

OFFICERS IAS ACADEMY

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Daily MCQs: 18-02-2025

1. With respect to the imports and exports by a country, consider the following statements about Dumping.

1. Dumping is the practice of selling a product in a foreign market at an unfairly low price in order to gain a competitive advantage over other suppliers.
2. Anti-dumping duty is imposed to protect local businesses from unfair competition created due to dumping.
3. The World Trade Organisation(WTO) plays an important role in regulation of anti-dumping measures.

How many of the above statements is/are correct?

- A. Only one
- B. Only two
- C. All the three
- D. None of the above

2. Consider the following statements about NATO.

1. It was formed during the Second World War to fight against Nazi Germany.
2. Collective Defence is the core idea of this organisation.
3. The United Kingdom and the United States are members of NATO

Which of the above statements is/are correct?

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

3. With reference to the Election Commission of India, consider the following statements:

1. Election Commission of India has the sole responsibility to conduct local body elections.
2. To ensure a free and fair election, the Commission can cancel the polls in the event of rigging, booth capturing and other irregularities.
3. It accords recognition and allots symbols to the political parties.

Which of the statements given above is/are correct?

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) All the three

4. Consider the following statements about Deposit Insurance and Credit Guarantee Corporation (DICGC).

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1. DICGC is a wholly owned subsidiary of RBI.
2. DICGC insures all bank deposits including deposits of state and central government.
3. DICGC does not cover deposits in a Non-Banking Financial Company (NBFC).

How many of the above statements is/are correct?

- A. Only one
- B. Only two
- C. All the three
- D. None of the above

5. Consider the following statements.

1. Fly ash is a byproduct of coal fired power stations.
2. Fly ash is a non toxic, benign substance.
3. Fly ash is rich in Aluminium oxide.

How many of the above statements is/are correct?

- A. Only one
- B. Only two
- C. All the three
- D. None of the above

Solutions:

1. Answer: C

Explanation:

Dumping:

- Dumping is the **practice of selling a product in a foreign market at an unfairly low price (a price that is lower than the cost in the home market, or which is lower than the cost of production) in order to gain a competitive advantage over other suppliers. Hence, statement 1 is correct.**
- Dumping is done to gain access to the foreign market and eliminate competition. It creates a monopoly in the market.
- Dumping enables consumers in the importing country to obtain access to goods at an affordable price.
- However, it can also destroy the local market of the importing country, which can result in layoffs and the closure of businesses.

Anti-dumping duty:

- An anti-dumping duty is a protectionist tariff that a domestic government imposes on foreign imports when it believes that the goods are being “dumped” – through the low pricing – in the domestic market.
- **Anti-dumping duty is imposed to protect local businesses and markets from unfair competition by foreign imports. Hence, statement 2 is correct.**

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- The imposition of anti-dumping duty is a legitimate trade remedial measure under the World Trade Organization (WTO) rules.

Ill effects of such duties:

- While the intention of anti-dumping duties is to save domestic jobs, these tariffs can also lead to higher prices for domestic consumers.
- In the long-term, anti-dumping duties can reduce the international competition of domestic companies producing similar goods.

Dumping and WTO:

- WTO plays a critical role in the regulation of anti-dumping measures. **Hence, statement 3 is correct.**
- The **WTO Anti-Dumping Agreement** allows the government of the affected country to take **legal action against the dumping country** as long as there is evidence of genuine material injury to industries in the domestic market.
- The government must show that dumping took place, the extent of the dumping in terms of costs, and the injury or threat to cause injury to the domestic market.
- In other cases, the **WTO intervenes** to prevent anti-dumping measures.

Institutional arrangement in India:

- Anti-dumping measures in India are administered by the **Directorate General of Trade Remedies (DGTR)**, an attached office of the Department of Commerce, **Ministry of Commerce & Industry**.
- DGTR conducts the investigation and makes recommendations to the Government for imposition of anti-dumping measures.
- Such duty is finally imposed/levied by a Notification of the Ministry of Finance.
- Of the **46 anti-dumping duties levied in the latest three fiscals, 60 per cent targeted goods originating only in China** and 26 per cent targeted goods originating in China and at least one other country.

2. Answer: C

Explanation:

NATO:

- Formed in **1949** with the signing of the **Washington Treaty**, NATO is a **political and military alliance of 32 countries from North America and Europe**.
- Established during the Cold War to counter Soviet aggression, NATO's primary objective is to protect the freedom and security of its members through both political and military means. **Hence, statement 1 is incorrect.**
- **Article 5 of the Washington Treaty** states that an attack against one Ally is an attack against all — is at the core of the Alliance, a promise of **collective defence**. **Hence, statement 2 is correct.**
- A **"NATO decision"** is the expression of the collective will of all 32 member countries since all decisions are taken by **consensus**.
- NATO is funded by Allies both **directly and indirectly**.

