

MCQ 08.09.2020 TO 13.09.2020

1. Consider the following statements about the Periodic Labour Force Survey.

1. It was launched by the Labour Bureau under the Ministry of Labour and Employment.
2. It aims to provide quarterly employment and unemployment data.

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:** In India, the National Sample Survey Organisation (NSSO) has been quinquennially collecting data on employment and unemployment but from 2017 onwards, the **Periodic Labour Force Survey (PLFS) was launched by the NSSO.**

• **Statement 2 is correct:** It aimed to provide **quarterly employment and unemployment data.**

• The PLFS has been launched with an objective of measuring quarterly changes of various labour market statistical indicators in urban areas as well as generating annual estimates of these indicators both for rural and urban areas, which can be used for policy making.

<https://www.thehindu.com/news/national/indias-unemployment-rate-saw-a-small-dip-in-2018-19-says-survey/article31752146.ece>

2. Which of the following are included within the ambit of Section 2(h) of the Right to Information Act which defines “public authorities”?

1. Authorities constituted under the Constitution
2. Authorities constituted by the Parliament

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3. Authorities constituted by State Legislatures
4. Non-Government organization substantially financed by the appropriate Government

Select the correct answer using the codes given below

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

Answer: **D**

Explanation:

Public authority under RTI Act

- Public authorities are the repository of information which the citizens have the right to have under the Right to Information Act (RTI Act).
- The RTI Act defines “public authorities” in **Section 2(h)**.
- A “public authority” means any authority or body or institution of self- government established or constituted –
 - o by or under the Constitution;
 - o by any other law made by Parliament;
 - o by any other law made by State Legislature;
 - o by notification issued or order made by the appropriate Government, and includes any
 - body owned, controlled or substantially financed;
 - Non-Government organization substantially financed, directly or indirectly by funds provided by the appropriate Government.

<https://www.thehindu.com/news/national/plea-in-delhi-hc-seeks-to-bring-pm-cares-fund-under-rti/article31746478.ece>

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3. With reference to the Fugitive Economic Offenders (FEO) Act, 2018, consider the following statements.

1. A FEO is an individual who has committed specified economic offences and has absconded from India or refused to come back to India to avoid criminal prosecution.
2. The Act empowers authorities to attach and confiscate properties and assets of FEOs.
3. Courts and tribunals across the country have the power to disentitle anyone declared as a FEO from filing or defending any civil and criminal case.

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: A

Explanation:

- **Statement 1 is correct:** According to the **Fugitive Economic Offenders Act, 2018**, a fugitive economic offender is an individual who has committed specified economic offences involving an amount of **Rs 100 crore** or more and has absconded from India or refused to come back to India to avoid criminal prosecution.
- The Act is basically aimed at acting as a deterrent for those who commit economic offences and flee, thereby, defying the Rule of Law in India and evading jurisdiction of Indian justice system.
- **Statement 2 is correct:** Under the Act, upon declaration as FEO, the properties and assets may be confiscated and vested by the Centre. This includes not just the properties directly owned by the FEO and affiliated organisations but also any and all benami properties owned by the offender.

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- **Statement 3 is incorrect:** Courts and tribunals across the country have the power to disentitle anyone declared as a FEO from filing or defending any civil case – even if that case has nothing to do with their alleged economic offence. **(they can file/defend criminal cases)**
- Liquor baron Vijay Mallya has been declared a ‘fugitive economic offender’ under the provisions of the Fugitive Economic Offenders Act, 2018.
<https://www.thehindu.com/news/national/we-need-to-resolve-confidential-legal-issue-before-mallyas-extradition-says-uk/article31748832.ece>

4. Consider the following statements about the National Clean Air Programme (NCAP).

1. It is a pan-India pollution control initiative of the Ministry of Environment, Forest and Climate Change.
2. It aims to reduce particulate matter (PM2.5 and PM10) pollution by 20-30% by 2024, with 2017 as the base year for comparison.

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:

- National Clean Air Programme (NCAP) is a pollution control initiative that was launched by the **Ministry of Environment, Forest and Climate Change.**
- **Statement 1 is incorrect:** It is not a pan-India initiative.
- **Statement 2 is correct:** It aims to reduce particulate matter (PM2.5 and PM10) pollution by **20-30% in 102 cities by 2024**, with 2017 as the base year for comparison.

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- The programme also targets to foster collaborative and participatory approach involving relevant Central Ministries, State Governments, local bodies and other Stakeholders with focus on all sources of pollution.

<https://www.financialexpress.com/lifestyle/science/delhi-ncr-air-quality-57-people-rate-bad-very-bad-says-survey/1981305/>

5. **The GAVI Alliance sometimes seen in the news in the context of**

- A. Leading international non-profit and non-governmental organization that safeguards the right to freedom of information.
- B. Wildlife Trade Monitoring Network working to ensure that trade in wild plants and animals is not a threat to the conservation of nature.
- C. Global health partnership of public and private sector organizations dedicated to “immunisation for all”.
- D. Global alliance focused on enhancing the cyber security readiness and response of public and private sector entities.

Answer: C

Explanation:

About GAVI Alliance

- The GAVI Alliance (formerly the Global Alliance for Vaccines and Immunisation) is a global health partnership of public and private sector organizations dedicated to “**immunisation for all**”.
- GAVI’s strategy supports its mission to save children’s lives and protect people’s health by **increasing access to immunisation in poor countries**.
- Its partners provide funding for vaccines and intellectual resources for care advancement. They contribute, also, to strengthening the capacity of the health system to deliver immunisation and other health services in a sustainable manner.

