the Comptroller



and Auditor-General of India relating to the accounts of the Union **shall be submitted to the President**, who shall cause them to be laid before each House of Parliament. **So, statement 3 is correct.**

- The reports of the Comptroller and Auditor-General of India relating to the accounts of a State shall be submitted to the Governor of the State, who shall cause them to be laid before the Legislature of the State.

Therefore, option (d) is the correct answer.

Q43.

Answer: b

Explanation:

- Election Commission of India is a permanent Constitutional Body. It is responsible for administering Union and State election processes in India. The body administers elections to the **Lok Sabha, Rajya Sabha, State Legislative Assemblies** and the offices of the **President and Vice President** in the country. However, the Municipal and Panchayat elections in states and union territories are administered by the State Election Commission.
- The Election Commission consists of the **Chief Election Commissioner and two Election Commissioners** appointed by the President of India. In case of a difference of opinion amongst the Chief Election Commissioner and/or two other Election Commissioners, **the matter is decided by the Commission by a majority. So, statement 1 is not correct.**
- Under the Indian Constitution, it has **advisory jurisdiction** in the matter of post-election disqualification of sitting members of Parliament and State Legislatures. **So, statement 2 is correct.**

Therefore, option (b) is the correct answer.

Q44.

Answer: b

Explanation:

- The **Central Bureau of Investigation (CBI)** is the premier investigating police agency in India. It functions under the Department of Personnel, **Ministry of Personnel, Pension & Public Grievances**, Government of India. **So, statement 1 is not correct.**
- It derives its power to investigate from the Delhi Special Police Establishment Act, 1946. However, it is **not a statutory body**. It was established on the recommendation of the **Santhanam Committee on Prevention of Corruption (1962-1964)** in 1963. **So, statement 2 is correct.**
- The Central Government can authorize CBI to investigate a crime in a State but **only with the consent of the concerned State Government**. It can **suo-moto** take up investigation of offences only in the Union Territories. However, the Supreme Court and High Courts can order CBI to investigate a crime anywhere in the country **without the consent of the State. So, statement 3 is not correct.**

Therefore, option (b) is the correct answer.

Q45.

Answer: c

Explanation:

- A cadre officer may, with the **concurrence of the State Governments concerned and the Central Government**, be deputed for service under the Central Government or another State Government or under a company, association or body of individuals, whether incorporated or not, which is wholly or substantially owned or controlled by the Central Government or by another State Government. **So, statement 1 is correct.**

- In case of any disagreement, the matter shall be decided by the Central Government and the State Government or State Governments concerned shall give effect to the decision of the Central Government.
- According to existing norms, States have to depute the All India Services (AIS) officers, including the Indian Police Service (IPS) officers, to the Central Government offices and at any point, it **cannot be more than 40% of the total cadre strength**. So, **statement 2 is correct**.

Therefore, option (c) is the correct answer.

Q46.

Answer: b

Explanation:

- **Public Accounts Committee:** It was set up **first in 1921** under the provisions of the **Government of India Act, 1919**. At present, it consists of **22 members** (15 from the Lok Sabha and 7 from the Rajya Sabha). The term of office of the members is **one year**. A **Minister cannot be elected as a member** of the committee. The Chairman of the committee is appointed from amongst its members by the Speaker. **So, statement 1 is correct.**
- **Estimates Committee:** The origin of this committee can be traced to the standing financial committee **set up in 1921**. Originally, it had 25 members but in 1956 its membership was **raised to 30**. All the thirty members are from **Lok Sabha only**. The term of office is one year. A Minister cannot be elected as a member of the committee. **So, statement 2 is not correct.**
- **Committee on Public Undertakings:** It was **created in 1964** on the recommendation of the **Krishna Menon Committee**. In 1974, its membership was **raised to 22** (15 from the Lok Sabha and 7 from the Rajya Sabha) from 15. The members of this committee are **elected by the Parliament every year** from amongst its own members according to the principle of proportional representation by means of a single transferable vote. **So, statement 3 is not correct.**

Therefore, option (b) is the answer.

Q47.

Answer: d

Explanation:

- **Balwant Rai Mehta Committee:** It was appointed in **January 1957** and it recommended the establishment of the scheme of 'democratic decentralization', which ultimately came to be known as **Panchayati Raj**. **So, point 1 is correct.**
- **K. Kasturirangan Committee:** It prepared the **National Educational Policy, 2019** which is built on the foundational pillars of **Access, Equity, Quality, Affordability and Accountability**. The Committee had proposed to rename MHRD as the **Ministry of Education (MoE)**. **So, point 2 is not correct.**
- **Thungon Committee:** It was appointed in 1988 to examine the political and administrative structure in the district for the purpose of district planning. It suggested that **Panchayati Raj bodies should be constitutionally recognized** and a three-tier system of Panchayati Raj should be established with panchayats at the village, block and district levels. **So, point 3 is correct.**
- **G.V.K. Rao Committee:** It was **appointed in 1985** to review the existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes. It came to the conclusion that the developmental process was gradually bureaucratised and divorced from the Panchayati Raj. This phenomena of bureaucratisation of development administration as against the democratization **weakened the Panchayati Raj institutions** resulting in what is aptly called as 'grass without roots'.

So, point 4 is correct.  
Therefore, option (d) is the correct answer.

Q48.

Answer: a

Explanation:

- Rights are social claims which help individuals attain their best selves and help them develop their personalities. States never give rights, they only recognise them; governments never grant rights, they only protect them. Rights emanate from society, from peculiar social conditions, and, therefore, they are always social.
- Rights are indeed claims, but **every claim is not a right**. A claim is not a right if it is not recognised; it is not a right if it is not enforced. **Claims become rights when they are recognised by society**; they become rights when they are maintained and enforced by the State. **Rights are not merely claims, they are social claims**. What this means is that **claims which are social in nature, alone are rights**. Rights are social claims given to the individuals as members of the society and are in the form of rewards as a response to the duties the individuals have performed. **So, statement 1 is correct**.
- Rights are not entitlements a person is possessed with. **Rights are not privileges because they are not entitlements**. There is a difference between rights and privileges; rights are our claims on others as are others' claims on us; entitlements on the other hand are privileges granted to some and denied to others. **Rights are universal** in the sense that they are assured to all; **privileges are not universal** because they are possessed by few. Rights are obtained as a matter of right; privileges as a matter of patronage. Rights emanate in democratic societies; privileges are features of undemocratic systems. **So, statement 2 is not correct**.

Therefore, option (a) is the correct answer.

Q49.

Answer: d

Explanation:

- Under Article 352, the President can declare a National Emergency when the security of India or a part of it is threatened by war or external aggression or armed rebellion.
- The President, however, **can proclaim a national emergency only after receiving a written recommendation from the cabinet**. The **44<sup>th</sup> Constitutional Amendment Act of 1978** introduced this safeguard to eliminate any possibility of the Prime Minister alone taking a decision in this regard. This means that the emergency can be declared only on the concurrence of the cabinet and not merely on the advice of the Prime Minister. **So, statement 1 is correct**.
- Article 359 authorises the President to suspend the right to move any court for the enforcement of Fundamental Rights during a National Emergency. However, the **44<sup>th</sup> Amendment Act of 1978** restricted the scope of Article 359. The President cannot suspend the right to move the Court for the enforcement of Fundamental Rights guaranteed by Articles 20 (Protection in respect of conviction for offence) and Article 21 (Right to life and personal liberty). Thus, **Article 20 and Article 21 remain enforceable even during an emergency**. **So, statement 2 is correct**.
- The proclamation of Emergency must be approved by both the Houses of Parliament within one month from the date of its issue. If approved by both the Houses of Parliament, the **emergency continues for six months** and can be **extended to an indefinite period with the approval of the Parliament every six months**. This provision for **periodical Parliamentary approval** was added by the 44th Amendment Act of 1978. Before that, the emergency, once approved by the Parliament, could

remain in operation as long as the Executive (cabinet) desired. **So, statement 3 is correct.**

Therefore, option (d) is the correct answer.

