

1. The Intergovernmental Panel on Climate Change was created by

- A. United Nations Conference on the Human Environment
- B. World Meteorological Organization and the United Nations Environment Programme
- C. Climate action network
- D. G 20 nations

Answer: B

Explanation:

- The Intergovernmental Panel on Climate Change was created in 1988 by the **World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP)**.
- The IPCC currently has 195 members including India.
- The IPCC provides regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation.

<https://www.thehindu.com/opinion/op-ed/flattening-the-climate-curve/article31789777.ece>

2. The Treaty of Sugauli was signed between

- A. Princely state of Jammu and Kashmir and Government of India
- B. Bhutan and Government of India
- C. Nepal and British East India Company
- D. Afghanistan and British East India Company

Answer: C

Explanation:

- The Treaty of Sugauli was signed between **Nepal and British East India Company in 1816**. It defines the **Kali River** as Nepal's western boundary with India.
- According to the treaty, Nepal lost the regions of Kumaon-Garhwal in the west and Sikkim in the east.
- However, what is meant by "Kali River" in the upper reaches is unclear because many mountain streams come to join and form the river.
- From 1879 onwards, the survey maps show the stream that flows down from the Lipulekh Pass as the Kali River.
- This stream has served as the border between India and Nepal until India's independence.
- However, the discrepancy in locating the source of the river led to boundary disputes between India and Nepal, with each country producing maps supporting their own claims.



Source: maps4news.com/HERE; Ministry of Land Management, Nepal; Indian government. Graphic: Natalie Croker, CNN

<https://www.thehindu.com/news/international/cross-party-backing-in-nepal-for-new-map/article31791031.ece>

3. With reference to India's gold imports, consider the following statements.

1. Importing huge amounts of gold leads to appreciation of Indian Rupee.
2. Gold Monetization Scheme and Sovereign Gold Bond scheme were introduced to promote the import of gold.

Which of the statements given above is/are correct?

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

Answer: **D**

Explanation:

- India is one of the world's largest gold importers. Import of gold increases the country's Current Account Deficit (CAD). Importing huge amounts of gold using foreign exchange reserves also depreciates the value of the rupee. This in turn makes key imports like crude oil more costly. **Hence, statement 1 is incorrect.**
- Investment in gold does not add much value to the productive capacity of the economy. They are either stored in bank lockers or get exchanged for making jewellery.
- The government introduced the Gold Monetization Scheme and Sovereign Gold Bond scheme to **reduce imports of gold** and to increase productive use of gold. **Hence, statement 2 is incorrect.**

- **Gold Monetization Scheme** was introduced to bring out the gold lying idle in homes into the Indian Economy which would turn gold into a productive asset. Through this scheme, people can deposit their gold and can earn interest on it.
- **Sovereign Gold Bond scheme** was introduced to reduce the demand for physical gold which offers the same benefits as physical gold.
- Sovereign Gold Bonds are government securities denominated in grams of gold. They are substitutes for holding physical gold. Investors have to pay the issue price in cash and the bonds will be redeemed in cash on maturity. The value of gold bonds increases with the market rate of gold. The Bond is issued by the Reserve Bank on behalf of the Government of India.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1629758>

4. Consider the following statements about TRIFED.

1. TRIFED functions under the administrative control of the Ministry of Tribal Affairs.
2. TRIFED is the nodal agency for the implementation of “Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support price and development of Value Chain of MFP” Scheme.

Which of the statements given above is/are correct?

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

Answer: C

Explanation:

- **Statement 1 is correct:** TRIFED is the national-level apex organization functioning under the administrative control of the **Ministry of Tribal Affairs** and it came into existence in 1987.
- TRIFED works with the main objective of promoting tribal art and craft for the benefit of tribal artisans of the country, under the scheme “**Institutional Support for Development & Marketing of tribal products**” of the Ministry of Tribal Affairs.
- TRIFED is engaged in procurement and marketing of tribal art and craft items through its chain of 40 retail outlets called **TRIBES INDIA** which offers a range of tribal products.

“Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support price and development of Value Chain of MFP” Scheme

- The Central Government had introduced a Minimum Support Price (MSP) for a select list of MFP through “**Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support price and development of Value Chain of MFP**” Scheme in 2011 to

provide a social safety net to these underprivileged forest dwellers, and to aid in their empowerment.

- The scheme has been started with following objectives
 - To provide fair price to the MFP gatherers for the produce collected by them and enhance their income level.
 - To ensure sustainable harvesting of MFPs.
 - The Scheme will have a huge social dividend for MFP gatherers, majority of whom are tribals.
- It is a holistic scheme for development of MFP trade including its value chain and necessary infrastructure at local level.
- The MSP scheme seeks to establish a framework to ensure fair returns for the produce collected by tribals, assurance of buying at a particular price, primary processing, storage, transportation etc while ensuring sustainability of the resource base.
- **Statement 2 is correct: TRIFED** is the nodal agency for the implementation of the scheme.

<http://newsonair.com/News?title=TRIFED-advises-state-govts-to-plan-effective-implementation-of-Minimum-Support-Price&id=390859>

5. With reference to rating agencies, consider the following statements.

1. A rating agency is a company that assesses the financial strength of companies and government entities.
2. A rating downgrade increases the rate of interest of borrowings of the government and companies of that country.

Which of the statements given above is/are correct?

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

Answer: **D**

Explanation:

- **Statement 1 is correct:** A rating agency is a company that **assesses the financial strength of companies and government entities**, especially their ability to meet principal and interest payments on their debts.
- The rating shows an agency's level of confidence that the borrower will honor its debt obligations as agreed. Each agency uses unique letter-based scores to indicate if a debt has a low or high default risk and the financial stability of its issuer.
- The debt issuers may be sovereign nations, local and state governments, special purpose institutions, companies, or non-profit organizations.

How ratings affect the market?

- At the corporate level, companies planning to issue a security must find a rating agency to rate their debt. Rating agencies such as Moody's, Standards and Poor's, and Fitch perform the rating service for a fee. **Investors rely on the ratings to decide on whether to buy or not to buy a company's securities.**
- At the country level, investors rely on the ratings given by the credit rating agencies to make **investment decisions**. Many countries sell their securities in the international market, and a good credit rating can help them access high-value investors. A favorable rating may also **attract other forms of investments** like foreign direct investments to a country.
- **Statement 2 is correct:** A rating downgrade means that bonds issued by the governments are now "riskier" than before and increases the rate of interest of borrowings of governments and companies of that country.

<https://www.livemint.com/politics/policy/covid-impact-india-may-face-negative-rating-pressure-amid-rising-public-debt-says-fitch-11591764929440.html>