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Why in News?

- Prime Minister Narendra Modi participated in the **virtual Global Vaccine Summit** hosted by UK Prime Minister Boris Johnson and **pledged \$15 million to Gavi alliance.**

- **Option A** is related to Reporters Without Borders.

- **Option B** is related to TRAFFIC.

<https://www.thehindubusinessline.com/news/india-pledges-15-million-to-global-vaccine-alliance-gavi/article31754653.ece>

6. With reference to the Insolvency and Bankruptcy Code (IBC), consider the following statements:

1. The National Company Law Tribunal (NCLT) adjudicates insolvency resolutions for individuals and partnership firms, while the Debt Recovery Tribunal (DRT) adjudicates insolvency resolutions for companies and Limited Liability Partnerships.

2. The latest amendments mandate a deadline for the completion of the resolution process within 330 days, including all litigation and judicial processes.

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:

- The Insolvency and Bankruptcy Code (IBC) creates time-bound processes for insolvency resolution of companies and individuals. These processes will be completed within 180 days

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(unless extended by a one time extendable period of 90 days). If insolvency cannot be resolved, the assets of the borrower may be sold to repay creditors (known as liquidation).

- The resolution processes are conducted by licensed insolvency professionals (IPs). These IPs are members of insolvency professional agencies (IPAs).
- **Information utilities** (IUs) are established to collect, collate and disseminate financial information to facilitate insolvency resolution.
- **Statement 1 is incorrect:** The **National Company Law Tribunal** (NCLT) adjudicates insolvency resolution for companies and Limited Liability Partnerships. The **Debt Recovery Tribunal** (DRT) adjudicates insolvency resolution for individuals and partnership firms.
- The **Insolvency and Bankruptcy Board of India** (IBBI) regulates the functioning of IPs, IPAs and IUs.
- IBC was later amended with the provision to **bar promoters from bidding for their own companies**. It prevented defaulters from regaining control of their companies at a cheaper value
- The code was again amended in 2019 which mandates a deadline for the completion of the resolution process **within 330 days, including all litigation and judicial processes**.

Why in News?

- The government has promulgated an ordinance to amend the Insolvency and Bankruptcy Code whereby **fresh insolvency proceedings will not be initiated for at least six months** starting from March 25 (the day when the nationwide lockdown) amid the COVID-19 pandemic.
- The move is expected to provide relief for corporates as the pandemic and subsequent lockdown had significantly impacted economic activities.

<https://www.thehindu.com/business/Industry/govt-suspends-insolvency-proceedings/article31760956.ece>

7. Consider the following statements about the Payment Infrastructure Development Fund (PIDF).

1. PIDF has been created to encourage acquirers to deploy Point of Sale (PoS) infrastructure in tier-1 and tier-2 cities.
2. The fund will be administered by the National Payment Corporation of India.

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:

- The RBI has created a Payment Infrastructure Development Fund (PIDF) with a corpus of Rs 500 crore, with an aim to **give a push to digital payments**.
- The RBI has made an initial contribution of Rs 250 crore covering half the fund. The remaining will come from the card-issuing banks and card networks operating in the country.

Need for the fund

- **Statement 1 is incorrect:** This fund has been created to encourage acquirers to deploy Point of Sale (PoS) infrastructure, both physical and digital, in **tier-3 to tier-6 centres and north eastern states**.
- *A POS terminal is an electronic device used to process card payments at retail locations.*
- Given the high cost of merchant acquisition, most of the POS terminals in the country are concentrated in tier 1 and 2 cities and towns and other regions have been left out.
- This move will make the economics more favourable and will significantly increase the merchant base accepting digital payments.

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News in detail

- The dedicated fund for deepening digital payments infrastructure will receive recurring contributions to cover operational expenses from card issuing banks and card networks and the central bank will also contribute to yearly shortfalls, if necessary.
- **Statement 2 is incorrect:** The fund will be **governed through an advisory council** but it will be **managed and administered by the RBI**.
- The enhanced ability of PoS infrastructure is supposed to reduce demand for cash over time.

Committee on deepening digital payments

- The setting up of PIDF is in line with the recommendations of the report of the committee on deepening digital payments, chaired by **Nandan Nilekani**.
- The report had also made the case for an **Acceptance development fund** which will be used to develop card acceptance infrastructure across small towns and cities.

https://www.business-standard.com/article/finance/rbi-sets-up-rs-500-crore-fund-to-boost-digital-payments-infrastructure-120060600018_1.html

8. Which of the following best describes Labour Force Participation Rate?

- A. Percentage of the population in the age group of 16-64 in the economy currently employed or unemployed.
- B. Percentage of the population in the age group of 16-64 in the economy currently employed or seeking employment.
- C. Percentage of employed persons in the population in the age group of 16-64.
- D. None of the above

Answer: **B**

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Explanation:

- Labour force participation rate is defined as the section of the population in the age group of 16-64 in the economy currently employed or seeking employment. People who are still undergoing studies, housewives and persons above the age of 64 are not reckoned in the labour force.

Why in News?