Q50.

Answer: c

Explanation:

- Societies with deeply entrenched inequalities of various kinds not only set limits on the power of Government but also enable and empower the Government to take positive measures to overcome forms of inequality or deprivation. Hence, it enables the Government to create necessary conditions for a just society. For example - **Directive Principles of State Policy** enshrined in the Indian Constitution. **So, statement 1 is correct.**
- The Constitution sets some **limits on what a Government can impose** on its citizens. These limits are fundamental in the sense that the Government may never trespass on them. The most common way of limiting the power of Government is to **specify certain Fundamental Rights** that all of us possess as citizens and which no Government can ever be allowed to violate. **So, statement 2 is correct.**
- The Constitution provides a **set of basic rules known to all members** of the society that allow for minimal coordination amongst themselves. In the absence of some basic rules, every individual would feel insecure in anticipation of the actions of each other.

Therefore, option (c) is the correct answer.

Q51.

**Answer: b**

**Explanation:**

- The Euro and US Dollar reached parity recently in 2022. For over two decades, it took more than one U.S. dollar to purchase one euro. Just a year ago it took about 1.2 U.S. dollars to purchase one euro. Since the beginning of the year 2022, the euro has lost about 12% against the U.S. dollar and it is expected to lose more value going forward.
- **American tourists in Europe will find cheaper** hotel and restaurant bills and admission tickets. The **weaker euro could make European export goods more competitive** in price in the United States. The US and the EU are major trade partners, so the exchange rate shift will get noticed.
- **In the US, a stronger dollar means lower prices on imported goods** — from cars and computers to toys and medical equipment — which could help moderate inflation. American companies that do a lot of business in Europe will see the revenue from those businesses shrink when and if they bring those earnings back to the US. If euro earnings remain in Europe to cover costs there, the exchange rate becomes less of an issue.
- A weaker euro can be a headache for the European Central Bank because **it can mean higher prices for imported goods**, particularly oil, which is priced in dollars.

**Therefore, option (b) is the correct answer.**

**Relevance:** The Euro and US Dollar reached parity in 2022, meaning one dollar could buy one euro in the foreign exchange market.

Q52.

**Answer: c**

**Explanation:**

- Countertrade is a reciprocal form of international trade in which **goods or services are exchanged for other goods or services rather than for hard currency**. This type of international trade is more common in developing countries with limited foreign exchange or credit facilities. Countertrade can be classified into three broad categories: barter, counter purchase, and offset. **So, statement 1 is correct.**
- Countertrade presents an effective way of:
  - **mitigating risks posed by protective trade policies like sanctions, currency restrictions, non-tariff barriers** etc. **So, statement 2 is correct.**
  - challenges associated with outward remittances of foreign exchange, where conventional means of payment is non-existent or complex for a variety of reasons
  - challenges in securing supply of strategic mineral resources where India has significant import dependence
- **India has entered into several types of countertrade arrangements in the past**, including a barter trade agreement with Iraq under the 'oil-for-food' programme wherein Iraq agreed to facilitate daily delivery of a fixed quantum of oil to India at a fixed price in exchange for exports of rice and wheat from India.

**Therefore, option (c) is the correct answer.**

**Relevance:** During Russia and Ukraine war crisis, countertrade is seen by many as a better option to avoid trade sanctions.

Q53.

**Answer: a**

**Explanation:**

- **Taking a step closer to facilitate open access in the power sector, the Government of India has launched the National Open Access Registry (NOAR) website.**
- **It has been launched by the Power Ministry.** NOAR has been designed as an integrated single window electronic platform accessible to all stakeholders including open access participants, traders, power exchanges, national/regional/state load dispatch centres for electronic processing of short-term open access applications, thereby automating the administration of the short-term open access in inter-state transmission systems.
- National Load Despatch Centre (NLDC) operated by Power System Operation Corporation Limited (POSOCO) has been designated as the nodal agency for implementation and operation of NOAR. NOAR would be the **key to facilitate faster electricity markets and enable integration of Renewable Energy (RE) resources into the grid.**

**Therefore, option (a) is the correct answer.**

**Relevance:** India has launched NOAR platform to facilitate open access in power sector.

Q54.

**Answer: d**

**Explanation:**

- Modified Interest Subvention Scheme (MISS) aims to provide short-term credit to farmers at subsidized interest rates. Under the scheme, a **short-term agriculture loan up to Rs. 3.00 lakh** is available to farmers engaged in Agriculture and other allied activities including Animal Husbandry, Dairying, Poultry, and fisheries **at the rate of 7% p.a. So, statement 1 is correct.**
- An **additional 3% subvention called Prompt Repayment Incentive**, is also given to the farmers **for prompt and timely repayment of loans.** Therefore, if a farmer repays his loan on time, he gets credit at the rate of 4% p.a. **So, statement 2 is correct.**
- Government of India provides Interest Subvention (IS) to the Financial Institutions offering this scheme. This support is **100% funded by the Centre**, it is also the second largest scheme of the Department of Agriculture and Farmers' Welfare (DA&FW) as per budget outlay and coverage of beneficiaries. **So, statement 3 is correct.**

**Therefore, option (d) is the correct answer.**

Q55.

**Answer: c**

**Explanation:**

- The Insolvency and Bankruptcy Board of India was established in 2016 under **the Insolvency and Bankruptcy Code, 2016.**
- The Code establishes a new legal structure. This framework **aided in the formalization and liquidation of an insolvency resolution process that was time-bound.** The framework consists of the following elements:

- Insolvency Professionals: They will be in charge of the resolution procedure. They also handle the debtor's assets and provide information to creditors to help them make decisions.
- Insolvency Professional Agencies: Insolvency practitioners will be registered with professional agencies for insolvency. Exams would be conducted to certify insolvency specialists, and a code of behaviour for their performance would be enforced by the agencies.
- **Information utilities: They will maintain track of debts owed to creditors, as well as repayments and debt defaults.**
- Adjudicating authorities: They will sanction the start of the resolution procedure, appoint the insolvency professional, and sign off on the creditors' ultimate judgment.
  - **The National Company Law Tribunal (NCLT)** is the deciding authority for corporations and limited liability firms. **So, statement 1 is correct.**
  - Individuals and partnership firms have their debts adjudicated by **the Debt Recovery Tribunal (DRT)**. **So, statement 2 is correct.**
- The Insolvency and Bankruptcy Board will oversee insolvency experts, professional agencies, and information utilities established under the Code.

**Therefore, option (c) is the correct answer.**

Q56.

**Answer: d**

**Explanation:**

- Payment aggregators are **entities that facilitate e-commerce sites and merchants to accept various payment instruments from customers** for the completion of their payment obligations without the need for merchants to create a separate payment integration system of their own. This is made possible by facilitating merchants to connect with acquirers. In the process, the aggregators receive payments from customers, pool and transfer them on to the merchants after a time period.

**Therefore, option (d) is the correct answer.**

Q57.

**Answer: a**

**Explanation:**

- **Technical textiles are engineered products with definite functionality. They are manufactured using natural as well as man-made fibers such as Nomex, Kevlar, Spandex, and Twaron** that exhibit enhanced functional properties such as higher tenacity, excellent insulation, improved thermal resistance, etc. **So, Statement 1 is correct.**
- With a view to positioning the country as a global leader in Technical Textiles, National Technical Textiles Mission (NTTM) has been approved with a four-year implementation period from FY 2020-21 to 2023-24.
- Indian Technical Textiles segment is estimated at USD 16 Billion which is approximately 6% of the 250 billion USD global technical textiles market. **Packtech**

(used in the packaging industry), Indutech (Industrial textiles) and Hometech (used in home essentials) are the largest exported segments having a combined share of around 85% of the total exports of technical textiles in 2021. Meditech (used in medical equipment) contributes only 5% of the total share. **So, Statement 2 is not correct.**

Therefore, option (a) is the correct answer.

