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Daily MCQs: 05-06-2024

1. Consider the following statements about the Open Network for Digital Commerce

- 1) It is a government-backed initiative aimed at democratizing e-commerce in India.
- 2) It is mandatory for all the existing digital commerce applications and platforms to be a part of the ONDC network.

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. Consider the following statements about the “Smart Cities Mission”.

1. The objective of this scheme is to give decent quality of life for urban citizens through smart solutions.
2. The mission is operated as a Central sector scheme.

Which of the above statements is/are correct?

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

3. Consider the following statements about the Cabinet committees

- 1) Cabinet committees are set up by the Prime Minister.
- 2) All the eight cabinet committees are headed by the PM.

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. This bird species generally favors flat open landscapes with minimal visual obstruction and disturbance, therefore they adapt well in grasslands. Its stronghold was once the Thar desert in the north-west and the Deccan plateau of the peninsula. Today, its population is confined mostly to Rajasthan and Gujarat. It is listed in Schedule I of the Indian Wildlife (Protection) Act, 1972.

The above description refers to which of the following species?

- A) Ceylon frogmouth
- B) Great hornbill
- C) Great Indian Bustard
- D) Black necked crane

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5. The primary function of the National Financial Reporting Authority (NFRA) is to

- A) Regulate stock markets
- B) Oversee banking operations
- C) Ensure compliance of companies with accounting and auditing standards
- D) Monitor foreign direct investment

Solutions:

1. Answer: A

Explanation

- **Statement 1 is correct:** In 2022, the government of India launched the pilot phase of **open network for digital commerce (ONDC)** with an aim to **democratize the country's fast growing digital e-commerce space** that is currently dominated by the two U.S.-headquartered firms — Amazon and Walmart.

What is ONDC?

- ONDC is a network based on open protocol and will **enable local commerce across segments**, such as mobility, grocery, food order and delivery, hotel booking and travel, among others, **to be discovered and engaged through a single platform**.
- It is an initiative of the **Department for Promotion of Industry and Internal Trade (DPIIT)** under the **Ministry of Commerce and Industry**.
- **Statement 2 is incorrect:** It is **neither an aggregator application nor a hosting platform**, and all existing digital commerce applications and platforms can voluntarily choose to adopt and be a part of the ONDC network.



Role in Democratising Digital Commerce

- The ONDC platform aims to **create new opportunities, curb digital monopolies and support micro, small and medium enterprises and small traders** and help them get on online platforms.
- The ONDC aims to **enable buying of products from all participating e-commerce platforms by consumers through a single platform**.
- Currently, a buyer needs to go to Amazon website/app, for example, to buy a product from a seller on Amazon. Under ONDC, it is envisaged that a buyer registered on one participating e-commerce site (for example, Amazon) may purchase goods from a seller on another participating e-commerce site (for example, Flipkart).

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- The ONDC model is trying to **replicate the success of the Unified Payments Interface (UPI)** in the field of digital payments.
 - *UPI allows people to send or receive money irrespective of the payment platforms they are registered on.*
- The open network concept also **extends beyond the retail sector, to any digital commerce domains including wholesale, mobility, food delivery, logistics, travel, urban services, etc.**

Significance

- The government believes that ONDC will put an **end to the domination of the e-commerce market by a few large platforms**. Amazon and Flipkart, for instance, have been accused of discriminating among sellers on their platforms and promoting certain seller entities in which they hold indirect stakes.
- With an open network like ONDC that connects buyers and sellers across platforms, the government hopes to **level the playing field and make platforms redundant**.
- It is said that buyers will also be able to access sellers across platforms without having to switch between multiple platforms.
- Over the next five years, the ONDC expects to bring on board 90 crore users and 12 lakh sellers on the network.
- The ONDC will **standardize operations** like cataloging, inventory management, order management and order fulfillment, **hence making it simpler and easier for small businesses to be discoverable over network and conduct business**.

Challenges

- ONDC faces its own share of challenges and risks, which must be addressed. One of the pivotal challenges lies in ensuring the **adoption and acceptance of ONDC by the various stakeholders** within the e-commerce ecosystem.
- Another challenge is to **ensure the quality and reliability** of the services and products offered on the network. ONDC will have to **establish clear standards and guidelines** for quality assurance, consumer protection, data privacy, cybersecurity, etc.
- ONDC will also have to ensure **effective dispute resolution mechanisms** for handling complaints and grievances.
- ONDC will have to **ensure the sustainability and scalability** of the network to make sure that the network can **handle the increasing volume and variety of transactions and data**.

2. Answer: A

Explanation

- The Smart Cities Mission was launched in 2015.
- **Statement 1 is correct:** The main objective of the Mission is to **promote cities that provide core infrastructure, clean and sustainable environment and give a decent quality of life to their citizens** through the application of 'smart solutions'.



- The Mission aims to drive economic growth and improve quality of life through **comprehensive work on social, economic, physical and institutional pillars** of the city.
- The focus is on sustainable and inclusive development by creation of **replicable models** which act as lighthouses to other aspiring cities.

Coverage

- The mission will cover **100 cities** that have been **distributed among the States /Union Territories (UT)** on the basis of an **equitable criteria**.
- Each State/UT will have a certain number of potential Smart Cities, with **each State/UT having at least one**.