- The National Sample Survey Organisation has released the latest Periodic Labour Force Survey. <https://www.telegraphindia.com/india/centre-releases-survey-that-claims-marginal-improvement-in-joblessness-in-2018-19-while-sitting-on-other-reports-on-unemployment/cid/1778769>

9. Consider the following statements about the Institute of Eminence (IoE) Scheme.

1. The aim of the scheme is to improve the ranking of Indian higher educational institutions at the global level.
2. The scheme provides financial support to the public institutions only.
3. Greenfield institutions are not eligible to be selected as IoE.

Which of the following statements 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 Institute of Eminence Scheme (IOE Scheme) was announced in 2016 to improve the ranking of Indian higher educational institutions at the global level.

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● Under this scheme, the **Ministry of Human Resource Development** will select 20 IoEs — **10 public and 10 private** and establish them as world class institutes in the country.

● These twenty institutions will be provided with greater autonomy, grants and special preferences.

Criteria For Selection Of Institutions:

● Institutions which are under **top fifty in National Institutional Ranking Framework** are eligible for applying for IOE status, Or

● **Top 500 in internationally recognised rankings** like the Times Higher Education World University Rankings.

Features of IOE status:

● **Statement 2 is correct:** The 10 public institutions which will be selected, will get **Rs 1,000 crore** each from the HRD Ministry to achieve world-class status. The government will offer **no financial assistance** to the private institutions.

● For both private and public institutions, administrative autonomy will be given. Curriculum, course structure, fee structure, salary structure can be designed by themselves.

● Up to 25% of faculties can be hired from abroad, about 30% of students from abroad can be given admissions, almost 20% of the courses can be given online.

● There will be **no restrictions from UGC** in terms and services conditions as the scheme aims to promote administrative autonomy for the better innovation ecosystem.

● **Statement 3 is incorrect:** Apart from public and private, IOE status can be also given to **greenfield institutions** (Institution which is yet to start) for encouraging new players. For example, the proposed Jio university has been selected for IOE status.

<https://www.newindianexpress.com/nation/2020/jun/05/private-institutes-with-eminence-tag-to-be-inspected-committee-to-improve-international-rankings-on-2152760.html>

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10. Consider the following statements about the Atal Innovation Mission (AIM).

1. It is a flagship initiative of the Department of Science and Technology.
2. AIM's objectives are to create and promote an ecosystem of innovation and entrepreneurship across the country at schools, universities, research institutions, MSME and industry levels.

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:** The Atal Innovation Mission (AIM) is a flagship initiative set up by the **NITI Aayog** to promote innovation and entrepreneurship across the country.
- **Statement 2 is correct:** AIM's objectives are to create and promote an ecosystem of innovation and entrepreneurship across the country at schools, universities, research institutions, MSME and industry levels.
- To promote creative, innovative mindset in schools. At the school level, AIM is setting up state of the art **Atal Tinkering Labs (ATL)** in schools across all districts across the country.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1629707>

11. Consider the following statements about the Archaeological Survey of India (ASI).

1. ASI functions under the Ministry of Culture.
2. ASI declares ancient monuments which are of historical, archaeological or artistic interest and which have been in existence for not less than 1000 years as Monuments of national importance.

Which of the statements given above is/are correct?

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

Answer: A

Explanation:

- **Statement 1 is correct:** The Archaeological Survey of India (ASI), under the **Ministry of Culture**, is the premier organization for the archaeological research and protection of the cultural heritage of the nation.

- Maintenance of ancient monuments and archaeological sites and remains of national importance is the prime concern of the ASI.

- Besides, it regulates all archaeological activities in the country as per the provisions of the Ancient Monuments and Archaeological Sites and Remains Act, 1958. It also regulates the Antiquities and Art Treasure Act, 1972.

- **Statement 2 is incorrect:** According to the Ancient Monuments and Archaeological Sites and Remains Act, 1958, an "Ancient Monument means any structure, erection or monument, or any tumulus or place of interment, or any cave, rock-sculpture, inscription or monolith which is of historical, archaeological or artistic interest and which has been in existence for **not less than 100 years.**"

<https://www.businessinsider.in/india/news/over-800-asi-monuments-which-have-places-of-worship-will-open-from-june-8/articleshow/76245582.cms>

12. Strait of Hormuz is located at

- A. Between the Gulf of Oman and the Persian Gulf
- B. Between the Malay Peninsula and the Indonesian island of Sumatra

C. Between the Black Sea to the Sea of Marmara

D. Between Djibouti and Yemen

Answer: A

Explanation:



Strait of Hormuz is a choke-point between the Persian Gulf and the open ocean. A third of crude oil exports transported via ships pass through the Strait, which makes it the world's most important oil artery.

- If the Strait is closed or if the flow of oil and gas is disrupted, it would have a serious impact on global energy stability and thereby on the world economy.

Other important straits:

- Strait of Malacca which lies between the Malay Peninsula and the Indonesian island of Sumatra.
- Bosphorus strait which connects the Black Sea to the Sea of Marmara.

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- Kerch Strait connecting the Black Sea and the Sea of Azov.
- Bab el-Mandeb strait is located between Djibouti and Yemen that links the Red Sea to the Indian Ocean.

<https://timesofindia.indiatimes.com/india/why-a-56000-year-old-lake-has-turned-pink/articleshow/76317876.cms>

13. 'Mission Sagar' is related to

- A. Initiative to assist island nations in Eastern Indian Ocean amidst the ongoing COVID-19 pandemic.
- B. Initiative to substantially increase access to contraceptives and family planning services in high fertility districts.
- C. Initiative to fully digitize and automate the entire process of land acquisition for highways.
- D. Initiative to create an ecosystem for availing home delivery of 40 essential public services.

