

Daily Mcqs- 10th December

1. With reference to Exchange Traded Funds (ETFs), consider the following statements.

1. An exchange-traded fund is a basket of securities that trade on an exchange
2. The Government of India uses ETF to disinvest its holdings in public sector companies
3. Bharat-22 is an ETF launched by the government, which includes both public and private sector companies
4. Bharat-22 is managed by the RBI

Which of the statements given above is/are correct?

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

Answer: B

Explanation:

- An exchange-traded fund (ETF) is a basket of securities that trade on an exchange. ETFs can contain all types of investments including stocks, commodities, or bonds. **Hence, statement 1 is correct.**
- ETFs are in many ways similar to mutual funds; however, they are listed on exchanges and ETF shares trade throughout the day just like ordinary stock.
- **Statement 2 is correct:** Government of India uses ETF to disinvest its holdings in public sector companies. According to the Department of Investment & Public Asset Management (DIPAM), the total subscription received by the Centre from various ETFs launched so far stands at Rs 1.87 lakh crores.
- **Statement 3 is correct:** Bharat 22 is an open-ended Exchange-Traded Fund (ETF) which

## OFFICERS IAS ACADEMY

### IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

allows investors to invest in a basket of government-owned and private sector entities. Bharat 22 ETF invests in the 22 companies that comprise the S&P BSE Bharat 22 index—19 companies are in the public sector and three in the private sector.

● **Statement 4 is incorrect:** Bharat 22 is managed by ICICI Prudential Asset Management Company.

#### Why in the news?

After seven straight months of net inflows, gold exchange traded funds witnessed a pull-out of ₹141 crore in November primarily on the back of profit-booking by investors.

<https://pib.gov.in/newsite/PrintRelease.aspx?relid=173505>

<https://www.thehindu.com/business/gold-etfs-clock-141-cr-outflow-in-nov/article33292543.ece>

2. **The Universal Service Obligation Fund (USOF) is associated with which of the following?**

- a) Regional connectivity scheme for airlines
- b) Transport and Logistics
- c) Skill oriented education
- d) Telecommunication

**Answer: D**

#### Explanation

- Established in 2002, the USOF is headed by the USOF Administrator who reports to the Secretary, **Department of Telecommunications (DoT)**
- The Indian Telegraph (Amendment) Act, 2003 gave statutory status to the Universal Service Obligation Fund (USOF)

## OFFICERS IAS ACADEMY

### IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

- The USOF's main aim is to **provide universal telecom services** and ensure that even the unconnected areas in the country reap the benefits of inclusive development.

#### Functions:

- To provide widespread and non-discriminatory access to quality ICT services at affordable prices to people in rural and remote areas.
- To provide an effective and powerful linkage to the hinterland thereby mainstreaming the population of rural and remote parts of the country.

#### Working:

- The funds come from **Universal Service Levy (USL)**
- The USL is charged from all the telecom operators on their **Adjusted Gross Revenue (AGR)**
- These are then deposited into the Consolidated Fund of India, and prior parliamentary approval is required for dispatching.

#### Why in the news?

Cabinet approves Universal Service Obligation Fund Scheme for providing Mobile Coverage in Arunachal Pradesh and two Districts of Assam under the Comprehensive Telecom Development Plan for North Eastern Region

<https://pib.gov.in/PressReleasePage.aspx?PRID=1679338>

<http://usof.gov.in/usof-cms/usof-function.jsp>

### 3. The main objective of the PM SVANidhi Scheme is

- Aid, assist and advice farmers on how to improve their farming techniques and raise their incomes.
- Providing affordable loans to street vendors.
- Providing health insurance to COVID-19 frontline workers.
- Implementing Direct Benefit Transfer for procurement of food grains by the Food Corporation of India.

Answer: B

# OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

## Explanation:

- The Central government launched the Pradhan Mantri Street Vendor's Atmanirbhar Nidhi (PM SVANidhi) Scheme on 1 June 2020 for providing affordable loans to street vendors.
- The vendors can avail a working capital loan of up to Rs. 10,000, which is repayable in monthly instalments within a year. The loans would be without collateral.
- The main objective of the scheme is to ensure that daily wage earners like vegetable sellers, fruit sellers, earn their livelihood. This short term assistance of Rs. 10,000 will enable small street vendors to restart their work which is badly hit due to Coronavirus (COVID-19) lock-down.

<https://www.hindustantimes.com/india-news/swiggy-to-onboard-nearly-30-000-street-food-vendors-under-pm-svanidhi-scheme/story-Fub8wGCozsA4WNa2NpvTgP.html>

## 4. Which of the following are classified as "Minor Forest Produce" in the country?

1. Bamboo
2. Timber
3. Wild fruits

Select the correct answer using the codes given below

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

Answer: C

## Explanation:

- Minor Forest Produce means **all non-timber forest produce** of plant origin and will include **bamboo**, canes, fodder, leaves, gums, waxes, dyes, resins and many forms of food including nuts, **wild fruits**, Honey, Lac, Tusser etc.
- MFP is a major source of livelihood for tribals living in forest areas. Tribals derive 20-40% of their annual income from MFP.

## OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

<https://www.hindustantimes.com/india-news/chhattisgarh-govt-to-procure-52-forest-produce-items/story-3j1u288l7ED4pAr5bG36hI.html>

### 5. According to the RBI's guidelines, a 'wilful defaulter' is

- A. An individual who has committed some specified offences and has absconded from India
- B. A borrower whose principal or interest payment remained overdue for a period of 90 days
- C. A borrower whose principal or interest payment remained overdue for a period of 270 days
- D. An individual who defaulted in meeting his repayment obligations to the lender despite having the capacity to do so

Answer: D

#### Explanation:

- According to RBI guidelines, a wilful default is deemed to have occurred if the borrower has defaulted in meeting his payment / repayment obligations to the lender even when he has the capacity to honour the said obligations.
- Option A is related to **fugitive economic offenders**.
- A fugitive economic offender is an individual who has committed some specified offence(s) involving an amount of one hundred crore rupees or more and has absconded from India or refused to come back to India to avoid or face criminal prosecution in India.
- Option B is the criteria used in classification of a **non performing asset (NPA)**.

<https://www.livemint.com/videos/rbi-names-30-major-willful-defaulters-transparency-or-public-shaming-11574333410687.html>