

OFFICERS IAS ACADEMY

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Daily MCQs: 05-02-2025

1. Which of the following statements about Additional Tier 1 (AT1) bonds is correct?

- 1) AT1 bonds are perpetual bonds with no maturity date.
- 2) They offer higher interest rates due to their higher risk.

Select the correct answer using the codes given below

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

2. With reference to the National Companies Law Tribunal (NCLT), consider the following statements.

1. It was established under the Companies Act, 2013.
2. It is a quasi-judicial authority which settles disputes which are related to corporate cases.
3. It acts as the appellate authority under the Insolvency and Bankruptcy Code, 2016.

Which among the above statements is/are correct?

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

3. Dachigam National Park located in Jammu and Kashmir is a critical habitat for which of the following species?

- A) Great Indian Bustards
- B) Hanguls
- C) Olive Ridley turtles
- D) Black necked cranes

4. The primary objective of the Tele Manas initiative launched by the Government of India is

- A. To provide telemedicine services for physical health issues
- B. To offer online mental health support and counseling services
- C. To facilitate tele-education in remote areas
- D. To improve digital literacy among rural populations

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5. With reference to 'palm oil', consider the following statements:

- 1) The palm oil tree is native to West Africa.
- 2) Palm oil consists of more than 90 per cent share in total edible oil imports in India.
- 3) National Edible Oil Mission-Oil Palm is aimed at boosting domestic oilseed production.

Which of the statements given above are correct?

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

Solutions:

1. Answer: C

Explanation

- **Statement 1 is correct:** Additional-Tier 1 (AT1) bonds are **perpetual debt instruments** issued by banks to raise money and build up their core equity capital.
 - A perpetual instrument is one with **no maturity date**, implying that the issuer – a bank in this case – **does not pay the principal amount back to investors** but makes **periodic interest payments** throughout the life of the bond.
- In practice, however, AT-1 bonds typically come with a '**call option**', which means that the bank issuing these instruments can **redeem them or repay investors after a specified period**.
- **Statement 2 is correct:** For AT-1 bonds, banks typically shell out a **higher rate of interest**.
- However, there are **certain features of the instrument that make them riskier** than several other bonds.
- If a bank faces **financial stress**, it can **hold off interest payments or pay a lower amount**.
- Most alarming for investors is the clause which **permits banks to write off AT-1 bonds in case of severe financial stress**.

2. Answer: A

Explanation

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- **Statement 1 is correct:** National Company Law Tribunal (NCLT) was established under the Companies Act 2013 and was constituted in 2016 to handle the laws regarding the companies.
- **Statement 2 is correct:** It operates as a quasi-judicial authority which handles the structures, laws and settles disputes which are related to corporate cases. The NCLT is formed on Article 245 in the constitution of India.
- **Statement 3 is incorrect:** Under the Insolvency and Bankruptcy Code, 2016, the NCLT is the **Adjudicating Authority**. The **National Company Law Appellate Tribunal (NCLAT)** acts as the appellate authority.

3. Answer: B

Explanation

- Dachigam National Park is situated in the Union Territory of **Jammu and Kashmir**.
- It encompasses nearly half of the catchment zone of the renowned Dal Lake.
- **Located within the Zaskar mountain range** of the Northwest Himalayan biogeographic zone.
- The park harbors the last remaining genetically viable population of the **Kashmir red deer, also known as the Hangul Kashmir stag**, which is classified as **critically endangered** by the IUCN.
- The vegetation within the park primarily consists of **coniferous forests interspersed with broadleaf species** such as apricot, walnut, chestnut, oak, willow, poplar, wild cherry, pear, plum, peach, apple, chinar, birch, pine, and elm.

4. Answer: B

Explanation

- Tele Mental Health Assistance and Networking Across States (Tele-MANAS) initiative was launched by the **Ministry of Health & Family Welfare** to provide **free tele-mental health services** all over the country.
- Launched in 2022, aims to enhance mental health service delivery nationwide.
- The Tele MANAS toll-free helpline numbers **14416 or 1-800-891-4416** offer multi-language support and have been pivotal in facilitating communication between callers and mental health professionals.

Structure

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- Tele-MANAS comprises **two tiers: trained counsellors at State Tele-MANAS cells** who provide immediate care, and **mental health professionals** (psychologists, clinicians, psychiatrists) at **District Mental Health Programme (DMHP)** who provide specialist care.
- **NIMHANS, Bengaluru**, serves as the **nodal centre** while the **International Institute of Information Technology (IIITB) in Bengaluru** is tasked with providing the **technical know-how** for the helpline.

5. Answer: C

Explanation

- The oil palm tree is **native to West Africa**, specifically to the region that includes countries like **Nigeria, Ghana, Ivory Coast, and Liberia. Hence statement 1 is correct.**
- In recent decades, the cultivation of oil palm has expanded well beyond West Africa and is now grown in various tropical regions around the world, including Southeast Asia and parts of South America. It is a major global commodity, with applications in food products, cosmetics, and industrial processes.
- Prime Minister Narendra Modi has launched the **National Edible Oil Mission-Oil Palm (NMEO-OP)**, with an investment of over Rs 11,000 crore to boost domestic oilseed production and make the country self-sufficient in cooking oils. **Hence statement 3 is correct.**
- With **palm oil having 55 per cent share (not 90 percent) in total edible oil imports**, NMEO-OP would ensure that farmers get all facilities, from quality seeds to technology to promote cultivation of palm and other oil seeds. **Hence statement 2 is incorrect.**

Significance

- The Prime Minister said while India has become self-sufficient or Atma Nirbhar in the production of rice, wheat and sugar, it was not enough as the country is dependent on huge imports of edible oils.
- India is the **world's biggest vegetable oil importer. India produces less than half of the roughly 2.5 million tonnes of edible oil that it consumes annually.** It imports the rest, buying **palm oil from Indonesia and Malaysia, soyoil from Brazil and Argentina, and sunflower oil, mainly from Russia and Ukraine**, with the import bill hovering around Rs 75,000 crore per year.
- The increase in cultivation of oil palm will not only benefit farmers but also consumers who would get quality cooking oils at a cheaper rate.
- Besides, it would benefit processors and the entire value chain, thereby creating job opportunities.