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Daily MCQs: 14/09/2022

1. With reference to Food Fortification, consider the following statements.

1. Fortification is the addition of key vitamins and minerals such as iron, iodine, zinc, Vitamin A & D to staple foods such as rice, milk and salt to improve their nutritional content.
2. It can be implemented quickly as well as show results in improvement of health in a relatively short period of time.

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

2. With reference to the olive ridley turtles, which one of the following statements is not correct?

- A. They are considered as the most abundant sea turtles in the world.
- B. They live in warm waters of the Pacific, Atlantic and Indian Oceans.
- C. The western coast of India has the principal mass nesting sites of olive ridley turtles.
- D. They are listed as vulnerable in the IUCN Red list.

3. With reference to the Appellate Body of the World Trade Organization (WTO), consider the following statements.

1. It hears appeals from the Dispute Settlement Body of the WTO.
2. It can hear appeals even if one member is present.

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

4. Which of the following criteria were used by the Fifteenth Finance Commission for devolution of taxes?

1. Income distance
2. Forest and Ecology
3. Population (1971)
4. Demographic performance
5. Tax and fiscal efforts

Which of the statements given above is/are correct?

- A. 1, 2, 3 and 4 only

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

5. NASA's Lucy spacecraft aims to study

- A. Outer Solar System and interstellar space beyond the Sun's heliosphere
- B. Mars
- C. Lagrangian point 2 of the Sun-Earth system
- D. Jupiter's Trojan asteroids

Solutions:

- 1. Answer: C

Sol:

- **Statement 1 is correct:** Fortification is the **addition of key vitamins and minerals** such as iron, iodine, zinc, Vitamin A & D to staple foods such as rice, milk and salt to improve their nutritional content. These nutrients may or may not have been originally present in the food before processing.
- It is a **cost-effective** strategy for improving diets and for the prevention and control of **micronutrient deficiencies**.
- It can be **carried out by food manufacturers, or by governments** as a public health policy which aims to reduce the number of people with dietary deficiencies within a population.

Need for Food Fortification

- **70% of people in India do not consume enough micronutrients** such as vitamins and minerals.
- According to the **National Family Health Survey (NFHS-5):**
 - 67 percent of children (6-59 months) are anaemic
 - 57 percent women in the reproductive age group are anaemic
 - every third child still suffers from chronic undernourishment, and every fifth child is acutely malnourished.
- **Deficiency of micronutrients** or micronutrient malnutrition, also known as "**hidden hunger**", is a serious health risk.
- Those who are economically disadvantaged do not have access to safe and nutritious food. Others either do not consume a balanced diet or lack variety in the diet because of which they do not get adequate micronutrients.
- Often, there is **considerable loss of nutrients during the processing of food**. One of the strategies to address these problems is fortification of food.

Benefits of Food Fortification

- Since the nutrients are added to staple foods that are widely consumed, this is an **excellent method to improve the health of a large section of the population**, all at once.

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- It does not require any changes in food habits and patterns of people. It is a socio-culturally acceptable way to deliver nutrients to people.
- It does not alter the characteristics of the food—the taste, the feel, the look.
- **Statement 2 is correct:** It can be implemented quickly as well as show results in improvement of health in a relatively short period of time.
- The **Copenhagen Consensus** (a conference of prominent economists) estimates that every **1 Rupee spent on fortification results in 9 Rupees in benefits to the economy**. Thus it has a **high benefit-to-cost ratio**.

2. Answer: C

Sol:

- **Statement A is correct:** The olive ridley turtle is considered the **most abundant sea turtle in the world**.
- **Statement B is correct:** Olive ridleys are found **only in warmer waters**, including the southern Atlantic, Pacific and Indian Oceans.
- **Statement D is correct:** They are listed as **vulnerable** in the IUCN Red list.

Mass nesting

- **Statement C is incorrect:** The Olive Ridley Turtles come to the beaches of Odisha coast annually between November and December and stay on until April and May for mass nesting. Such mass nesting events are called **arribadas**.
- While states like Maharashtra, Goa, and the offshore Andaman islands witness sporadic nesting of olive ridley turtles, **Odishais** the only state in India that sees mass nesting of olive ridley turtles.
- The Olive Ridley turtles turn up in millions for mass nesting along the Odisha coast every year. **Gahirmatha beach in Odishais** acclaimed as the **world's largest-known nesting site** for the marine species.
- Apart from Gahirmatha, turtles turn up at the **mouths of Rushikulya and Devi river**(both in Odisha) for mass nesting.



Threats

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- The Olive Ridley's face serious threats across their migratory route, habitat and nesting beaches, due to human activities such as turtle unfriendly fishing practices, development and exploitation of nesting beaches for ports, and tourist centers.
- Though international trade in these turtles and their products is banned, they are still extensively poached for their meat, shell and leather.
- All the five species of sea turtles occurring in India, including the Olive Ridley turtles, are legally protected under **Schedule I** of the Wildlife Protection Act, 1972 and **Appendix I** of the CITES Convention which prohibits trade in turtle products.
- As the nesting period stretches over six months, the Indian Coast Guard undertakes the Olive Ridley Turtle protection program under the code name '**Operation Olivia**' every year.

