

# OFFICERS IAS ACADEMY

IAS ACADEMY RUN BY FORMER CIVIL SERVANTS

Daily MCQs: 19-07-2024

## 1. Consider the following statements about Liberalized Remittance Scheme (LRS)

1. It allows Indian residents to remit funds abroad for various specified purposes.
2. The scheme is available to corporations, partnership firms, and Hindu Undivided Families (HUFs).

Which of the statements given above are correct?

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

## 2. Consider the following

- 1) Weakening of traditional taboos
- 2) Invasion of exotic weeds
- 3) Indiscriminate grazing
- 4) Uncontrolled felling of trees for firewood

How many of the above are threats to the sacred groves?

- A. Only one
- B. Only two
- C. Only three
- D. All four

## 3. The Inter-state River Water Disputes Act, 1956, was enacted under which Article of the Indian Constitution?

- A. Article 256
- B. Article 262
- C. Article 275
- D. Article 280

## 4. Which of the following rivers is not a tributary of the Cauvery?

- A. Bhavani
- B. Kabini
- C. Arkavathi
- D. Manjira

## 5. Consider the following statements regarding Government e-Marketplace(GeM)

1. It facilitates online procurement of common use Goods & Services required by various Government Departments.
2. It is mandatory for government users to procure goods from Government e-Marketplace.

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

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

### Solutions:

#### 1. Answer: A

#### Explanation

##### About Liberalized Remittance Scheme

- The liberalized remittance scheme **allows Indian residents to remit funds abroad for various specified purposes without any restrictions or prior approval from the RBI**. It has several advantages but is subject to **certain eligibility criteria**. Hence **statement 1 is correct**.
- The scheme was introduced in India in **2004** by the **Reserve Bank of India (RBI)**. It enables Indian residents to remit funds abroad for certain specified purposes.
- The scheme has been one of the most important instruments for **promoting international trade and investment, as well as for facilitating capital flows into and out of India**.
- Prior to this, the **Foreign Exchange Management Act (FEMA) 1999** had imposed **several restrictions** on the transfer of funds from India to other countries.
- Under the new scheme, **individuals were allowed to remit up to USD 25,000 per financial year for eligible transactions**. The amount was subsequently **increased to USD 50,000** in 2007 and further increased to **USD 250,000** in 2013.

##### Objective

- The primary objective of the liberalized remittance scheme is to **liberalize the existing foreign exchange regulations and facilitate the smooth transfer of funds abroad** by Indian residents.
- The scheme also aims to **promote and encourage non-residents to invest in India and promote outward remittances** from India.

##### Who can avail the benefits under this scheme?

- In order to **avail the benefit of the LRS**, the individual must be an **Indian resident** as defined under the Foreign Exchange Management Act (FEMA). It **cannot be used by corporations, partnership firms, Hindu Undivided Family (HUF), trusts, etc**. Hence **statement 2 is incorrect**.
- He/she must also have a **valid PAN card, a bank account in India, and a valid passport**.

##### What are the benefits of a liberalized remittance scheme?

- One of the major advantages of the scheme is that it enables individuals to make **investments in international financial markets** without having to go through the cumbersome process of obtaining permission from the RBI.
- The scheme also provides an avenue for Indians to **transfer funds to their family members or friends who are residing abroad**. This is especially useful when there is an emergency situation where funds are needed urgently.

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- The scheme also opens an opportunity for **non-resident Indians (NRIs) to transfer funds to their relatives in India**. This can be done without any restrictions, making it easier for NRIs to maintain contact with their family members back home.

### Are there any limitations of the liberalized remittance scheme?

- Although the liberalized remittance scheme has several advantages, it is subject to certain restrictions and limitations. These include:
- **There are no restrictions on the frequency of remittances under LRS**. However, the total amount of foreign exchange purchased from or remitted through all sources in India during a financial year should be within the cumulative limit of USD 2,50,000. Any amount exceeding this limit requires prior permission from RBI.
- Remittances under the scheme are **not permitted for certain activities** such as **real estate, the purchase of lottery tickets, margin trading, and speculation in foreign exchange markets**.

