Daily MCQ: 29.07.2026

1) Consider the following statements about Non-Performing Assets (NPAs):
   I. A loan account is classified as a Non-Performing Asset (NPA) if the interest and/or principal remains overdue for more than 90 days.
   II. The SARFAESI Act, 2002 empowers secured creditors to enforce security interests without first obtaining a court decree.
   III. Banks classify NPAs into Substandard Assets, Doubtful Assets, and Loss Assets based on the duration and severity of default.

   Which of the following inferences can be drawn from the above statements?
   1. A temporary payment delay does not automatically result in an asset being classified as an NPA.
   2. The legal framework governing NPAs seeks to reduce delays in the recovery of secured loans.
   3. Classification of NPAs enables banks to distinguish between assets with varying degrees of credit risk.

   Select the correct answer using the code given below:
   (a) 1 and 2 only
   (b) 2 and 3 only
   (c) 1 and 3 only
   (d) 1, 2 and 3

2) Consider the following statements:
   Statement I: India's recent Free Trade Agreements (FTAs) have contributed to deeper market access, greater export diversification, and enhanced opportunities for labour-intensive sectors.
   Statement II: India's recent FTAs provide preferential market access for several labour-intensive sectors.
   Statement III: India's recent FTAs primarily focus on reducing tariffs on agricultural products, with limited coverage of manufactured goods.
   Which one of the following is correct in respect of the above statements?
   (a) Both Statement II and Statement III are correct and both of them explain Statement I.
   (b) Both Statement II and Statement III are correct but only one of them explains Statement I.
   (c) Only one of the Statements II and III is correct and that explains Statement I.
   (d) Neither Statement II nor Statement III is correct.

3) Consider the following statements with reference to the PM-KUSUM Scheme:
   1. The PM-KUSUM Scheme was launched in 2019 by the Ministry of New and Renewable Energy (MNRE) to provide energy and water security to farmers, enhance their income and reduce dependence on diesel in agriculture.
   2. The scheme allows renewable energy plants on barren/fallow land by farmers, FPOs, cooperatives and Panchayats.
   3. The scheme covers standalone solar pumps and solarisation of grid-connected agriculture pumps.

   Which one of the following conclusions is correct?
   (a) All three statements are correct.

(b) There is no correct statement.
(c) Two statements are correct, including statement 3.
(d) Only one statement is correct.

4) Consider the following statements with reference to the PM E-DRIVE Scheme of the Government of India:
   I. PM E-DRIVE promotes the adoption of electric mobility through demand incentives and supporting infrastructure.
   II. The scheme covers different categories of electric vehicles along with supporting charging infrastructure.
   III. PM E-DRIVE supports sustainable urban transport and the broader vision of Atmanirbhar Bharat and Viksit Bharat 2047.

   Which of the following relationships among the above statements is/are correct?
   1. Statement II shows the coverage through which the objective stated in Statement I is implemented.
   2. Statement III broadens the significance of Statement I by linking electric mobility with sustainability and national development goals.
   3. Statement I focuses on immediate implementation measures, whereas Statement III highlights broader long-term developmental outcomes associated with the scheme.

   Select the answer using the code given below:
   (a) 1 only
   (b) 1 and 2 only
   (c) 2 and 3 only
   (d) 1, 2 and 3

5) Consider the following statements regarding Potash:
   1. Statement I: India imports nearly 25% of its Muriate of Potash (MOP) requirement from Canada.
   2. Statement II: Muriate of Potash (MOP) is subsidized under the Nutrient Based Subsidy (NBS) Scheme.
   3. India possesses abundant commercially exploitable potash reserves, making it self-sufficient in potash production.

   Which one of the following is correct with respect to the above statements?
   (a) Both Statement I and Statement II are correct, and both explain Statement III.
   (b) Both Statement I and Statement II are correct, but Statement III is incorrect.
   (c) Only one of Statements I and II is correct, and Statement III is incorrect.
   (d) Statement I is incorrect, while Statements II and III are correct.

Explanation

1) Answer: (D)

Inference 1 is correct: Statement 1 defines an NPA as an account overdue for *more than 90 days*. Therefore, a temporary delay (e.g., a short delay of 15 or 30 days) is within the grace window and does not automatically trigger NPA classification.

Inference 2 is correct: Statement 2 notes that the SARFAESI Act, 2002 allows secured creditors to enforce security interests *without first obtaining a court decree*. By bypassing long judicial/court proceedings, this legal framework directly aims to reduce delays in recovering secured loans.

