

---

## ANSWERS & EXPLANATIONS GENERAL STUDIES (P) TEST – 4154 (2024)

---

### Q 1.B

- Tight, or contractionary monetary policy is a course of action undertaken by a central bank such as the Federal Reserve to slow down overheated economic growth, to constrict spending in an economy that is seen to be accelerating too quickly, or to curb inflation when it is rising too fast.
- The change in RBI's policy stance in FY23 led to a moderation of surplus liquidity conditions that prevailed during the pandemic years. **Monetary policy transmission is well underway as lending and deposit rates increased following the hike in policy rates.** Hence option (b) is the correct answer.
- Tight Monetary policy involves
  - Raising Interest Rates
    - ✓ Higher interest rates tend to reduce aggregate demand (AD) because: Borrowing becomes more expensive. Therefore firms and consumers are discouraged from investing and spending.
    - ✓ **Saving becomes more attractive.** Therefore firms and consumers are more likely to keep saving money in the bank rather than spend.
    - ✓ Reduced disposable income. Consumers with a variable mortgage will see a rise in monthly mortgage interest payments(as lending rates will increase). Therefore, they will have less income to spend.
    - ✓ Exchange rate effect. By raising interest rates, the exchange rate tends to appreciate because of hot money flows taking advantage of better-saving rates in that country. An appreciation of the exchange rate will also help reduce inflationary pressure. Imports will be cheaper. Also, there will be less demand for exports, leading to a decline in aggregate demand. The decline in competitiveness may encourage firms to be more efficient and cut cost.
  - Open Market Operations
    - The Central bank can also tighten monetary policy by restricting the supply of money. To do this, they can print less money or sell long-dated government bonds to the banking sector. By selling bonds, banks see a reduction in liquidity and therefore reduce lending.
    - A central bank could also raise the minimum reserve ratio. This forces banks to keep more liquidity in banks.
    - Decreasing lending rates in an economy would lead to increasing borrowing and may have an inflationary effect. That is called easy monetary policy and not tight monetary policy. **Thus only option 3 is not correct.**
- Hence option (b) is the correct answer.

### Q 2.D

- India's digital public infrastructure (DPI), also referred to as India Stack has enabled online, paperless, and cashless digital access to various public and private services.
- **The India Stack consists of three interconnected layers -The Identity Layer (Aadhaar), the Payments Layer (Unified Payments Interface, Aadhaar Payments Bridge, Aadhaar Enabled Payment Service) and the Data Layer (Account Aggregator).** The Identity Layer has been pivotal in providing a digital identity to every Indian.

## India Stack (Set of Technologies)



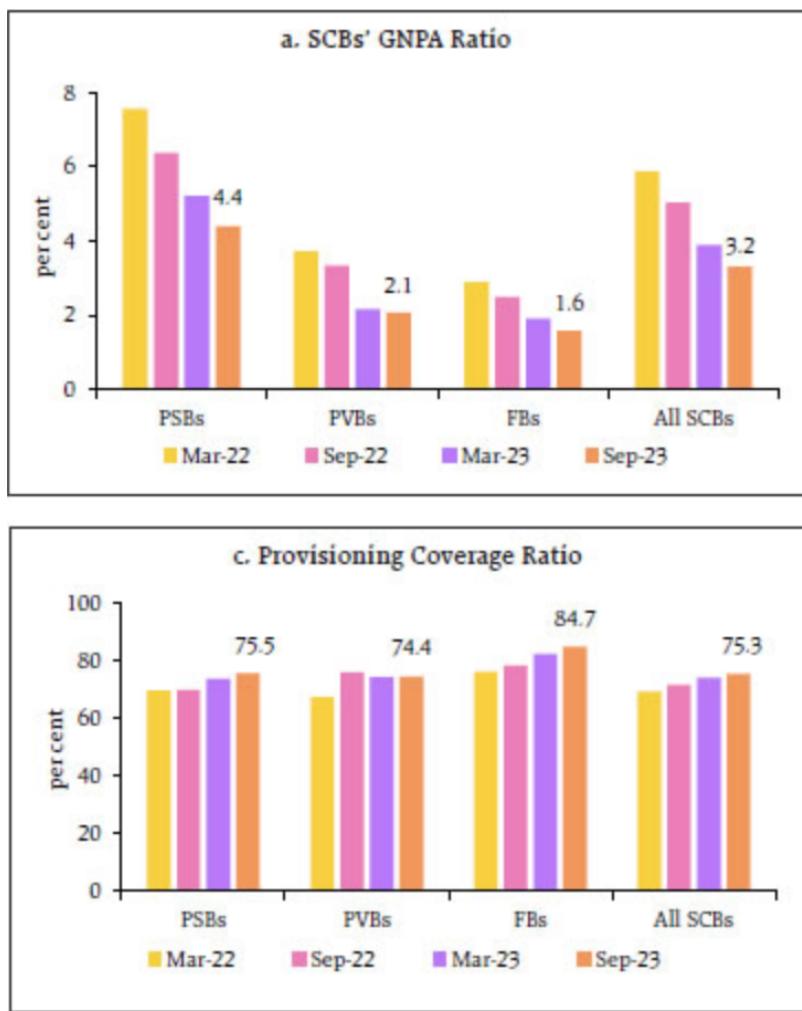
- Hence option (d) is the correct answer.

### Q 3.C

- It has been observed that many Indian companies have been getting headquartered overseas, especially in destinations with favorable legal environments and taxation policies. The technical jargon for this may be identified as 'Flipping'.
- 'Flipping' is the process of transferring the entire ownership of a domestic company to an overseas entity, accompanied by a transfer of all IP and all data hitherto owned by the domestic company. It effectively transforms a domestic company into a 100 percent subsidiary of a foreign entity, with the founders and investors retaining the same ownership via the foreign entity, having swapped all shares. Hence, statements 1 and 2 are correct.
- "Flipping" happens at the early stage of the Start-ups, driven by commercial, taxation and personal preferences of founders and investors including:
  - Presence of major market of domestic company's products offshore.
  - Presence of better enforcement of intellectual property in foreign jurisdictions.
  - To access Capital Market in foreign jurisdictions later better valuations and ticket size.
  - Presence of tax treatments like no withholding taxes, exemptions on dividends and capital gains in foreign jurisdictions (ex: UAE, Netherlands, etc.) Hence, statement 3 is correct.

### Q 4.D

- Provisioning Coverage Ratio (PCR)** is essentially the ratio of provisioning to gross non-performing assets and indicates the extent of funds a bank has kept aside to cover loan losses. Banks are advised to compute the PCR as per the annexed format.
- Capital adequacy ratio** is the ratio of a bank's capital in relation to its risk-weighted assets and current liabilities.
- With shrinking GNPs, the Provisioning Coverage Ratio (PCR) has been increasing steadily since March 2021 and reached 75.3 percent in September 2023. Hence statement 1 is not correct.
- At present, the provisioning requirements for NPAs range between 10 percent and 100 percent of the outstanding amount, depending on the age of the NPAs, the security available, and the internal policy of the bank. Since the rates of provisioning stipulated by the Reserve Bank for NPAs are the minimum and banks can make additional provisions subject to a consistent policy based on the riskiness of their credit portfolios, it has been observed that there is a wide heterogeneity and variance in the level of provisioning coverage ratio across different banks.
- PCR in the case of the Private sector Banks has consistently remained higher than Public sector banks in the past till September 22 but has overtaken Private Banks by September 2023. Hence, statement 2 is not correct.



