

1. Consider the following statements about the Essential Commodities Act (ECA).

1. It was enacted to curb hoarding and black marketing of essential commodities.
2. The act covers agricultural commodities only.
3. The act empowers both the Central and state governments to control production, supply and distribution of certain commodities in view of rising prices.

Which of the statements given above is/are correct?

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

Answer: C

Explanation:

- **Statement 1 is correct:** The Essential Commodities Act (ECA) was enacted by the Central Government in 1955 to control and regulate trade and prices of commodities declared essential under the Act.
- **Statement 3 is correct:** The Act empowers the Central and state governments concurrently to control production, supply and distribution of certain commodities in view of rising prices.
- The measures that can be taken under the provisions of the Act include, among others, licensing, distribution and imposing stock limits. The governments also have the power to fix price limits, and selling the particular commodities above the limit will attract penalties.
- **Statement 2 is incorrect:** Some of the major commodities that are covered under the act:
 - Petroleum and its products
 - Food stuff, including edible oil and seeds, vanaspati, pulses, sugarcane
 - Drugs- prices of essential drugs are still controlled by the DPCO
 - Fertilisers

Why in News?

- Recently, the Union Cabinet has approved an amendment to the Essential Commodities Act, removing cereals, pulses, oilseeds, edible oils, onion and potatoes from the list of essential commodities.
- The amendment will be made effective immediately via an ordinance.

<https://www.thehindu.com/news/national/cabinet-nod-for-amendment-to-essential-commodities-act-two-ordinances-to-promote-barrier-free-trade/article31740277.ece>

2. With reference to the territory of Hong Kong, consider the following statements.

1. It was a former French colony returned to the People's Republic of China in 1997.
2. At present, Hong Kong is a Special Administrative Region of the People's Republic of China.

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: **B**

Explanation:

- **Statement 1 is incorrect:** Hong Kong, a former **British colony**, was returned to the People's Republic of China in 1997 under a policy known as “**one country, two systems,**” which promised the territory a high degree of autonomy.
- **Statement 2 is correct:** As a **Special Administrative Region (SAR)**, Hong Kong allows freedoms not enjoyed in mainland China, including freedom to protest and an independent judiciary.
- But that autonomy, guaranteed under a mini-constitution known as the **Basic Law**, expires in 2047. The joint signed declaration does not state what will happen in 2047 after that agreement officially ends.

- Last month, China passed a controversial national security law in Hong Kong in its parliament to tighten China’s control over the former British colony.
- Many sections in Hong Kong are protesting against the law who fear that it could be the biggest blow to the territory’s autonomy and personal freedoms since 1997 when it came under Chinese rule.
- China has also sought the support and understanding of India and other countries for its new national security law, saying the new legislation is aimed at containing the secessionist forces in Hong Kong.

Why in News?

- Recently, the Government of Nepal said that it considers Hong Kong to be an integral part of China and Nepal believes in non-interference in the internal affairs of any country.

<https://www.thehindu.com/news/international/hong-kong-belongs-to-china-nepal/article31741966.ece>

3. Which of the following are the conditions favourable for the formation and intensification of tropical storms?

1. Large sea surface with temperature higher than 27° C
2. Absence of the Coriolis force
3. Small variations in the vertical wind speed
4. A pre-existing weak low-pressure area or low-level-cyclonic circulation
5. Upper divergence above the sea level system

Select the correct answer using the codes given below

- A. 1, 2 and 3 only
- B. 1, 3, 4 and 5 only
- C. 1, 2, 3 and 4 only
- D. 1, 2, 3, 4 and 5

Answer: **B**

Explanation:

- The conditions favourable for the formation and intensification of tropical storms are:
 - (i) Large sea surface with temperature higher than 27° C;
 - (ii) **Presence of the Coriolis force;**
 - (iii) Small variations in the vertical wind speed;
 - (iv) A pre-existing weak low-pressure area or low-level-cyclonic circulation;
 - (v) Upper divergence above the sea level system

