

**1. With reference to the Gold Monetisation Scheme (GMS), consider the following statements.**

1. The objective of the scheme is to mobilise gold and further facilitate its use for productive purposes.
2. One can deposit a minimum 30 grams of raw gold under the scheme in the form of bars, coins, jewellery excluding stones and other metals.
3. Importing huge amounts of gold leads to depreciation of Indian Rupee.

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: **D**

**Explanation:**

- **Statement 1 is correct:** The Gold Monetisation Scheme (GMS) was launched by the Government of India in 2015. The main aim of this scheme is to turn the unused gold which is lying idle at our households or institutions into a productive asset.
- The scheme would also reduce India's dependability on gold imports. Importing huge amounts of gold using foreign exchange reserves depreciates the value of the rupee. This in turn makes key imports like crude oil more costly. **Hence, statement 3 is correct.**
- **Statement 2 is correct:** The depositors can deposit a **minimum of 30 gms** of raw gold in the form of bars, coins, jewellery. There is **no cap** on the maximum amount of gold that can be deposited.
- The deposits under GMS are held by banks on behalf of the Centre, who also decides the interest rate.

<https://economictimes.indiatimes.com/news/economy/policy/as-gold-imports-take-a-hit-industry-looks-for-ways-to-make-deposit-schemes-attractive/articleshow/77323854.cms>

**2. Which of the following aims to protect the growers of their commodities from making distress sale in the event of a bumper crop?**

- A. Minimum Support Price
- B. Market Intervention Scheme
- C. Price Stabilisation Fund
- D. Minimum Export Price

Answer: **B**

**Explanation:**

- Market Intervention Scheme is a price support mechanism implemented on the request of State Governments for procurement of **perishable and horticultural commodities** in the event of a fall in market prices.

- The Scheme is implemented when there is at least **10% increase in production or 10% decrease** in the ruling rates over the previous normal year.
- It works in a similar fashion to Minimum Support Price based procurement mechanism for food grains, but is an **ad hoc mechanism**.
- **Objective:** To intervene in the market to protect the growers of their commodities from making distress sale in the event of a bumper crop during the peak arrival period when the prices tend to fall below economic levels and cost of production.
- **Pattern of Assistance:** The amount of loss is shared on a 50:50 basis between the Central government and the State government (on a 75:25 basis in case of North-Eastern States).
- **Eligibility:** State / UT government ready to share the loss on 50:50 basis between the Central government and the State government (75:25 basis in case of North-Eastern States).

<http://newsonair.com/News?title=MIS-scheme-generated-awareness-among-farming-community-in-Kashmir&id=396384>

**3. With reference to the Production linked incentive (PLI) scheme for Large Scale Electronics Manufacturing, consider the following statements.**

1. The scheme aims to attract large investments in mobile phone manufacturing and specified electronic components.
2. It proposes creating quality infrastructure with a minimum area of 200 acres along with industry-specific facilities such as common facility centres, ready-built factory sheds/ plug-and-play facilities.

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:**

- In March 2020, to boost large-scale electronics manufacturing in India, the Union Cabinet approved three schemes with a total outlay of almost Rs 48,000 crore.
- The three schemes together will enable large-scale electronics manufacturing, a domestic supply chain ecosystem of components and a state-of-the-art infrastructure and common facilities for large anchor units and their supply chain partners.
- **Statement 1 is correct:** The **production-linked incentive scheme** aims to attract large investments in mobile phone manufacturing and specified electronic components.
- **Statement 2 is incorrect:** The scheme will offer an incentive of 4-6% on incremental sales of goods manufactured in India and is expected to create a total of 8 lakh jobs.
- The **'Scheme for Promotion of Manufacturing of Electronics Components and Semiconductors'** will give a financial incentive of 25% on capital expenditure for the identified list of electronic goods.
- The third scheme, **Electronics Manufacturing Clusters (EMC) 2.0**, aims at creating quality infrastructure with a minimum area of 200 acres along with industry-specific facilities such

as common facility centres, ready-built factory sheds/ plug-and-play facilities. The scheme is expected to create about 10 lakh jobs. **Statement 2 is related to EMC 2.0.**

