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Daily MCQs: 11-07-2024

1. Consider the following statements about International Monetary Fund(IMF)

- 1) It can grant loans to any country.
- 2) It releases the Global Financial Stability Report.
- 3) It is administered by the International bank for Reconstruction and Development.

How many of the statements given above is/are correct?

- a) Only one
- b) Only two
- c) All three
- d) None

2. Which of the following is/are invasive species found in India?

1. Lantana camara
2. Cabomba furcata
3. African Catfish

Select the correct answer using the code given below.

- a) 1 and 2 only
- b) 2 only
- c) 2 and 3 only
- d) 1, 2 and 3

3. Which organization is responsible for the publication of the Financial Stability Report in India?

- A) Ministry of Finance
- B) Securities and Exchange Board of India (SEBI)
- C) Reserve Bank of India (RBI)
- D) National Bank for Agriculture and Rural Development (NABARD)

4. Rafah is a city that straddles the border between which two regions?

- A) Gaza Strip and Egypt
- B) West Bank and Jordan
- C) Lebanon and Syria
- D) Israel and Lebanon

5. It is a South American country. It borders Peru to the north and Bolivia to the northeast. The Andes Mountains are located on the eastern border and the Pacific Ocean to the west of this country. The arid Atacama Desert is located in this country. It is the world's southernmost country that is geographically on the mainland

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The above description refers to which of the following countries?

- A) Ecuador
- B) Brazil
- C) Argentina
- D) Chile

Solutions:

1. Answer: A

Explanation

- The International Monetary Fund (IMF) is an international organization established with the goal of **promoting global monetary cooperation, ensuring exchange rate stability, facilitating the balanced growth of international trade, and providing resources to help member countries in need of financial assistance.**
- It was created in July 1944 at the United Nations Monetary and Financial Conference (commonly known as the Bretton Woods Conference) in Bretton Woods, New Hampshire, USA.
- The IMF **monitors the global economy** and provides economic analysis and policy advice to its member countries.
- The IMF **provides financial assistance to member countries** facing balance of payments problems or experiencing financial crises. Thus it cannot grant loans to any country but only member countries. Hence **statement 1 is incorrect.**
- The IMF has its own reserve asset called the **Special Drawing Right (SDR)**, which is a supplementary international reserve currency created to supplement its member countries' official reserves.
- The IMF is governed by its member countries, with decision-making power allocated based on the financial contributions (quotas) made by each member. The largest and most influential members have more significant voting power and influence.
- **IMF releases the Global Financial Stability Report. Hence statement 2 is correct.**
- The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) are two separate entities, each with its own distinct functions and governance structures. Hence **statement 3 is incorrect.**
- The IBRD is **one of five member institutions that make up the World Bank Group.** Its focus is on providing financial and technical assistance to middle-income and creditworthy low-income countries for development projects and programs.

2. Answer: D

Explanation

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- An invasive species can be any kind of living organism—an amphibian, plant, insect, fish, fungus, or bacteria—that is not native to an ecosystem and causes harm.
- **Not all non-native species are invasive.** For example, most of the food crops grown in India, including onion, potato and tomatoes are not native to the region.
- To be invasive,
 - a species must adapt to the new area easily
 - it must reproduce quickly
 - it must harm the economy, or the native plants and animals of the region.
- The **Convention on Biological Diversity (CBD)** defines Invasive Alien Species as “an alien species whose introduction and spread threaten ecosystems, habitats, or species with socio-cultural, economic and environmental harm and harm to human health”.
- **Statement 1 is correct:** Some of the most serious invasive plant species in India are Alternanthera philoxeroides, Cassia uniflora, Chromolaena odorata, Eichhornia crassipes, **Lantana camara**, Parthenium hysterophorus and Prosopis juliflora, Senna Spectabilis, Water Hyacinth, etc.
- **Statement 2 is correct: Cabomba furcata** has been reported as an invasive species in Kerala, India. Its active stem propagation prevents light from penetrating the surface of water. It suffocates the water bodies, economically and ecologically hindering the growth of native aquatic plants and freshwater fish.
- **Statement 3 is correct:** Recent studies show the aquatic biodiversity of Kerala has been threatened by the invasive species, North **African Catfish**. This species was introduced all over the world during the 1980s for aquaculture purposes. It has a survival edge over other fish species due to its ability to thrive in oxygen depleted and shallow muddy waters.

3. Answer: C

Explanation

- The Financial Stability Report (FSR) is published by the **Reserve Bank of India (RBI)**.
- The FSR aims to provide an assessment of the stability of the financial system in India.
- It highlights potential risks to financial stability, assesses the resilience of the financial system, and provides insights into the regulatory and supervisory measures needed to maintain financial stability.
- The report is an important tool for policymakers, financial market participants, and the public to understand the dynamics and risks within the financial system.

4. Answer: A

Explanation

- Rafah is a city that is **uniquely positioned along the border between the Gaza Strip and Egypt**. This strategic location makes it a significant point of transit for people and goods moving between these two regions.

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- The Rafah border crossing is the only entry and exit point for Palestinians in the Gaza Strip that is not controlled by Israel, making it crucial for travel and trade.



- Due to its location and importance, Rafah has been a focal point in the context of regional security and humanitarian issues, often affected by political tensions and conflicts.

5. Answer: D

Explanation

- **Chile is a South American country** occupying a long, narrow strip of land between the **Andes mountains to the east** and the Pacific Ocean to the west. It borders **Peru to the north**, **Bolivia to the northeast**, Argentina to the east, and the Drake Passage in the far south.
- The **arid Atacama Desert in northern Chile** contains great mineral wealth, principally copper and lithium.
- The relatively small central area dominates in terms of population and agricultural resources, and is the **cultural and political center from which Chile expanded** in the late 19th century when it incorporated its northern and southern regions.
- Southern Chile is **rich in forests and grazing lands**, and features a string of volcanoes and lakes. It is the **world's southernmost country that is geographically on the mainland**.

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