Inference 3 is correct: Statement 3 mentions that banks categorize NPAs into three distinct classes (Substandard, Doubtful, and Loss Assets) based on default duration and severity. Categorizing assets based on how long or severely they have defaulted directly allows banks to distinguish between differing levels of credit risk and provisioning requirements.
Since all three inferences logically follow from the given statements, **1, 2 and 3** is the correct option.
Therefore, option D is the correct answer.

2) **Answer: (C)**
- **Statement I is correct:** India's recent FTAs have deepened market access, promoted export diversification, and created greater opportunities for labour-intensive sectors.
- **Statement II is correct and explains Statement I:** Recent FTAs with countries such as the UAE, Australia, the UK, Oman, New Zealand, and EFTA provide preferential market access for labour-intensive sectors including textiles & apparel, leather & footwear, gems & jewellery, marine products, carpets, handicrafts, and agricultural products.
- **Statement III is incorrect:** India's recent FTAs are **not confined to agricultural products**. They provide substantial market access for a wide range of **manufactured goods**, including textiles, apparel, leather & footwear, engineering goods, gems & jewellery, pharmaceuticals, and other industrial products, in addition to agricultural products.
- **Therefore, option C is the correct answer.**

3) **Answer: (A)**
- **PM-KUSUM (Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyan)** was launched in **2019** by the **Ministry of New and Renewable Energy (MNRE)**. It aims to provide **energy and water security to farmers**, increase farmers' income, reduce diesel dependence and promote renewable energy. **Hence Statement 1 is correct.**
- Under **Component A**, the scheme promotes setting up of **decentralised renewable energy power plants** on **barren/fallow land** by:
  - Individual farmers
  - Groups of farmers
  - Farmer Producer Organisations (FPOs)
  - Cooperatives
  - Panchayats.

  The electricity generated can be sold to **DISCOMs**. **Hence Statement 2 is correct.**
- PM-KUSUM has three components:
  - **Component A:** Setting up of **decentralised grid-connected solar/renewable energy power plants** on barren/fallow land.
  - **Component B:** Installation of **standalone solar agriculture pumps** for farmers in off-grid areas.
  - **Component C: Solarisation of grid-connected agriculture pumps** to help farmers use solar energy for irrigation and sell surplus power to DISCOMs. **Hence Statement 3 is correct.**
- **Therefore , option A is the correct answer.**

4) **Answer: (B)**
Relationship 1 is Correct: Statement I states the objective of PM E-DRIVE, namely promoting electric mobility through incentives and supporting infrastructure. Statement II explains the coverage of the scheme, including different categories of electric vehicles and charging infrastructure. Therefore, Statement II represents the operational reach through which the objective in Statement I is implemented.

Relationship 2 is Correct: Statement III connects PM E-DRIVE with sustainable urban transport, Atmanirbhar Bharat, and Viksit Bharat 2047. These are broader developmental and sustainability goals. Hence, Statement III extends the significance of Statement I beyond the immediate objective of EV adoption.

Relationship 3 is Correct: Statement I focuses on the immediate policy instruments of the scheme, such as demand incentives and infrastructure support. Statement III highlights the wider long-term outcomes that the scheme is expected to contribute to, including sustainability and national development. Since Statement III expands the scope rather than contradicting Statement I, the relationship is considered correct.
Therefore, option D is the correct answer

5) **Answer: (B)**
Statement 1 is Correct: India imports **nearly 25%** of its **Muriate of Potash (MOP)** requirement from **Canada**, making it one of India's most important and reliable suppliers of potash. To strengthen long-term fertilizer security, **Gujarat State Fertilizers and Chemicals Ltd. (GSFC)** has invested **CAD 49.68 million** in **Karnalyte Resources Inc.**, acquiring a **47.73% equity stake** in the Canadian potash project.

Statement 2 is Correct: Muriate of Potash (MOP) is the most widely used **potassic fertilizer** and is covered under the **Nutrient Based Subsidy (NBS) Scheme**. Potassium is one of the three primary macronutrients (**N-P-K**) essential for improving crop yield, disease resistance, drought tolerance, and overall crop quality.

Statement 3 is Incorrect: Although India has identified **potash resources**, it does **not** possess **commercially exploitable potash reserves**. Consequently, the country remains **almost entirely dependent on imports** to meet its MOP requirement, making overseas investments and long-term supply agreements strategically important.
Therefore , Option B is the correct answer.