Q58.

Answer: a

Explanation:

- **The Green Fins Hub** is the first-ever global marine tourism industry platform, that aims to **reduce negative environmental impacts associated with marine tourism**. It helps travel operators to make simple, cost-efficient changes to their daily practices by utilizing tried and tested solutions, keep track of their annual improvements and communicate with their communities and customers. **So, statement 1 is correct.**
- It has been developed by **The Reef-World Foundation in partnership with the UN Environment Programme (UNEP)** to overcome the biggest sustainability challenges in the marine conservation tourism industry. **So, statement 2 is not correct.**
- It aims to protect **coral reefs through environmentally friendly guidelines promoting sustainable diving and snorkelling**. It provides the only internationally recognized environmental standards for marine tourism and its robust assessment system measures compliance.

Therefore, option (a) is the correct answer.

Q59.

Answer: c

Explanation:

- **Infant and child mortality across most Indian states declined** in the past half a decade, according to the latest National Family Health Survey (NFHS). **Bihar registered the highest prevalence of NMR (34), IMR (47), and U5MR (56)** across 22 surveyed states and Union territories while Kerala reported the lowest death rates. **So, statement 1 is correct.**
- **The Total Fertility Rate (TFR) has declined from 2.2 to 2.0 at the national level between NNFHS 4 and 5.** There are only five states in India that are above the replacement level of fertility of 2.1. These states are Bihar, Meghalaya, Uttar Pradesh, Jharkhand and Manipur. **So, statement 2 is correct.**
- The level of stunting among children under five years has marginally declined from 38% to 36% in the country in the last four years. **Stunting is higher among children in rural areas (37%) than in urban areas (30%) in 2019-21. So, statement 3 is not correct.**
- NFHS-5 shows an overall **improvement in Sustainable Development Goals (SDG)** indicators in all States/Union Territories (UTs). NFHS-5 includes some new focal areas, such as death registration, pre-school education, expanded domains of child immunization, components of micro-nutrients to children and menstrual hygiene. **So, statement 4 is correct.**

Therefore, option (c) is the correct answer.



Q60.

**Answer: d**

**Explanation:**

**The Five-year plans** were formulated in this regard with each plan focussing on different priorities.

- **First Five-Year Plan (1951-56)** was launched for the duration of 1951 to 1956, under the leadership of Jawaharlal Nehru. It was based on the Harrod-Domar model with a few modifications. Its main focus was on the agricultural development of the country. This plan was successful and achieved a growth rate of 3.6% (more than its target of 2.1%). **So, pair 1 is correctly matched.**
- **Second Five-Year Plan (1956-61)** focussed on **rapid industrialization** with particular emphasis on the development of basic and heavy industries. It was moderately successful; the targeted growth rate was 4.5% but achieved 4.2%. This plan period established Durgapur, Bhilai, and Rourkela steel plants. The Atomic Energy Commission came into being in operation. **So, pair 2 is correctly matched.**
- **Fifth Five Year Plan (1974-79)** aimed at the removal of poverty and attainment of self-reliance. Hence, introduced a minimum needs program. The 20-Point Economic Programme was announced by the Prime Minister in 1975. The achieved growth rate of 5 % is against the 4.4% target. **So, pair 3 is correctly matched.**
- **Eighth Five Year Plan (1992-97)** came up with fiscal reforms and economic reforms to **prevent another Balance of Payments (BoP) crisis following the 1991 crisis**. Hence, a higher economic growth rate of 6.5% was achieved against the targeted 5.3%. The Second-generation reforms started from 1996. It gave special stress on fiscal reforms, financial reforms, structural reforms, labour law reforms etc. **So, pair 4 is correctly matched.**

**So, all four pairs are correctly matched.**

**Therefore, option (d) is the correct answer.**

Q61.

**Answer: b**

**Explanation:**

- **Mission Karmayogi** – National Programme for Civil Services Capacity Building has been envisioned by the **Department of Personnel and Training (DoPT)** to address the changing needs and aspirations of the citizen. The Programme has been designed to enhance the civil services under a national Programme, anchored by an apex body headed by the Prime Minister. **So, point 1 is not correct.**
- **The National Data and Analytics Platform (or NDAP) is NITI Aayog's flagship initiative to improve access and use of government data.** NDAP is a user-friendly web platform that aggregates and hosts datasets from across India's vast statistical infrastructure. NDAP seeks to democratize data delivery by making government datasets readily accessible, implementing rigorous data-sharing standards, enabling interoperability across the Indian data landscape, and providing a seamless user interface and user-friendly tools. **So, point 2 is correct.**
- **The Government has set up Atal Innovation Mission (AIM) in NITI Aayog with a view to strengthening the country's innovation and entrepreneurship ecosystem by**

creating institutions and programs that spur innovation in schools, colleges, and entrepreneurs in general. **So, point 3 is correct.**

- The “**Shoonya — Zero-Pollution Mobility**” campaign promotes the use of Electric Vehicles for urban deliveries and ride-hailing. The Shoonya campaign plans to revolutionise the transport sector with a radical and urgent transition to zero-emission vehicles. **So, point 4 is correct.**

**Therefore, option (b) is the correct answer.**

Q62.

**Answer: c**

**Explanation:**

- **A mixed economy** is one in which the development strategy envisages a large, often dominant, role for the state and the private sector. In other words, the ownership and the control of the **means of production is shared by the states and the private capitalists**. The state has a pervasive role of planning along with market forces in the mixed economy.
- Thus, the mixed economy is characterized by the coexistence of private ownership and state ownership of the means of production.
- The state, apart from ownership of means of production, has a regulatory role in a mixed economy. It involves the regulation of private industries, by controlling prices, offering licenses and permission, reserving certain sectors for the public sector, etc.

**Therefore, option (c) is the correct answer.**

Q63.

**Answer: a**

**Explanation:**

- **Core of Core Schemes are CSS and are fully funded by the Central Government. COC schemes are for social protection and social inclusion.** These schemes are funded by the Centre and state government on the basis of the ratio of 60:40 for general category states and for the 8 North-Eastern and three Himalayan states, the ratio is 90:10. It includes the following programs:
  - Mahatma Gandhi National Rural Employment Guarantee Programme. **So, point 1 is correct.**
  - National Social Assistance Programme. **So, point 2 is correct.**
  - Umbrella Scheme for Development of Scheduled Castes
  - Umbrella Programme for Development of Scheduled Tribes
  - Umbrella Programme for Development of Minorities
  - Umbrella Programme for Development of Other Vulnerable Groups
- Border Area Development Programme and Rashtriya Swasthya Bima Yojna come under the Core schemes. **So, points 3 and 4 are not correct.**

**Therefore, option (a) is the correct answer.**

Q64.

**Answer: c**

**Explanation:**

**Land reform constitutes the most important measure to improve the economic condition of agricultural tenants.**

- Equity in agriculture called for land reforms which primarily refer to change in the ownership of landholdings. After independence, steps were taken to abolish intermediaries and to make the tillers the owners of land. The idea behind this move was that ownership of land would give **incentives to the tillers to invest** in making improvements provided sufficient capital was made available to them. **So, statement 1 is correct.**
- Land ceiling was another policy to promote equity in the agricultural sector. This means fixing the **maximum size of land which could be owned by an individual**. The purpose of land ceiling was to reduce the concentration of land ownership in a few hands. **So, statement 2 is correct.**
- **Land reforms were most successful in Kerala and West Bengal because these states** had governments committed to the policy of land to the tiller. **Unfortunately, other states did not have the same level of commitment, and vast inequality** in landholding continues to this day.

**Therefore, option (c) is the correct answer.**

Q65.

