

# OFFICERS IAS ACADEMY

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Daily MCQs: 19-01-2024

**1. The flagship Davos summit is organised by**

- A. World Economic Forum
- B. International Monetary Fund
- C. World Bank
- D. International Energy Agency

**2. With reference to Provisioning Coverage Ratio (PCR), consider the following statements.**

- 1. It is defined as the ratio of provisioning to gross non-performing assets.
- 2. Lower the PCR, lower is the unexposed part of the bad debts.

**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

**3. Consider the following pairs.**

Vectors		Diseases
1. Anopheles mosquitoes	-	Malaria
2. Aedes aegypti mosquitoes	-	Dengue
3. Culex tritaeniorhynchus	-	Japanese encephalitis

**Which of the pairs given above is/are correctly matched?**

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

**4. Which of the following statements best describes the concept 'Web 3.0'?**

- A. Wireless communication technology which utilizes light to transmit data and position between devices
- B. Technology which involves arrays of satellites to beam broadband services around Earth, without the need for fiber-optic cables
- C. Decentralised internet service which would run on blockchain technology
- D. None of the above

**5. What is the correct sequence of occurrence of the following cities in South-East Asia as one proceeds from south to north?**

- 1. Manila

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2. Hanoi
3. Jakarta
4. Phnom Penh

Select the correct answer using the code given below.

- A. 4-2-1-3
- B. 3-4-1-2
- C. 3-2-4-1
- D. 4-3-2-1

**Solutions:**

1. Answer: A

**Explanation:**

- The World Economic Forum (WEF) is holding its Annual Meeting from January 15 to 19 in Davos, Switzerland.

**About World Economic Forum**

- Established in **1971** by the **German economist Klaus Schwab**, WEF is an **international non-governmental lobbying organisation** based in **Geneva, Switzerland**.
- The foundation is **mostly funded by its 1,000 member companies** - typically global enterprises with more than \$5 billion in turnover – as well as **public subsidies**.
- Its mission is improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas.

**About Davos Summit**

- Davos, Switzerland, is where the World Economic Forum holds its **annual meeting**.
- Delegates from many sectors converge for several days of talks and meetings to address urgent global issues.
- Its salience goes far beyond discussions on economic issues. In the past, it has been used as a location for **pivotal international diplomacy**.

2. Answer: A

**Explanation:**

- **Statement 1 is correct:** Provisioning Coverage Ratio (PCR) is essentially the ratio of provisioning to gross non-performing assets and indicates the extent of funds a bank has kept aside to cover loan losses.
- From a macro-prudential perspective, banks should build up provisioning and capital buffers in good times i.e. when the profits are good, which can be used for absorbing losses in a downturn.
- This will enhance the soundness of individual banks, as also the stability of the financial sector.

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- **Statement 2 is incorrect:** A high PCR ratio (ideally above 70%) means most asset quality issues have been taken care of and the bank is not vulnerable. Thus, **higher the PCR, lower is the unexposed part of the bad debts.**

3. Answer: D

### Explanation:

- **Statement 1 is correct:** Malaria is transmitted to humans by female mosquitoes of the genus Anopheles.
- **Statement 2 is correct:** The Aedes aegypti mosquito is the main vector that transmits the virus that causes dengue. The virus is passed to humans through the bites of an infective female Aedes mosquito, which mainly acquires the virus while feeding on the blood of an infected person.
- **Statement 3 is correct:** Culex tritaeniorhynchus is a species of mosquito and is the main vector of the disease Japanese encephalitis.

4. Answer: C

### Explanation:

- The concept of **Web3**, also called **Web 3.0**, is used to describe a potential **next phase of the internet**.
- The model, a **decentralised internet** to be **run on blockchain technology**, would be different from the versions in use, Web 1.0 and Web 2.0.
- In web3, **users will have ownership stakes in platforms and applications** unlike now where tech giants control the platforms.

### What is the difference between Web1 and 2?

- **Web 1.0 is the World Wide Web or the internet** that was invented in **1989**.
- The internet in the Web 1.0 days was **mostly static web pages** where users would go to a website and then read and interact with the static information. Even though there were e-commerce websites in the initial days it was still a closed environment and the users themselves could not create any content or post reviews on the internet.
- Web 2.0 started in the late 1990s itself though 2004 was when most of its features were fully available. It is still the age of Web 2.0 now.
- The differentiating characteristic of Web 2.0 compared to Web1.0 is that **users can create content**. They **can interact and contribute in the form of comments**, registering **likes, sharing and uploading** their photos or videos and perform other such activities.
- Primarily, a **social media kind of interaction** is the **differentiating trait** of Web 2.0.

### Need for Web3

- In Web 2.0, most of the data in the internet and the internet traffic are **owned or handled by very few companies**. This has created **issues related to data privacy, data security and abuse of such data**.
- There is a sense of disappointment that the original purpose of the internet has been distorted. It is in this context that Web3 is significant.

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### How does it function?

- Web3 will deliver a **decentralized and fair internet where users control their own data**.
- Currently if a seller has to make a business to the buyer, both the buyer and seller need to be registered on a “shop” or “platform” like Amazon or ebay or any such e-commerce portal. What this “platform” currently does is that it authenticates that the buyer and seller are genuine parties for the transaction.
- Web3 **tries to remove the role of the “platform”**. For the buyer to be authenticated, the usual proofs aided by block chain technology will be used. The same goes for the seller. With **block chain, the time and place of transaction are recorded permanently**. Thus, Web3 **enables peer to peer (seller to buyer) transactions by eliminating the role of the intermediary**. This concept can be extended to other transactions also.
- The spirit of Web3 is **Decentralized Autonomous Organization (DAO)** which is that all the business rules and governing rules in any transaction are transparently available for anyone to see and software will be written conforming to these rules. **Crypto-currency and block chain** are technologies that follow the DAO principle. With DAO, there is no need for a central authority to authenticate or validate.

5. Answer: B

### Explanation:

