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Daily MCQs: 03-02-2025

1. Consider the following statements about VSHORADS.

1. It is a Man Portable Air Defence system.
2. It was developed by the Defence Research and Development Organisation.

Which of the above statements is/are correct?

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

2. Cabinet committees are set up by which of the following authorities?

- A) The Prime Minister of India
- B) The President of India
- C) Chief Justice of India
- D) None of the above

3. The main objective of an IMF bailout is to

- A) Reduce a country's military spending.
- B) Address a country's currency crisis.
- C) Increase social welfare programs.
- D) Promote a specific political ideology.

4. What is the primary objective of setting up the International Financial Services Centre (IFSC) in India?

- A) To promote export-oriented industries
- B) To encourage foreign direct investment in manufacturing sector
- C) To provide world-class financial services for investors
- D) To foster responsible innovation in financial services

5. Consider the following statements about Sickle Cell Disease (SCD)

- 1) It is an inherited genetic disease.
- 2) The disease burden from Sickle Cell anaemia in India is prevalent in tribal populations.

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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

Solutions:

1. Answer: C

Explanation:

- **Defence Research & Development Organisation (DRDO)** has successfully conducted three successive flight-trials of the **Very Short-Range Air Defence System (VSHORADS)** from Chandipur off the coast of Odisha. These tests were carried out against high-speed targets flying at very low altitude.
- VSHORADS is a **Man Portable Air Defence system** designed and developed indigenously by **Research Center Imarat (Part of DRDO)** in collaboration with other DRDO laboratories and Development cum Production Partners. **Hence, statements 1 and 2 are correct.**
- The missile system has the capability to meet the needs of all the three branches of the Armed Forces, viz. Indian Army, Navy and Air Force.

2. Answer: A

Explanation

- The 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.
- The **Prime Minister sets up Cabinet committees** with selected members of the Cabinet and **assigns specific functions** to these committees.
- The **Prime Minister may change the numbers of committees, and modify the functions assigned to them.**

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.

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- 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.
- All committees except the Cabinet Committee on Accommodation and Cabinet Committee on Parliamentary Affairs are headed by the PM.

Significance of Cabinet Committee on Security (CCS)

- The CCS has the **ministers for Finance, Defence, Home Affairs and External Affairs as its members.**
- It is **responsible for debates, discussions and appointments of/ in the national security bodies.**
- Major decisions with respect to the significant appointments, issues of national security, defense expenditure of India are taken by CCS.
- Besides dealing with defense related issues, the CCS also brainstorms on issues relating to law and order and internal security, and policy matters concerning foreign affairs on security-related issues.
- It also considers matters relating to atomic energy.

3. Answer: B

Explanation

About IMF

- The International Monetary Fund (IMF) was set up in **1945** out of the **Bretton Woods conference**. The **primary goal** of the IMF back then was to bring about **international economic coordination** to prevent competing currency devaluation by countries trying to promote their own exports.
- Eventually, the IMF evolved to be a **lender of last resort to governments of countries that had to deal with severe currency crises.**

Why do nations seek an IMF bailout?

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- Countries seek help from the IMF usually when their **economies face a major macroeconomic risk**, mostly in the form of a **currency crisis**.
- In such a scenario, many countries are forced to seek help from the IMF to meet their external debt and other obligations, to purchase essential imports, and also to prop up the exchange value of their currencies.

How does the IMF help countries?

- The IMF basically lends money, often in the form of **special drawing rights (SDRs)**, to troubled economies that seek the lender's assistance.
 - SDRs is a reserve created by the IMF. The member countries have to contribute to this account in proportion to their IMF quota.
 - SDRs simply represent a **basket of five currencies**, namely **the U.S. dollar, the euro, the Chinese yuan, the Japanese yen, and the British pound**.
 - Also called "**paper gold**", an SDR is **neither paper nor gold but an accounting entry**. It is a **potential claim on the freely usable currencies of IMF members**.
 - Holders of SDRs can obtain these currencies in exchange for their SDRs in two ways: first, through the arrangement of voluntary exchanges between members; and second, by the IMF designating members with strong external positions to purchase SDRs from members with weak external positions.
- The IMF carries out its lending to troubled economies through a **number of lending programs** such as the **extended credit facility, the flexible credit line, the stand-by agreement, etc.**
- Countries receiving the bailout can **use the SDRs for various purposes** depending on their individual circumstances. Currently, both Sri Lanka and Pakistan are in urgent need for U.S. dollars to import essential items and also to pay their foreign debt. So any money that they receive from the IMF is likely to go towards addressing these urgent issues.