#### Q 5.B

- The Asian Palm Oil Alliance (APOA) is formed by apex edible oil industry associations of **five major palm oil importing countries**, including- India, Pakistan, Sri Lanka, Bangladesh, and Nepal. Hence statement 1 is not correct.
- Countries, India, Pakistan, Sri Lanka, Bangladesh, and Nepal, which formed APOA are also member countries of a regional organisation, SAARC ( South Asia Association for Regional Cooperation). Hence statement 2 is correct.
  - SAARC was established in 1985, with objective to promote the welfare of the people of South Asian, to improve their qualities of life, accelerate economic growth, social progress and cultural development in the region.
  - SAARC has 8 member countries (Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka).
- APOA is based on idea to gain collective bargaining power and make imports sustainable. It will work to:
  - Change negative image of palm oil and ensure that it is recognised as a high-quality, economical, and healthy vegetable oil.
  - Safeguard economic and business interests of palm oil consuming countries and increase its consumption in member countries.
- Indonesia is world's largest producer and exporter of palm oil. India is world's biggest vegetable oils importer. Out of its annual imports of 14-15 MT, the share of palm oil is 8-9 MT with Indonesia as India's top supplier of palm oil.**

#### Q 6.D

- The Ministry of Education, Government of India has released the All India Survey on Higher Education (AISHE) 2021-2022. The Ministry has been conducting the All India Survey on Higher Education (AISHE) since 2011, covering all higher educational institutions located in Indian Territory and imparting higher education in the country. The survey collects detailed information on different parameters such as student enrollment, teacher data, infrastructural information, financial information, etc. Hence, statement 1 is not correct.

- The report of the All India Survey of Higher Education (AISHE) 2021–22, made public on January 25, found that **4.33 crore students are currently enrolled in a higher educational institute — up from 4.14 crore in 2020-21, and 3.42 crore in 2014-15**.
- The survey captures total student enrolment in **eight different levels**: undergraduate, postgraduate, PhD, MPhil, diploma, PG diploma, certificate, and integrated programmes. In all, 10,576 standalone institutions, 42,825 colleges, and 1,162 universities/university level institutions responded to the survey.
- **Five Key Takeaways:**
  - **Female enrolment is greater than male:**
    - ✓ The number of women enrolled in higher educational institutes has steadily increased, the AISHE report showed.
    - ✓ From 1.5 crore women enrolled in 2014-15, there has been a jump of 32% to 2.07 crores enrolled in 2021-22. In the last five years, the number of women enrolled increased by 18.7%, from 1.74 crore in 2017-18.
    - ✓ The most astounding rise was seen at the PhD level. In 2021-22, the total PhD enrolment in the country is 2.12 lakh of which 98,636 are women. Eight years ago, only 47,717 women were enrolled in Ph.D. programs.
  - **GER and Gender Parity:**
    - ✓ The Gross Enrollment Ratio indicates how many students are part of the higher education system in a given population. The estimated GER for the age group 18-23 years in India is 28.4, the AISHE 2021-22 report said (based on population data from the 2011 census).
    - ✓ Another indicator called the Gender Parity Index (GPI) shows the ratio of the female GER to male GER. A GPI of 1 indicates parity between the two genders; any number **between 0 and 1 shows a disparity in favour of males**, whereas a **GPI greater than 1 indicates a disparity in favour of females**.
    - ✓ The survey observed that in 26 states and Union Territories, the GER is in favour of women. **At the all-India level, the GPI is 1.01, and for SC and ST categories, the GPI is 1.01 and 0.98 respectively. Hence statement 2 is not correct.**
  - **Arts over the sciences in graduation, PG**
    - ✓ **The survey showed that the Bachelor of Arts (BA) programme has the highest enrolment**, with 1.13 crore students — 34.2% of total undergraduate enrolment across India. In all, 3.41 crore students are enrolled in UG programmes. **Hence statement 3 is not correct.**
    - ✓ Among disciplines at the undergraduate level, in 2021-22, the enrollment is highest in Arts (34.2%), followed by science (14.8%), commerce (13.3%) and engineering and technology (11.8%). BA(Hons) accounts for 20.4 lakh (6.2%), the survey shows.
  - **The primacy of government institutions:**
    - ✓ Government institutions have a higher share of enrollment compared to private institutions.
    - ✓ State public universities have the largest share of enrollment within the government sector.
  - **Demographics of students graduating:**
    - ✓ Statistics on the demographics of graduating students are provided, including category-wise distribution.
    - ✓ Graduation rates for different streams and levels are discussed.

#### **Q 7.A**

- **To provide financial assistance to financially unviable but socially/ economically desirable PPP projects, the Department of Economic Affairs (DEA) launched the Viability Gap Funding (VGF) scheme in 2006. Hence, statement 1 is correct.**
- **Projects can be from various sectors, including:**
  - **Social sectors: water supply, wastewater treatment, solid waste management, health, and education.**
  - **Economic sectors: transportation, energy, irrigation, etc. Hence, statement 2 is not correct.**
- Under this scheme, economic sector projects may get up to 40 per cent of Capex as a VGF grant. The Scheme includes higher provisions of VGF grants for social sectors.
- **Social sectors may get up to 80 per cent of the Capex and 50 per cent of the Operating Expenditure (Opex) for five years after the Commercial Operation Date (CoD) as a VGF grant. Hence, statement 3 is not correct.**
- Social Sector projects get VGF under two categories: Sub-Scheme-1 and Sub-Scheme-2.
  - Sub-Scheme-1 caters to social sectors such as wastewater treatment, water supply, solid waste management etc. The projects under this category should have at least 100 per cent Operational Cost

recovery. The Government of India (GoI) will provide a maximum of 30 per cent of Capex and the State Government concerned may provide an additional support of up to 30 per cent.

- Sub-scheme 2 supports demonstration/pilot projects from the Health & Education sectors. The projects eligible under this category should have at least 50 per cent Operational Cost recovery. The GoI will provide a maximum of 40 per cent of the project's Capex and a maximum of 25 per cent of the Opex of the project for the first five years of commercial operations as VGF.