**Answer: b**

**Explanation:**

- The payment of Fair and Remunerative Price (FRP) across the country is governed by the **Sugarcane Control order, 1966** issued under the **Essential Commodities Act (ECA) of 1955**. With the **amendment of the Sugarcane (Control) Order, 1966 in 2009**, the concept of **Statutory Minimum Price (SMP)** of sugarcane was replaced with the '**Fair and Remunerative Price (FRP)**'. **So, statement 1 is correct.**
- It is **approved and announced by the Cabinet Committee of Economic Affairs (CCEA)** chaired by the Prime Minister, based on the **recommendation of the Commission for Agricultural Costs and Prices (CACP)** in consultation with the State Governments and after taking feedback from associations of the sugar industry. **CACP is an advisory body attached to the Ministry of Agriculture and Farmers Welfare**. Its **recommendations are not binding** on the Government. **So, statement 2 is not correct.**
- **The FRP is based on the recovery of sugar from the cane.** Sugar recovery is the ratio between sugar produced versus cane crushed, expressed as a percentage. The higher the recovery, the higher is the FRP, and higher is the sugar produced. **So, statement 3 is correct.**

**Therefore, option (b) is the correct answer.**

**Relevance:** The Government has increased Fair and Remunerative Price on sugarcane by 15% in June 2022.

Q66.

**Answer: a**

**Explanation:**

- An **Arm's Length Pricing**, also known as the Arm's Length Principle (ALP), indicates a transaction between two independent parties in which both parties are acting in their own self-interest. Both buyer and seller are independent, possess equal bargaining power, are not under pressure or duress from the opposing party, and are acting in their own self-interest to attain the most beneficial deal.
- Due to both parties acting independently and in their self-interest, an arm's length transaction is a transaction that closely matches the fair market value of the consideration.

**Therefore, option (a) is the correct answer.**

**Relevance:** The Government of India has sent notice to some companies for not following "arm's length" principles.

Q67.

**Answer: c**

**Explanation:**

- Renewable energy often referred to as clean energy, comes from natural sources or processes that are constantly replenished. As of December 2021, the total installed capacity for renewable energy in India is 151.4 GW. The following is the break up of total installed capacity for Renewables, as of 31 December 2021:
  - Solar Power: 49.34 GW
  - Large Hydro: 46.51 GW
  - Wind power: 40.08 GW
  - Biomass Power: 10.61 GW
  - Small Hydro Power: 4.83 GW.
- So, the correct decreasing order based on total installed capacity will be: **Solar Power – Large Hydro – Wind power – Biomass Power.**

**Therefore, option (c) is the correct answer.**

Q68.

**Answer: c**

**Explanation:**

- The subsidies provided by the government to the agricultural sector are termed by the World Trade Organization (WTO) as Aggregate Measure of Support (AMS). It is calculated in terms of product and input subsidies.
- **All subsidies which are supposed to distort production and trade fall into the Amber Box.** Under the WTO provisions, these subsidies are subject to **reduction commitment to their minimum level—to 5 percent and 10 percent for the developed and the developing countries** of their total value of agricultural outputs per annum accordingly. **So, pair 1 is correctly matched.**
- The agricultural subsidies which cause minimal or no distortions to trade are put under the **Green Box**. They have to be government-funded (not by charging consumers higher prices) and must not involve price support. **The green box subsidies are allowed without limits** provided they comply with the policy-specific criteria. It means this box is **exempt from the calculation under subsidies under the WTO provisions**

because the subsidies under it are not meant to promote production thus do not distort trade. **So, pair 2 is not correctly matched.**

- **Blue Box** is the amber box with conditions. Direct payments under production limiting programmes (often referred to as “Blue Box” measures) are exempt from commitments if such payments are made on fixed areas and yield or a fixed number of livestock. These subsidies are nothing but certain **direct payments (i.e., direct set-aside payments) made to farmers by the government in the form of assistance programmes** to encourage agriculture, rural development, etc. At present, there are **no limits on spending on subsidies** in the blue box. **So, pair 3 is correctly matched.**
- **Social and Development Box (S & D Box) or Development Box** allows the developing countries for some subsidies to the agriculture sector under certain conditions. They include investment subsidies which are generally available to agriculture in developing country members. These conditions revolve around human development issues such as poverty, **minimum social welfare**, health support, etc., especially for the segment of population living below the poverty line. **So, pair 4 is correctly matched.**

**Therefore, option (c) is the correct answer.**

Q69.

**Answer: a**

**Explanation:**

- The **Digital Services Act (DSA)** is a new law by the **European Union (EU)** to regulate the way intermediaries, especially large platforms such as Google, Facebook, and YouTube, function when it comes to moderating user content.
- The DSA is a **set of common rules on intermediaries’ obligations and accountability across a single market**. It will give better protection to users and to fundamental rights online, establish a powerful transparency and accountability framework for online platforms and provide a single, uniform framework across the EU.
- It will be landmark legislation to force big Internet companies to act against disinformation and illegal and harmful content. Social media companies will have to add new procedures for faster removal of content deemed illegal or harmful. These requirements and their enforcement will be centrally supervised by the European Commission itself.
- Online platforms must ensure that users can easily identify advertisements and understand who presents or pays for the advertisement. They must not display personalised advertising directed towards minors or based on sensitive personal data.

**Therefore, option (a) is the correct answer.**

Q70.

**Answer: d**

**Explanation:**

- National Bank for Rural and Agriculture Development (NABARD) came into existence on 12 July 1982 by transferring the agricultural credit functions of RBI and refinance functions of the then Agricultural Refinance and Development Corporation

(ARDC). The Department of Refinance (DOR) of NABARD deals with short-term, medium-term and long-term refinance functions of NABARD.

- **Short-term Refinances:** NABARD provides **Co-operative Banks and Regional Rural Banks** loans and advances, repayable on demand or on the expiry of fixed periods not exceeding 12 months.
- **Medium- and Long-term Refinance:** NABARD can give refinance assistance to All Scheduled Commercial Banks, Regional Rural Banks, State Cooperative Banks, State Cooperative Agriculture and Rural Development Banks, District Central Cooperative Banks, Primary Urban Cooperative Banks, Small Finance Banks NBFCs/NBFC-MFIs, etc. or any other financial institution, approved by Reserve Bank of India (RBI). **So, points 1, 2, 3, 4 and 5 are correct.**

**Therefore, option (d) is the correct answer.**

**Relevance:** Recently, NABARD finalized and released the operational guidelines for long-term refinance for the year 2022-2023 for Private Sector Scheduled Commercial Banks / Foreign Banks.

Q71.

**Answer: d**

**Explanation:**

- Creative Economy is an evolving concept that builds on the interplay between human creativity and ideas and intellectual property, knowledge, and technology. **Essentially it is the knowledge-based economic activities upon which the 'creative industries are based.**
- The creative industries which include advertising, architecture, arts and crafts, design, fashion, film, video, photography, music, performing arts, publishing, research & development, software, computer games, electronic publishing, and TV/radio – are the lifeblood of the creative economy. They are also considered an important source of commercial and cultural value.
- The **gig economy** can benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and the demand for flexible lifestyles. The gig economy is based on flexible, temporary, or freelance jobs, often involving connecting with clients or customers through an online platform.
- **A traditional economy** is a system where goods production and distribution are driven by time honoured beliefs, customs, culture, and traditions. These countries rely mostly on agriculture, gathering, hunting, and fishing. The barter system is characteristic of traditional economies.
- **The silver economy** includes all those economic activities, products, and services designed to meet the needs of people over 50. This concept, derived from the so-called silver market that emerged in Japan, the country with the highest percentage of people over 65 during the 1970s to refer to the senior market, brings together sectors as diverse as health, banking, automotive, energy, housing, telecommunications, leisure, and tourism, among others.

**Therefore, option (d) is the correct answer.**

Q72.