Are there any strings attached to an IMF bailout?

- It should be noted that the **IMF does not lend for specific projects**. Instead, the IMF provides financial support to countries hit by crises to create breathing room as they implement policies that restore economic stability and growth. It also provides **precautionary financing** to help prevent crises.
- The IMF usually **imposes conditions** on countries before it lends any money to them. For example, a country may have to agree to implement **certain structural reforms** as a condition to receive IMF loans.
- The IMF's conditional lending has been **controversial** as many believe that these reforms are **too tough on the public**. Some have also accused the IMF's lending decisions, which are taken by officials appointed by the governments of various countries, to be **influenced by international politics**.
- Supporters of the IMF's lending policies, however, have argued that conditions are essential for the success of IMF lending.

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4. Answer: C

Explanation

- An International Financial Services Centre (IFSC) is a jurisdiction that provides **world class financial services to non-residents and residents** in a currency other than the domestic currency (Indian Rupee) of the location where the IFSC is located.
- **Services provided by an IFSC:**
 - Fund-raising services for individuals, corporations and governments
 - Asset management and global portfolio diversification undertaken by pension funds, insurance companies and mutual funds
 - Wealth management
 - Merger and acquisition activities among trans-national corporations, etc.

GIFT City

- India's 1st IFSC has been set up at the **Gujarat International Finance Tec-City (GIFT City) in Gandhinagar**.
- Operationalized in 2015, it is intended to **provide Indian corporates with easier access to global financial markets, and to complement and promote the further development of financial markets in India**.
- It seeks to bring back the financial services and transactions that are currently carried out in offshore financial centers by Indian corporate entities and overseas branches / subsidiaries of financial institutions (FIs) to India by offering a business and regulatory environment that is comparable to other leading international financial centers in the world like London and Singapore.
 - *The **International Financial Services Centres Authority (IFSCA)** was established in 2020 as a unified authority for the development and regulations of IFSCs in India.*

5. Answer: C

Explanation

- **Statement 1 is correct:** Sickle cell anaemia (SCA) is an **inherited genetic disease**. **Haemoglobin** which is tasked with carrying oxygen to all parts of the body has **four protein subunits — two alpha and two beta**. In some people, **mutations in the gene** that creates the beta subunits **impact the shape of the blood cell and distort it to look like a sickle**, similar to the letter C.

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- A round red blood cell can move easily through blood vessels because of its shape but sickle red blood cells **end up slowing and even blocking the blood flow**. Moreover, sickle cells **die early**, resulting in a **shortage of red blood cells that deprive the body of oxygen**.
- These obstructions and shortages may cause **chronic anemia, pain, fatigue, acute chest syndrome, stroke, and a host of other serious health complications**.

Prevalence

- **India is the second-worst affected country in terms of predicted births with SCA** — i.e. **chances of being born with the condition**.
- **Statement 2 is correct:** The disease burden from Sickle Cell anaemia in India is **prevalent in tribal populations**. Tribes like **Pawara, Bhil, Madia, Gond and Pardhan from Maharashtra** have a very high prevalence.
- Sickle cell anaemia is **most prevalent in the central India belt covering states like Gujarat, Maharashtra, Chhattisgarh, Orissa and parts of Bengal**. There are **pockets in the south, Tamil Nadu, Kerala and parts of Telangana**.
- There is a **lack of screening awareness and inadequate screening centers/facilities** in tribal and rural areas. Also, **failure to access primary healthcare** is a concern.

Treatment

- Sickle cell anemia is a **genetic disorder, making complete “elimination” a challenge** that requires a major scientific breakthrough.
- The only cure comes in the form of **gene therapy and stem cell transplants** — both **costly and still in developmental stages**.
- In gene therapy, the DNA inside the hemoglobin gene is edited to stop the disease while in stem cell transplants, the bone marrow affected by sickle cell anemia is replaced with healthy bone marrow from a donor. Both interventions are currently being tested in **clinical trials** globally.
- **Blood transfusion**, wherein red blood cells are removed from donated blood and given to a patient, is also a trusted treatment in the absence of permanent cures. But challenges include a **scarcity of donors, fears around safe supply of blood, risk of infection etc**.