<http://www.ncert.nic.in/ncerts/l/kegy210.pdf>

<https://indianexpress.com/article/india/with-winds-at-90-100-km-hr-centre-of-cyclone-nisarga-crosses-alibag-6440704/>

4. Consider the following statements about the Micro, Small & Medium Enterprises (MSMEs) in India.

1. MSMEs contribute around 30% of GDP and 50% of Indian Exports.
2. According to the new classification of MSMEs, MSMEs will be categorised based only on the investment in machinery or equipment.
3. The criteria for manufacturing units and service units will be different for the classification of MSMEs.

Which of the statements given above is/are correct?

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

Answer: **A**

Explanation:

- **Statement 1 is correct:** MSMEs contribute 29.7% of GDP and 49.66% of Indian Exports.
- **Statement 3 is incorrect:** Recently, the government has changed the basic definition of MSME and also **end the difference between the manufacturing and services sector.**
- **Statement 2 is incorrect:** Till now, MSMEs are categorised based only on the investment in machinery or equipment. The new classification has **raised the investment limit** and included **annual turnover** as an additional criteria.
 - Accordingly, units having investment less than Rs 1 crore and turnover less than Rs 5 crore will be called Micro units.
 - Investment between Rs 1 and Rs 10 crore and turnover of Rs 5 crore to Rs 50 crore will be categorised as Small Enterprises.
 - Units having investment between Rs 10 crore but up to Rs 50 crore and turnover between Rs 50 crore and Rs 250 crore will now be known as Medium Enterprises.

Rationale for the move

- It has been a long-standing demand from industry to hike the investment limits, as with inflation, units often cross the threshold that will bring them benefits. To prevent this, they either run their operations at a reduced level or incorporate multiple units so that turnover is distributed in a way that they remain within the threshold that will give them the benefits.
- With the revised definitions of MSMEs, they will not have to worry about growing their size and can still avail benefits.

<https://pib.gov.in/Pressreleaseshare.aspx?PRID=1594475>

<https://economictimes.indiatimes.com/small-biz/sme-sector/msmes-to-be-classified-based-on-new-criteria-from-july/articleshow/76175735.cms>

5. With reference to the Inner Line Permit (ILP), which one of the following statements is not correct?

- A. ILP is an official travel document that allows Indian citizens to stay in an area under the ILP system to protect the interests of the indigenous population.
- B. The ILP is issued by the concerned state government.
- C. The concept originates from the Bengal Eastern Frontier Regulation Act (BEFR), 1873.
- D. The document is currently required by visitors to Jammu & Kashmir, Arunachal Pradesh, Manipur, Nagaland and Mizoram.

Answer: D

Explanation:

- **Statement A is correct:** The Inner Line Permit (ILP) is an official travel document that allows Indian citizens to stay in an area under the ILP system.

- **Statement D is incorrect:** The document is currently required by visitors to **Arunachal Pradesh, Manipur, Nagaland and Mizoram**.
- **Statement B is correct:** The ILP is issued by the concerned state government. The permits issued are mostly of different kinds, provided separately for tourists, tenants and for other purposes.
- The main objective of the ILP system is to prevent settlement of other Indian nationals in the notified states in order to **protect the indigenous population**. It also offers protection for the locals with regards to lands, jobs and other facilities.

History of ILP

- **Statement C is correct:** Under the **Bengal Eastern Frontier Regulation Act, 1873**, the British framed regulations restricting the entry and regulating the stay of outsiders in designated areas.
- This was to protect the Crown's own commercial interests by preventing "British subjects" (Indians) from trading within these regions.
- In 1950, the Indian government replaced "British subjects" with "Citizen of India". This was to address local concerns about protecting the interests of the indigenous people from outsiders belonging to other Indian states.

<https://indianexpress.com/article/explained/inner-line-permit-what-is-its-cao-context-6441390/>