Funding

- **Statement 2 is incorrect:** The Mission is operated as a **Centrally Sponsored Scheme**. The **Central Government** gives financial support on an average **Rs.100 crore per city per year**. An **equal amount on a matching basis** is to be provided by the **State/Urban Local Bodies (ULBs)**.
- Additional resources are to be raised through **convergence**, from ULBs' own funds, grants under Finance Commission, innovative finance mechanisms such as Municipal Bonds, other government programs and borrowings.
- Emphasis has been given on the **participation of the private sector through Public Private Partnerships (PPP)**.

What are Smart Cities?

- There is **no standard definition or template** of a smart city.

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- In the context of our country, the **six fundamental principles** on which the concept of Smart Cities is based are:



Implementation by Special Purpose Vehicle (SPV)

- The implementation of the Mission at the City level will be done by a **Special Purpose Vehicle (SPV)** created for the purpose. The SPV will plan, appraise, approve, release funds, implement, manage, operate, monitor and evaluate the Smart City development projects.
- Each Smart City will have a SPV which will be headed by a **full time CEO** and have nominees of Central Government, State Government and ULB on its Board.
- The SPV will be a **limited company** incorporated under the **Companies Act, 2013** at the city-level, in which the **State/UT and the ULB** will be the promoters having **50:50 equity shareholding**.

Why in News?

- The Ministry of Housing and Urban Affairs has extended the deadline for the Smart Cities Mission till March 2025, allowing cities to complete ongoing projects, which account for around 10% of the total projects.

3. Answer: A

Explanation

- The **Union Cabinet** consists of several high-profile committees, each with **specific functions**.
- Statement 1 is correct:** The **Prime Minister** sets up these committees, which include selected members of the Cabinet, and can modify their numbers and functions as necessary.
- These Cabinet committees are set up to resolve issues and formulate proposals for the consideration of the Cabinet and take decisions on matters assigned to them. The Cabinet is empowered to review such decisions.

Membership

- The membership of each committee **varies from three to eight**.
- Usually, only **Cabinet ministers** are members of these committees. However, there are instances where **non-Cabinet ministers** can be members or special invitees to committees.

- Article 74** of the Constitution provides that there shall be a Union **Council of Ministers (COM)** headed by the **Prime Minister** to aid and advise the President. The **real executive powers lie with the COM**.
- The COM consists of a **Cabinet minister, MoS with independent charge, MoS and a Deputy Minister**.

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- The **Constitution does not classify** the members of the COM into different ranks. All this has been done **informally**, following **British practice**.
- **Cabinet Ministers** are higher in rank and handle large portfolios while **Ministers of State (MoS)** assist the Cabinet Ministers and work under them. **MoS with independent charge** directly reports to the Prime Minister for their respective ministries.

- If the **Prime Minister himself is a member of any such committee, he acts as the head of that committee.**

Cabinet Committees at present

- There are eight Cabinet committees at present
 - Appointments Committee of the Cabinet,
 - Cabinet Committee on Economic Affairs,
 - Cabinet Committee on Political Affairs,
 - Cabinet Committee on Investment and Growth,
 - Cabinet Committee on Security,
 - Cabinet Committee on Parliamentary Affairs,
 - Cabinet Committee on Employment & Skill Development, and
 - Cabinet Committee on Accommodation.
- **Statement 2 is incorrect: All committees except the Cabinet Committee on Accommodation and Cabinet Committee on Parliamentary Affairs are headed by the PM.**

Why in News?

- The Union government has constituted eight Cabinet committees.

4. Answer: C

Explanation:

- Great Indian Bustards are one of the magnificent species of the Indian Subcontinent but today only some 200 individuals are left in the world.
- Historically, the great Indian bustard was distributed throughout Western India, spanning 11 states, as well as parts of Pakistan. Its stronghold was once the Thar desert in the north-west and the Deccan plateau of the peninsula.
- Today, its population is confined **mostly to Rajasthan and Gujarat**. Small populations occur in Maharashtra, Karnataka and Andhra Pradesh.
- Listed in **Schedule I** of the Indian Wildlife (Protection) Act, 1972, **Appendix I** of the CMS (Conservation of Migratory Species) Convention, **Appendix I** of CITES and as **Critically Endangered** on the IUCN Red List.
- It has also been identified as **one of the species for the recovery programme** under the Integrated Development of Wildlife Habitats of the Ministry of Environment, Forests and Climate Change.
- Bustards generally favor flat open landscapes with minimal visual obstruction and disturbance, therefore adapt well in grasslands.

5. Answer: C

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Explanation

- The National Financial Reporting Authority (NFRA) was constituted in **2018** under the **Companies Act, 2013** to continuously improve the quality of all corporate financial reporting in India.
- Functions and Duties:
 - **Recommend accounting and auditing policies and standards** to be adopted by companies for approval by the Central Government;
 - **Monitor and enforce compliance** with accounting standards and auditing standards;
 - **Oversee the quality of service of the professions** associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service;
 - Perform such other functions and duties as may be necessary or incidental to the aforesaid functions and duties.
- The Authority consists of a **chairperson and three full time members appointed by the Central Government.**