**Answer: d**

**Explanation:**

- **Open Network for Digital Commerce (ONDC)** is a network based on an open protocol. It will enable local commerce that includes various segments like mobility, grocery, food order, and delivery, hotel booking and travel, etc. to be discovered and engaged by any network-enabled application.
- It is a **government-backed platform** that aims to create a level playing field for e-commerce players such as Amazon, Flipkart, and offline traders who have been suffering due to the unfair trade practices of these e-tailers. **So, statement 1 is correct.**
- The ONDC platform lies in the middle of the interfaces hosting the buyers and the sellers. It **enables sellers and buyers to be digitally visible and transact** through an open network, regardless of what platform or application they use. **So, statement 2 is correct.**
- It democratizes digital or electronic commerce, by moving it from a platform-centric model to an open network. Through ONDC, merchants will be able to save their data to build credit history and reach consumers. **So, statement 3 is correct.**

**Therefore, option (d) is the correct answer.**

Q73.

**Answer: d**

**Explanation:**

- Financial Technology (Fintech) refers to businesses that use technology to enhance or automate financial services and processes. The term encompasses a rapidly growing industry that serves the interests of both consumers and businesses in multiple ways.
- **Some of the major FinTech products and services** currently used in the marketplace are Peer to Peer (P2P) lending platforms, **crowdfunding**, blockchain technology, distributed ledgers technology, Big Data, smart contracts, Robo advisors, E-aggregators, etc. **Crowdfunding is a way of raising debt or equity from multiple investors via an internet-based platform. So, statement 1 is correct.**

Categorization of major FinTech Innovations				
Payments, Clearing & Settlement	Deposits, Lending & capital raising	Market provisioning	Investment management	Data Analytics & Risk Management
Mobile and web-based payments Digital currencies Distributed ledger	Crowd-funding Peer to peer lending Digital currencies Distributed Ledger	Smart contracts Cloud computing e-Aggregators	Robo advice Smart contracts e-Trading	Big data Artificial Intelligence & Robotics

- **India does not have a unified code of laws governing fintech.** Fintech activities in India are primarily regulated by the Reserve Bank of India (RBI) but **certain fintech activities may be regulated by other regulators.** Payments are the most evolved fintech sub-category in India. Any entity wishing to operate a payment system in India is required to obtain RBI authorization under the Payment and Settlement Systems Act, 2007.
- **Fintech activities involving securities trading or securities advisory functions are regulated by the Securities and Exchange Board of India (SEBI).** Similarly, fintech activities falling under the insurance sector are regulated by the Insurance Regulatory and Development Authority of India (IRDAI). **So, statement 2 is correct.**

- In 2016, the Reserve Bank of India allowed up to **100% foreign direct investment (FDI) in regulated financial services companies** other than banks or insurance companies through the **automatic route**. **So, statement 3 is correct.**

Therefore, option (d) is the correct answer.

Q74.

Answer: a

Explanation:

- Emergency Credit Line Guarantee Scheme (ECLGS) was launched in 2020 as part of the Atma Nirbhar Bharat Package. The objective was to help businesses including MSMEs to meet their operational liabilities and resume businesses in view of the distress caused by the COVID-19 crisis, by providing Member Lending Institutions (MLIs), 100 percent guarantee against any losses suffered by them due to non-repayment of the ECLGS funding by borrowers.
- ECLGS is under the operational domain of the Department of Financial Services (DFS), Ministry of Finance.
- All scheduled commercial banks (SCBs) are eligible as Member Lending Institutions (MLIs) under this scheme to avail credit guarantee facility. **So, Statement 1 is correct.**
- Under the scheme, **a 100% guarantee is provided by the National Credit Guarantee Trustee Company (NCGTC)** to Member Lending Institutions (MLIs) – banks, financial institutions and **Non-Banking Financial Companies (NBFCs)**. **So, statement 2 is correct.**
- Tenor of loan under Scheme shall be four years with moratorium period of one year on the principal amount. No Guarantee Fee shall be charged by NCGTC from the Member Lending Institutions (MLIs) under the Scheme.
- **Interest rates under the Scheme shall be capped at 9.25% for banks and Fis, and at 14% for NBFCs. So, Statement 3 is not correct.**

Therefore, option (a) is the correct answer

Q75.

Answer: c

Explanation:

- Foreign Exchange Reserves include Foreign Currencies Assets ,Gold, Special Drawing Rights, Reserve Tranche Position.
- Tax incentives can be defined as any incentives that reduce the tax burden of enterprises in order to induce them to invest in particular projects or sectors. This includes reduced tax rates on profits, tax holidays, accounting rules that allow accelerated depreciation and loss carry forwards for tax purposes, and reduced tariffs on imported equipment, components, and raw materials, or increased tariffs to protect the domestic market for import substituting investment projects. Foreign investors are attracted towards low tax regimes to maximize their profit margins. **Hence lower corporate tax will bring foreign currency in India and reverse forex depletion. So, point 1 is correct.**
- Increase in export duty will hamper the export profile of our country by making our exports less competitive in international markets and reduce foreign currency inflows. **So, point 2 is not correct.**



- Ease of doing business measures will provide a suitable investment ecosystem which will attract foreign currency inflows through foreign direct investments which will increase the forex pool. It will also increase foreign currency inflows by boosting exports and the country's image in the world. **So, point 3 is correct.**

**Therefore, option (c) is the correct answer.**

**Relevance:** India's foreign exchange reserves dropped to the lowest since July 2020 to \$532.66 billion.

Q76.

**Answer: d**

**Explanation:**

- The **basic component of a semiconductor chip is a sliver of silicon**, which is etched with billions of microscopic transistors and projected to specific minerals and gases, forming patterns to control the flow of current while following different computational instructions. The most-advanced semiconductor technology nodes available today are the 3 nanometre (nm) and the 5nm ones. **So, statement 1 is correct.**
- According to a report by the Indian Electronic and Semiconductors Association (IESA), **only 9 percent of India's semiconductor requirements were sourced locally in 2021.** The chip-making industry is a highly-concentrated one, with the big players being Taiwan, South Korea and the U.S. among others. In fact, 90% of 5nm (nanometre) chips are mass-produced in Taiwan, by the Taiwan Semiconductor Manufacturing Company (TSMC). **So, statement 2 is correct.**
- In 2021, India announced its \$10 billion dollar production-linked incentive (PLI) scheme to encourage semiconductor and display manufacturing in the country. It also announced fiscal support for a **design-linked initiative (DLI) scheme to drive global and domestic investment related to design software, IP rights etc.** Under the DLI Scheme, incentives will be provided across various stages of development and deployment of semiconductor design for Integrated Circuits (Ics), Chipsets, System on Chips (SoCs), Systems & IP Cores and semiconductor linked design for over a period of 5 years. **So, statement 3 is correct.**

**Therefore, option (d) is the correct answer.**

Q77.

**Answer: a**

**Explanation:**

- The All-India Household Consumer Expenditure Survey estimates the **monthly per capita consumption spending (not total consumption in the economy in a year)** that are vital in gauging the demand dynamics of the economy as well as for understanding the shifting priorities in terms of baskets of goods and services, and in assessing living standards and growth trends across multiple strata.
- The NSS consumer expenditure survey (CES) aims at generating **estimates of household Monthly Per Capita Consumer Expenditure (MPCE)** and the distribution of households and persons over the MPCE range **separately for the rural and urban**

sectors of the country, for **States and Union Territories**, and for different socio-economic groups.

- The data from the survey was used to arrive at **estimates of poverty levels in different parts of the country** and to **review economic indicators like the Gross Domestic Product (GDP)** since 2011–12.
- The Consumer Expenditure Survey is **conducted by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, every 5 years**.
- The CES is traditionally a **quinquennial** (recurring every five years) survey designed to collect information on the **consumption spending patterns of households across the country, both urban and rural**. The data gathered in this exercise reveals the average expenditure on goods (food and non-food) and services.

Therefore, option (a) is the answer.

Q78.