Answer: A

Explanation:

- The 'Mission Sagar' Government of India's initiative to assist island nations in Eastern Indian Ocean amidst the ongoing COVID-19 pandemic.
- The Mission is being coordinated by the **Ministry of External Affairs and Ministry of Defence**.
- Under the Mission, India has sent Indian Naval Ship Kesari to Maldives, Mauritius, Madagascar, Comoros and Seychelles, carrying on board two Medical Assistance Teams, consignments of Covid related essential medicines and essential food items.
- The deployment is in consonance with the Prime Minister Narendra Modi's vision of Security and Growth for All in the Region 'SAGAR' promulgated in March 2015.
- SAGAR highlights the importance accorded by India to relations with her neighbouring countries and further strengthens the existing bond.

- Option B is related to Parivar Vikas.
- Option C is related to Bhoomi Rashi portal.

14. Consider the following actions by the Government

1. Cutting the tax rates
2. Increasing the government spending
3. Rationalising subsidies

Which of the above actions can be considered a part of the “fiscal consolidation” package?

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

Answer: C

Explanation:

- Fiscal Consolidation refers to the policies undertaken by Governments (national and sub-national levels) to reduce their deficits and accumulation of debt stock.
- Cutting the tax rates and Increasing the government spending increases the government’s debt stock.
- Abolishing subsidies helps the government to reduce its expenditure and improve its fiscal position. **Hence, option C is correct.**

<https://indianexpress.com/article/explained/explainspeaking-when-will-indias-economy-recover-shape-of-its-recovery-6447775/>

15. Consider the following statements.

1. The State governments have the sole authority to declare a species as vermin within their respective jurisdictions.
2. Any wild animal listed in Schedule I to IV of the Wildlife Protection Act, 1972 can be declared as a vermin.
3. Wild animals declared as vermin will be included in Schedule V of the Wildlife Protection Act, 1972, depriving them of protections under that law.

Which of the following statements are correct?

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

Answer: **D**

Explanation:

- The Wildlife Protection Act, 1972 divides species into 'schedules' ranked from I to V. Schedule I members are the best protected with severe punishments meted out to those who hunt them.
- Wild boars, nilgai and rhesus monkeys are Schedule II and III members, it is also protected, but can be hunted under specific conditions.
- **Statements 1 & 2 are incorrect:** Under Section 62 of WPA, the **Central Government** may, on the requests from the respective States, declare any wild animal **other than those specified in Schedule I & Part II of Schedule II** (that lists most endangered and iconic species like tigers, leopards, and elephants) of the law to be vermin for any area for a given period of time for selective slaughter.
- **Statement 3 is correct:** As long as the notification is in force such wild animals shall be included in Schedule V of the law, depriving them of any protection under that law.

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- A species is declared as vermin
- if they have become dangerous to human life or property, or
- if they have become so disabled or diseased as to be beyond recovery.

<https://www.thehindu.com/opinion/op-ed/addressing-the-elephant-in-the-room/article31773338.ece>

16. With reference to India's Foreign Exchange Reserve, consider the following.

1. Foreign currency assets
2. Gold Stock of RBI
3. Special Drawing Rights holdings
4. Reserve tranche
5. Loans from the World Bank

Which of the above are components of India's Foreign Exchange Reserve?

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

Answer: C

Explanation:

● Foreign Exchange Reserve indicates the reserves held by RBI in the form foreign currency assets, gold, SDR and reserve tranche. Components of foreign exchange reserve:

1. **Foreign Currency Assets**- Currencies of foreign countries are held in foreign exchange reserves. Apart from currency it also includes foreign currency deposits held by RBI with foreign central banks and the Bank for International Settlements (BIS).

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2. **Gold Stock of RBI-** The RBI has gold stock as a backup to issue currency and to meet unexpected Balance of Payments (BOP) problems. (*BOP problem occurs when a nation is unable to pay for essential imports or service its external debt repayments*)

3. **SDR Holdings-** Special Drawing Rights (also called “*paper gold*”) is a reserve created by the IMF to help countries that have BOP problems. The member countries have to contribute to this account in proportion to their IMF quota. The SDR basket consists of **five** major currencies of the world - the US dollar, Euro, British Pound, Chinese Renminbi and Yen (Japan).

4. **Reserve Tranche-**The reserve tranche is a portion of the required quota of currency that each IMF member country must provide to the IMF. It can be accessed by the member country at any time for its own purposes without a service fee.

<https://indianexpress.com/article/explained/explained-india-forex-reserves-covid-19-economic-crisis-6448701/>

17. The borders “Johnson Line” and “McMahon Line” are related to

- A. India and Pakistan
- B. India and China
- C. India and Myanmar
- D. Israel and Palestine

Answer: **B**

Explanation:

India-China Border issues

- The disputed boundary between India and China, also known as the **Line of Actual Control (LAC)**, is divided into **three sectors**: viz. Western (Ladakh, Kashmir), middle (Uttarakhand, Himachal) and eastern (Sikkim, Arunachal).

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- The countries disagree on the exact location of the LAC in various areas, so much so that India claims that the LAC is 3,488 km long while the Chinese believe it to be around 2,000 km long.

Johnson Line

- The boundary dispute in the Western Sector pertains to the Johnson Line proposed by the British in the 1860s which put **Aksai Chin** in the then princely state of Jammu and Kashmir.
- Independent India used the Johnson Line and claimed Aksai Chin as its own. However, China stated that it had never acceded to the Johnson Line and refused to cede Aksai Chin to India.



