

1. D

- Artificial Intelligence have limitless application and can be implemented in almost all of the sectors as it deals with the Data and its analysis

2. D

- All the given components are part of Balance of payment

3.C

- All these measures helps controlling inflation. But only the first two measures are of monetary policy decision, rest are fiscal policy measures.

4. D

- Gross Domestic Product (GDP) is the monetary value of all the **finished goods** and services produced within a '**domestic territory**' in a specific time period. As evident, it is tied to a specific territory – a country's border irrespective of the person producing it. That person **could be a citizen or a foreign national**.
- India's Central Statistical Office (CSO) introduced the new series of National Accounts Statistics (NAS) with the **base year 2011-12**, replacing the earlier series with 2004-05 as the base year. This is a routine matter for the CSO – as with statistical offices of most countries – to change the base year of the NAS periodically to account for structural changes in the economy, relative prices, and to replace older survey data with newer ones to better capture the economic activities. This time around the revision also had another objective, that is, to update the underlying methodology of NAS to the most recent international guidelines, namely, the UN System of National Accounts 2008 (SNA 2008).
- It also replaced GDP at factor cost with **GDP at market price** with gross value added at basic prices and GDP respectively.

5.C

- Higher interest rates in an economy tend to draw foreign investment, increasing the demand for and value of the home currency.
- an increasing current account deficit (of India) leads to an increase in the demand for Dollar, Because we need more Dollars than before to finance our growing deficit, also paying for the imports. An increase in the demand for a currency leads to its appreciation.
- Increased fpi Inflows also increase the value of the currency by increasing the demand for rupee in international market.

6.A

- The concept behind the Phillips curve states the change in unemployment within an economy has a predictable effect on price inflation.
- The inverse relationship between unemployment and inflation is depicted as a downward sloping, concave curve, with inflation on the Y-axis and unemployment on the X-axis. Increasing inflation decreases unemployment, and vice versa.
- Alternatively, a focus on decreasing unemployment also increases inflation, and vice versa.

7. B

- The Oromia Region is one of the nine ethnically-based regional states of Ethiopia, the homeland of the Oromo. The region is often in news because of the violences taking place in this region.
- Diffa is one of the seven Regions of Niger, located in the southeast of the country. The capital of the region is Diffa. It is where Boko Haram is most active.

- Khartoum is the capital and largest city of Sudan and the fourth-largest city in the Arab world. It is located at the confluence of the White Nile, flowing north from Lake Victoria, and the Blue Nile, flowing west from Ethiopia

8. C

- The benefits of free trade includes 1. it increase as overall trade—exports and imports—increases. 2. Free trade increases access to higher-quality, lower-priced goods. 3. Freeing trade reduces imported-input costs, thus reducing businesses' production costs and promoting economic growth
- But the less developed countries in Africa etc does not share the equal benefit.

9. A

- when the demand is inelastic, consumers are not very responsive to price changes, and the quantity demanded remains relatively constant when the tax is introduced. In the case of smoking, the demand is inelastic because consumers are addicted to the product. The seller can then pass the tax burden along to consumers in the form of higher prices without much of a decline in the equilibrium quantity.

10. A

- GDP at market price: Is money value of all goods and services produced within the domestic domain with the available resources during a year.
- $GDP = (P \times Q)$ Where,
 - GDP = gross domestic product
 - P = Price of goods and services
 - Q = Quantity of goods and services
- GDP is made up of 4 Components.
 1. Consumption
 2. Investment
 3. government expenditure
 4. net foreign exports of a country
$$GDP = C + I + G + (X - M)$$
- Where, C=Consumption, I=Investment, G=Government expenditure, (X-M) =Export minus import

11. D

- Rupee depreciation badly affects importers or those who wish to visit foreign countries for holidays as they need more local currency to get the same service or product.
- When rupee depreciates exporters from India are benefited. (Eg: Software companies, seafood exporters etc.)
- Depreciation of rupee benefit the overseas Indians as those who are working abroad will gain more on remitting money to their homeland.

12. A

- CII is a non-government, not-for-profit, industry-led and industry-managed organization, playing a proactive role in India's development process. Founded in 1895, India's premier business association has more than 9100 members, from the private as well as public sectors, including SMEs and MNCs.
- Since it is an industry led organisation, its leadership is also dominated by them. There is not much influence of government in this organisation.
- They were in news because they urged the government to double the income tax exemption threshold to ₹5 lakh and increase the deduction limit under Section 80C in January 2019.

13. D



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- Source Yojana February 2019

14. A

- PARIVESH is a web-based, application which has been developed for online submission and monitoring of the proposals submitted by the proponents for seeking Environment, Forest, Wildlife and Coastal Regulation Zones (CRZ) Clearances from Central, State and district level authorities.
- It automates the entire tracking of proposals which includes online submission of a new proposal, editing/updating the details of proposals and displays status of the proposals at each stage of the workflow.
- This portal is developed under 'Digital India' initiative by the Ministry of Environment, Forest and Climate Change.

15. C

- The Gross Domestic Product (GDP) deflator is a measure of general price inflation. It is calculated by dividing nominal GDP by real GDP and then multiplying by 100. Nominal GDP is the market value of goods and services produced in an economy, unadjusted for inflation (It is the GDP measured at current prices). Real GDP is nominal GDP, adjusted for inflation to reflect changes in real output (It is the GDP measured at constant prices).
- GDP Deflator = $\frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100$

16.A

- Demand pull inflation occurs when there is a money flow in the market. If people have higher disposable income their purchasing capacity will increase and a situation will arise of too much money chasing too few goods.
- This condition is called demand pull condition.
- Deficit financing and increase in per capita income will increase the money supply in the market. Infrastructural deficiencies will cause an increase in the cost of production. This will cause cost push inflation.

17. A

- 2nd statement can be easily eliminated as it is very vague and not suggested by the NCF
- To improve the economic viability of farming by ensuring that farmers earn a “minimum net income”, and ensure that agricultural progress is measured by the advance made in improving that income. 1
- To mainstream the human and gender dimension in all farm policies and programmes and give explicit attention to sustainable rural livelihoods.
- To complete the unfinished agenda in land reforms and to initiate comprehensive asset and aquarian reforms. To develop and introduce a social security system and support services for farmers.
- To protect and improve the land, water, biodiversity and climate resources essential for sustained advances in the productivity, profitability and stability of major farming systems by creating an economic stake in conservation.
- To introduce measures which can help to attract and retain youth in farming by making it both intellectually stimulating and economically rewarding, by conferring the power and economy of scale to small and marginal farmers both in the production and post-harvest phases of farming.
- To strengthen the biosecurity of crops, farm animals, fish and forest trees for safeguarding both the work and income security of farmer families, and the health and trade security of the nation.
- To restructure agricultural curriculum and pedagogic methodologies for enabling every farm and home science graduate to become an entrepreneur and to make agricultural education gender sensitive.
- Source January Yojana

18.C

- A condition of slow economic growth and relatively high unemployment – economic stagnation – accompanied by rising prices, or inflation, or inflation and a decline in Gross Domestic Product (GDP).