Answer: a

Explanation:

- **Overseas Portfolio Investment (OPI)** means investment, other than **Overseas Direct Investment (ODI)**, in foreign securities, including units of **Exchange-traded Funds and depository receipts**, which are listed, unless stated otherwise, on a recognized stock exchange outside India. **So, point 1 is correct.**
- OPI by a person resident in India in the equity capital of a listed foreign entity shall, after its delisting, continue to be treated as OPI until any further investment is made by the Indian entity in such a foreign entity.
- **ODI** means investment by way of acquisition of equity capital of an unlisted foreign entity, or **investment in ten percent or more of the paid-up equity capital of a listed foreign entity**, or where the person resident in India making such investment has or acquires control, directly or indirectly, in the foreign entity. An investment is considered OPI if it is less than 10%. **So, point 2 is not correct.**
- Any investments in commodities including Bullion Depository Receipts (BDRs) **are not included in the OPI. So, point 3 is not correct.**

Therefore, option (a) is the correct answer.

Q79.

Answer: c

Explanation:

- Ethanol is an agricultural by-product. It's mainly obtained in the processing of sugar from sugarcane, but also from other sources such as rice husk or maize. **The Ethanol Blending Programme was launched by the Ministry of Petroleum and Natural Gas in 2003, to promote the use of alternative and environment-friendly fuels.**
- In June 2022, the Union Cabinet approved amendments to the National Policy on Biofuels, 2018. The Amendment aimed at **advancing the year by which fuel companies have to increase the blending percentage of ethanol in petrol to 20%, from 2030 to 2025**. There is also a target of 5 percent blending of biodiesel with diesel by 2030. **So, statement 1 is not correct.**
- **The Oil Marketing Companies are to procure ethanol** from domestic sources. OMCs are advised to continue according to the priority of ethanol from 1) **sugarcane**

juice/sugar/sugar syrup, 2) heavy molasses 3) heavy molasses and 4) **Damaged Food grains/other sources, in that order. So, statement 2 is not correct.**

**Therefore, option is the answer.**

Q80.

**Answer: b**

**Explanation:**

- The Gini index measures the extent to which the distribution of income or consumption among individuals or households within an economy deviates from a perfectly equal distribution. **A Gini Coefficient index of 0 represents perfect equality, while an index of 100 implies perfect inequality.**
- The Gini Coefficient index measures the area between the Lorenz curve and a hypothetical line of absolute equality, expressed as a percentage of the maximum area under the line.
- Gini coefficients are not unique. It is possible for two different Lorenz curves to give rise to the same Gini coefficient. It is possible for **the Gini coefficient of a developing country to rise (due to increasing inequality of income) while the number of people in absolute poverty decreases.** This is because the Gini coefficient measures relative, not absolute, wealth. **So, statement 1 is not correct.**
- **The Gini Coefficient for India has increased since 1991 (since the Liberalisation & Privatisation of the economy).** Gini Coefficient rose from 45 in 1990 to 51.4 in 2013, indicating a growing gap between the rich and poor. In 2019, this value was 35.7 for India. The top one percent in India earned 21 percent of the total country's income in 2019. **This was 11 percent in 1990.** However, there has been a decrease in the Gini coefficient in 1993-1994 as well as 1999-2000. Thus, India's Gini coefficient has been fluctuating since 1991. **So, statement 2 is not correct.**
- At the last official measure in 2011, India's Gini coefficient in rural India stood at 31.1, while urban India reached a higher score of 39. This shows that income inequality is higher in urban India compared to its rural counterpart. **So, statement 3 is correct.**

**Therefore, option (b) is the correct answer.**

Q81.

**Answer: d**

**Explanation:**

- Green bonds are fixed-income instruments designed to finance projects that have been specifically earmarked as climate or environment-related. A green sovereign bond is simply a green bond that has been issued by a sovereign government. **Since these are non-convertible bonds, they do not come with an option to exchange the bond for equity. So, statement 1 is not correct.**
- **Sovereign green bonds command a higher price – i.e., they offer a lower yield – than conventional bonds issued by the same entity.** This is sometimes referred to as the "greenium". **So, statement 2 is not correct.**

**Therefore, option (d) is the correct answer.**

Q82.

**Answer: a**

**Explanation:**

- Female labour force as a percentage of the total shows the extent to which women are active in the labour force. The labour force comprises people ages 15 and older who supply labour for the production of goods and services during a specified period.
- According to the Union Budget 2022, the overall workforce participation rate in India is 20.3%, of which 18.2% is in Urban India presently. In 2022, Women's employability is at 51.44 percent for 2022, compared to 41.25 per cent in 2021.
- Though women in India represent 48% of the population, they contribute only around 17% of GDP compared to 40% in China.
- According to the World Bank, between 2010 and 2020, the number of working women in India dropped from 26% to **19%**. In **2021, the world average was 46%** for the Female Labour Participation Rate (FLPR). Thus, the FLPR in India is less than half of the global average. **So, statement 1 is correct.**
- Analysis of NSSO data (1970 – 2018) shows that women have largely been undertaking labour-intensive, home-based, and informal work, concentrated in low-productivity sectors. The proportion of rural women working in **agriculture fell from 88.1% in 1977-78 to 73.2% in 2017-18**, even as the corresponding decline for rural men was 80.6% to 55% over the same period. Though the decline is not much as compared to men, the trend shows consistency in decline. **So, statement 2 is correct.**
- For **urban women**, share in the manufacturing industry has remained on similar levels since 1991. **Unlike men, neither urban nor rural women could significantly increase their presence in the secondary sector. So, statement 3 is not correct.**

**Therefore, option (a) is the correct answer.**

Q83.

**Answer: a**

**Explanation:**

- Phase-II of Faster Adoption and Manufacturing of Electric Vehicles (FAME) India Scheme is being implemented for a period of 3 years from 01<sup>st</sup> April 2019 with total budgetary support of Rs. 10,000 crores. It has recently been extended by two years and will now be in force till March 31, 2024.
- The Department of Heavy Industry (DHI) is administering the FAME India Scheme for the promotion of the adoption of electric/hybrid vehicles (Evs) in India since 01<sup>st</sup> April 2015.
- FAME-II Scheme mainly focuses on supporting the electrification of public and shared transportation. The scheme covers Hybrid & Electric technologies like Mild Hybrid, Strong Hybrid, and Plug-in Hybrid & Battery Electric Vehicles. **So, Statement 1 is correct.**
- The scheme proposes for establishing charging infrastructure and for this about 2700 charging stations will be **established in metros, other million plus cities, smart cities and cities of Hilly states** across the country. The objective is to create at least one charging station in a grid of 3 km x 3 km. Charging stations will also be established on major highways connecting major city clusters. **So, statement 2 is not correct.**
- Currently the Goods and Service Tax (GST) rate on all Electric Vehicles has been reduced from 12% to 5% and of charger or charging stations for Evs from 18% to 5%.

It is aimed at encouraging the industry to pass on more cost benefits to the users. **So, Statement 3 is not correct.**

**Therefore, option (a) is the correct answer**

Q84.

**Answer: d**

**Explanation:**

- Kuznets curve demonstrates the hypothesis that economic growth initially leads to greater inequality, followed later by the reduction of inequality. The idea was first proposed by American economist Simon Kuznets.
- **Lorenz's Curve** is a graphical representation of the distribution of income or wealth within a population. It uses the information expressed in a cumulative manner to indicate the degree of inequality.
- **The Phillips curve** is an economic theory that inflation and unemployment have a stable and inverse relationship. Developed by William Phillips, it claims that with economic growth comes inflation, which in turn should lead to more jobs and less unemployment.
- **The Laffer Curve** is based on a theory by supply-side economist Arthur Laffer. Created in 1974, it visually shows the relationship between tax rates and the amount of tax revenue collected by governments. The curve is often used to illustrate the argument that cutting tax rates can result in increased total tax revenue.

**Therefore, option (d) is the correct answer.**

Q85.