3. Answer: **A**

Sol:

- According to the procedure established by the WTO, the first step to resolve a trade dispute is engaging in the consultation process.
- If two trading partners having a dispute could not resolve at that level, one of them can ask for a settlement of the **Dispute Settlement Body (DSB)** for hearing.
- **Statement 1 is correct:** The DSB's ruling can be challenged at the appellate body, the highest court for global trade disputes.

WTO's Appellate Body

- The Appellate Body is a standing committee of seven members that presides over appeals against judgments passed in trade-related disputes brought by WTO members.
- Members of the Appellate Body have **four-year terms**.
- In the selection process, WTO members follow the **consensus principle**, which means that the nomination of the Appellate Body members can only proceed smoothly with the agreement of all 164 members of the WTO.
- **Statement 2 is incorrect:** The Appellate Body must have **at least three sitting members to hear an appeal**.

4. Answer: **B**

Sol:

- The 15th Finance Commission (Chair: **Mr. N. K. Singh**) was required to submit two reports. The first report, consisting of recommendations for the financial year 2020-21, was tabled in Parliament in 2020. The final report with recommendations for the 2021-26 period was tabled in Parliament on February 1, 2021.

Key recommendations in the report for 2021-26 include:

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Share of states in central taxes

- The **share of states in the central taxes for the 2021-26 period is recommended to be 41%**, same as that for 2020-21. This is less than the 42% share recommended by the 14th Finance Commission for 2015-20 period.
- The adjustment of 1% is to provide for the newly formed union territories of Jammu and Kashmir, and Ladakh from the resources of the centre.

Criteria for devolution

1 : Criteria for devolution

Criteria	14 th FC	15 th FC	15 th FC
	2015-20	2020-21	2021-26
Income Distance	50.0	45.0	45.0
Area	15.0	15.0	15.0
Population (1971)	17.5	-	-
Population (2011) [#]	10.0	15.0	15.0
Demographic Performance	-	12.5	12.5
Forest Cover	7.5	-	-
Forest and Ecology	-	10.0	10.0
Tax and fiscal efforts*	-	2.5	2.5
Total	100	100	100

- **Income distance:** It is the distance of a state's income from the state with the highest income. Income of a state has been computed as average per capita GSDP during the three-year period between 2016-17 and 2018-19. A state with lower per capita income will have a higher share to maintain equity among states.
- **Demographic performance:** The Commission used **2011 population data** for its recommendations. The demographic performance criterion has been used to **reward efforts made by states in controlling their population**. States with a lower fertility ratio will be scored higher on this criterion.
- **Forest and ecology:** This criterion has been arrived at by calculating the share of the dense forest of each state in the total dense forest of all the states.
- **Tax and fiscal efforts:** This criterion has been used to reward states with higher tax collection efficiency. It is measured as the ratio of the average per capita own tax revenue and the average per capita state GDP during the three years between 2016-17 and 2018-19.

Grants

- Over the 2021-26 period, the following grants will be provided from the centre's resources.
- **Revenue deficit grants:** 17 states will receive grants worth Rs 2.9 lakh crore to eliminate revenue deficit.

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- **Sector-specific grants:** Sector-specific grants of Rs 1.3 lakh crore will be given to states for eight sectors: (i) health, (ii) school education, (iii) higher education, (iv) implementation of agricultural reforms, (v) maintenance of PMGSY roads, (vi) judiciary, (vii) statistics, and (viii) aspirational districts and blocks. A portion of these grants will be **performance-linked**.
- **State-specific grants:** The Commission recommended state-specific grants of Rs 49,599 crore. These will be given in the areas of: (i) social needs, (ii) administrative governance and infrastructure, (iii) water and sanitation, (iv) preservation of culture and historical monuments, (v) high-cost physical infrastructure, and (vi) tourism. The Commission recommended a high-level committee at state-level to review and monitor utilisation of state-specific and sector-specific grants.
- **Grants to local bodies:** The total grants to local bodies will be Rs 4.36 lakh crore (a portion of grants to be performance-linked) including: (i) Rs 2.4 lakh crore for rural local bodies, (ii) Rs 1.2 lakh crore for urban local bodies, and (iii) Rs 70,051 crore for health grants through local governments. The grants to local bodies will be made available to all three tiers of Panchayat- village, block, and district.
- Grants to local bodies (other than health grants) will be distributed among states **based on population and area, with 90% and 10% weightage**, respectively.
- **Disaster risk management:** The Commission recommended retaining the existing cost-sharing patterns between the centre and states for disaster management funds. The cost-sharing pattern between centre and states is: (i) 90:10 for north-eastern and Himalayan states, and (ii) 75:25 for all other states.