19. C

- National Income is the total amount of goods and services produced within the nation during the given period say, 1 year. It is the total of factor income i.e. wages, interest, rent, profit, received by factors of production i.e. labour, capital, land and entrepreneurship of a nation.
- NP at factor cost is the NNP at market price minus the net indirect taxes and addition of subsidy because the indirect tax is the extra cost imposed by the government which is not a true cost of production and similarly the subsidy is the reduction in total cost. Therefore for true factor cost, indirect tax is subtracted and subsidy is added in NNP factor cost.
- National Disposable Income is the sum of the disposable incomes of all resident institutional units. Gross National Disposable Income measures the income available to the nation for final consumption and gross saving

20. C

- An online portal - 'ENSURE' - National Livestock Mission EDEG is developed by NABARD and operated under the Department of Animal Husbandry, Dairying & Fisheries was launched recently.
- The National Livestock Mission has been conceived by the government for the sustainable development of the livestock sector. Under the Mission's component called Entrepreneurship Development and Employment Generation (EDEG), subsidy payment for activities related to poultry, small ruminants, pigs etc. through Direct Benefit Transfer (DBT) goes directly to the beneficiary's account.
- In order to make it better, simpler and transparent, the NABARD has developed an online portal "ENSURE" (<https://ensure.nabard.org>) so that the information related to beneficiary and processing of application can be made readily available.
- Source Yojana January

21.C

- A bank rate is the interest rate at which a nation's central bank lends money to domestic banks, often in the form of very short-term loans. Managing the bank rate is a method by which central banks affect economic activity.
- Lower bank rates can help to expand the economy by lowering the cost of funds for borrowers, and higher bank rates help to reign in the economy when inflation is higher than desired.

22. B

Benefits of Inland Water Transport

IWT provides supplementary mode of transport which is cost effective, fuel efficient and environment friendly

1. Low emissions - CO₂ equivalent greenhouse gases emission per tonne-km of cargo transportation is 15g by IWT, 28g by Rail and 64g by Road transport.
 2. Low energy consumption - 1 HP can carry 4000 kg load in Water, 500 kg by Rail and 150 kg on Road.
 3. Low fuel cost - 1 litre fuel can move 105 tonne-km by IWT, 85 tonne-km by Rail and 24 tonne-km of freight by Road.
- IWT can provide optimal modal mix by integrating river transport with other modes thereby reducing total logistics cost.
 - It eases congestion on Road and Rail networks.
 - IWT requires very little land acquisition as compared to Road and Rail modes.
 - Caters to the needs of the relatively under developed hinterland.

Business Opportunities

The development works being undertaken by IWAI provide business opportunities to players involved in waterways in the fields of:

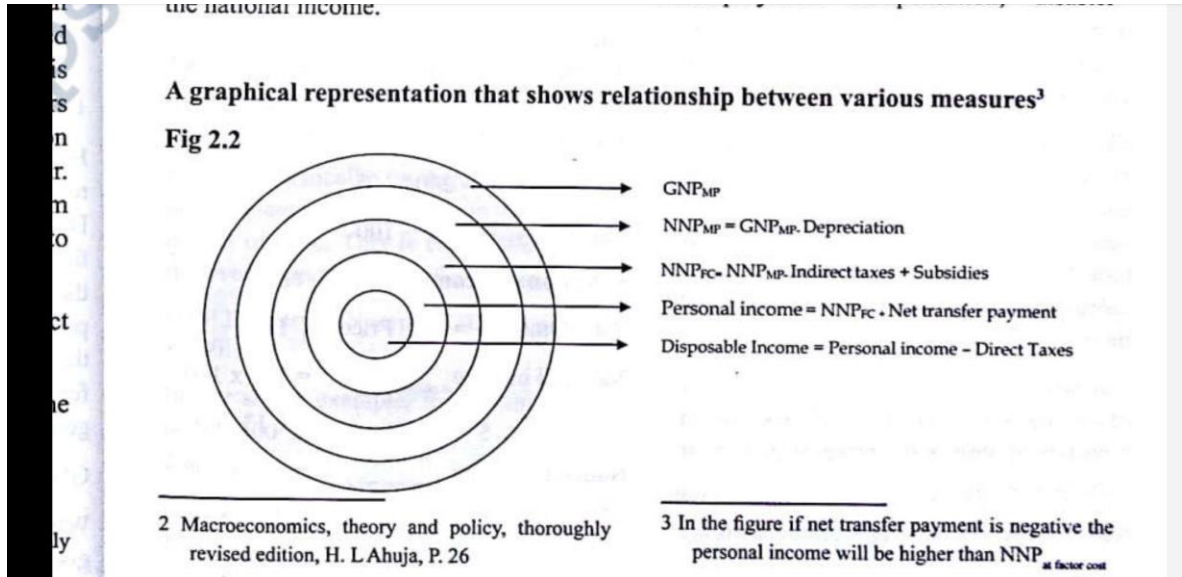
- Cargo Movement
- Dredging Works
- Construction, Operation and Maintenance of Terminals
- Barge Construction and Operations
- Navigation Aids
- Hydrographic Surveys
- Manpower Supply for Vessels and Terminals. Training of Vessel Crews
- Stevedoring and Forwarding
- Cruise Operations
- Consultancy Services for Techno-Economic Feasibility, Environmental and Social Impact and Market Analysis Studies, Preparation of DPRs.
- Project Management Consultancy
- Construction Supervision
- Proof Checking of Design
- Model Studies.

23. C

- (i) Employment in the service sector has not increased to the same extent as production.
- (ii) Workers in the tertiary sector do not produce goods.
- (iii) Most of the workers in the organised sector enjoy job security.

- (iv) A large proportion of labourers in India are working in the unorganised sector.
- (v) Cotton is a natural product and cloth is a manufactured product.
- (vi) The activities in primary, secondary and tertiary sectors are interdependent.

24. C



25. B

- Commercial paper is an unsecured, short-term debt instrument issued by a corporation, typically for the financing of accounts payable and inventories and meeting short-term liabilities. Maturities on commercial paper rarely range longer than 270 days.
- It was in news since the IL&FS crisis in which the company defaulted in payments obligations of bank loans, term and short deposits etc.

26.A

- In economics, the Lorenz curve is a graphical representation of the distribution of income or of wealth. It was developed by Max O. Lorenz in 1905 for representing inequality of the wealth distribution.
- The J-curve effect is seen in economics when a country's trade balance initially worsens following a devaluation or depreciation of its currency.
- In economics, the Laffer curve is a representation of the relationship between rates of taxation and the resulting levels of government revenue.