**Answer: c**

**Explanation:**

- A **Card on File transaction (CoF) transaction occurs when a cardholder authorizes a merchant to store the cardholder's Mastercard or Visa payment information.** The cardholder then authorizes the merchant to charge the stored Mastercard or Visa account. Card information is typically stored in the systems of e-commerce companies, airlines, and supermarket chains. **So, statement 1 is not correct.**
  - It operates on the basis of the agreement between the cardholder and the merchant by which the cardholders authorize merchants to store their payment information securely and bill cardholders' stored accounts for future purchases.
- **Guest checkout transactions are those where cardholders decide to enter card details manually at the time of undertaking the transaction.** They just need to key in the 16-digit number and do the transaction. This would be a non-tokenized transaction. **So, statement 2 is not correct.**
- Recently the Reserve Bank of India (RBI) has come up with an alternate payment system called tokenization. **Tokenization refers to the replacement of actual card details with a unique alternate code called the 'token'.** This token would be unique for a combination of card, token requester, (i.e. the entity which accepts requests from the customer for tokenization of a card and passes it on to the card network to

issue a corresponding token), and the device. A tokenised card transaction is considered safer as the actual card details are not shared with the merchant during transaction processing. **So, statement 3 is correct.**

**Therefore, option (c) is the correct answer.**

Q86.

**Answer: c**

**Explanation:**

- A surety bond is a legally binding contract entered into by three parties—the principal, the obligee, and the surety. The obligee, usually a government entity, requires the principal, typically a business owner or contractor, to obtain a surety bond as a guarantee against future work performance. The surety provides **a financial guarantee to the obligee that the principal will fulfill their obligations**. If the principal fails to deliver on the terms of the contract entered into with the obligee, the obligee has the right to file a claim against the bond to recover any damages or losses incurred. If the claim is valid, the surety company will pay reparation that cannot exceed the bond amount.
- Surety bond is provided by the insurance company on behalf of the contractor to the entity which is awarding the project. A surety is **not an insurance policy**. The payment made to the surety company is paying for the bond, but the principal is still liable for the debt. The surety is only required to relieve the obligation of the time and resources that will be used to recover any loss or damage from a principal. The **claim amount is still retrieved from the principal** through either collateral posted by the principal or through other means. **So, statement 1 is correct.**
- A surety is **not a bank guarantee**. Where the surety is **liable for any performance risk posed by the principal**, the bank guarantee is liable for the financial risk of the contracted project.
- Surety bonds are mainly aimed at infrastructure development by **reducing indirect costs for suppliers and work contractors** thereby diversifying their options and acting as a substitute for bank guarantees. **So, statement 2 is correct.**

**Therefore, option (c) is the correct answer.**

Q87.

**Answer: b**

**Explanation:**

- **Purple Revolution** or Lavender Revolution was launched by the Union Ministry of Science & Technology through the council of Scientific & Industrial Research's (CSIR) Aroma Mission, which aimed at increasing lavender cultivation in Jammu & Kashmir. Lavender farming was introduced in Jammu & Kashmir in 2007 as an experiment to help farmers turn to more profitable crops which are now generating revolutionary results. **So, pair 1 is not correctly matched.**
- **Pink Revolution** denotes the revolution in the technologies used in the poultry and meat processing sector which resulted in a boom in the export and production of meat in India. **So, pair 2 is correctly matched.**
- Golden Revolution focused on the better production of honey & horticulture. It is considered to be a part of an important agricultural revolution of India which made India a world leader in the production of bananas, mangoes, etc. **So, pair 3 is correctly matched.**
- **Silver Revolution** is a process of increase in the production of eggs as well as poultry. This was achieved by using hybrid cocks as well as hens and applications of applied science to promote egg production. It made India stand as the 3<sup>rd</sup> largest egg producer after China and the USA. **So, pair 4 is not correctly matched.**
- **Red Revolution** was an agricultural reform in India that resulted in an increase in tomato and meat production. The red revolution in agriculture has given a boost to the economy of the country and is a major source of profit for the farmers. **So, pair 5 is correctly matched.**

Therefore, option (b) is the correct answer.

Q88.

Answer: c

Explanation:

- The Competition Commission of India (CCI) is a statutory body established by the Competition Act 2002 to replace the Monopolies and Restrictive Trade Practices Act, 1969. It aims to eliminate anti-competitive practices and promote competition, the interests of the consumers, and free trade in the country.
- The CCI has been vested with the **power to suo motu take cognizance** of any alleged contravention of fair competition practices and hold an inquiry which means that the Commission is not required to wait for receipt of a reference from the Central or the State Government or statutory authority or formal information by someone for exercising its power. **So, statement 1 is correct.**
- Competition Commission of India also has the duty to scrutinize any foreign company that enters the Indian market for business through a merger or acquisition and ensures that the company abides by the competition laws of India set up by the Competition Act, 2002. **The Commission also has the power to investigate the matter which is external to the area of the country** but has an impact on India. **So, statement 2 is not correct.**
- CCI is a member of the International Competition Network (ICN); BRICS and has independent observer status with the United Nations Conference on Trade and Development (UNCTAD). The CCI is also a member of the Competition Committee of

the Organization for Economic Co-operation and Development (OECD). **So, statement 3 is correct.**

**Therefore, option (c) is the correct answer.**

Q89.

**Answer: b**

**Explanation:**

- Net errors and omissions reflect the imbalances resulting from imperfections in source data and compilation of the balance of payments accounts. **It can be reflected when there is an omission/exclusion of a transaction in the international transactions book.** Net errors and omissions constitute a residual category needed to ensure that accounts in the balance of payments statement sum to zero. Net errors and omissions are derived as the balance on the financial account minus the balances on the current and capital accounts.

**Therefore, option (b) is the correct answer.**

Q90.

**Answer: b**

**Explanation:**

- **When income increases, consumer spending increases. Spending on imported goods is also likely to increase.** When imports increase, the demand curve for foreign exchange shifts to the right. There is a **depreciation of the domestic currency. So, statement 1 is not correct.**
- **If there is an increase in income abroad, domestic exports will rise** and the supply curve of foreign exchange shifts outward. **So, statement 2 is correct.**
- In general, other things remaining equal, **a country whose aggregate demand grows faster than the rest of the world normally finds its currency depreciating because its imports grow faster than its exports.** Its demand curve for foreign currency shifts faster than its supply curve. **So, statement 3 is correct.**

**Therefore, option (b) is the correct answer.**

Q91.

**Answer: b**

**Explanation:**

- In an open economy, the demand for domestic goods is equal to the domestic demand for goods (consumption, investment and government spending) plus **exports minus imports. So, statement 1 is not correct.**
- The **open economy multiplier is smaller than that in a closed economy** because a part of domestic demand falls on foreign goods. An increase in autonomous demand thus leads to a smaller increase in output compared to a closed economy. It also results in a deterioration of the trade balance. **So, statement 2 is correct.**



Therefore, option (b) is the correct answer.

Q92.

Answer: c

Explanation:

- Venture capital financing is commonly associated with the provision of equity investment for a time period in **small/medium business** with high growth potential and high reward but which could entail high risk. **So, statement 1 is correct.**
- Venture capitalists are firms or Individual investors and Banking Institutions with a large base, who takes a great deal of risk to invest in newly started ventures or startups with **promising growth for the future**. They tap such small businesses and can have an eye on them through mentorship, and guidance for growth. They expect equity stake and or profit ratios once the business gets established as returns. **So, statement 2 is correct.**
- Venture Capital **investments are risky** as they are illiquid, but are capable of giving impressive returns if invested in the right venture. The returns to the venture capitalists depend upon the growth of the company. Venture capitalists have the power to influence major decisions of the companies they are investing in as it is their money at stake. **So, statement 3 is not correct.**

Therefore, option (c) is the correct answer.

Q93.