Middle Sector

- In the Middle Sector, the dispute is a minor one. It is the only one where India and China have exchanged maps on which they broadly agree.

McMahon Line

- The disputed boundary in the Eastern Sector of the India-China border is over the McMahon Line.

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- Representatives of China, India and Tibet in **1913-14 met in Shimla**, where an agreement was proposed to settle the boundary between Tibet and India, and Tibet and China.
- Though the Chinese representatives at the meeting initialled the agreement, they subsequently refused to accept it claiming that Tibet is not a sovereign nation and thus the McMahon Line has no legal standing.
- At the heart of boundary dispute is the issue of Arunachal Pradesh, which China describes as '**Southern Tibet**'.

How is the LAC different from the Line of Control with Pakistan?

- The LoC emerged from the 1948 ceasefire line negotiated by the UN after the Kashmir War.
- It was designated as the LoC in 1972, following the Shimla Agreement between the two countries.
- It is delineated on a map signed by Director General of Military Operations (DGMOs) of both armies and has the international sanctity of a legal agreement.
- The LAC, in contrast, is only a concept – it is not agreed upon by the two countries, neither delineated on a map or demarcated on the ground.

Mechanism to prevent border flare-ups

- The two countries engaged in **Confidence Building Measures (CBMs)** on the border with bilateral agreements signed in 1993, 1996, 2005, 2012 and 2013.
- During Prime Minister Atal Bihari Vajpayee's visit to China in 2003, the two sides agreed on the appointment of **special representatives for consultations** aimed at arriving at a framework for a boundary settlement that would provide the basis for the delineation and demarcation of the border.

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- In October 2013, the two sides signed the **Boundary Defence Cooperation Agreement** to prevent any flare up along the un-demarcated border. This encompasses both military level and diplomat level dialogue mechanism.

Recent clash

- Recently, Indian and Chinese armies rushed in additional troops in areas around Pangong Tso lake in eastern Ladakh, after recent clashes between the soldiers of both sides.
- The LAC mostly passes on the land, but Pangong Tso is a unique case where it passes through the water as well. The points in the water at which the Indian claim ends and Chinese claim begins are not agreed upon mutually.
- Most of the clashes between the two armies occur in the disputed portion of the lake.

Reasons for chinese move:

- **Increasing infrastructure competition along LAC**

The spark for the current stand-off with China, with the ongoing face-off situations in the Galwan River valley, Pangong Lake and other areas, is the increasing infrastructure competition along the Line of Actual Control (LAC)

- **Increasing chinese assertiveness**

China appears to be asserting itself along the LAC in the Western sector which is more similar to the 2013 and 2014 border stand-offs between China and India.

- **Strategic considerations**

China could be responding to the deterioration of China-India ties amid the coronavirus pandemic.

Why in News?

- Defence Minister Rajnath Singh said that the military level talks between India and China to resolve the border dispute had been very positive. Both sides agreed that they will continue the talks to resolve the issue in a peaceful way.

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18. With reference to external benchmark rates, consider the following statements.

1. It is mandatory for banks to link all new loans to an external benchmark like repo rate.
2. It will improve transparency in the manner in which banks fix interest rates.
3. It will ensure faster transmission of policy rate cuts to borrowers.

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:** In 2019, the RBI made it mandatory for banks to link floating rate loans — to **retail customers and loans to micro, small and medium enterprises** (MSME) (not all loans)— to external benchmarks like repo rate, 3-month treasury bill yield or 6-month Treasury Bill yield.
- **Statement 2 is correct:** Up until 2019, loans were linked to bank-specific benchmarks-- MCLR (marginal cost of funds based lending rate). Borrowers have often complained about the lack of transparency in the manner in which banks fix interest rates and how the change in these rates is determined under the MCLR regime.
- **Statement 3 is correct:** By pegging the rate to an external benchmark RBI is hoping for a faster transmission of rate cuts than has happened so far under the MCLR system. The move has the potential to lower loan rates immediately as banks were found reluctant to pass on the benefit of the RBI's rate cuts to customers.

<https://www.thehindu.com/business/Industry/home-loans-get-cheaper-as-sbi-cuts-lending-rates/article31781143.ece>

19. National Green Tribunal (NGT) has jurisdiction over which of the following acts?

1. The Forest (Conservation) Act, 1980
2. The Biological Diversity Act, 2002
3. Wildlife (Protection) Act, 1972
4. The Environment (Protection) Act, 1986

Select the correct answer using the codes given below

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

Answer: B

Explanation

- The National Green Tribunal has been established on under the **National Green Tribunal Act 2010** for effective and expeditious disposal of cases relating to environmental protection and **conservation of forests** and other natural resources including **enforcement of any legal right relating to environment** and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto.
- It is a **specialized body equipped with the necessary expertise to handle** environmental disputes involving multi-disciplinary issues. The Tribunal shall not be bound by the procedure laid down under the Code of Civil Procedure, 1908, but shall be guided by principles of natural justice
- The Tribunal's dedicated jurisdiction in environmental matters shall provide **speedy environmental justice** and help reduce the burden of litigation in the higher courts.
- The NGT deals with civil cases under the seven laws related to the environment, these include
 1. The Water (Prevention and Control of Pollution) Act, 1974
 2. The Water (Prevention and Control of Pollution) Cess Act, 1977

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3. The Forest (Conservation) Act, 1980
 4. The Air (Prevention and Control of Pollution) Act, 1981
 5. The Environment (Protection) Act, 1986
 6. The Public Liability Insurance Act, 1991 and
 7. The Biological Diversity Act, 2002
- Two important acts - **Wildlife (Protection) Act, 1972** and Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 **have been kept out of NGT's jurisdiction.**

20. With reference to the National Human Rights Commission (NHRC), consider the following statements.

1. It is a statutory organisation established under the Protection of Human Rights Act (PHRA), 1993.
2. NHRC cannot inquire in any case, if the complaint is made after one year of the incident.
3. The chairperson of the NHRC must be a person who has been a Chief Justice of the Supreme Court.