#### **Q 8.D**

- In the new millennium, India's Female LFPR (FLFPR) declined measurably, accompanied by a steep rise in the enrollment of females in education. FLFPR has been rising for at least six years now: it rose from 23.3 per cent in 2017-18 to 37 per cent in 2022-23. **While urban FLFPR has also been rising, the rural FLFPR has seen a sharp growth.** The rise in rural female LFPR has been accompanied by a rise in the share of self-employment and agriculture among working women. **Hence statement 1 is not correct.**
- **While the composition of the female workforce has been tilting towards agriculture that of the male workforce is tilting away from agriculture.** The rise in the share of agriculture in the rural female workforce from 73.2 per cent in 2017-18 to 76.2 per cent in 2022-23 coincides with a more significant decline in the share of agriculture in the rural male workforce from 55 per cent in 2017-18 to 49.1 per cent in 2022-23. This is plausibly due to men taking up rising opportunities in non-agriculture and women at home filling in for the men on the farm. **Hence statement 2 is not correct.**

#### **Q 9.B**

- The government has set up the Urban Infrastructure Development Fund (UIDF) through the use of priority sector lending shortfall for creating urban infrastructure in Tier 2 and Tier 3 cities. **Hence statement 1 is not correct and statement 2 is correct.**
  - Cities having a population between 50,000 and 1,00,000 are classified as tier-2 cities while those with a population of 20,000 to 50,000 are known as tier-3 cities.
- UIDF aims to supplement the efforts of the State Governments for urban infrastructure development works implemented through Public/State Agencies, Municipal Corporations and Urban Local Bodies, by providing a stable and predictable source of financing. **The Fund will be managed by the National Housing Bank. Hence statement 3 is correct.**
- Eligible Activities for availing loans under the UIDF are aligned with the Missions and programmes of the Ministry of Housing and Urban Affairs, with a focus on basic services like sewerage and Solid Waste Management, water supply and sanitation, construction and improvement of drains/storm water drains. The minimum size of a project is Rs. 5 crores (Rs. 1 crore for North-East & Hilly States) and the maximum size is Rs. 100 crore.

#### **Q 10.A**

- The Indian government has implemented several strategic measures to bolster the agriculture sector's growth and resilience. One notable intervention is the consistent increase in Minimum Support Prices (MSPs) for 22 Kharif and Rabi crops.
- **Since the agricultural year 2018-19, the government has ensured a minimum of 50 per cent margin over the all-India weighted average cost of production for each crop covered under MSP.** Hence **statement 1 is correct.**
- This price support also aims to reduce India's import dependence and foster diversification towards pulses, oil, and commercial crops. **Accordingly, the highest increase in MSP was approved for lentil (masur) at ₹425 per quintal, followed by rapeseed and mustard at ₹200 per quintal in 2023-24.** Hence **statement 2 is not correct.**

#### **Q 11.B**

- **India is the largest recipient (USD 125 billion) of remittances in the world in 2023.** These remittances have benefitted from a gradual structural shift in Indian migrants' key destinations from largely low-skilled, informal employment towards high-skilled jobs in high-income countries such as the United States, the United Kingdom, and East Asia, aided by a structural shift in qualifications.
- **As per the World Migration Report 2022, almost 36 per cent of India's remittances are attributable to the high-skilled and largely high-tech Indian migrants in the top high-income destinations.** Hence **statement 1 is not correct.**
- **In FY23, the private transfer receipts, mainly representing remittances by Indians, soared to a record USD 112.5 billion level,** growing at 26.2 per cent on the back of healthy growth of 11.2 per cent in FY22. **Hence statement 2 is correct.**

**Q 12.A**

- The Baltic Dry Index (BDI) is a shipping and trade index created by the London-based Baltic Exchange. It is an index of average prices paid for the transport of dry bulk materials across more than 20 routes. Hence statement 2 is not correct.
- It measures changes in the cost of transporting various raw materials, such as coal and steel. Hence statement 1 is correct.
- The BDI is often viewed as a leading indicator of economic activity because changes in the index reflect supply and demand for important materials used in manufacturing.
- A change in the Baltic Dry Index can give investors insight into global supply and demand trends. Many consider a rising or contracting index to be a leading indicator of future economic growth.

**Q 13.C**

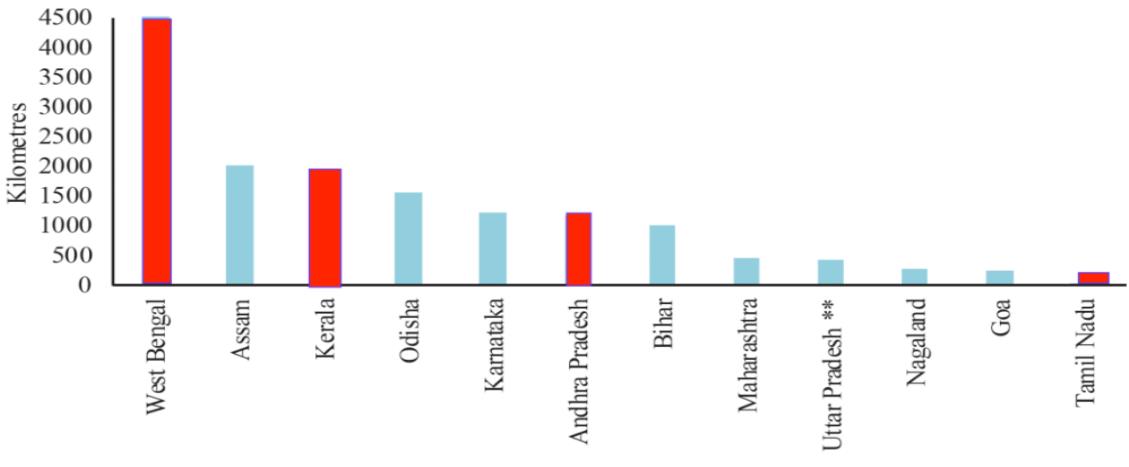
- PM Surya Ghar Muft Bijlee Yojana is a Central Scheme that aims to provide free electricity to one crore households in India, who opt to install rooftop solar electricity units. The households will be able to get 300 units of electricity free every month. It was approved by the Union Cabinet on February 29th, with an outlay of Rs.75,021 crore. Hence statement 1 is correct.
- The scheme provides for a subsidy of 60% of the solar unit cost for systems up to 2 kW capacity and 40 percent of additional system cost for systems between 2 to 3 kW capacity. The subsidy has been capped at 3 kW capacity. At current benchmark prices, this will mean Rs 30,000 subsidy for 1 kW system, Rs 60,000 for 2 kW systems and Rs 78,000 for 3 kW systems or higher. Hence statement 2 is not correct.
- Other Features of the Scheme
  - A Model Solar Village will be developed in each district of the country to act as a role model for adoption of rooftop solar in rural areas; Hence statement 3 is correct.
  - Urban Local Bodies and Panchayati Raj Institutions shall also benefit from incentives for promoting RTS installations in their areas.
  - The scheme provides a component for payment security for renewable energy service company (RESCO) based models as well as a fund for innovative projects in RTS.
- The proposed scheme will result in addition of 30 GW of solar capacity through rooftop solar in the residential sector, generating 1000 BUs of electricity and resulting in reduction of 720 million tonnes of CO2 equivalent emissions over the 25-year lifetime of rooftop systems.

**Q 14.C**

- Indian Market is the world's fourth-largest stock market in terms of market capitalization. India's market capitalization to GDP ratio has improved from 79 % in 2014 to 104 % in 2022. The Indian benchmark equity indices (Sensex & Nifty 50) delivered a CAGR of about 13.5 % during 2014 -2023. India has the second-largest weightage in the MSCI Emerging Markets index. Hence statement 1 is not correct.
- Bond Market: The spread between the US 10-year treasury yield and the India 10-year sovereign bond yield remained relatively stable between 2016 and 2022, reflecting India's robust macroeconomic fundamentals.
- RBI's Retail Direct scheme allowed individual investors to subscribe to government securities such as sovereign bonds and sovereign gold bonds. Hence statement 2 is not correct.
- SEBI introduced a framework whereby listed large corporates will mandatorily meet 25 % of their financing needs through the issuance of debt securities. Hence statement 3 is correct.

