

1. Consider the following statements about the International Monetary Fund (IMF).

1. It was established in 1995 followed by the Uruguay Round negotiations.
2. The IMF is a permanent observer at the UN.
3. India is a founder member of the IMF.

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: C

Explanation:

- **Statement 1 is incorrect:** The International Monetary Fund (IMF) was conceived in 1944 at the **United Nations Bretton Woods Conference** in New Hampshire, United States.
- **WTO** was established in 1995 followed by the Uruguay Round negotiations.
- The IMF and the World Bank are called Bretton Woods twins.
- **Statement 2 is correct:** The IMF is a permanent observer at the UN.
- **Statement 3 is correct:** It is an organization of 189 countries. India is a founder member of the IMF.
- The mandate of the IMF as follows:
 - To promote international monetary cooperation;
 - To facilitate the expansion and balanced growth of international trade;
 - To promote exchange stability;
 - To assist member countries in correcting maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity;
 - To assist in the elimination of foreign exchange restrictions which hamper the growth of world trade;

<https://www.thehindu.com/business/Economy/imf-projects-sharp-contraction-of-45-in-indian-economy-in-2020/article31907715.ece>

2. Consider the following statements about the Make in India initiative.

1. It was devised to transform India into a global design and manufacturing hub.
2. The initiative aims to raise the contribution of the manufacturing sector to 50% of the GDP by the year 2025.

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:** The Make in India initiative was launched by the Prime Minister in September 2014 which is devised to transform India into a global design and manufacturing hub.
- The scheme is helping drive investment, fostering innovation, developing skills, protecting Intellectual Property (IP) and building best-in-class manufacturing infrastructure.
- **Statement 2 is incorrect:** Led by the Department of Industrial Policy and Promotion, the initiative aims to raise the contribution of the **manufacturing sector to 25% of the GDP** by the year 2025 from its current 16%.
- For the Make in India campaign, the government of India has identified 25 priority sectors that shall be promoted adequately.

<https://www.thehindu.com/opinion/editorial/signalling-intent-the-hindu-editorial-on-government-e-marketplace-and-country-of-origin-clause/article31909333.ece>

3. With reference to Co-operative banks, consider the following statements.

- 1. Co-operative banks are financial entities established on a co-operative basis and belonging to their members.
- 2. According to the latest ordinance, urban and multi-State cooperative banks will be regulated by the RBI and the Registrar of Co-operative Societies.

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:** Co-operative banks are financial entities established on a co-operative basis and belonging to their members. This means that the customers of a co-operative bank are also its owners.
- These banks provide a wide range of regular banking and financial services.

Structure of co-operative banks in India

- Broadly, co-operative banks in India are divided into two categories - **urban and rural**.
- Rural cooperative credit institutions could either be short-term or long-term in nature. Further, **short-term** cooperative credit institutions are further sub-divided into State

Co-operative Banks, District Central Co-operative Banks, Primary Agricultural Credit Societies.

- Meanwhile, the **long-term** institutions are either State Cooperative Agriculture and Rural Development Banks (SCARDBs) or Primary Cooperative Agriculture and Rural Development Banks (PCARDBs).
- On the other hand, Urban Co-operative Banks (UCBs) are either **scheduled or non-scheduled**. Scheduled and non-scheduled UCBs are again of two kinds- **multi-state** and those operating in a **single state**.

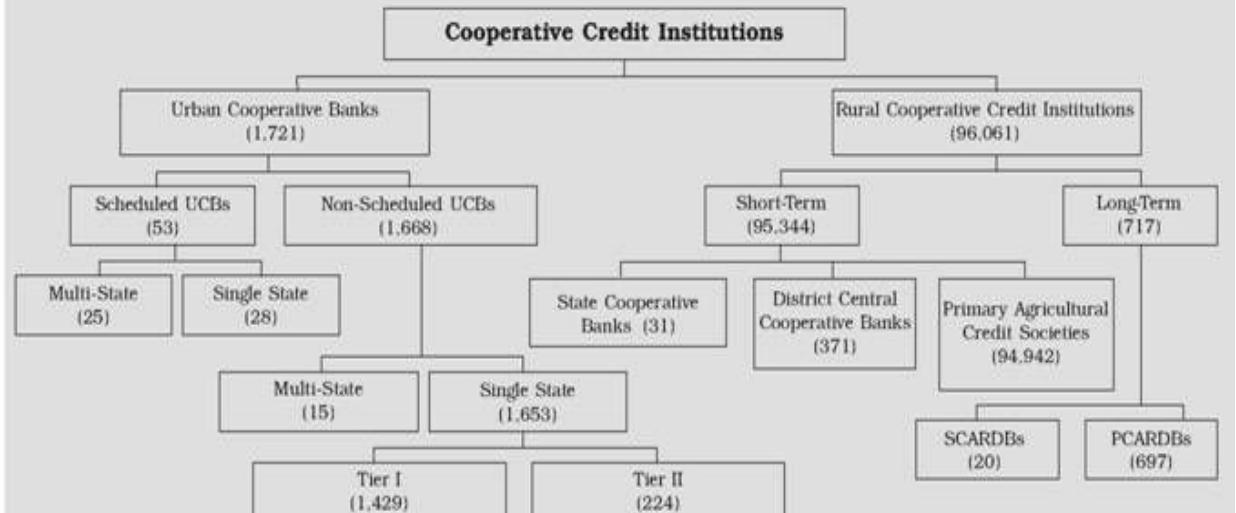
Who oversees these banks?

