

**1. Consider the following statements about the Asian Infrastructure Investment Bank (AIIB).**

1. India is a founder member of AIIB.
2. AIIB does not have any members from outside Asia.
3. India is the largest shareholder in AIIB.

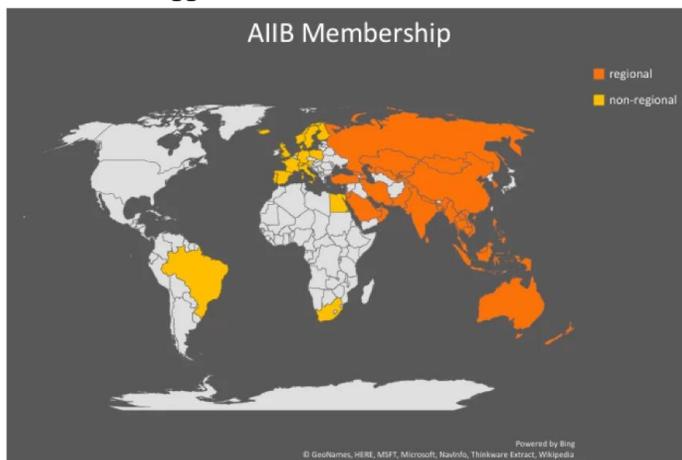
Which of the statements given above is/are correct?

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

Answer: A

**Explanation:**

- The Asian Infrastructure Investment Bank (AIIB) is an international development bank that provides financing for infrastructure projects in Asia.
- Headquartered in **Beijing**, it began operations in 2016.
- **Statement 1 is correct:** It includes 102 members worldwide (**India** is a founder member of AIIB).
- **Statement 2 is incorrect:** AIIB consists of two classes of membership: **regional and non-regional members**. Regional members hold **75% of the total voting power** in the Bank.
- **Statement 3 is incorrect:** **China** is the largest shareholder with 26.64 per cent voting shares in the bank. **India** is the second largest shareholder with 7.6 per cent voting shares followed by **Russia** 6.0 per cent.
- India is the biggest borrower of AIIB.



<https://www.thehindu.com/business/Industry/aiib-clears-750-mn-loan-to-india-for-covid-19/article31854315.ece>

**2. With reference to the National Population Register (NPR) and population census, consider the following statements.**

1. While Census is carried out under the Census Act, 1948, NPR is conducted under the Foreigners Act, 1946.
2. Both the NPR and Census completely exclude foreigners staying in India.
3. Both the NPR and Census are conducted by the Office of the Registrar General.

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

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

Answer: C

**Explanation**

**What is the National Population Register?**

- The National Population Register (NPR) is a Register of usual residents of the country.
- It is being prepared at the local (Village/sub-Town), sub-District, District, State and National level under provisions of the Citizenship Act 1955 and the Citizenship Rules, 2003.
- It is mandatory for every usual resident of India to register in the NPR.
- A usual resident is defined for the purposes of NPR as a person who has resided in a local area for the past 6 months or more or a person who intends to reside in that area for the next 6 months or more.
- NPR cannot be seen as a citizenship registration drive since it would include, for instance, any foreigner residing in a given locality for over six months.

**Present Status**

- The data for the NPR is generated through house-to-house enumeration during the “house-listing” phase of the census, which is held once in 10 years.
- It was collected in 2010 alongwith the houselisting phase of Census of India 2011. The update of this data was done during 2015 by conducting a door to door survey.
- Now it has been decided to update the NPR along with the Houselisting phase of Census 2021 during April to September 2020 in all the States/UTs except Assam.
- Assam has been excluded because the National Register of Citizens (NRC) exercise has already been conducted in the state.
- **Statement 3 is correct:** Both the NPR and Census are conducted by the Office of the Registrar General under the Ministry of Home Affairs.

**What kind of data will NPR collect?**

- NPR will collect both demographic data and biometric data. For biometric data it will depend on Aadhaar, for which it will seek Aadhaar details of the residents.

#### **Why does the government want so much data?**

- The objective of the NPR is to create a comprehensive identity database of every usual resident in the country. It will help the government formulate its policies better and also aid national security.
- It will streamline data of residents across various platforms and ease the life of those residing in India by cutting red tape.