**Q 15.C**

- Inland water transport holds great untapped potential as a means for the transportation of goods and passengers. India has a large endowment of rivers, canals, and other waterways. The total navigable length of waterways in India is around 14,850 kilometres.
- Navigable length of waterways in different states



- Under the National Waterways Act 2016, 106 new waterways have been declared as National Waterways (NWs), taking the total number of NWs in the country to 111.
- The cargo movement on National Waterways achieved an all-time high of 108.8 million tons during FY22.,
- Hence option (c) is the correct answer.**

#### **Q 16.B**

- Krishi Udan Scheme was launched in August 2020 on international and national routes to assist farmers in transporting agricultural products so that it improves their value realisation.
- Krishi Udan 2.0 was launched to enhance the existing provisions, mainly focusing on transporting perishable food products from the hilly areas, North Eastern states, and tribal areas. Hence, statement 1 is not correct.**
- For facilitating and incentivising the movement of agricultural produce by air transportation, the Airports Authority of India provides a full waiver of Landing, Parking charges, Terminal Navigational Landing Charges and Route Navigation Facility Charges for Indian freighters and Passenger-to-Cargo Aircraft primarily around 25 airports focusing on North Eastern, Hilly and Tribal region and 28 airports in other regions/areas. Hence, statement 2 is correct.**
- Krishi Udan Scheme is a convergence scheme where eight Ministries/Departments namely the Ministry of Civil Aviation, the Department of Agriculture & Farmers' Welfare, the Department of Animal Husbandry and Dairying, the Department of Fisheries, the Ministry of Food Processing Industries, the Department of Commerce, Ministry of Tribal Affairs, Ministry of Development of North-Eastern Region would leverage their existing schemes to strengthen the logistics for transportation of agri-produce.**
- An **online platform named E-KUSHAL** (Krishi Udaan for Sustainable Holistic Agri-Logistics) would also be developed to facilitate information dissemination to all stakeholders regarding the transportation of agricultural produce. **The ministry has also proposed convergence of E-KUSHAL with the National Agriculture Market (e-NAM).**

#### **Q 17.B**

- The employment situation in India has experienced a positive transformation, with notable achievements in formalisation, skill development, entrepreneurship, industry diversification, and inclusive growth.
  - The unemployment rate has declined to 3.2 % in 2022- 23 from 6 % in 2017-18 (Periodic Labour Force Surveys (PLFS) by NSO).** Simultaneously, LFPR increased to 57.9 % in 2022- 23 from 49.8 % in 2017-18, driven by a surge in rural female LFPR.
  - EPFO membership numbers grew by an impressive 11.3 % CAGR between FY14 and FY22, indicating increased salaried jobs.**
  - The share of regular-wage jobs declined from 22.8 % in FY18 to 20.9 % in FY23** but in absolute numbers jobs with a regular salary increased by almost 15 million between FY18 to FY23. Thus, a decline in the share of regular-wage jobs does not mean that the total number of jobs declined.
  - Youth (age 15-29 years) employment has been rising in tandem with the youth population. **Youth workforce participation rate increased from 31 % (2017-18) to 40.1 % (2022-23).** This implies an additional 35 million youth have found work, even though the population of youth increased only by 17 million.
- Hence option (b) is the correct answer.**

**Q 18.B**

- **The International Labour Organization (ILO) has published the Global Wage Report 2022-23.**
  - This report has analysed the impact of COVID-19 and rising inflation on wages and purchasing power of people across globe and regionally as well.
  - In 2022, all emerging G20 economies exhibit average monthly wages that are higher in real terms than the baseline (2008) except Mexico.
  - Despite the higher level of wage growth in emerging G20 economies, there is still a significant gap between their average level of real wages and that of advanced G20 economies.
  - As per the report, the global monthly wages fell in real terms to -0.9% in the first half of 2022.
  - As much as 75 to 95 million people were pushed into extreme poverty during COVID-19 pandemic.
- **About the International Labour Organization (ILO):**
  - Established under Treaty of Versailles in 1919.
  - Affiliated agency of the erstwhile the League of Nations. Later it became first specialized agency of the United Nations in 1946.
  - **Headquarters:** Geneva, Switzerland
  - **Key reports:** World Employment and Social Outlook, World Social Protection Report, Global Wage Report etc.
- **Hence option (b) is the correct answer.**

**Q 19.A**

- **Payment Bank:** Based on the recommendation of 'Nachiket Mor' committee, Payment Bank was set up to operate on a smaller scale with minimal credit risk.
- **Features:**
  - They are differentiated banks rather than Universal Banks
  - Minimum paid-up capital requirement is Rs 100 crores.
  - For the first five years, the stake of original promoters should not be less than 40%
  - They cannot give loans and issue credit cards
  - **Initially payment banks are allowed to accept demand deposits upto Rs. 1 lakh but later this limit was extended to Rs 2 lakh per customers. Hence statement 3 is not correct.**
  - 75% of deposited money should be invested in government securities in the form of Statutory Liquidity Ratio (SLR) and remaining 25% in time deposits of other scheduled commercial banks.
  - They cannot accept time deposits and NRI deposits.
  - **They are allowed to issue debit cards and third-party funds transfers. Hence statement 2 is correct.**
  - **They are allowed to carry out banking services like IMPS, NEFT, RTGS and UPI. Hence statement 1 is correct.**

**Q 20.A**

- Micro, Small & Medium Enterprises (MSMEs) are becoming increasingly vibrant and dynamic, with the supportive measures implemented by the government. The Union Budget for FY24 has facilitated the timely receipt of payments for MSMEs by allowing a tax deduction for expenditure incurred on payments made to them only when payment is actually made. **Hence statement 1 is correct.**
- Sections 15 to 24 of the Micro, Small and Medium Enterprises Development Act, 2006, **mandate that a buyer is liable to pay interest on delayed payments to MSMEs.** Since payment of such interest is considered penal in nature, no deduction for such interest is allowed under section 37 of the Income Tax Act, 1961. **Hence statement 2 is not correct.**

**Q 21.B**

- **Capital expenditure (CAPEX)** is defined as the money spent on the acquisition of assets such as land, buildings, machinery, and equipment, as well as stock investments.
- According to **Economic Survey 2022-23**, the Government of India in absolute terms had budgeted an **unprecedented ₹7.5 lakh crore of Capital Expenditure for FY23.**
- The government's thrust on CAPEX, particularly in the **infrastructure-intensive sectors** like roads and highways, railways, and housing and urban affairs, has longer-term implications for growth as it enhances the **productive capacity** of an economy in long run. **Hence, statement 1 is correct.**
- The government's emphasis on capital expenditure provides a **boost to private investment due to a decrease in interest rate (crowding in private investment).** Crowding out effect, on the other hand, refers to the situation when increased interest rates lead to a reduction in private investment spending such that it dampens the initial increase of total investment spending. **Hence, statement 2 is not correct.**