Answer: d

Explanation:

- Organisation for Economic Co-operation and Development (OECD) formally known as Organisation for European Economic Co-operation (OEEC) was **established to administer the predominantly U.S.-funded Marshall Plan for post- Second World War reconstruction of the European continent.**
- The **mandate of the OECD is to promote policies that will improve the economic and social well-being of people around the world. Its headquarter is located in Paris in France.**
- It has been granted an Observer status at the United Nations General Assembly.
- Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, **Israel**, Italy, Japan, Korea, Latvia, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, **Turkey**, United Kingdom, United States **are member countries, India is not among the member countries of OECD.**

Therefore, option (d) is the answer.

Q94.

Answer: c

Explanation:

Bali Package 2013:

- It is the trade agreement outcome resulting from the WTO ministerial conference 2013 at Bali, Indonesia. Its two significant components are **Trade Facilitation Agreement and Peace Clause on subsidies**. So, pair 1 is correctly matched.

**Nairobi Package 2015:**

- If there is a surge of cheap agro exports from 1<sup>st</sup> world to 3<sup>rd</sup> world, then 3<sup>rd</sup> world countries will have the right to temporarily increase tariffs/taxes on them, to protect their local farmers. It's called **Special Safeguard Mechanism**. So, pair 2 is correctly matched.

**Astana summit 2020:**

- It was to be held at Kazakhstan's Astana but was canceled due to the risk of COVID-19. The Peace Clause on subsidies is part of the Bali Summit. So, pair 3 is not correctly matched.

**Geneva Conference 2022:**

- At the 12<sup>th</sup> Ministerial Conference held on 12-17 June 2022 in Geneva, WTO **members forged a historic Agreement on Fisheries Subsidies**, which sets new rules to curb harmful subsidies and protect global fish stocks in a manner that also recognizes the needs of fishers in developing and least-developed countries (LDCs). So, pair 4 is correctly matched.

Therefore, option (c) is the correct answer.

Q95.

Answer: c

Explanation:

- **The Agricultural and Processed Food Products Export Development Authority (APEDA)** was established by the Government of India under the Agricultural and Processed Food Products Export Development Authority Act passed by the Parliament in December 1985.
- APEDA an apex organization under the Ministry of Commerce and Industry, Government of India, is mandated with the responsibility for the promotion and development of the export of agro products from India. So, statement 1 is not correct.
- In accordance with the **Agricultural and Processed Food Products Export Development Authority Act, 1985**, it fixes the standards and specifications for the **scheduled products for the purpose of exports**. So, statement 2 is correct.
- According to the APDEA Act, it doesn't regulate imports of food items. However, as an exemption, it has been entrusted **with the regulation of imports of sugar also**. So, statement 3 is correct
- **APEDA also functions as the Secretariat to the National Accreditation Board (NAB) for the implementation of accreditation of the Certification Bodies under the National Programme for Organic Production (NPOP) for organic exports**. "Organic Products" for export are to be certified only if Produced, Processed, and Packed as per the standards laid down in the document – "National Programme for Organic Production (NPOP)". So, statement 4 is correct.

Therefore, option (c) is the correct answer.

**Relevance:** APEDA has decided to promote Indian Millet with export target of \$100 million by FY 2024.

Q96.

**Answer: c**

**Explanation:**

- The Rules of Origin in India aims to tackle the misuse of low tariffs by the 3<sup>rd</sup> party, **who try to root their products through member countries of the Free Trade Agreement (FTA). So, statement 1 is correct.**
- Under this provision, a country that has inked an FTA with India cannot dump goods from some third country in the Indian market by just putting a label on it. It has to undertake a prescribed value addition in that product to export to India. Rules of origin **norms help contain the dumping of goods. So, statement 2 is correct.**
- The “rules of origin” provision prescribes for the **minimal processing** that should happen in the Free Trade Agreement country so that the final manufactured product may be called originating goods in that country.

**Therefore, option (c) is the correct answer.**

Q97.

**Answer: a**

**Explanation:**

- The genesis of the Lead Bank Scheme (LBS) can be traced to the Study Group headed by **Prof. D. R. Gadgil (Gadgil Study Group)**. The Study Group recommended the adoption of an ‘Area Approach’ to **evolve plans and programmes for the development of an adequate banking and credit structure in the rural areas**. Later, **Nariman Committee** also endorsed that **each bank should concentrate on certain districts where it should act as a ‘Lead Bank’**. Pursuant to the above recommendations, the **Lead Bank Scheme was introduced by the Reserve Bank of India in December 1969. So, statement 1 is correct.**
- For coordinating the activities in the district, a **particular bank is assigned ‘Lead Bank’ responsibility of the district (and not the State)**. The Lead Bank is expected to assume a leadership role for coordinating the efforts of the credit institutions and the Government. **So, statement 2 is not correct.**
- Envisaging a greater role for private sector banks, **Lead Banks were advised to ensure that private sector banks are more closely involved** in the implementation of the Lead Bank Scheme.
- The **Service Area Approach (SAA) was introduced in April 1989**. It was a developed version of the ‘area approach’ structure of the Lead Bank Scheme. Under SAA, each bank branch in a rural or semi-urban area was designated to serve an **area of 15 to 25 villages** and the branch was responsible for meeting the needs of bank credit of its service area. **So, statement 3 is not correct.**

**Therefore, option (a) is the correct answer.**

Q98.

**Answer: a**

**Explanation:**

- Base effect is a term generally used in Inflation. It refers to **the impact of an increase in the price level (i.e. previous year's inflation) over the corresponding rise in price levels in the current year** (i.e., current inflation). The base year is the year whose prices are being used to calculate the real GDP of the current year to measure inflation. If the base has an abnormally high or low value it can greatly distort the ratio, resulting in a potentially deceptive comparison. **So, statement 1 is correct.**
- If the inflation rate was low in the corresponding period of the last year, then even a small increase in the price index will give a high rate of inflation in the current year. Similarly, if there is a **rise in the price index in the corresponding period of last year** and recorded high inflation, then an absolute increase in the price index will **show a lower inflation rate in the present year. So, statement 2 is not correct.**

Therefore, option (a) is the correct answer.

Q99.

Answer: c

Explanation:

- The **Paris Convention**, adopted in 1883, **applies to industrial property in the widest sense, including patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and the repression of unfair competition.** This international agreement was the first major step taken to help creators ensure that their intellectual works were protected in other countries. **So, pair 1 is not correctly matched.**
- The **Berne Convention**, adopted in 1886, **deals with the protection of works and the rights of their authors. It provides creators such as authors, musicians, poets, painters, etc. with the means to control how their works are used, by whom, and on what terms.** It is based on three basic principles and contains a series of provisions determining the minimum protection to be granted, as well as special provisions available to developing countries that want to make use of them. **So, pair 2 is not correctly matched.**
- **Budapest Treaty**, adopted in 1977, on the **International Recognition of the Deposit of Microorganisms for the Purposes of Patent Procedure.** All states party to the Treaty are obliged to recognize microorganisms deposited as a part of the patent procedure, irrespective of where the depository authority is located. **So, pair 3 is correctly matched.**

Therefore, option (c) is the correct answer.

Q100.

Answer: d

Explanation:

- Gross Fixed Capital Formation (GFCF), is the net amount of **fixed capital accumulation which is called net investment.** It measures the increase in the capital stock less the disposal of fixed assets. Thus, Gross fixed capital formation is not a measure of total investment as only the value of net additions to fixed assets.
- GFCF comprises of four components, namely Dwellings, other buildings and structures (DOBS), machinery, and equipment (ME), Cultivable Biological Resources (CBR) and Intellectual Property Product (IPP). **So, points 1, 2, 3 and 4 are correct.**

- Fixed Assets are those which are used repeatedly or continuously in production processes for more than one year. Fixed assets include not only structures, machinery and equipment but also cultivable biological resources such as trees, plants, and animals that are used repeatedly or continuously to produce other products such as fruits and dairy products. They also include intellectual property products such as software, data base and products of artistic originals used in production.

**Therefore, option (d) is the correct answer.**

**Relevance:** The gross fixed capital formation component has been declining from 29.5% in FY19 to 26.6% in FY21.