27.B

- An invisible trade is a business transaction that occurs with no exchange of tangible goods. An invisible trade involves the transfer of non-tangible goods and/or services, such as customer service, intellectual property and patents. The items involved in an invisible trade are associated with a value and can be exchanged for tangible goods.
- By contrast, visible trade involves the exchange, or the import and export, of tangible goods. Examples of invisible trade include consulting, income from foreign investments, shipping services, insurance, banking and tourism. Invisible trade represents an increasing percentage of world trade.
- Frictional unemployment results from temporary transitions made by workers and employers or from workers and employers having inconsistent or incomplete information.

28. A

- A liquidity trap is a situation in which interest rates are low and savings rates are high, rendering monetary policy ineffective. In a liquidity trap, consumers choose to avoid bonds and keep their funds in savings because of the prevailing belief that interest rates will soon rise (which would push bond prices down)

29. B

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- ECONOMIC GROWTH ECONOMIC DEVELOPMENT

Economic growth refers to an increase over time in a country's real output of goods and services (GNP) or real output per capita income.

Economic development implies an upward movement of the entire social system in terms of income, savings and investment along with progressive changes in socioeconomic structure of country (institutional and technological changes)

Economic Growth relates to a gradual increase in one of the components of Gross Domestic Product: consumption, government spending, investment, net exports.

Development relates to the growth of human capital indexes, a decrease in inequality figures, and structural changes that improve the general population's quality of life.

It is a Quantitative concept. Increases in real GDP.

It is a Qualitative concept. it includes HDI (Human Development Index), gender- related index (GDI), Human poverty index (HPI), infant mortality, literacy rate etc.

It only Brings quantitative changes in the economy

Its effect is that it Brings Qualitative changes in the economy.

Economic growth is a more relevant metric for progress in developed countries. But it's widely used in all countries because growth is a necessary condition for development.

Economic development is more relevant to measure progress and quality of life in developing nations. like India where there is rampant inequality in the distribution of wealth.

Growth is concerned with increase in the economy's output

Concerned with structural changes in the economy for example generally economic development is associated with fall in the share of Agriculture in the total GDP, while the increase in the share of manufacturing in the total GDP.

30. B

- India is ranked second next to Brazil in the Energy Transition Index.
- India has moved up two places to rank 76th on a global energy transition index. This annual list, compiled by Geneva-based World Economic Forum (WEF), has ranked 115 economies on how well they are able to balance energy security and access with environmental sustainability and affordability.
- Sweden remains on the top on this annual list and is followed by Switzerland and Norway in the top three. Among major economies, the UK is ranked 7th, Singapore 13th, Germany 17th, Japan 18th and the US 27th. Within Asia, Malaysia is ranked highest at 31st, Sri Lanka is 60th, Bangladesh 90th and Nepal 93rd

31. C

- Green GDP is a term used for expressing GDP after adjusting for environmental degradations.
- Green GDP is an attempt to measure the growth of an economy by subtracting the costs of environmental damage and ecological degradations from the GDP
- While explicitly green GDP is not measured in India, but environmental accounting has been done in India from last 2 decades
- A Framework for the Development of Environmental Statistics (FDES) was developed by the Central Statistics Office (CSO) of India in the early 1990s

32. C

- The architectural heritage of Orchha town has been included in the tentative list of UNESCO's world heritage sites. Orchha town in Niwari district of MP's Bundelkhand region has a peculiar style of architecture used by the Bundela dynasty.
- The town is located on the banks of river Betwa, around 80 km from MP's Tikamgarh district and 15 km from Jhansi district of UP, was built by King Rudra Pratap Singh of Bundela dynasty in the 16th century.
- If it makes it to the final list of UNESCO's World Heritage Sites, it would be the 38th site in India to form part of the treasured list. Three historically famous sites in MP, including the rock shelters of Bhimbetka, Buddhist monuments at Sanchi, and the Khajuraho group of monuments are among the 37 Indian heritage sites on the UNESCO list.

33. C

- Both the given statements are correct. WPI is published by Ministry of Commerce and Industries, prepared monthly and is touching the price data at wholesale level.
- The IIP is about industrial production and is published on a monthly basis by the CSO.

34. C

- The composition scheme is an alternative method of tax levy under GST designed to simplify compliance and reduce compliance costs for small taxpayers.
- The applicable tax rates under the composition scheme are 1 per cent (0.5 per cent Central GST and 0.5 per cent State GST) of turnover in case of manufacturers and traders, 5 per cent in the case of restaurants (not serving alcohol) and 6 per cent for other service providers.
- The drawbacks of this scheme are that the taxpayer cannot be involved in inter-State transactions, imports or exports. Also, the buyer transacting with a seller registered under composition scheme will not get the benefit of input tax credit. Thus, in inter state transactions GST Compensation cannot play a role.

35. B

- The Index of Industrial Production (IIP) is an index that indicates the performance of various industrial sectors of the Indian economy. It is calculated and published by the Central Statistical Organisation (CSO)

every month. It is a composite indicator of the general level of industrial activity in the economy. It doesn't not predict, instead it measures the industrial growth in the country

- PMI or Purchasing Managers' Index (PMI) is an indicator of business activity — both in the manufacturing and services sectors. It is a survey-based measures that asks the respondents about changes in their perception of some key business variables from the month before. It is calculated separately for the manufacturing and services sectors and then a composite index is constructed. The PMI is derived from a series of qualitative questions. Executives from a reasonably big sample, running into hundreds of firms, are asked whether key indicators such as output, new orders, business expectations and employment were stronger than the month before and are asked to rate them

36. B

- A bank indulges in a number of activities relating to finance with a range of customers, while an NBFIs is mainly concerned with the term loan needs of large enterprises.
- Example IL and FS

37. A

- Objectives of IBRD
- To assist in the reconstruction and development of its member countries by facilitating the investment of capital for productive purposes, thereby promoting long range growth of international trade and improvements in standard of living.
- 2. To promote private foreign investment by guarantees of and participation in loans and other investments made by private investors.
- 3. When private capital is not available or reasonable terms to make loans for productive purposes out of its own resources or funds borrowed by it.
- 4. To arrange the loans made or guaranteed by it in relation to international loans through other channels so that more useful and urgent small and large projects are dealt with first.
- Objective of IDA is to provide developmental assistance and grants

38.A

- Statement 1 is incorrect. Balance of payments is the overall record of all economic transactions of a country with the rest of the world. The balance of trade is included in the balance of payments.
- Statement 2 is correct. Balance of trade is the difference in the value of exports and imports of only visible items. Balance of trade includes imports and exports of goods alone i.e., visible items

39. A

40.C

- The Foreign exchange reserves of India are India's holdings of cash, bank deposits, bonds, and other financial assets denominated in currencies other than India's national currency, the Indian rupee.
- The reserves are managed by the Reserve Bank of India for the Indian government and the main component is foreign currency assets.
- Foreign exchange reserves act as the first line of defense for India in case of economic slowdown, but acquisition of reserves has its own costs.
- Foreign exchange reserves facilitate external trade and payment and promote orderly development and maintenance of foreign exchange market in India.