#### **How NPR differs from population census?**

- The decennial census is the largest single source of a variety of statistical information on different characteristics of all persons in the country. The process began for the first time in 1872 when India was still under colonial rule.
- The Census is carried out under the **Census Act, 1948**.
- As opposed to this, the exercise of creating and maintaining a NPR began in the year 2010 to create a registry of usual residents of the country. NPR is conducted under the **Citizenship Act 1955 and the Citizenship Rules, 2003. Hence, statement 1 is incorrect.**
- The Census data does not aim to collect information about individuals but to give an overall picture of the status or condition of residents of India and the overall population trends.
- The purpose of collecting and analyzing Census data is that it informs planning and policy, and helps in assessing the impact of existing government policies.
- While the Census Act makes it compulsory for the government to keep the data collected during census confidential and anonymous, there is no such requirement of confidentiality for NPR data under the citizenship rules. The NPR is a register that will be in the public domain with data of individuals.

#### **Are foreigners included?**

- **Statement 2 is incorrect:** Both the NPR and Census include foreigners staying in India — in NPR's case, those staying for more than six months while in the case of Census, those who are expected to stay within the geographical limits of this country throughout the enumeration period are included.

#### **National Register of Citizens**

- The National Register of Citizens (NRC) is the register containing names of Indian citizens.
- NRC was prepared first in 1951 after the conduct of the Census of 1951.
- It is being updated and that too **only in Assam**.
- Now, it is not linked to census but one has to link oneself to a family member whose name had appeared either in the **NRC of 1951**, or to any of the **state's electoral rolls prepared till midnight of 24th march 1971**.
- If the applicant's name is not on any of these lists, he can produce any of the **12 other documents dated up to March 24, 1971**.

#### **Why 1971?**

##### **The Assam Accord:**

- Popular movements between 1979 and 1985 against undocumented immigrants in Assam led to the Assam Accord.

- The Assam Accord (1985) was a Memorandum of Settlement (MoS) signed between representatives of the Government of India and the leaders of the Assam Movement in New Delhi on 15 August 1985.
- The Accord agreed that all those foreigners who had entered Assam between 1951 and 1961 were to be given full citizenship, including the right to vote.
- Those who had done so **after 1971 were to be deported**; the entrants between 1961 and 1971 were to be denied voting rights for ten years but would enjoy all other rights of citizenship.
- However, the provisions in the Assam accord were not implemented for a long time.
- Finally the Supreme Court, which is supervising the entire process, has set a hard deadline of July 31 for the final NRC. Deadline was extended to August 31<sup>st</sup> later.

**Current status:**

- The final draft of NRC was released in August 2019 which excluded 19 lakh of the 3.29 crore applicants in Assam.
- Each excluded person can file an appeal in **Foreigners Tribunals**.
- The appellant then has the option of approaching the **High Court and Supreme Court**.

**Foreigners Tribunal:**

- The foreigners tribunals are quasi-judicial bodies, unique to Assam, to determine if a person staying illegally is a “foreigner” or not.
- The Ministry of Home Affairs (MHA) has amended the **Foreigners (Tribunals) Order, 1964**, and has empowered **district magistrates** in all States and Union Territories to set up tribunals to decide whether a person staying illegally in India is a foreigner or not.
- Earlier, the powers to constitute tribunals were vested only with the Centre.

<https://www.thehindu.com/news/national/andhra-pradesh/assembly-passes-resolution-against-nrc-and-npr/article31854935.ece>

**3. With reference to the National Disaster Response Fund (NDRF), consider the following statements:**

1. The primary purpose of NDRF is to supplement the State Disaster Response Fund, in case there is a calamity of “severe nature”.
2. NDRF is classified in the Consolidated Fund of India.
3. NDRF is funded through the National Calamity Contingency Duty imposed on specific goods.

Which of the statements given above is/are correct?