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: A

Explanation:

- **Statement 1 is correct:** The National Human Rights Commission (NHRC) is a **statutory organisation** established in 1993 under the Protection of Human Rights Act (PHRA), 1993.

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- The Act also created Human Rights Commissions at the levels of the various States.
- NHRC was established in conformity with the **Paris Principles**, adopted at the first international workshop on national institutions for the promotion and protection of human rights held in Paris in 1991, and endorsed by the General Assembly of the United Nations in 1993.

Functions of NHRC

- The NHRC enquires into complaints of violation of human rights or negligence in the prevention of such violation by a public servant, studies treaties and international instruments on human rights and makes recommendations for their effective implementation to the Government.
- It is responsible for spreading human rights awareness amongst the masses.
- As per the Protection of Human Rights Act, the NHRC **can only recommend the government but the recommendations are non-binding.**
- While inquiring into complaints under the Act, the Commission shall have all the powers of a **civil court.**
- **Statement 2 is correct:** NHRC cannot inquire in any case, if the complaint is made after **one year** of the incident.

Composition of NHRC

- According to the **Protection of Human Rights (Amendment) Act, 2019**, the NHRC consists of
 - o **Statement 3 is incorrect:** A Chairperson, who has been a Chief Justice of India or a **Judge of the Supreme Court**
 - o One member who is, or has been, a Judge of the Supreme Court of India
 - o One member who is, or has been, the Chief Justice of a High Court
 - o Three Members, out of which at least one shall be a woman to be appointed from amongst persons having knowledge of, or practical experience in, matters relating to human rights

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o In addition, the Chairpersons of National Commissions viz., National Commission for Scheduled Castes, National Commission for Scheduled Tribes, National Commission for Women, National Commission for Minorities, National Commission for Backward Classes, National Commission for Protection of Child Rights; and the Chief Commissioner for Persons with Disabilities serve as **ex officio members**.

- The term of the Chairperson and Members of the Commission is **three years** and shall be **eligible for re-appointment**.

<https://www.thehindu.com/news/national/coronavirus-lockdown-nhrc-notice-to-up-on-denial-of-medical-treatment-to-two-pregnant-women/article31781118.ece>

21. The Intergovernmental Panel on Climate Change was created by

- A. United Nations Conference on the Human Environment
- B. World Meteorological Organization and the United Nations Environment Programme
- C. Climate action network
- D. G 20 nations

Answer: **B**

Explanation:

- The Intergovernmental Panel on Climate Change was created in 1988 by the **World Meteorological Organization (WMO) and the United Nations Environment Programme (UNEP)**.
- The IPCC currently has 195 members including India.
- The IPCC provides regular assessments of the scientific basis of climate change, its impacts and future risks, and options for adaptation and mitigation.

<https://www.thehindu.com/opinion/op-ed/flattening-the-climate-curve/article31789777.ece>

22. The Treaty of Sugauli was signed between

- A. Princely state of Jammu and Kashmir and Government of India
- B. Bhutan and Government of India
- C. Nepal and British East India Company
- D. Afghanistan and British East India Company

Answer: C

Explanation:

- The Treaty of Sugauli was signed between **Nepal and British East India Company** in **1816**. It defines the **Kali River** as Nepal's western boundary with India.
- According to the treaty, Nepal lost the regions of Kumaon-Garhwal in the west and Sikkim in the east.
- However, what is meant by "Kali River" in the upper reaches is unclear because many mountain streams come to join and form the river.
- From 1879 onwards, the survey maps show the stream that flows down from the Lipulekh Pass as the Kali River.
- This stream has served as the border between India and Nepal until India's independence.
- However, the discrepancy in locating the source of the river led to boundary disputes between India and Nepal, with each country producing maps supporting their own claims.



CNN Source: maps4news.com/©HERE; Ministry of Land Management, Nepal; Indian government
Graphic: Natalie Croker, CNN

<https://www.thehindu.com/news/international/cross-party-backing-in-nepal-for-new-map/article31791031.ece>

23. With reference to India's gold imports, consider the following statements.

1. Importing huge amounts of gold leads to appreciation of Indian Rupee.
2. Gold Monetization Scheme and Sovereign Gold Bond scheme were introduced to promote the import of gold.

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:

● India is one of the world's largest gold importers. Import of gold increases the country's Current Account Deficit (CAD). Importing huge amounts of gold using foreign exchange reserves also depreciates the value of the rupee. This in turn makes key imports like crude oil more costly.

Hence, statement 1 is incorrect.

● Investment in gold does not add much value to the productive capacity of the economy. They are either stored in bank lockers or get exchanged for making jewellery.