41.C

- It's simply the ability to generate revenues. As majority of the revenue of governments around the world is through taxes (other from various fees/user charges/ dividends etc.), Tax to GDP ratio is often taken as proxy for the fiscal capacity of a government.

42. B

- Gender inequality remains a major barrier to human development. Girls and women have made major strides since 1990, but they have not yet gained gender equity.
- The disadvantages facing women and girls are a major source of inequality. All too often, women and girls are discriminated against in health, education, political representation, labour market, etc.—with negative consequences for development of their capabilities and their freedom of choice.
- The GII is an inequality index. It measures gender inequalities in three important aspects of human development—reproductive health, measured by maternal mortality ratio and adolescent birth rates; empowerment, measured by proportion of parliamentary seats occupied by females and proportion of adult females and males aged 25 years and older with at least some secondary education; and economic status, expressed as labour market participation and measured by labour force participation rate of female and male populations aged 15 years and older.
- The GII is built on the same framework as the IHDI—to better expose differences in the distribution of achievements between women and men. It measures the human development costs of gender inequality. Thus, the higher the GII value, the more disparities between females and males and the more loss to human development.
- The GII sheds new light on the position of women in 159 countries; it yields insights in gender gaps in major areas of human development. The component indicators highlight areas in need of critical policy intervention, and it stimulates proactive thinking and public policy to overcome systematic disadvantages of women.

43. A

- UNAMA's mission is to support the people and government of Afghanistan in achieving peace and stability, in line with the rights and obligations enshrined in the Afghan constitution.
- United Nations Assistance Mission in Afghanistan (UNAMA) is a political mission established by the Security Council in 2002 at the request of the Government to assist it and the people of Afghanistan in laying the foundations for sustainable peace and development in the country.
- It was in news in relation with regard to the election process in Afghanistan.

44. D

- Inclusive growth infers an impartial allocation of resources with benefits incurred to every section of the society. But the allocation of resources must be focused on the intended short and long term benefits of the society such as availability of consumer goods, people access, employment, standard of living etc
- Major elements of Inclusive Growth:
 1. Agriculture Development
 2. Industrial Development
 3. Environment Protection
 4. Poverty Reduction
 5. Employment Generation
 6. Reduction in regional disparities
 7. Equal distribution of income
 8. Social Sector Development

45.A

- A revenue deficit occurs when the net income generated, revenues less expenditures, falls short of the projected net income. This happens when the actual amount of revenue received and/or the actual amount of expenditures do not correspond with budgeted revenue and expenditure figures.
- This is the opposite of a revenue surplus, which occurs when the actual amount of net income exceeds the projected amount. To reduce revenue deficit, either we need to increase the revenue receipts or reduce the revenue expenditure.
- Revenue receipts include tax revenue and non tax revenues. Thus, increase in direct tax automatically increases revenue receipts where as rationalising subsidies reduces the revenue expenditures.

46. C

- IFC—a sister organization of the World Bank and a member of the World Bank Group
- Masala bonds are bonds issued outside India but denominated in Indian Rupees, rather than the local currency. Masala is an Indian word and it means spices. The term was used by the International Finance Corporation (IFC) to evoke the culture and cuisine of India.

47. C

- India is a Federal state. Power is divided between the Union and the states. The functions have been classified as exclusively for the centre, exclusively for the state and both for the centre and the states
- The constitution provided a way to distribute the revenues from captain taxes collected by the centre among the states. To ensure a fair and judicious balance between the respective shares of the centre and states. Article 280 of our constitution empowers the President of India to set up a Finance Commission every five years. In India, taxes are divided into six groups

48. A

6. (1) Notwithstanding anything contained in the Minimum Wages Act, 1948, the Central Government may, by notification, specify the wage rate for the purposes of this Act:

Provided that different rates of wages may be specified for different areas:

Provided further that the wage rate specified from time to time under any such notification shall not be at a rate less than sixty rupees per day.

- As per rules, the Centre bears the wage component of the scheme and it is bound to disburse it within 15 days on engaging a worker. On failing to honour the commitment, a worker could stake claim for a compensation.

49.C

- Capital gains tax is a tax that is charged on the profits made by selling capital assets. For making it easy for taxation, the capital assets are classified to 'Short-Term Capital Asset; and 'Long-Term Capital Asset'.
- Short-Term Capital Asset: If the shares and securities are held by the taxpayer for a period not more than 36 months preceding the date of its transfer will be treated as a short-term capital asset.
- Long- Term Capital Asset: If the taxpayer holds the shares and securities for a period exceeding 36 months before the transfer will be treated as a long-term capital asset.

50. D

- Overall objective of the NCAP is comprehensive mitigation actions for prevention, control and abatement of air pollution besides augmenting the air quality monitoring network across the country and strengthening the awareness and capacity building activities.

- The National Clean Air Programme is envisaged as a scheme to provide the States and the Centre with a framework to combat air pollution. As per this programme, it aims to reduce particulate matter (PM) pollution by 20-30% in at least 102 cities by 2024.
- The NCAP will be a mid-term, five-year action plan with 2019 as the first year. This is not a pan-India, but a city-specific programme with the non attainment cities targeted in the first phase.

51. B

- Capital account convertibility (CAC) means the freedom to convert local financial assets into foreign financial assets and vice versa at market determined rates of exchange. This implies that Capital Account Convertibility allows anyone to freely move from local currency into foreign currency and back.
- Current Account Convertibility allows free inflows and outflows of foreign currency for all purpose including resident Indians buying foreign goods and services (imports), Indians selling foreign goods and services (exports), Indians receiving and sending remittances, accessing foreign currency for travel, study abroad, medical tourism purpose etc.

52. C

- The Interior Exploration using Seismic Investigations, Geodesy and Heat Transport mission is a robotic lander designed to study the deep interior of the planet Mars.
- It was recently in news because it discovered a likely marsquake coming from the interior of earth.