- In India, co-operative banks are registered under the **States Cooperative Societies Act**.
- Cooperative banks are under the **dual control** of the Registrar of Cooperative Societies and RBI.
- While the role of registrar of cooperative societies includes incorporation, registration, management, audit, supersession of board and liquidation, RBI is responsible for regulatory functions such maintaining cash reserve and capital adequacy, among others.

Latest ordinance

- **Statement 2 is incorrect:** The Union Cabinet has approved an ordinance to bring all urban and multi-State cooperative banks under the **direct supervision of the RBI**.
- Currently, these banks come under dual regulation of the RBI and the Registrar of Co-operative Societies.
- The move to bring these urban and multi-State coop banks under the supervision of the RBI comes after several instances of fraud and serious financial irregularities.

Chart V.1: Structure of Cooperative Credit Institutions in India



SCARDBs: State Cooperative Agriculture and Rural Development Banks.

PCARDBs: Primary Cooperative Agriculture and Rural Development Banks.

Note: 1. Figures in parentheses indicate the number of institutions at end-March 2009 for UCBs and at end-March 2008 for rural cooperative credit institutions.
2. For rural cooperatives, the number of banks refers to reporting banks.

<https://www.thehindu.com/news/national/cabinet-decides-to-bring-all-cooperative-banks-under-the-rbi-through-an-ordinance/article31904864.ece>

4. Consider the following statements about Kala-azar.

1. Kala-azar is caused due to infection by the parasite called Leishmania donovani.
2. The parasites are transmitted by the bite of infected female phlebotomine sandflies.

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:

- Leishmaniasis is a neglected tropical disease affecting almost 100 countries including India. It is caused by a parasite called Leishmania, which is transmitted through the bite of sand flies.
- There are three main forms of leishmaniasis – **visceral**, which affects multiple organs and is the most serious form of the disease, **cutaneous**, which causes skin sores and is the most common form); and **mucocutaneous**, which causes skin and mucosal lesion).
- **Visceral leishmaniasis**, which is commonly known as **Kala-azar** in India, is fatal in over 95% of the cases, if left untreated.
- The only drug available against leishmaniasis, miltefosine, is rapidly losing its effectiveness because of emerging resistance to this drug due to a decrease in its accumulation inside the parasite, which is necessary for the drug to kill the parasite.
- **Statement 1 is correct:** Kala-azar is caused due to infection by the parasite called Leishmania donovani.
- **Statement 2 is correct:** The parasites are transmitted by the bite of infected female phlebotomine sandflies.
- Kala-azar can cause no or few symptoms but typically it is associated with fever, loss of appetite (anorexia), fatigue, enlargement of the liver, spleen and nodes and suppression of the bone marrow. Kala-azar also increases the risk of other secondary infections.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1633851>

5. Consider the following statements about Pradhan Mantri MUDRA Yojana.

1. Under the scheme, loans are provided to micro businesses of the farm and non farm sector.
2. The maximum amount of loan that can be availed under this scheme is Rs 1 crore.

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

- Pradhan Mantri Mudra Yojana (PMMY) is a flagship scheme of Government of India to "fund the unfunded" by bringing the millions of units which are existing outside the formal banking system to the formal financial system and extending affordable credit to them.
- **Statements 1 & 2 are incorrect:** It was launched in 2015 for providing loans **up to 10 lakh** to the **non-corporate, non-farm small/micro enterprises**.
- These loans are given by Commercial Banks, RRBs, Small Finance Banks, MFIs and NBFCs

Types of loans provided

- **Shishu** : covering loans upto 50,000
- **Kishor** : covering loans above 50,000 and upto 5 lakh
- **Tarun** : covering loans above 5 lakh and upto 10 lakh

Sectors covered

- **Land Transport Sector / Activity** - Which will inter alia support units for **purchase of transport vehicles for goods and personal transport** such as auto rickshaw, small goods transport vehicle, 3 wheelers, e-rickshaw, passenger cars, taxis, etc.
- **Community, Social & Personal Service Activities** - Such as saloons, beauty parlours, gymnasium, boutiques, tailoring shops, dry cleaning etc
- **Food Products Sector** - Support would be available for undertaking activities such as papad making, achaar making, **agricultural produce preservation at rural level**, sweet shops, small service food stalls and day to day catering / canteen services, cold chain vehicles etc
- **Textile Products Sector / Activity** - To provide support for undertaking activities such as **handloom, powerloom**, chikan work, zari and zardozi work, traditional embroidery etc

<https://economictimes.indiatimes.com/news/economy/finance/government-announces-2-per-cent-interest-subsidy-for-small-borrowers-under-mudra-yojana/articleshow/76566596.cms>