- Capital expenditure provides a **boost to Aggregate Demand (AD)** by giving a boost to Private consumption (C), Investment (I), and Government expenditure (G) components. ( **$AD = C+I+G$** ). Hence, **statement 3 is correct.**

**Q 22.A**

- Considering the importance of the availability of labour force data at more frequent time intervals, the National Statistical Office (NSO) **under the Ministry of Statistics and Programme Implementation launched the Periodic Labour Force Survey (PLFS) in April 2017**. Hence **option 1 is not correct.**
- The objective of PLFS is primarily two-fold
  - to estimate the key employment and unemployment indicators (viz. Worker Population Ratio, Labour Force Participation Rate, Unemployment Rate) in the short time interval of three months for the urban areas only in the ‘Current Weekly Status’ (CWS).
  - to estimate employment and unemployment indicators in both ‘Usual Status’ (ps+ss) and CWS in both rural and urban areas annually.
- **The Annual Survey of Industries (ASI), conducted by the Ministry of Statistics and Programme Implementation**, is an important source of industrial statistics of the registered organised manufacturing sector of the economy. **Hence option 2 is not correct.**
  - It covers all factories registered under Sections 2m(i) and 2m(ii) of the Factories Act, 1948, i.e., those factories employing ten or more workers using power; and those employing twenty or more workers without using power.
- **The Labour Bureau has recently been tasked with five major All India Surveys by the Government of India. The five surveys are the All-India Survey of Migrant Workers, All-India Survey on Domestic Workers, All-India Survey on Employment generated in the Transport Sector, All-India Survey of Employment Generated by Professionals and All-India Quarterly Establishment-based Employment Survey (AQEES). Hence option 3 is correct.**
  - All-India Survey of Migrant Workers – To study the kind of employment-related migration undertaken by workers, the details of working and living conditions faced by them and the impact of COVID-19 on their world of work.
- **Hence option (a) is the correct answer.**

**Q 23.C**

- As a major reform measure, the Indian Telegraph Right of Way (Amendment) Rules, 2022 have been brought to facilitate faster and easier deployment of telegraph infrastructure to enable speedy 5G rollout. The government has brought in procedural reforms in Wireless Licensing, including the delicensing of various frequency bands to promote innovation, manufacturing, and export.
- **The National Frequency Allocation Plan 2022 (NFAP) provides a broad regulatory framework, identifying which frequency bands are available for cellular mobile services, Wi-fi, sound and television broadcasting, radio navigation for aircraft and ships, and other wireless communications. Hence statement 1 is correct.**
- The Radio Regulations, an international treaty signed by India and other Member States of the International Telecommunication Union (ITU), governs the use of radio-frequency spectrum and satellite-orbits (geostationary and non-geostationary) at the global level. Accordingly, the Radio Regulations (Edition of 2020) is the foundational text used for drawing up the National Frequency Allocation Plan 2022 (NFAP-2022).
- **NFAP will give guidance to the users of the spectrum to plan their networks in accordance with the relevant frequency and parameters provided therein. Hence statement 2 is correct.**
  - Given that spectrum is a scarce resource, NFAP is useful in aligning spectrum usage with demands from emerging technologies in an efficient manner.

**Q 24.B**

- **India’s exports have been showing remarkable performance, logging record-high levels since FY22, with merchandise exports rising by more than 50 per cent and services exports by 120 per cent over the past decade (FY13 to FY23).** The highest-ever merchandise export of USD 451.1 billion was achieved in FY23. **Hence statement 1 is not correct.**
- **In the export of services, India has carved a niche for itself as a knowledge-based economy, as is evident from the fact that software services exports comprise almost half of the service exports consistently.** Further, a gradual increase in the share of business services in total services exports has been noticed since FY20. **Hence statement 2 is correct.**

- **The government released the Foreign Trade Policy (FTP) 2023 which aimed to increase the country's exports to USD 2 trillion by 2030.** Continuous efforts in terms of deliberate policy and trade facilitation measures are being undertaken to enhance production capacity and export promotion to boost India's presence in the global markets, aiming for a target of exports of USD 2 trillion by 2030. Setting export targets and monitoring of these targets followed by course correction, provision of export credit insurance services for short-term as well as medium and long-term exports, encouraging banks to provide affordable and adequate export credit to MSME exporters, enabling them to explore new markets and diversify existing products competitively are some of the measures being taken towards this end. **Hence statement 3 is correct.**

**Q 25.C**

- **Automotive Mission Plan 2026 has been finalized jointly by the Government of India and the Indian Automotive Industry.** Hence, statement 1 is correct.
- **The objectives of the Automotive Mission Plan 2026 include:**
  - **To propel the Indian Automotive industry to become the engine of the “Make in India” program.**
  - **To make the Indian Automotive Industry a significant contributor to the “Skill India” program.**
  - Promote safe, efficient and comfortable mobility for every person in the country, with an eye on environmental protection and affordability through both public and personal transport options.
  - To seek an increase of net exports of the Indian Automotive industry several fold.
  - Promote comprehensive and stable policy dispensation for all regulations impacting the industry.
  - **The AMP 2026 is aimed at bringing the Indian Automotive Industry among the top three of the world in engineering, manufacturing, and exports of vehicles & components; growing in value to over 12% of India's GDP and generating an additional 65 million jobs.** Hence, statement 2 is correct.
  - **It envisages implementing the End of Life Policy for automotive vehicles and components.** Hence, statement 3 is correct.
- The sector's importance is gauged by the fact that it contributes 7.1 percent to the overall GDP and 49 percent to the manufacturing GDP while generating direct and indirect employment of 3.7 crore at the end of 2021.

**Q 26.C**

- The Private final consumption expenditure (PFCE) is defined as the expenditure incurred by **the resident households and non-profit institutions serving households (NPISH)** on the final consumption of goods and services, whether made within or outside the economic territory. **Hence option (c) is the correct answer.**
- Private Final Consumption Expenditure (PFCE) has emerged as a major growth driver post-COVID pandemic, playing a pivotal role in sustaining the economy amid external challenges like geopolitical conflicts, sluggish global demand etc.
- The share of PFCE in GDP at current prices increased to an average of 60.8 % in the last three years ending FY24 from 58.4% in the 8 years preceding the onset of the pandemic.