53.D

- Priority Sector includes the following categories:
 - Agriculture
 - Micro, Small and Medium Enterprises
 - Export Credit
 - Education
 - Housing
 - Social Infrastructure
 - Renewable Energy
 - Others

No.	Category
1.	Small and Marginal Farmers
2.	Artisans, village and cottage industries where individual credit limits do not exceed ₹ 0.1 million
3.	Beneficiaries under Government Sponsored Schemes such as National Rural Livelihoods Mission (NRLM), National Urban Livelihood Mission (NULM) and Self Employment Scheme for Rehabilitation of Manual Scavengers (SRMS)
4.	Scheduled Castes and Scheduled Tribes
5.	Beneficiaries of Differential Rate of Interest (DRI) scheme
6.	Self Help Groups
7.	Distressed farmers indebted to non-institutional lenders
8.	Distressed persons other than farmers, with loan amount not exceeding ₹ 0.1 million per borrower to prepay their debt to non-institutional lenders
9.	Individual women beneficiaries up to ₹ 0.1 million per borrower
10.	Persons with disabilities
11.	Overdraft limit to PMJDY account holder upto ₹ 10,000/- with age limit of 18-65 years.
12.	Minority communities as may be notified by Government of India from time to time

54. D

- Wealth tax is imposed on the richer section of the society. The intention of doing so is to bring parity amongst the taxpayers.
- Wealth tax was payable on assets such as real estate and gold. Assets such as shares, mutual funds and securities termed as 'productive assets', were exempt from wealth tax. Yachts, aircraft and boats came under the purview of wealth tax
- The wealth tax was abolished in the Union Budget (2016 - 2017) presented by Union Finance Minister Arun Jaitley on 28 February 2016. The wealth tax was replaced with an additional surcharge of 2 per cent on the super rich with a taxable income of over 1 crore annually.

55. B

- Launched by the Prime Minister in January 2018, the 'Transformation of Aspirational Districts' programme focuses on transforming 115 districts across 28 states that have witnessed the least progress along certain development parameters.
- These 115 districts account for more than 20% of the country's population and cover over 8,600 gram panchayats.
- It aims to improve performance across indicators that improve the quality of life as well as economic productivity.
- The Aspirational Districts programme, through real-time monitoring and proactive course corrections, reinforces the mechanisms of cooperative & competitive federalism between the Centre and the States, down to the Districts.
- Source Yojana March

56.C

- Inflation in the economy may lead to crowding out in the economy due to rise in the interest rate. As interest rate rises private investment will be reduced. This is known as crowding out effect.
- It may also happen because of increased government expenditure in the economy.
- Inflation benefits daily wage earners but creditors will be adversely affected.

57. D

- In terms of value, China does not even figure in the top ten list of agricultural export destinations of India. In Fact the countries like Vietnam, Iran, Saudi Arabia, UAE , USA etc. are the top most destinations.
- India's share in global agri export is 2.4% which is quite lower compared to other countries like China.

58. B

- Effective Revenue deficit is a new term introduced in the Union Budget 2011-12. While revenue deficit is the difference between revenue receipts and revenue expenditure, the present accounting system includes all grants from the Union Government to the state governments/Union territories/other bodies as revenue expenditure, even if they are used to create assets. Such assets created by the sub-national governments/bodies are owned by them and not by the Union Government. Nevertheless, they do result in the creation of durable assets.
- It may be noted that even though some grants may be allocated towards the creation of assets, financial allocation does not always result in physical outcomes.
- Grants for creation of capital assets, as a concept, was introduced in the FRBM Act through the amendment in 2012. The Act defines grants for creation of capital assets as grants-in-aid given by the Central Government to state governments, autonomous bodies, local bodies and other scheme implementing agencies for creation of capital assets which are owned by these entities.

59. A

- The S-400 Triumph is an anti-aircraft weapon system developed in the 1990s by Russia's Central Design Bureau as an upgrade of the S-300 family.
- India announced its intention to acquire S-400 'Triumph' surface-to-air missile systems in 2015. Even though with a potential warning of USA to India, Russia plans to deliver the missile system on time.

60.D

- The total liability of the monetary authority of the country, RBI, is called the monetary base or high powered money. Currency with the Public, Other Deposits with the RBI, Cash Reserves of the banks held with themselves, Cash Reserves of the Banks held with RBI etc

61. C

- Global Economic Prospects is a World Bank Group Flagship Report that examines global economic developments and prospects, with a special focus on emerging market and developing economies, on a semiannual basis.
- As per the report released in January 2019, India's GDP is expected to grow at 7.3% in the fiscal year 2018-19, and 7.5% in the following two years.

62.D

- Participatory notes also called P-Notes are offshore derivative instruments with Indian shares as underlying assets. These instruments are used for making investments in the stock markets. However, they are not used within the country. They are used outside India for making investments in shares listed in the Indian stock market.
- That is why they are also called offshore derivative instruments. Participatory notes are issued by brokers and FIIs registered with SEBI. The investment is made on behalf of these foreign investors by the already registered brokers in India. For example, Indian-based brokerages buy India-based securities and then issue participatory notes to foreign investors. Any dividends or capital gains collected from the underlying securities go back to the investors.

63. A

- Budget estimates are based on the previous two year estimates. If it is the budget of 2017-18, the previous year is 2015-16 and the current year is 2016-17 and the coming year is 2017-18.
- Demand for grants is a statement of estimated expenditure to be made out of the Consolidated Fund of India (Not Public Accounts of India). It is required to be voted by Lok Sabha

64.B

- Concepts of Money Supply:
 $M1 = C + DD + OD$
Where, C = Currency with the public
DD = Demand deposits with the public in the commercial and cooperative banks.
OD = Other deposits held by the public with Reserve Bank of India
- $M2 = M1 + \text{Savings deposits with the post office savings Banks.}$
- $M3 = M1 + \text{Time Deposits with the banks.}$
- $M4 = M3 + \text{Total Deposits with Post Office Savings Organisation.}$

65. A

- WTO works for trade negotiations
- IMF provides assistance during a balance of payment crisis.
- IDA provides soft loans for developmental assistance

66.C

- Inverted duty structure is a situation where import duty on finished goods is low compared to the import duty on raw materials that are used in the production of such finished goods.
- For example, suppose the tariff (import tax) on the import of tyres is 10% and the tariff on the imports of natural rubber which is used in the production of tyres is 20%; this is a case of inverted duty structure.

