

# OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

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1. With reference to the Ease of Doing Business (EoDB) index, consider the following statements.

1. India has improved its ranking steadily in the past four years.
2. India is one of the best performing countries in areas such as Ease of Starting Business, Registering Property, Paying Taxes, and Enforcing Contracts.

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:

- The Ease of Doing Business (EoDB) index is a ranking system established by the **World Bank** Group. It is an aggregate figure that includes different parameters which define the ease of doing business in a country.

How is it calculated?

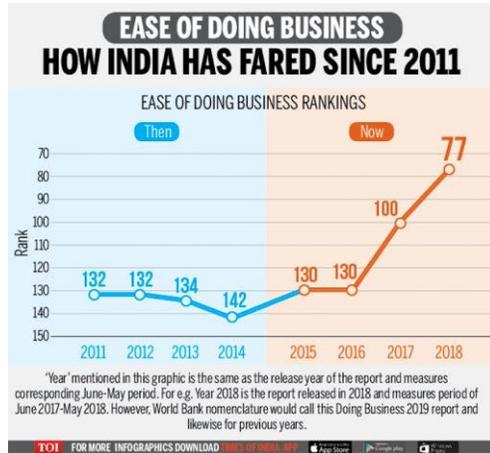
- It is computed by aggregating the **distance to frontier** scores of different economies.
- The distance to frontier score uses the 'regulatory best practices' for doing business as the parameter and benchmark economies according to that parameter.
- The **ten areas of study** are defined as: starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency.
- An 11th area- **employing workers**, is measured but not factored into the score.

Latest Ranking

- India has been ranked **63** in the Ease of Doing Business Index, 2019 out of 190 countries marking an improvement of 14 places from its 77<sup>th</sup> position in 2018.
- India is among the top ten most improved countries in the world for the third consecutive year.
- Rankings are based on samples and audits done in **Mumbai and Delhi only** (World Bank has said it would be covering Bengaluru and Kolkata too from next year).
- India has progressed on seven out of the 10 parameters. The Goods and Service Tax (GST) and the Insolvency and Bankruptcy Code (IBC) top the list of reforms that have propelled India's rise in rankings.

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- **Statement 2 is incorrect:** However, it continues to trail in parameters such as Ease of Starting Business (rank 136), Registering Property (rank 154), Paying Taxes (rank 115), and Enforcing Contracts (rank 163).
- **Statement 1 is correct:** In the last five years, India's ranking has improved 79 places - to 63 in 2019 from 142 in 2014 - a record for a major economy.



<https://www.thehindu.com/opinion/lead/a-development-that-will-hardly-put-india-at-ease/article32481836.ece>

## 2. Consider the following statements about the National Pharmaceutical Pricing Authority (NPPA).

1. NPPA prepares the National List of Essential Medicines of India.
2. NPPA functions as an attached office of the Ministry of Health and Family Welfare.

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:

- National Pharmaceutical Pricing Authority (NPPA), was established in 1997 as an independent body of experts as per the decision taken by the Cabinet committee in 1994 while reviewing Drug Policy as regulator for pricing of drugs.

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- **Statement 2 is incorrect:** It has been constituted as an attached office of the **Department of Pharmaceuticals (DoP), Ministry of Chemicals & Fertilizers.**
- The Authority has been entrusted with the task of
  - Fixation/revision of prices of pharmaceutical products (bulk drugs and formulations),
  - Enforcement of provisions of the Drugs (Prices Control) Order.
  - Monitoring of the prices of controlled and decontrolled drugs in the country.
- The NPPA currently fixes prices of drugs placed in the **National List of Essential Medicines (NLEM) under Schedule-I of the DPCO.**
- Non-scheduled drugs are allowed an increase of up to 10 per cent in prices every year, which is monitored by the NPPA.
- NPPA can also fix the price for non-scheduled drugs by invoking extraordinary powers in public interest, under the Drugs (Prices Control) Order, 2013.
  