**Q 27.B**

- In line with the objective of the Digital India mission, which seeks to transform India into a digitally empowered nation, **National e-Governance Services Limited (NeSL), an Information Utility registered with and regulated by the Insolvency and Bankruptcy Board of India under the aegis of the IBC 2016, introduced the Digital Document Execution (DDE) platform in 2020.** This was done at the behest of the Insolvency and Bankruptcy Board of India and with the support of the Department of Financial Services (DFS), Ministry of Finance. **Hence, statement 3 is not correct.**
- The NeSL-DDE platform eliminates the need for the physical presence of the executants and the manual process to be carried out for executing documents/agreements. By doing so, the platform generates several benefits, such as lower execution time and cost, a secure system, authorized access, bulk processing, fraud prevention, legal robustness, and evidentiary value.
- The NeSL-DDE platform has garnered the support of state governments, ministries, and financial institutions. DFS has been encouraging banks to consider adopting DDE for their agreements. **DDE is a mode for paperless execution and storage of financial contracts,** which will result in superior enforcement, thereby enhancing the ‘Ease of Doing Business’, especially in times when quick financing is the need of the hour for businesses. **Hence, statement 1 is correct.**

- This concept was formulated under the guidance of the Ministry of Finance and IBBI for NeSL to serve the financial sector in facilitating the dematerialization of financial contracts. **Hence statement 2 is correct.**
  - To save substantial resources in Digital E-stamping within a few minutes and
  - by affixing of digital signatures by parties to the contract on NeSL's platform,

**Q 28.C**

- In line with the Prime Minister's aim of creating two crore women entrepreneurs in villages, Union Finance Minister announced the expansion of the Lakhpati Didi Scheme in her Interim Budget 2024–25 speech
- The Lakhpati Didi scheme aims to empower women in rural areas by encouraging them to start micro-enterprises and providing training in various skills such as plumbing, LED bulb making, drone operation and repair, tailoring, and weaving, which would enable them to earn a sustainable income of at least ₹1 lakh per annum. **Hence statement 1 is correct.**
- As the scheme is primarily aimed at women, participants in the Lakhpati Didi Scheme must be active members of self-help groups. **Hence statement 2 is correct.**
- The programme is aimed at training women in self-help groups (SHGs) so that they can earn a sustainable income of at least Rs 1 lakh per annum per household.
- The initiative has been initiated by DAY-NRLM, wherein each SHG household is encouraged to take up multiple livelihood activities coupled with value chain interventions, resulting in a sustainable income of Rs 1 lakh or more per year.

**Q 29.C**

- The Department of Fisheries has been allocated an amount of Rs. 2584.50 crores for the financial year 2024-25 which is the highest ever annual allocation to the Department of Fisheries. The budgetary allocation is 15% higher than the current financial year. The budget allocated is one of the highest-ever annual budgetary support for the Department.
- The interim budget also emphasises on establishment of digital public infrastructure for the formalization of the economy. The Union Finance Minister emphasised that a separate Fisheries Department was established to realize the importance of assisting fishermen which has resulted in doubling both inland and aquaculture production and doubling of seafood exports since 2013-14.
- **The flagship scheme, Pradhan Mantri MASTYA Sampada Yojana (PMMSY) is being stepped up to enhance aquaculture productivity from existing 3 to 5 ton/Ha, doubling exports to Rs 1 lakh crore and generate 55 lakh employment opportunities along with big infrastructural changes of establishing 5 integrated aquaparks. Hence option (c) is the correct answer**
- In addition, the Blue Economy 2.0 will be launched to focus on promoting climate resilient activities, restoration and adaptation measures and development of coastal aquaculture and mariculture with an integrated & multi-sectoral approach.

**Q 30.C**

- **Global capability centres, also known as GCCs or GICs, are offshore units of multinational corporations that operate across the globe.** These centres are responsible for providing various support services, such as IT, finance, human resources, and analytics, to their parent organizations. Earlier, these units were primarily established to offshore back-office processes, but that is not the case today. GCCs of today handle more complex line items across the organisation's value chain. They have become centres of operational excellence, product development and innovation hubs. **Hence statement 1 is correct.**
- **India is home to more than 1,800 global capability centres, which employ over 1.3 million people. GCCs account for more than 1 % of India's GDP, imparting resilience to India's services exports.** These centres have played a significant role in India's economic growth, providing high-quality employment opportunities, and contributing to the country's GDP. These GCCs, that represent global companies in India, are spread across sectors including technology, engineering, consulting and many more. In fact, the country's large pool of talented and skilled professionals, cost-effectiveness, and supportive government policies have made India the preferred destination for many such innovation hubs. **Hence statement 2 is correct.**
- The growth of GCCs in India is primarily driven by engineering and R&D services, which account for 56% of total revenue. India's talented labour pool, supportive corporate and legislative climate, and developing infrastructure are the driving forces behind this rise. In India, GCCs act as key technology hubs for their headquarters, focusing on specialised knowledge in areas like cloud computing, artificial intelligence (AI), machine learning (ML), and natural language processing (NLP).

### **Q 31.A**

- The Geological Survey of India (GSI) declares geo-heritage sites/ national geological monuments for protection and maintenance. GSI or the respective State governments take necessary measures to protect these sites. There are 32 geo-heritage sites spread across 13 states. **Hence statement 1 is not correct and statement 2 is correct.**
- **Coming under the Ministry of Mines, the GSI was established in 1851** to investigate and assess coal and other mineral resources of the country through regional-level exploration. **Hence statement 3 is not correct.**
- Some of the geo-heritage sites include:
  - Volcanogenic bedded Barytes, Mangampeta, Cuddapah district- Andhra Pradesh. One of the largest baryte deposits in the world is considered to have formed through precipitation from volcanic vapors under submarine conditions and sub-aerial showering of ash and molten baryte lapilli.
  - Akal Wood Fossil Park is a National Geological Monument of India located in Jaisalmer district, Rajasthan. It is also a Biodiversity Heritage Site. The terrain is barren and rocky. The park lies in Jaisalmer's fossil belt, a region noted to have the potential for geological parks. Fossils and footprints of pterosaurs have been found in the nearby Thiyat area.
  - Lonar Lake, also known as Lonar crater, is a notified National Geo-heritage Monument, saline, soda lake, located at Lonar in Buldhana district, Maharashtra, India. Lonar Lake is an astrobleme created by a meteorite impact during the Pleistocene Epoch. It is one of only four known hyper-velocity impact craters in basaltic rock anywhere on Earth.
  - Mawmluh Cave is a maze cave in the state of Meghalaya in northeast India. At 7.2 km in length, it is the fourth longest cave in the Indian subcontinent. The cave, which has several entrances, has formed at the junction between an early Eocene dolomite and a sandstone formation. It contains numerous stalactites, stalagmites, columns, and drapes, collectively termed speleothems.

### **Q 32.A**

- **RBI has recently launched pilots of Central Bank Digital Currency (CBDC) in both the Wholesale and Retail segments.** Digital Rupee –Wholesale (e₹-W), the pilot in the wholesale segment was launched on 1st November 2022, **with the use case being limited to the settlement of secondary market transactions in government securities.** **Hence statement 1 is correct.**
- **Use of Digital Rupee- Wholesale is expected to make the inter-bank market more efficient.** It is not banned by the government in inter-bank transactions. The pilot in the retail segment, known as Digital Rupee-Retail (e₹-R), kicked off on 1st December 2022, within a closed user group comprising participating customers and merchants. For full operationalization of CBDC, RBI is gradually expanding the pilots' scope to include more banks, users, and locations based on feedback received during the pilots. **Hence statement 2 is not correct.**
- CBDC will significantly boost digital financial services, which inter alia, include a reduction in operational costs involved in physical cash management, fostering financial inclusion, bringing resilience, efficiency, and innovation in the payments system, boosting innovation in cross-border payments space, and providing public with uses that any private virtual currencies can provide, without the associated risks.
- The Reserve Bank of India (RBI) has recently announced the programmability and offline functionality of its Central Bank Digital Currency (CBDC) CBDC-R will soon support offline transactions in areas with limited or no internet connection.
  - The CBDC Retail (CBDC-R) pilot currently enables Person to Person (P2P) and Person to Merchant (P2M) transactions using Digital Rupee wallets provided by pilot banks.