67. C

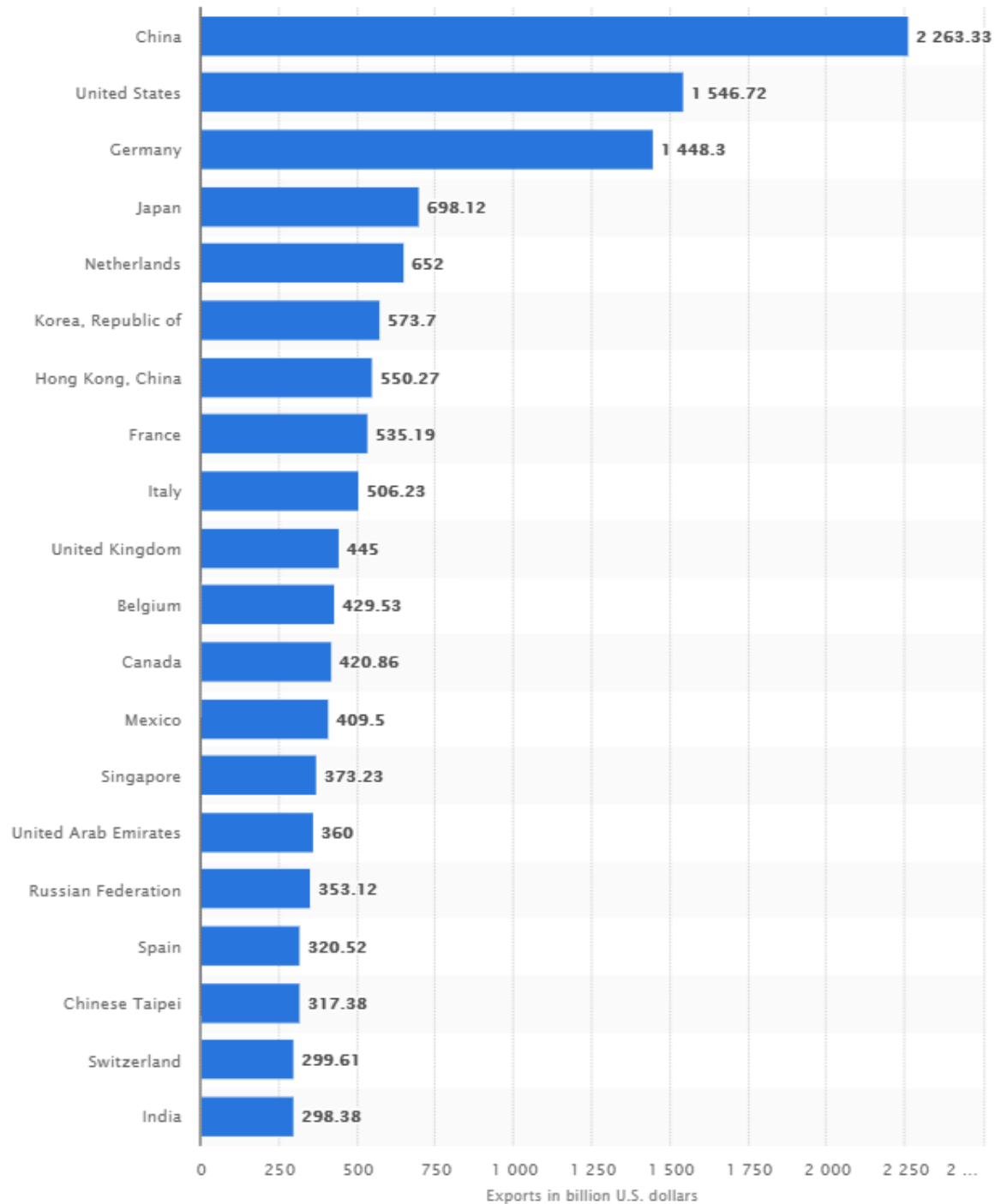
- Consolidated fund of India is the most important of all accounts of the government.
- This fund is filled by Direct and indirect taxes, loans taken by the Indian government, returning of loans/interests of loans to the government by anyone/agency that has taken it
- The government meets all its expenditure from this fund.
- The government needs parliamentary approval to withdraw money from this fund.
- The provision for this fund is given in Article 266(1) of the Constitution of India.
- Each state can have its own Consolidated Fund of the state with similar provisions.
- Public Accounts of India is constituted under Article 266(2) of the Constitution.
- All other public money (other than those covered under the Consolidated Fund of India) received by or on behalf of the Indian Government are credited to this account/fund.
- This is made up of Bank savings account of the various ministries/departments, National small savings fund, defense fund, National Investment Fund (money earned from disinvestment), Provident fund, Postal insurance, etc.
- The government does not need permission to take advances from this account

68. B

- Extinction Rebellion (abbreviated as XR) is a global environmental movement with the stated aim of using nonviolent civil disobedience to compel government action to avoid tipping points in the climate system, biodiversity loss, and the risk of social and ecological collapse.
- Extinction Rebellion was established in the United Kingdom. The nonviolent, peaceful, carnival spirit of XR has roots in the philosophy of Gandhi.

69. C

Prelimsure 2020



70. D

- Recently, IISc researchers found out that some bacterias like salmonella bacteria can affect the tomato plants. These bacteria enter the plants through tiny openings that form on the main root for the lateral roots to emerge.
- Bacterias commonly affect both the food and water. The E. Coli bacteria affects water and reduces its quality as well.

71.D

- The major components of 'Other Liabilities and Provisions' are provisions and valuation heads.
- While Contingency Fund (CF) and Asset Development Fund (ADF) represent provisions made for unforeseen contingencies and amount set aside for investment in subsidiaries and internal capital expenditure respectively.
- The remaining components of 'Other Liabilities and Provisions', such as, Currency and Gold Revaluation Account (CGRA), Investment Revaluation Account (IRA) and Foreign Exchange Forward Contracts Valuation Account (FCVA), represent unrealised marked to market gains/losses.

72. B

- Government receipts which either (i) create liabilities (e.g. borrowing) or (ii) reduce assets (e.g. disinvestment) are called capital receipts. Thus when govt. raises funds either by incurring a liability or by disposing off its assets, it is called a capital receipt.
- Capital receipts may be debt creating or non-debt creating.
- Examples of debt creating receipts are—Net borrowing by government at home, loans received from foreign governments, borrowing from RBI.
- Examples of non-debt capital receipts are—Recovery of loans, proceeds from sale of public enterprises (i.e., disinvestment), etc. These do not give rise to debt.

73. B

- It manages IPR and promotes free trade across the globe.
- But WTO did not focus on balanced trade or enhancing trade between western and eastern blocs

74. B

- A wide range of beautiful handicrafts form one of the most significant traits of the rich cultural heritage of our country. Be it Kutch embroidery of Gujarat or Zari-Zardozi and Chikankari of Uttar Pradesh, wooden toys of Karnataka or bamboo craft of Assam, puppets of Rajasthan or Sikki, Tikuli and Madhubani arts of Bihar;
- Source April Yojana

75. A

- Rythu Sadhikara Samstha, Guntur/Vijayawada is a Section 8 Company set up by Government of AP, specifically mandated to implement the natural farming programme covering 500000 farmers across all 13 districts of Andhra Pradesh during the period 2017-22 with scaling-up to reach all the farmers in the state.