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- Direct contributions are made to NATO budgets and programmes on an agreed cost-share formula, based on Gross National Income. Indirect funding is where allies commit capabilities or troops to a military operation.

- NATO's Headquarters are located in **Brussels, Belgium**.

Members:

- At present, NATO has **32 members**.
- In 1949, there were **12 founding members** of the Alliance: Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom and the United States. **Hence, statement 3 is correct.**
- The other member countries are: Greece and Turkey (1952), Germany (1955), Spain (1982), the Czech Republic, Hungary and Poland (1999), Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia (2004), Albania and Croatia (2009), Montenegro (2017) North Macedonia (2020), Finland (2023) and Sweden (2024).

NATO Plus:

- NATO Plus is a security arrangement that **brings together NATO and five aligned nations (Australia, New Zealand, Japan, Israel, and South Korea)** to enhance global defence cooperation.

3. Answer: B

Explanation:

- The superintendence, direction and control of the preparation of the electoral rolls for, and the conduct of, all elections to Parliament and to the Legislature of every State and of elections to the offices of President and Vice President held under the Constitution shall be vested in an Election Commission.
- The Election Commission is not responsible for the conduct of local body elections. **State Election Commissions are responsible for local body election. Hence, statement 1 is incorrect.**
- The Election Commission of India has the powers to cancel the polls in the event of rigging, booth capturing, violence and other irregularities. **Hence, statement 2 is correct.**
- It accords recognition to the political parties as national or state parties, on the basis of poll performance and allots symbols to the political parties for contesting elections. **Hence, statement 3 is correct.**

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4. Answer: B

Explanation

- Deposit Insurance and Credit Guarantee Corporation (DICGC) is a wholly owned subsidiary of the RBI, created by an act of parliament in 1961. Hence **statement 1 is correct**.
- The idea behind the DICGC is to boost the faith of the public in the banking system, and provide protection against the loss of deposits to a significant extent.
- DICGC **insures all deposits** such as savings, fixed, current and recurring including accrued interest.
- Each depositor in a bank is insured up to a **maximum of Rs 5 lakh for both principal and interest amount** held by them as on the date of liquidation or failure of a bank.
- **Banks covered by Deposit Insurance Scheme:** All commercial banks, Local Area Banks, Regional Rural Banks and Co-operative Banks (Primary cooperative societies are not insured by the DICGC).
- Deposit insurance facility of DICGC is not available to depositors of **NBFCs**. Hence, **statement 3 is correct**.
- The DICGC insures all deposits such as savings, fixed, current, recurring, etc. deposits except the following types of deposits
 - Deposits of foreign Governments;
 - Deposits of Central/State Governments; Hence, **statement 2 is incorrect**.

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- Inter-bank deposits;
- Deposits of the State Land Development Banks with the State co-operative bank;
- Any amount due on account of and deposit received outside India.
- Any amount, which has been specifically exempted by the corporation with the previous approval of Reserve Bank of India

5. Answer: B

Explanation:

Fly Ash

- Fly ash is a fine gray powder consisting mostly of spherical, glassy particles that are produced as a **byproduct in coal-fired power stations. Hence, statement 1 is correct.**
- Fly ash has **pozzolanic properties**, meaning that it forms cement in the presence of water.

Issues with Fly ash

- Fly ash is a **highly toxic substance** known for causing **health and environmental problems**. It can contain **lead, arsenic, mercury, cadmium, and uranium. Hence, statement 2 is incorrect.**
- When fly ash is deposited in water bodies they **contaminate aquaculture and may leach into landmasses**, leading to toxicity of agricultural land and drinking water.
- Fly ash cannot be disposed-off in the open field because it **pollutes the air, soil and groundwater.**
- Long inhalation of fly ash causes **serious respiratory problems.**
- Fly ash also causes **siltation problems.**

Uses of Fly ash

- Fly ash composition, **rich in silicon dioxide (SiO₂), calcium oxide (CaO), and aluminum oxide (Al₂O₃)**, makes it valuable for various applications, transforming potential waste into useful material. **Hence, statement 3 is correct.**
- Fly ash can be used as **prime material in many cement-based products**, such as poured concrete, concrete block, and brick.
- One of the most common uses of fly ash is in **Portland Cement Concrete pavement or PCC pavement.**
- **Road construction projects** using PCC can use a great deal of concrete, and substituting fly ash provides significant economic benefits.
- Fly ash can be used in **reclamation of wastelands and wastewater treatment.**
- Fly ash has also been used as an **embankment and mine fill.**