- **Statement 1 is incorrect:** The National List of Essential Medicines is drawn up to include essential medicines that satisfy the priority health needs of the population. It is prepared by the **Ministry of Health and Family Welfare.** This list forms the basis of price controls under the DPCO.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1649494>

### 3. POSHAN Abhiyaan, a flagship programme of the Ministry of Women and Child Development, targets to reduce

1. Stunting
2. Under-nutrition
3. Low birth weight
4. Anemia

Select the correct answer using the code given below :

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

Answer: D

#### Explanation:

- POSHAN Abhiyaan (National Nutrition Mission) is a flagship programme of the **Ministry of Women and Child Development**, which ensures convergence with various programmes

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i.e., Anganwadi Services, Pradhan Mantri Matru Vandana Yojana (PMMVY), Scheme for Adolescent Girls (SAG), Janani Suraksha Yojana (JSY), National Health Mission (NHM), Swachh-Bharat Mission, Public Distribution System (PDS) and Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

- The mission targets to reduce **stunting, under-nutrition, anemia** (among young children, women and adolescent girls) and reduce **low birth weight** by 2%, 2%, 3% and 2% per annum respectively.
- The mission also strives to achieve a reduction in Stunting from 38.4% (NFHS-4) to 25% by 2022 (**Mission 25 by 2022**).

<https://pib.gov.in/PressReleasePage.aspx?PRID=1649764>

#### 4. With reference to the money multiplier, consider the following statements.

1. It is measured as the ratio of  $M_3/M_0$ .
2. A country's money multiplier increases with an increase in reserve requirement ratio of Banks.
3. A country's money multiplier increases when more individuals hold cash in hand.

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:

- Money multiplier is the amount of money the banking system generates out of each rupee released by the central bank.
- **Statement 1 is correct:** Money multiplier is measured as  $M_b = M_3/M_0$ .
- Thus a country's money multiplier depends on two factors—how much individuals (and businesses) hold in cash and how much banks hold as reserves.
- **Statement 3 is incorrect:** The more individuals hold cash in hand, the less the banking system will be able to create money and hence a lower value for the multiplier.
- **Statement 2 is incorrect:** Similarly, reserves that banks hold with the central bank as Cash Reserve Ratio also amount to a leakage, which again reduces the money multiplier.

<https://economictimes.indiatimes.com/news/economy/finance/currency-in-circulation-hits-pre-demonetisation-levels/articleshow/77754194.cms>

5. With reference to the Members of Parliament Local Area Development Scheme (MPLADS), consider the following statements.

1. MPs are entitled to recommend works to the tune of Rs 2 crore annually.
2. MPs shall recommend works costing at least 15 per cent of the MPLADS entitlement for the year for areas inhabited by Scheduled Caste population and 7.5 per cent for areas inhabited by S.T. population.
3. Nominated Members of both the Rajya Sabha and Lok Sabha can recommend works anywhere in the country.

Which of the statements given above is/are correct?

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

Answer: B

Explanation

- The Members of Parliament Local Area Development Scheme (MPLADS) is a programme first launched 1993, aimed towards providing funds for developmental works recommended by individual MPs.
- The objective of the scheme is to enable MPs to recommend works of developmental nature with emphasis on the creation of durable community assets based on the locally felt needs to be taken up in their Constituencies.
- **Statement 1 is incorrect:** Under the MPLADS scheme, each MP has the choice of suggesting to the District Collector works to the tune of **Rs 5 crore per annum** to be taken up in his or her constituency.
- **Statement 3 is correct:** Lok Sabha Members can recommend works within their Constituencies and Elected Members of Rajya Sabha can recommend works within the State of Election (with select exceptions). Nominated Members of both the Rajya Sabha and Lok Sabha can recommend works anywhere in the country.
- Under MPLADS, the role of the MPs is limited only upto recommendation of works. Thereafter, it is the responsibility of the District Authority to sanction, execute and complete the works recommended by Members of Parliament within the stipulated time.
- **Statement 2 is correct:** The guidelines recommend MPs to suggest works costing at least 15 per cent of their MPLADS entitlement for the year for areas inhabited by Scheduled Caste population and 7.5 per cent for areas inhabited by ST population.
- In case there is insufficient tribal population in the area of Lok Sabha Member, they may recommend this amount for the creation of community assets in tribal areas outside of their constituency but within their State of election.

What kind of projects are executed?

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- The guidelines lay down a number of development works, including construction of railway halt stations, providing financial assistance to recognised educational bodies, cooperative societies, bar associations, installing CCTV cameras, and rainwater harvesting systems,
- The MPLADS funds can be merged with other schemes such as MGNREGA and Khelo India.
- MPLADS was held constitutionally valid by the Supreme Court in its May 6, 2010 judgment.

<https://www.outlookindia.com/newscroll/rs-ethics-committee-authorises-2-officers-to-receive-complaints-against-members/1922800>