76. D

- An expenditure that neither creates assets nor reduces a liability is categorised as revenue expenditure. If it creates an asset or reduces a liability, it is categorised as capital expenditure.
- An expenditure which neither creates assets nor reduces liability is called Revenue Expenditure, e.g., salaries of employees, interest payment on past debt, subsidies, pension, etc. These are financed out of revenue receipts. Broadly, any expenditure which does not lead to any creation of assets or reduction in liability is treated as revenue expenditure. It is a one way transaction
- It is a short period expenditure and recurring in nature which is incurred every year (as against capital expenditure which is long period expenditure and non-recurring in nature). The purpose of such expenditure is not to build up any capital asset, but to ensure normal functioning of government machinery. Traditionally, all grants given to state governments are treated as revenue expenditure even though some of the grants may before creation of assets.

- An expenditure which either creates an asset (e.g., school building) or reduces liability (e.g., repayment of loan) is called capital expenditure.
- Repayment of loan is also capital expenditure because it reduces liability. These expenditures are met out of capital receipts of the government including capital transfers from rest of the world.

77. D

- Orangutans are one of the world's three extant species of great apes and are native to Indonesia and Malaysia. Orangutans are currently found only in the rain forests of Borneo and Sumatra. The last orangutan which lived in India has recently died in the Nandankanan Zoological Park
- Recently 2nd Asian Rhino Range Countries meeting in New Delhi was organized by the Union Ministry of the Environment, Forests and Climate Change (MoEFCC), and the International Union for Conservation of Nature(IUCN), Asian Rhino Specialist Group along with World Wildlife Fund-India (WWF), International Rhino Foundation and Aaranyak, an NGO.
- Asian Rhino Range Countries include Bhutan, India, Indonesia, Malaysia, and Nepal which means that one horned rhinos are not naturally found in India only.

78. C

- Option C is the definition of Fiscal deficit, not primary deficit
- Revenue deficit is excess of total revenue expenditure of the government over its total revenue receipts. It is related to only revenue expenditure and revenue receipts of the government. Alternatively, the shortfall of total revenue receipts compared to total revenue expenditure is defined as revenue deficit.
- Fiscal deficit is defined as excess of total budget expenditure over total budget receipts excluding borrowings during a fiscal year. In simple words, it is amount of borrowing the government has to resort to meet its expenses. A large deficit means a large amount of borrowing. Fiscal deficit is a measure of how much the government needs to borrow from the market to meet its expenditure when its resources are inadequate
- Primary deficit is defined as fiscal deficit of current year minus interest payments on previous borrowings. In other words whereas fiscal deficit indicates borrowing requirement inclusive of interest payment, primary deficit indicates borrowing requirement exclusive of interest payment (i.e., amount of loan).

79. B

- Participatory Guarantee Systems (PGS) are locally focused quality assurance systems. They certify producers based on active participation of stakeholders and are built on a foundation of trust, social networks and knowledge exchange.
- PGS initiatives are serving thousands of small organic farmers and their consumers all over the world, and the numbers are increasing every year. PGS can be conceived as an alternative and complementary tool to third-party certification within the organic sector.

80.C

- The liquidity coverage ratio (LCR) refers to the proportion of highly liquid assets held by financial institutions, to ensure their ongoing ability to meet short-term obligations.
- This ratio is essentially a generic stress test that aims to anticipate market-wide shocks and make sure that financial institutions possess suitable capital preservation, to ride out any short-term liquidity disruptions, that may plague the market.
- Reference: <https://www.rbi.org.in/scripts/NotificationUser.aspx?Id=11380>

81. A

- India has one of the lowest productivity in the country

82. A

- **Zero based budgeting** is a method of budgeting in which all expenses are evaluated each time a budget is made and expenses must be justified for each new period. Zero budgeting starts from the zero base and every function of the government is analysed for its needs and cost. Budget are then made based on the needs.
- **Traditional budgeting** calls for incremental increases over previous budgets, such as 2% increase in spending. Traditional budgeting analyses only new expenditures, while zero based budgeting starts from zero and calls for justification of old recurring expenses in addition to new expenditures
- **Outcome Budget** will comprise scheme or project wise outlays for all central ministries, departments and organizations during an annual year listed against corresponding outcomes (measurable physical targets) to be achieved during the year. It measures the development outcomes of all government programs. Which means that if you want to find out whether some money allocated for, say, the building of a school or a health center has actually been given, you might be able to. It will also tell you if the money has been spent for the purpose it was sanctioned and the outcome of the fund-usage.
- **Gender Budgeting** is a powerful tool for achieving gender mainstreaming so as to ensure that benefits of development reach women as much as men. It is not an accounting exercise but an ongoing process of keeping a gender perspective in policy/ programme formulation, its implementation and review. Gender Budgeting entails dissection of the Government budgets to establish its gender differential impacts and to ensure that gender commitments are translated into budgetary commitments

83. A

- Both lowering repo rate and repayment of public debt can cause inflation. But the stronger impact will be when the Public Debt is repaid. Because Repo rate may not transmit quickly.

84. A

- A new government-commissioned survey has found that 93.1% of rural Indian households now have access to toilets, in comparison to 77% last year.
- The second edition of the National Annual Rural Sanitation Survey (NARSS) also recorded encouraging data with regard to toilet usage and open defecation, finding that 96.5% of people who had access to toilets, use them

85. D

- The Laffer Curve is a theory developed by supply-side economist Arthur Laffer to show the relationship between tax rates and the amount of tax revenue collected by governments. The curve is used to illustrate Laffer's argument that sometimes cutting tax rates can increase total tax revenue.
- The Laffer Curve describes the relationship between tax rates and total tax revenue, with an optimal tax rate that maximizes total government tax revenue.
- If taxes are too high along the Laffer Curve, then they will discourage the taxed activities, such as work and investment, enough to actually reduce total tax revenue. In this case, cutting tax rates will both stimulate economic incentives and increase tax revenue.