● The government introduced the Gold Monetization Scheme and Sovereign Gold Bond scheme to **reduce imports of gold** and to increase productive use of gold. **Hence, statement 2 is incorrect.**

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- **Gold Monetization Scheme** was introduced to bring out the gold lying idle in homes into the Indian Economy which would turn gold into a productive asset. Through this scheme, people can deposit their gold and can earn interest on it.
- **Sovereign Gold Bond scheme** was introduced to reduce the demand for physical gold which offers the same benefits as physical gold.
- Sovereign Gold Bonds are government securities denominated in grams of gold. They are substitutes for holding physical gold. Investors have to pay the issue price in cash and the bonds will be redeemed in cash on maturity. The value of gold bonds increases with the market rate of gold. The Bond is issued by the Reserve Bank on behalf of the Government of India.

<https://pib.gov.in/PressReleasePage.aspx?PRID=1629758>

24. Consider the following statements about TRIFED.

1. TRIFED functions under the administrative control of the Ministry of Tribal Affairs.
2. TRIFED is the nodal agency for the implementation of “Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support price and development of Value Chain of MFP” Scheme.

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:

- **Statement 1 is correct:** TRIFED is the national-level apex organization functioning under the administrative control of the **Ministry of Tribal Affairs** and it came into existence in 1987.

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- TRIFED works with the main objective of promoting tribal art and craft for the benefit of tribal artisans of the country, under the scheme “**Institutional Support for Development & Marketing of tribal products**” of the Ministry of Tribal Affairs.

- TRIFED is engaged in procurement and marketing of tribal art and craft items through its chain of 40 retail outlets called **TRIBES INDIA** which offers a range of tribal products.

“**Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support price and development of Value Chain of MFP**” Scheme

- The Central Government had introduced a Minimum Support Price (MSP) for a select list of MFP through “**Mechanism for Marketing of Minor Forest Produce (MFP) through Minimum Support price and development of Value Chain of MFP**” Scheme in 2011 to provide a social safety net to these underprivileged forest dwellers, and to aid in their empowerment.

- The scheme has been started with following objectives

- To provide fair price to the MFP gatherers for the produce collected by them and enhance their income level.

- To ensure sustainable harvesting of MFPs.

- The Scheme will have a huge social dividend for MFP gatherers, majority of whom are tribals.

- It is a holistic scheme for development of MFP trade including its value chain and necessary infrastructure at local level.

- The MSP scheme seeks to establish a framework to ensure fair returns for the produce collected by tribals, assurance of buying at a particular price, primary processing, storage, transportation etc while ensuring sustainability of the resource base.

- **Statement 2 is correct: TRIFED** is the nodal agency for the implementation of the scheme.

<http://newsonair.com/News?title=TRIFED-advises-state-govts-to-plan-effective-implementation-of-Minimum-Support-Price&id=390859>

25. With reference to rating agencies, consider the following statements.

1. A rating agency is a company that assesses the financial strength of companies and government entities.
2. A rating downgrade increases the rate of interest of borrowings of the government and companies of that country.

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:

- **Statement 1 is correct:** A rating agency is a company that **assesses the financial strength of companies and government entities**, especially their ability to meet principal and interest payments on their debts.
- The rating shows an agency's level of confidence that the borrower will honor its debt obligations as agreed. Each agency uses unique letter-based scores to indicate if a debt has a low or high default risk and the financial stability of its issuer.
- The debt issuers may be sovereign nations, local and state governments, special purpose institutions, companies, or non-profit organizations.

How ratings affect the market?

- At the corporate level, companies planning to issue a security must find a rating agency to rate their debt. Rating agencies such as Moody's, Standards and Poor's, and Fitch perform the rating service for a fee. **Investors rely on the ratings to decide on whether to buy or not to buy a company's securities.**

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- At the country level, investors rely on the ratings given by the credit rating agencies to make **investment decisions**. Many countries sell their securities in the international market, and a good credit rating can help them access high-value investors. A favorable rating may also **attract other forms of investments** like foreign direct investments to a country.
- **Statement 2 is correct:** A rating downgrade means that bonds issued by the governments are now “riskier” than before and increases the rate of interest of borrowings of governments and companies of that country.

<https://www.livemint.com/politics/policy/covid-impact-india-may-face-negative-rating-pressure-amid-rising-public-debt-says-fitch-11591764929440.html>

26. Consider the following statements about development banks:

1. Development banks are financial institutions that provide short-term credit for capital-intensive investments.
 2. The government is planning to set up India’s first development bank.
- 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:

- **Statement 1 is incorrect:** Development banks are financial institutions that provide **long-term credit** for capital-intensive investments spread over a long period and yielding low rates of return, such as urban infrastructure, mining and heavy industry, and irrigation systems.

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- Such banks often lend at low and stable rates of interest to promote long term investments with considerable social benefits.
- To lend for long term, development banks require correspondingly long-term sources of finance, usually obtained by issuing long-dated securities in capital markets or they are supported by governments or international institutions.
- Development banks are different from commercial banks which mobilise short- to medium-term deposits and lend for similar maturities to avoid a maturity mismatch.
- Last year, the Finance Minister announced that the government will set up a development bank to provide long term credit for infrastructure and housing projects.
- **Statement 2 is incorrect:** India already had some development banks like the **Industrial Finance Corporation of India (IFCI)** which was established in 1948.
- However, development banks got discredited for mounting non-performing assets, allegedly caused by politically motivated lending and inadequate professionalism in assessing investment projects for economic, technical and financial viability.
- After 1991, following the **Narasimham Committee** reports on financial sector reforms, development finance institutions were disbanded and got converted to commercial banks.