<https://indianexpress.com/article/explained/national-policy-on-electronics-production-linked-incentive-scheme-explained-6530777/>

**4. With reference to the Corporate Social Responsibility (CSR), consider the following statements.**

1. CSR is a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.
2. India has legally mandated CSR.
3. Any company that has a net worth of at least Rs 500 crore, a turnover of Rs 1,000 crore or a net profit of Rs 5 crore is obliged to spend 1.5% of its average profits over the last three years on CSR.

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: **B**

**Explanation:**

- **Statement 1 is correct:** The term "Corporate Social Responsibility (CSR)" can be referred to as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.
- **Statement 2 is correct:** India is one of the first countries in the world to make CSR **mandatory**, following an amendment to the Company Act, 2013.
- **Statement 3 is incorrect:** Any company that has a net worth of at least Rs 500 crore, a turnover of Rs 1,000 crore or a net profit of Rs 5 crore is obliged to spend **2% of its average profits** over the last three years on CSR.
- Businesses can invest their profits in areas such as education, poverty, gender equality, and hunger.

<https://indianexpress.com/article/opinion/columns/india-china-dispute-military-economic-power-6536498/>

**5. In which of the following situations the Governor can act without the advice of the Council of Ministers?**

1. Reserving a bill passed by the legislature for the consideration of the President of India.
2. Recommendation for the imposition of the President's Rule in the state.
3. Dissolution of the state legislative assembly if the Council of Ministers has lost its majority.
4. Asking the Chief Minister to place a matter for the consideration of the Council of Ministers.

Select the correct answer using the code given below :

- A. 1, 2 and 3 only

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

Answer: **D**

**Explanation:**  
**Constitutional Discretion**

The Governor has constitutional discretion in the following cases:

- **Article 167:** Governor can seek any information from the chief minister with regard to the administrative and legislative matters of the state.
- **Article 167(c)** empowers the Governor to ask the Chief Minister to submit for the consideration of the Council of Ministers any matter, on which a decision was taken by an individual Minister.
- **Article 200:** A bill shall be presented to the Governor and the Governor shall declare either that he assents to the Bill or that he withholds assent therefrom or that he reserves the Bill for the consideration of the President.
- **Article 356** empowers the Governor to recommend the imposition of President's Rule in the state in case he feels that there is a breakdown of constitutional machinery in the state.
- **Article 239 (2):** While exercising his functions as the administrator of an adjoining Union Territory (in case of additional charge) independently of his council of Ministers.
- Determining the amount payable by the Government of Assam, Meghalaya, Tripura and Mizoram to an autonomous Tribal district council as royalty accruing from licenses for mineral exploration.

**Situational discretion**

- In addition to the above constitutional discretion (i.e., the express discretion mentioned in the constitution), the governor also has situational discretion (i.e., the hidden discretion derived from the exigencies of a prevailing political situation) in the following cases:
- **Appointment of chief minister:** As per **Article 164**, discretion is exercised in appointment of CM when a hung assembly turns up after the elections or when coalition partner suddenly withdraws the support from the ruling party.
- **Dissolution of the state legislative assembly:** As per **Article 174**, the Governor may Dissolve the Assembly if he/she is satisfied that the government has lost the majority in legislative assembly.
- **Dismissal of the council of ministers:** Since Council of Ministers under **Article 164 (2)** is collectively responsible to the state legislative assembly hence if a ministry has lost confidence of the house but refuses to resign, in that case Governor can dissolve the Ministry.

<https://www.thehindu.com/news/national/the-hindu-explains-why-are-questions-being-raised-about-the-actions-of-rajasthan-governor-kalraj-mishra/article32249795.ece>