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

Answer: **B**

**Explanation:**

- Under the Disaster Management Act 2005, a financial mechanism has been set up by way of National Disaster Response Fund (NDRF) at national level and State Disaster Response

Fund (SDRF) at state level to meet the rescue and relief expenditure during any notified disaster.

- **Statement 1 is correct:** The primary purpose of NDRF is to supplement the SDRF, in case there is a calamity of “severe nature” which requires assistance over and above the funds available under SDRF.
- **Statement 2 is incorrect:** NDRF is classified in the **Public Accounts of the Government of India** under “Reserve Funds not bearing interest”.
- **Statement 3 is correct:** The NDRF is funded through the **National Calamity Contingency Duty (NCCD)** imposed on specified goods and additional budgetary support is provided as and when necessary.
- The National Executive Committee (NEC) of the National Disaster Management Authority takes decisions on the expenses from the National Disaster Response Fund.

<https://www.thehindu.com/news/national/pm-cares-fund-supreme-court-seeks-government-reply/article31854530.ece>

#### 4. Which of the following are the functions of the Finance Commission?

1. The distribution of tax proceeds between the Union and the States and the share of each state.
2. The principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India.
3. The measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats and Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State.

Select the correct answer using the codes given below.

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

Answer: **D**

#### Explanation:

- The Finance Commission is a **constitutional body** set up under **Article 280** of the Constitution.
- Under Article 280, the **President of India** is required to constitute a Finance Commission at an interval of five years or earlier.
- In November 2017, President of India constituted the 15th Finance Commission and appointed former Planning Commission member **NK Singh** as its chairman.

#### What are the qualifications for Members?

- The Finance Commission has a chairman and four members appointed by the **President**.
- The **Chairman** of the Commission is selected from among persons who have had **experience in public affairs**, and the **four other members** are selected from among persons who--

- are, or have been, or are qualified to be appointed as Judges of a High Court; or
- have special knowledge of the finances and accounts of Government; or
- have had wide experience in financial matters and in administration; or
- have special knowledge of economics

**What are the functions of the Finance Commission?**

- It is the duty of the Commission to make recommendations to the President as to—
  - the distribution of tax proceeds between the Union and the States and the share of each state.
  - the principles which should govern the grants-in-aid of the revenues of the States out of the Consolidated Fund of India;
  - the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats in the State on the basis of the recommendations made by the Finance Commission of the State;
  - the measures needed to augment the Consolidated Fund of a State to supplement the resources of the Municipalities in the State on the basis of the recommendations made by the Finance Commission of the State;
  - any other matter referred to the Commission by the President in the interests of sound finance.

<https://economictimes.indiatimes.com/news/economy/finance/jal-shakti-ministry-outlines-budget-ary-requirements-at-finance-commission-meet/articleshow/76428912.cms>

**5. Consider the following statements :**

1. A market economy is an economic system in which economic decisions and the pricing of goods and services are guided by the market forces.
2. The U.S., and China are examples of market economies.

Which of the statements given above is/are correct?

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

Answer: A

**Explanation:**

- **Statement 1 is correct:** A market economy is an economic system in which economic decisions and the pricing of goods and services are guided by the market forces.
- **Statement 2 is incorrect:** China is an example of **command economy** i.e. there is a huge interference of the government in key economic decisions and the pricing of goods and services.

**Market Economy Status (MES) and WTO**

- Under WTO norms, once a country is recognised as a market economy and conferred MES, exports from it are to be accepted at the production costs and selling price as the benchmark. Prior to this status, the country is considered as a Non Market Economy (NME).
- A non-market economy refers to a country which has a complete or substantially complete monopoly of its trade and where all domestic prices are fixed by the state.
- Under the WTO norms, the importing countries are allowed to use alternative methodologies for the determination of normal values for the exports from NME country. It often leads to imposition of higher anti-dumping duties by importing countries to protect its domestic market.
- India and the U.S. are against conferring MES to China as it will severely limit their ability to resort to anti-dumping on cheap imports from China. Chinese government influence is still seen in its market which in turn causes distortions in international trade and export of cheap goods to other countries.

<https://www.livemint.com/news/world/india-rejects-china-s-demand-to-grant-it-market-economy-status-11592394036306.html>