### Can remittances be made only in US Dollars?

- No. The remittances can be made in any freely convertible foreign currency.

## 2. Answer: D

### Explanation

#### What are sacred groves?

- Sacred groves comprise patches of forests or natural vegetation – from a few trees to forests of several acres – that are **usually dedicated to local folk deities**.
- These spaces are **protected by local communities** because of their religious beliefs and traditional rituals that run through several generations.
- A strong concentration of these groves is found in **Himachal Pradesh and Kerala**.

#### Significance

- **Conservation of Biodiversity:** The sacred groves are important repositories of floral and faunal diversity that have been conserved by local communities in a sustainable manner. They are often the last refuge of endemic species in the geographical region.
- **Recharge of aquifers:** The groves are often associated with ponds, streams or springs, which help meet the water requirements of the local people. The vegetative cover also helps in recharging the aquifers.
- **Soil conservation:** The vegetation cover of the sacred groves improves the soil stability of the area and also prevents soil erosion.
- **Source of local medicine:** The local tribal population rely upon some plants in the sacred groves to heal themselves.
- **Carbon sink:** The groves act as an effective carbon sink and are also a self-sustainable ecosystem, which reinforce scientific reasons for conservation.

#### Threats

- Increasingly, the sacred groves are facing threats from the biotic pressure due to **weakening of traditional taboos and belief systems and invasion of exotic weeds**.
- **Indiscriminate grazing** in the last few decades, **uncontrolled felling of trees** for firewood and **urbanization** have also contributed to the dwindling of groves.

## 3. Answer: B

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### Explanation

- The **Inter-state River Water Disputes Act, 1956 (IRWD Act)** was enacted under **Article 262 of the Constitution** to resolve disputes in the **use, control and distribution of inter-state rivers**.
- Whenever **any request** under the Act is received from any state, and the Centre is of the opinion that it cannot be settled by negotiation, it constitutes a tribunal for adjudication called **Inter-state River Water Dispute Tribunal**.
- So far, **nine tribunals have been constituted**, of which **five were subsequently dissolved after they completed adjudication**. Of the nine tribunals, Ravi and Beas Water Tribunal, Krishna Water Disputes Tribunal -II, Mahadayi Water Disputes Tribunal, Mahanadi Water Disputes Tribunal are active.
- Although the **Supreme Court shall not question the Award or formula** given by tribunal, it can **question the working of the tribunal**.

### 4. Answer: D

### Explanation

- Cauvery is an **easterly flowing river of the Peninsular India** that runs across three of the southern Indian states i.e. **Karnataka, Tamil Nadu, Kerala and a Union Territory of Puducherry**.
- The point of origin of Cauvery, **Talakaveri** is in the **Brahmagiri ranges** of the Western Ghats at an elevation of 1341m.
- **Left bank tributaries:** Harangi, the Hemavati, the Shimsha and the Arkavati
- **Right bank tributaries:** Lakshmantirtha, the Kabbani, the Suvarnavati, the Bhavani, the Noyil and the Amaravati.
- The river drains into the Bay of Bengal.
- **Manjira** is a tributary of the **Godavari** River. Hence **option D is correct**.

### 5. Answer: C

### Explanation:

- Launched in 2016, the Government e-Marketplace (GeM) is a **100 percent government-owned company** setup under the aegis of the **Ministry of Commerce and Industry**.
- It is a completely paperless, cashless and system driven e-market place that **enables procurement of common use goods and services** with minimal human interface. GeM aims to enhance transparency, efficiency and speed in public procurement. Hence **statement 1 is correct**.
- GeM was developed with the technical support of the **National eGovernance Division** under the Ministry of Electronics and Information Technology.
- In 2017, the government made it **mandatory** for all the departments and ministries to source goods and services from the GeM. Hence **statement 2 is correct**.
- At present, the platform is open for procurement by **all government buyers**: central and state ministries, departments, public sector enterprises, autonomous institutions, local

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bodies, etc. Last year, the government gave its approval for expanding the mandate of GeM to **allow procurement by Cooperatives as buyers on GeM.**

- As per existing mandate, **GeM is not available for use by private sector buyers. Suppliers (sellers) can be from across all segments: government or private.**