### **Q 33.B**

- India VIX or India Volatility Index is a volatile index that is calculated by the NSE to measure the market's anticipation for volatility and fluctuations in the near term. **This index was first introduced by the NSE in the year 2003.** However, the original concept of a volatile index goes back to 1993, when it was introduced by the Chicago Board Options Exchange. **Hence statement 1 is correct.**
- You can see a rise in the volatile index when the market is continuously fluctuating and going up and down. This shows the increase in volatility in the market. Similarly, when the market is more stable and the volatility is less, you can see a fall in the volatility index.
- **This index represents the investors' perception of the market over the next near term, that is the next 30 days.** The rise and fall in the India VIX or volatile index determines the volatility of the market and helps the investors to better understand the market conditions before making their next big investment or while keeping track of their previously made investments. **Hence statement 2 is correct.**

- It is important to know that the volatile index is in no way similar to the price index like the NIFTY. While the price index is calculated by taking into account the price movement of the underlying equities, the volatile index or India VIX is calculated using the orderbook of the underlying index options and is represented in the form of a percentage. Hence statement 3 is not correct.

**Q 34.C**

- Current account convertibility means the freedom to convert domestic currency into foreign currency and vice versa for trade in goods and invisibles (services, transfers or income from investment). Individuals and entities can convert currencies in the foreign exchange market.
  - In India, there has been full current account convertibility since August 20, 1993. A series of measures were launched then to liberalise exchange controls and the exchange rate system was shifted to market-determined exchange rates in March 1993. After that, on August 20, 1993, the RBI announced that the rupee became fully convertible on the current account. This was after India accepted the status and obligations of Article VIII with the IMF.
- Ways and Means Advances (WMA) are temporary advances given by the RBI to the central and state governments to tide over any mismatch in receipts and payments. It was introduced in 1997 and comes under Section 17(5) of the RBI Act of 1934. It was introduced to end the four-decade-old system of ad-hoc treasury bills to finance the central government deficit.
- Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, SARFAESI Act. It extends to the whole of India. It shall be deemed to have come into force on the 21st day of June 2002. It was brought in to guard financial institutions against loan defaulters. Taking control of the secured assets. Take over management of the secured assets, as well as the right to transfer the secured assets via lease, assignment, or sale. Designate someone to administer the secured assets.
- Hence, option (c) is the correct answer.

**Q 35.A**

- Goods Trade Barometer Index is released by the World Trade Organization. It was formerly known as the World Trade Outlook Indicator. The Barometer provides real-time information on the trajectory of world trade relative to recent trends. Hence option (a) is the correct answer.
- The Goods Trade Barometer is a composite indicator for world trade, providing real-time information on the trajectory of merchandise trade relative to recent trends.
- The Goods Trade Barometer combines a variety of trade-related component indices into a single composite index that highlights turning points in world merchandise trade and provides an indication of its likely trajectory in the near future.

**Q 36.C**

- Account Aggregator (AA) is a Non-Banking Financial Company (NBFC) engaged in the business of providing the service of retrieving or collecting financial information pertaining to the customer. Hence, statement 1 is correct.
- They are registered as Non Banking Financial Companies(NBFC) with RBI. Hence, statement 2 is correct.
- No financial information of the customer is retrieved, shared or transferred by AA without the explicit consent of the customer. AA transfers data from one financial institution to another based on an individual's instruction and consent. Registering with an AA is fully voluntary for consumers.
- Entities may enroll themselves on AA framework as Financial Information Provider (FIP) viz. banking company, non-banking financial company, asset management company, depository, depository participant, insurance company, insurance repository, pension fund etc. and as Financial Information User (FIU) which is an entity registered with and regulated by any financial sector regulator. Hence, statement 3 is correct.

**Q 37.D**

- With its solid forward linkages, the agriculture and allied activities sector significantly contributed to the country's overall growth and development by ensuring food security.
  - The Indian agriculture sector has been growing at an average annual growth rate of 4.6 percent during the last six years. Hence statement 1 is not correct.
- In recent years, India has also rapidly emerged as the net exporter of agricultural products. In 2020-21, exports of agriculture and allied products from India grew by 18 percent over the previous year. During 2021-22 itself, agricultural exports reached an all-time high of US\$ 50.2 billion. Hence statement 2 is not correct.

- Top Agiri exports (in million dollars)

	2021-22	2022-23
<b>Marine products</b>	<b>7772.36</b>	<b>8077.98</b>
<b>Non-basmati rice</b>	<b>6133.63</b>	<b>6356.71</b>
<b>Sugar</b>	<b>4602.65</b>	<b>5770.83</b>
<b>Basmati rice</b>	<b>3537.49</b>	<b>4787.65</b>
<b>Spices</b>	<b>3896.03</b>	<b>3785.36</b>
<b>Buffalo meat</b>	<b>3303.78</b>	<b>3193.69</b>
<b>Raw cotton</b>	<b>2816.24</b>	<b>781.43</b>
<b>TOTAL*</b>	<b>50240.21</b>	<b>53153.55</b>

**Q 38.B**

- The Jal Jeevan Mission (Urban) has been designed to provide universal coverage of water supply to all households through functional taps in all 4,378 statutory towns in accordance with Sustainable Development Goal- 6.
- **Providing coverage of sewerage/septage management in 500 AMRUT cities is the other focus area of the scheme. Hence, statement 1 is correct.**
- Components of the Mission :
  - **Rejuvenation of water bodies to augment sustainable fresh water supply and creating green spaces and sponge cities to reduce floods and enhance amenity value through an Urban Aquifer Management plan are other key areas of the Mission. Hence, statement 2 is correct.**
  - JJM(U) will promote circular economy of water through development of city water balance plan for each city focusing on recycle/reuse of treated sewage, rejuvenation of water bodies and water conservation. 20% of water demand to be met by reused water with development of institutional mechanism.
  - A Technology Sub-Mission for water is proposed to leverage latest global technologies in the field of water. Information, Education and Communication (IEC) campaign is proposed to spread awareness among masses about conservation of water.
  - Pey Jal Survekshan will be conducted in cities to ascertain equitable distribution of water, reuse of wastewater and mapping of water bodies with respect to quantity and quality of water through a challenge process. Mission has a reform agenda with focus on strengthening of urban local bodies and water security of the cities.
  - Major reforms are reducing non-revenue water to below 20%; recycle of treated used water to meet at least 20% of total city water demand and 40% for industrial water demand at State level; dual piping system, electric vehicle charging points; Wi-fi infrastructure in new buildings; unlocking value and improving land use efficiency through adequate urban planning; GIS based master plans of the cities; raising funds through issuance of municipal bonds and rejuvenation of water bodies.
- **Salient features of Mission**
  - In order to promote Public private partnership, it has been mandated for cities having million plus population to take up PPP projects worth minimum of 10 percent of their total project fund allocation.
  - **For Union Territories, there will be 100% central funding. For North Eastern and Hill States, central funding for projects will be 90%. Central funding will be 50% for cities will less than 1 lakh population, one third for cities with 1 lakh to 10 lakh population and 25% for cities with million plus population. Hence, statement 3 is not correct.**
  - Mission will be monitored through a technology-based platform on which beneficiary response will be monitored along with progress and output-outcome.

