DATE: 17.11.2026

1) Which of the following best describes the "Pact for the Mediterranean", recently seen in the news?
   (a) A NATO-led maritime security pact to counter naval threats in the Eastern Mediterranean.
   (b) A European Union framework to deepen partnerships with Southern Mediterranean neighbours across clean energy, economy, and security.
   (c) A joint African Union–Arab League treaty to create a North African free-trade zone.
   (d) A legally binding UN convention regulating deep-sea mining in the Mediterranean Basin.

2) Consider the following statements with regard to the SUPER ICE missile:
   1. It is a long-range air-launched cruise missile developed by Israel's Rafael Advanced Defense Systems.
   2. Its autonomous navigation capability reduces dependence on continuous communication with external systems.
   3. Its low-altitude flight capability can help it avoid enemy radar detection.
   4. It is exclusively designed to be launched from fighter aircraft and cannot be deployed from naval or ground-based platforms.

   Select the answer using the code given below:
   (a) 1 and 2 only
   (b) 1, 2 and 3 only
   (c) 2, 3 and 4 only
   (d) 1, 2, 3 and 4

3) Consider the following statements regarding Long-Term Capital Gains (LTCG) Tax in India:
   1. Listed equity shares and equity-oriented mutual funds qualify for long-term capital gains taxation if they are held for more than 12 months.
   2. Long-term capital gains arising from listed equity shares are eligible for the benefit of indexation to adjust the purchase price for inflation.

   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

4) Consider the following statements regarding the Wholesale Price Index (WPI) in India:
   1. The Wholesale Price Index measures changes in the prices of goods at the wholesale level and does not include services.
   2. The Office of the Economic Adviser under DPIIT is responsible for compiling and releasing the WPI.
   3. The Reserve Bank of India uses WPI inflation as the nominal anchor for its flexible inflation-targeting framework.

   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) 1, 2 and 3

5) Consider the following statements with reference to the evolution of poverty estimation methodologies in India:

I. The Alagh Committee anchored India's poverty line to a dual calorie consumption model, defining separate nutritional thresholds for rural and urban areas.

II. The Tendulkar Committee shifted away from fixed calorie anchors toward a broader consumption expenditure basket incorporating out-of-pocket spending on health and education.

III. The Rangarajan Committee (2014) reintroduced nutritional benchmarks alongside essential non-food requirements and used the Modified Mixed Recall Period (MMRP) to estimate poverty.

Which of the following relationships among the above statements is/are correct?

1. Statement II represents a methodological departure from Statement I by transitioning from a purely calorie-linked benchmark to a wider living-standard basket.
2. Statement III rectifies the conceptual limitations of Statement II by reintroducing explicit nutritional standards while retaining non-food expenditure components.
3. Statement I and Statement III follow identical price-updating indices and recall periods to compute uniform national monetary thresholds.

Select the answer using the code given below:

(a) 1 only
(b) 1 and 2
(c) 2 and 3
(d) 3 only

Explanation

1) Answer: (B)

- The **Pact for the Mediterranean** is a flagship initiative launched by **the European Commission** (originally introduced to mark the 30th anniversary of the 1995 Barcelona Process). It aims to create a unified ***Common Mediterranean Space*** **between the EU and its Southern Neighbourhood partners.**
- **Core Pillars:**
  Cooperation under the pact is structured around three key thematic pillars:
  - **People:** Driving education, youth mobility, skills, and innovation.
  - **Sustainable and Integrated Economies:** Advancing clean energy transitions, green technologies, blue economy initiatives, and trade.
  - **Security, Preparedness, and Migration Management:** Enhancing regional stability, disaster response, and rights-based migration governance.

2) Answer: (B)

- SUPER ICE is a **long-range cruise missile** developed by **Israel's Rafael Advanced Defense Systems**. It belongs to the **Ice Breaker family** of missiles and is designed for precision strikes against high-value targets. Hence, statement 1 is correct.
- The missile incorporates **autonomous navigation capabilities**, allowing it to operate with reduced dependence on **continuous external guidance or communication**. Hence, statement 2 is correct.

- Its **low-altitude, terrain-following flight capability** helps reduce the likelihood of detection by **enemy radar systems**, improving its ability to penetrate defended airspace. Hence, statement 3 is correct.
- SUPER ICE is **not restricted to fighter-aircraft launch**. It is designed for deployment across **multiple domains**, including **air, land and naval platforms**. Hence, statement 4 is incorrect.
- **Therefore, option (b) is the correct answer.**

3) Answer: (A)

- **Statement 1 is correct:** Listed equity shares and equity-oriented mutual funds are classified as long-term capital assets if they are held for **more than 12 months**.
- **Statement 2 is incorrect:** Long-term capital gains arising from listed equity shares do **not** receive the benefit of indexation. Under Indian tax laws, listed equities and equity-oriented mutual funds are taxed at a flat rate (e.g., under Section 112A) without indexation benefits.
- **Therefore, option A is the correct answer.**

4) Answer: (A)

- Wholesale Price Inflation refers to the increase in the prices of goods traded in bulk at the wholesale level before they reach the retail market or final consumers.
- In India, it is measured through the **Wholesale Price Index (WPI)**, released by the Office of the Economic Adviser, Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry.

Reasons for Wholesale Price Inflation

- **Rising Input Costs:** Increase in the prices of raw materials, minerals, metals and industrial inputs raises production costs.
- **Fuel and Energy Prices:** Higher prices of crude oil, coal and natural gas increase transportation, manufacturing and logistics costs.
- **Supply-Side Disruptions:** Natural disasters, droughts, floods and geopolitical conflicts disrupt agricultural and industrial supply chains.
- **Imported Inflation:** Depreciation of the Indian rupee and rising international commodity prices increase the cost of imported goods.
- **Demand-Pull Factors:** Strong industrial demand and increased infrastructure spending can raise demand for raw materials and manufactured goods.
- **Food Price Volatility:** Supply shortages and seasonal fluctuations in agricultural commodities increase wholesale food prices.
- **Therefore, option A is the correct answer.**

5) Answer: (B)

- **Relationship 1 – Correct:** The Alagh Committee linked poverty estimation to calorie norms of **2,400 kcal per day in rural areas and 2,100 kcal in urban areas**. In contrast, the Tendulkar Committee moved away from fixed calorie-based poverty estimation towards a broader consumption expenditure basket that included private expenditure on healthcare, education and other essential needs.

- **Relationship 2 – Correct:** The Rangarajan Committee reintroduced explicit nutritional requirements covering **calories, protein and fat**, while retaining essential non-food expenditure components. It sought to address concerns regarding the Tendulkar methodology, particularly the adequacy of its poverty thresholds.
- **Relationship 3 – Incorrect:** The Alagh and Rangarajan Committees did not follow identical methodologies. Alagh used calorie-linked poverty lines based on 1973–74 consumption data, whereas Rangarajan used the **Modified Mixed Recall Period (MMRP)** and separate rural and urban consumption baskets. Rangarajan also recommended the Fisher Index for updating poverty lines.
- **Hence, statements 1 and 2 are correct, while statement 3 is incorrect.**
- **Therefore, option B is the correct answer.**