Fiscal roadmap

- **Fiscal deficit and debt levels:** The Commission suggested that the centre bring down fiscal deficit to 4% of GDP by 2025-26. For states, it recommended the fiscal deficit limit (as % of GSDP) of: (i) 4% in 2021-22, (ii) 3.5% in 2022-23, and (iii) 3% during 2023-26.
- **Extra annual borrowing worth 0.5% of GSDP** will be allowed to states during first four years (2021-25) upon undertaking power sector reforms including: (i) reduction in operational losses, (ii) reduction in revenue gap, (iii) reduction in payment of cash subsidy by adopting direct benefit transfer, and (iv) reduction in tariff subsidy as a percentage of revenue.
- The Commission observed that the recommended path for fiscal deficit for the centre and states will result in a **reduction of total liabilities of:** (i) the centre from 62.9% of GDP in 2020-21 to 56.6% in 2025-26, and (ii) the states on aggregate from 33.1% of GDP in 2020-21 to 32.5% by 2025-26.
- It recommended forming a **high-powered inter-governmental group to:** (i) review the Fiscal Responsibility and Budget Management Act (FRBM), (ii) recommend a new FRBM framework for centre as well as states, and oversee its implementation.
- **Revenue mobilisation:** Income and asset-based taxation should be strengthened. To reduce excessive dependence on income tax on salaried incomes, the **coverage of provisions related to tax deduction and collection at source (TDS/TCS) should be expanded**.
- **Stamp duty and registration fees** at the state level have large untapped potential. Computerised property records should be integrated with the registration of transactions,

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and the market value of properties should be captured. State governments should streamline the methodology of property valuation.

- **GST:** The inverted duty structure between intermediate inputs and final outputs present in GST needs to be resolved. Revenue neutrality of the GST rate should be restored which has been compromised by multiple rate structure and several downward adjustments. **Rate structure should be rationalised by merging the rates of 12% and 18%.** States need to step up field efforts for expanding the GST base and for ensuring compliance.
- **Financial management practices:** A comprehensive framework for public financial management should be developed. An **independent Fiscal Council** should be established with powers to assess records from the centre as well as states. The Council will only have an **advisory role.**
- A time-bound plan for phased adoption of standard-based accounting and financial reporting for both centre and states should be prepared while eventual adoption of accrual-based accounting is being considered.
- The centre as well as states **should not resort to off-budget financing or any other non-transparent means of financing** for any expenditure. A standardised framework for reporting of contingent liabilities should be devised. Both centre and states should strive to improve the accuracy and consistency of macroeconomic and fiscal forecasting.
- States should amend their fiscal responsibility legislation to ensure consistency with the centre's legislation, in particular, with the definition of debt. States should have more avenues for short-term borrowings other than the ways and means advances, and overdraft facility from the Reserve Bank of India. States may form an **independent debt management cell** to manage their borrowing programmes efficiently.

Other recommendations

- **Health:** States should increase spending on health to more than 8% of their budget by 2022. Primary healthcare expenditure should be two-thirds of the total health expenditure by 2022. Centrally sponsored schemes (CSS) in health should be flexible enough to allow states to adapt and innovate. Focus of CSS in health should be shifted from inputs to outcome. All India Medical and Health Service should be established.
- **Funding of defence and internal security:** A dedicated non-lapsable fund called the **Modernisation Fund for Defence and Internal Security (MFDIS)** will be constituted to primarily bridge the gap between budgetary requirements and allocation for capital outlay in defence and internal security. The fund will have an estimated corpus of Rs 2.4 lakh crore over the five years (2021-26). Of this, Rs 1.5 lakh crore will be transferred from the Consolidated Fund of India. Rest of the amount will be generated from measures such as disinvestment of defence public sector enterprises, and monetisation of defence lands.
- **Centrally-sponsored schemes (CSS):** A threshold should be fixed for annual allocation to CSS below which the funding for a CSS should be stopped (to phase out CSS which outlived its utility or has insignificant outlay). Third-party evaluation of all CSS should be completed within a stipulated time frame. Funding patterns should be fixed upfront in a transparent manner and be kept stable.

5. Answer: D

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Sol:

- Last year, NASA launched its Lucy spacecraft to **study Jupiter's Trojan asteroids**.

About the Mission

- Lucy is a **solar-powered mission**. The Lucy probe will head out to the orbit of Jupiter to **study two groups of asteroids**, since some of the Trojan asteroids precede Jupiter in its orbit, while others trail it.
- The Jupiter Trojan asteroids, thought to number well over 7,000, are **leftover raw materials from the formation of our system's giant planets** -- Jupiter, Saturn, Uranus and Neptune. As such, these trojans hold **important clues about the early evolution of the Solar System**.
- Lucy will use its instrumentation to study these objects, detailing their shape, structure, surface features, composition and temperature.
- Lucy's first encounter will be in **2025** with the asteroid, **Donaldjohanson**, in the Main Belt, between Mars and Jupiter.
- **Named after an ancient fossil of a pre-human ancestor**, Lucy will become the first solar-powered spacecraft to venture so far from the sun and will observe more asteroids than any probe before it.