86. C

- Biopesticides are usually inherently less toxic than conventional pesticides.
- Biopesticides often are effective in very small quantities and often decompose quickly, resulting in lower exposures and largely avoiding the pollution problems caused by conventional pesticides.
- Second statement is also correct because there is a certain class of biopesticides known as plant incorporated pesticides. Plant-Incorporated-Protectants (PIPs) are pesticidal substances that plants produce from genetic material that has been added to the plant. For example, scientists can take the gene for the Bt pesticidal protein and introduce the gene into the plant's own genetic material.
- Source: <https://www.epa.gov/pesticides/biopesticides>

87.D

- e-Kuber is the Core Banking Solution of Reserve Bank of India. E-Kuber provides the provision of a single current account for each bank across the country, with decentralised access to this account from anywhere-anytime using portal based services in a safe manner.
- Core Banking Solutions (CBS) can be defined as a solution that enables banks to offer a multitude of customer-centric services on a 24x7 basis from a single location, supporting retail as well as corporate banking activities, as well as all possible delivery channels existing and proposed.
- The centralisation thus makes a “one-stop” shop for financial services a reality. Using CBS, customers can access their accounts from any branch, anywhere, irrespective of where they have physically opened their accounts. Almost all branches of commercial banks, including the Regional Rural Banks (RRBs), are brought into the core-banking fold

88. C

- RBI has introduced data localisation as per the draft data protection law recommended by Srikrishna committee.
- It is the act of storage of data on any physical device present within the borders of the country.
- The main intent behind data localisation is to protect the personal and financial information of the country’s citizens and residents from foreign surveillance

89. A

- An anti-dumping duty is a protectionist tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value. Dumping is a process where a company exports a product at a price lower than the price it normally charges on its own home market. For protection, many countries impose stiff duties on products they believe are being dumped in their national market, undercutting local businesses and markets.
- Predatory-dumping is used by manufacturers as a means of eliminating competition in a foreign market. High domestic prices are used to supplement the reduced revenue of exporting cheaper goods.
- Price dumping is when a country sells its goods in a foreign country at a price lower than the price of home country.

90. D

- The underlying principle of the HDI, considered path breaking in 1990, (created by Pakistani economist Mahbub ul Haq) is elegantly simple: National development should be measured not only by income per capita, but also by health and education achievements.
- The HDI is the composite measure of every country’s attainment in three basic dimensions:
 - Standard of living measured by the gross national income (GNI) per capita.
 - Health measured by the life expectancy at birth.
 - Education levels calculated by mean years of education among the adult population and the expected years of schooling for children.
- This index makes it possible to follow changes in development levels over time and to compare the development levels of different countries.

91. C

- The statements are reversed here
- A cess imposed by the central government is a tax on tax, levied by the government for a specific purpose. Generally, cess is expected to be levied till the time the government gets enough money for that purpose.
- Surcharge is a charge on any tax, charged on the tax already paid. As the name suggests, surcharge is an additional charge or tax. The main surcharges are that on personal income tax (on high income slabs and on super rich) and on corporate income tax.

- The usual taxes go to the consolidated fund of India and can be spent for any purposes. Surcharge also goes to the consolidated fund of India and can be spent for any purpose. Cess goes to the Consolidated Fund of India but can be spent only for the specific purposes.

92. C

- Capital receipts will result in liabilities. Here borrowing causes liabilities

93. A

- The U.S. Centers for Disease Control and Prevention (CDC) in April alerted health care facilities to monitor for *Candida auris*, a drug-resistant fungus that is difficult to diagnose and treat, and often spreads in hospitals, nursing homes and other health care environments.
- It is now a global public threat including in the countries like India.

94. C

- GST is a destination-based taxation system.
- It has been established by the 101st Constitutional Amendment Act.
- It is an indirect tax for the whole country on the lines of “One Nation One Tax” to make India a unified market.
- It is a single tax on supply of Goods and Services in its entire product cycle or life cycle i.e. from manufacturer to the consumer.
- It is calculated only in the “Value addition” at any stage of a goods or services.
- The final consumer will pay only his part of the tax and not the entire supply chain which was the case earlier.

95. D

- CRISPR is a family of DNA sequences found within the genomes of prokaryotic organisms such as bacteria and archaea.
- Cas9 is a protein which plays a vital role in the immunological defense of certain bacteria against DNA viruses, and which is heavily utilized in genetic engineering applications. Its main function is to cut DNA and therefore it can alter a cell's genome.
- Recently, the CRISPR Cas9 system was used by the Chinese medical officials to alter the human embryonic genes.
- The Cas9 endonuclease has become a popular tool for directed gene editing in eukaryotic systems. With the use of a target-specific CRISPR RNA and trans-activating crRNA, or a fused format called a single guide RNA, locations within complex mammalian genomes can be targeted by the Cas9 endonuclease for a double stranded break.
- It is currently applied in the treatment of cancer as well.

96. C

- Fiscal Responsibility and Budget Management Bill was introduced in the parliament of India in the year 2000 for providing legal backing to the fiscal discipline to be institutionalized in the country. Subsequently, the FRBM Act was passed in the year 2003. It is an act of the parliament that set targets for the Government of India to establish financial discipline, improve the management of public funds, strengthen fiscal prudence and reduce its fiscal deficits.
- It was mandated by the act that 1. Macroeconomic Framework Statement, 2. Medium Term Fiscal Policy Statement and 3. Fiscal Policy Strategy Statement must be placed along with the Budget documents annually in the Parliament.
- It was proposed that the four fiscal indicators i.e. revenue deficit as a percentage of GDP, fiscal deficit as a percentage of GDP, tax revenue as a percentage of GDP and total outstanding liabilities as a percentage of GDP be projected in the medium-term fiscal policy statement.

97. B

- Mekong is a trans-boundary river in Southeast Asia. It originates in the Tibetan plateau and does not enter India, rather it flows towards South East Asia. The Mekong delta is opening into the Gulf of Thailand which is a major source of rice and aquaculture production.
- Recently, severe tropical cyclones or typhoons lashed out at the Mekong Delta and nearby regions in the South East Asia.

98. A

- LAF consists of repo and Reverse Repo
- MSF Description
- Banks borrow from the RBI by pledging government securities at a rate greater than the repo rate under LAF (liquidity adjustment facility).
- The MSF rate is pegged 100 basis points or a percentage point above the repo rate.
- Under MSF, banks can borrow funds up to one percentage of their net demand and time liabilities (NDTL).
- The minimum amount for which RBI receives application is Rs.1 Crore, and afterwards in multiples of Rs.1 Crore.

99. A

- Investment in the capital intensive results will result in less labour mobility. Because new employment opportunities will be minimum. It results in slow change in occupational structure

100. A

- GST Council is a constitutional body for making recommendations to the Union and State Government on issues related to Goods and Service Tax. It is chaired by the Union Finance Minister and other members are the Union State Minister of Revenue or Finance and Ministers in-charge of Finance or Taxation of all the States.
- As per Article 279A of the amended Constitution, the GST Council which will be a joint forum of the Centre and the States, shall consist of the following members: - Union Finance Minister - Chairperson; Union Minister of State in charge of Revenue or Finance - Member; Minister in charge of Finance or Taxation or any other Minister nominated by each State Government - Members.
- Every decision of the Goods and Services Tax Council shall be taken at a meeting, by a majority of not less than three-fourths of the weighted votes of the members present and voting, in accordance with the following principles-the vote of the Central Government shall have a weightage of one third of the total votes cast, and the votes of all the State Governments taken together shall have a weightage of two-thirds of the total votes cast, in that meeting.