Why in News?

- The Association of Power Producers (APP), a think tank in the power sector, has demanded setting up of a development bank to meet the long-term and low-cost funding needs of infrastructure sectors such as power, that are reeling under stress due to the COVID-19 pandemic.
<https://www.thehindu.com/business/development-bank-needed-to-support-low-cost-funding-app/article31798166.ece>

27. Maastricht Treaty and Lisbon Treaty are related to which of the following International organisations?

- A. Shanghai Cooperation Organisation
- B. North Atlantic Treaty Organization
- C. G 7
- D. European Union

Answer: **D**

Explanation:

- The European Union (EU) is a unique **economic and political union** between 27 European countries.
- The **United Kingdom**, which had been a founding member of the EU, left the organization in 2020.
- The EU was created by the **Maastricht Treaty**, which entered into force on November 1, 1993. The treaty was designed to enhance European political and economic integration by creating a single currency (the euro), a unified foreign and security policy, and common citizenship rights and by advancing cooperation in the areas of immigration, asylum, and judicial affairs.
- Additionally, the **Treaty of Lisbon**, enacted in 2009, gave the EU more broad powers that included being authorized to sign international treaties, increase border patrol, and other security and enforcement provisions.
- EU's headquarters is currently located in Brussels, Belgium.
- Currently, the euro is the official currency of 19 out of 27 EU member countries which together constitute the **Eurozone**, officially called the **euro area**.

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Why in News?

- The members of the European Union agreed to hold a meeting via video conference.

28. In which one of the following States is Gir Forest National Park located?

- A. Madhya Pradesh
- B. Maharashtra
- C. Rajasthan
- D. Gujarat

Answer: **D**

Explanation:

- The Gir Forest National Park and Wildlife Sanctuary is situated in **Gujarat**.
- Primarily the park is dedicated to conserving the **Asiatic Lion**.

<https://www.thehindu.com/sci-tech/energy-and-environment/gujarats-pride-grows-as-it-now-hosts-674-gir-lions/article31799404.ece>

29. With reference to the Convention on Illegal Trade in Endangered Species (CITES), consider the following statements.

1. It is an international agreement aimed at ensuring that international trade in specimens of wild animals and plants does not threaten their survival.
2. The convention is legally binding on the Parties.
3. The species covered by CITES are listed in six appendices, according to the degree of protection they need.

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: A

Explanation:

- **Statement 1 is correct:** Convention on Illegal Trade in Endangered Species (CITES) is an international agreement aimed at ensuring that international trade in specimens of wild animals and plants does not threaten their survival.
- It is also referred to as the **Washington Convention**.
- **Statement 2 is correct:** It is legally binding on the Parties, but it does not take the place of national laws of parties. States have to adopt their own domestic legislation to implement its goals.
- It is administered through the **United Nations Environment Programme (UNEP)**, Geneva, Switzerland.

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- **Statement 3 is incorrect:** The species covered by CITES are listed in **three Appendices**, according to the degree of protection they need.

Appendix I:

- Most endangered plants and animals.
- Examples include gorillas, giant pandas etc.,.
- They are threatened with extinction and CITES prohibits international trade in specimens of these species except when the purpose of the import is **not commercial**, for instance for scientific research.

Appendix II:

- Not necessarily now threatened with extinction but that may become so unless trade is closely controlled.
- Most CITES species are listed in this Appendix.
- It also includes "**look-alike species**", i.e. species whose specimens in trade look like those of species listed for conservation reasons.
- International trade in specimens of Appendix-II species may be authorized by the granting of an export permit or re-export certificate.

Appendix III

- List of species that are included at the request of a party.
- Trade is allowed with the presentation of documents.

<https://www.thehindu.com/sci-tech/energy-and-environment/people-importing-exotic-live-species-must-make-voluntary-disclosure-centre/article31797788.ece>

30. Consider the following statements about Quality Council of India (QCI)

1. QCI was set up jointly by the Government of India and the Indian Industry.
2. Chairman of QCI is appointed by the Prime Minister on the recommendations of the industry to the Government.

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

- **Statement 1 is correct:** Quality Council of India (QCI) was set up jointly by the Government of India and the Indian Industry represented by the three premier industry associations i.e. Associated Chambers of Commerce and Industry of India (ASSOCHAM), Confederation of Indian Industry (CII) and the Federation of Indian Chambers of Commerce and Industry (FICCI).
- It was setup to establish and operate national accreditation structure and promote quality through National Quality Campaign
- QCI is registered as a **non-profit society** with its own Memorandum of Association. QCI is governed by a Council of 38 members with equal representations of government, industry and consumers.
- **Statement 2 is correct:** Chairman of QCI is **appointed by the Prime Minister** on the recommendation of the industry to the government.
- The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry is the nodal ministry for QCI

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Functions

- To develop, establish & operate **National Accreditation program in accordance with the relevant international standards**
- To encourage development & **application of third party assessment model** for use in government, regulators, **organizations and society**
- To lead **nationwide quality movement** in the country through **National Quality Campaign** aimed at creating awareness amongst citizens, empowering them to demand quality in all spheres of activities
- Promoting the establishment of quality improvement and **benchmarking centre, as a repository of best international / national practices** and their dissemination among the industry in all sectors

<https://pib.gov.in/PressReleasePage.aspx?PRID=1630604>