**Q 39.A**

- **Employees Deposit Linked Insurance Scheme**
  - **The Employees Deposit Linked Insurance Scheme (EDLI) is an insurance scheme that was launched by the Government in 1976. Hence statement 2 is not correct.**
  - This scheme was launched to provide social security benefits to the employees of the private sector for whom such benefits were not commonly provided by the employer.

- Today, the EDLI scheme is managed and administered by the Employees Provident Fund Organisation (EPFO) and the scheme provides term life insurance cover on the life of the member employee.
- **Features of Employees Deposit Linked Insurance Scheme:**
  - EDLI applies to all employees with a basic salary under Rs. 15,000/- per month. If the basic salary goes above Rs. 15,000 per month, the maximum benefit is capped at Rs. 6,00,000/-. With effect from 28.04.2021, the EPFO has increased the maximum benefit to Rs. 7 lakh.
  - **There is no need for the employees to contribute to EDLI. Their contribution is required only for EPF (rather Employer has to contribute on behalf of the employee). Hence statement 1 is not correct.**
  - **Any organisation that has more than 20 employees needs to register for EPF. Therefore, any employee who has an EPF account automatically becomes eligible for the EDLI scheme. Hence statement 3 is correct.**
  - There are no exceptions to the insurance coverage provided by EDLI. It protects the insured person round the clock, all around the world.
  - An employer can opt for another group insurance scheme, but the benefits offered must be equal to or more than those offered under EDLI.

#### **Q 40.B**

- Standing Deposit Facility (SDF) was introduced by RBI w.e.f 08-Apr-22, SDF is a liquidity tool that gives banks an option to park access liquidity with them. However, unlike the reverse repo facility, you don't need to provide collateral while depositing funds with RBI.
- The following are the salient features of SDF:
  - **A monetary policy instrument to absorb liquidity without collateral.** The SDF enables the management of surplus liquidity to be flexible as it abolishes the rule that the RBI must display government securities on its balance sheet. **Hence statement 1 is correct.**
  - It has become the floor of the LAF corridor, replacing the fixed rate reverse repo tool, which means the government won't be accepting money for anything lower than the SDF rate.
  - The introduction of this tool has increased the reverse repo rate which leads to a rise in the cost of money.
  - **All the participants who are eligible for LAF (Liquidity Adjustment Facility) will be eligible for SDF too.** Hence statement 2 is correct.
  - **Operated on an overnight basis (after market hours).** The overnight SDF facility will be available between 17:30 hrs to 23:59 hrs on all days, including Sundays and holidays and will be reversed on the following working day in Mumbai. **Hence, statement 3 is not correct.**
  - Enough flexibility to absorb liquidity for a longer tenor at a pre-determined rate.
  - Deposits under the SDF will not be considered as balances eligible for the maintenance of the Cash Reserve Ratio (CRR) but will be eligible for the maintenance of the Statutory Liquidity Ratio (SLR).
  - Impact on liquidity: SDF gives flexibility for surplus liquidity management as it removes the binding constraint on RBI to show government securities on the balance sheet.
  - For every SDF, there will be two entries on the balance sheet – on the liability side (currency-in-circulation) and on the assets side under net claims on banks. This nullified impact on the RBI balance sheet gives more opportunity to RBI to absorb surplus liquidity.

#### **Q 41.B**

- The "Raising and Accelerating MSME Productivity (RAMP)" scheme is a Central Sector Scheme by the Ministry of Micro, Small & Medium Enterprises. The scheme aims to scale up the implementation capacity and coverage of MSMEs in the States, with impact enhancement of existing MSME schemes. Hence, statement 1 is correct.
- It is a World Bank-assisted central government program announced in the Union Budget of 2022-23 with an outlay of INR 6,062.45 crore, of which INR 3750 crore would be loaned by the World Bank and the remaining 2312.45 crore would be contributed by the Indian government. Hence, statement 3 is not correct.
- It will complement the Atma Nirbhar Bharat Mission by fostering innovation, encouraging ideation, and incubating new business and entrepreneurship by developing quality standards, improving practices and processes, enhancing market access, deploying technological tools, and Industry 4.0 to make MSMEs competitive and self-reliant.
- The scheme shall implement regulatory, financial, and implementation reforms as well as firm-level access reforms to provide targeted interventions to MSMEs across recognized challenge areas. In addition

to building the Ministry of MSME's capacity at the national level, the RAMP program will seek to scale up implementation capacity and firm coverage in the states of Gujarat, Maharashtra, Punjab, Rajasthan, and Tamil Nadu.

- RAMP targets improvement in the performance of 5.55 lakh MSMEs, and aims to enhance access to market and credit by strengthening institutions, enhancing center-state partnerships, addressing issues of delayed payments and greening of MSMEs, and ramping up implementation capacity and MSME coverage in states, with impact enhancement of existing MSME schemes.
- The scheme includes the preparation of Strategic Investment Plans (SIPs), in which all states and union territories will be invited. Monitoring and policy review of the scheme would be undertaken by an apex National MSME Council headed by the Minister for MSME. **The monetary support will be routed into the MSME Ministry's budget against 'Disbursement Linked Indicators' (DLIs) to support the ministry's ongoing MSME programmes. The DLIs would include implementing the National MSME Reform Agenda, accelerating the MSME sector center-state collaboration, strengthening the receivable financing market for MSMEs, enhancing the effectiveness of the CGTMSE scheme, and reducing the incidence of delayed payments.** Hence, statement 2 is correct.

#### **Q 42.B**

- According to the Economic Survey 2022-23, India's economic growth in FY23 has been principally led by private consumption and capital formation. The agencies worldwide have projected India as the fastest-growing major economy at 6.5-7.0 percent in FY23. Hence option 3 is correct.
- The uptick in private consumption has also given a boost to production activity resulting in an increase in capacity utilization across sectors. The rebound in consumption was engineered by the near-universal vaccination coverage overseen by the government that brought people back to the streets to spend on contact-based services, such as restaurants, hotels, shopping malls, and cinemas, among others. Thus it is a principal driver of economic growth. Hence option 1 is correct.
- The Capital Expenditure (Capex) of the central government, which increased by 63.4 percent in the first eight months of FY23, was another principal growth driver of the Indian economy in the current year, crowding in the private Capex since the January-March quarter of 2022. A sustained increase in private Capex is also imminent with the strengthening of the balance sheets of the corporations and the consequent increase in credit financing it has been able to generate.
- Hedging is a risk management strategy employed to offset losses in investments by taking an opposite position in a related asset. The Economic Survey 2022-23 highlights a high Hedging Costs of External Commercial Borrowings (ECBs) have made these instruments less attractive than the previous year. Thus, ECBs are not the principal drivers of growth. Hence option 2 is not correct.
- India's current account balance (CAB) recorded a deficit of US\$ 36.4 billion (4.4 percent of GDP) in Q2FY23 in contrast to a deficit of US\$ 9.7 billion (1.3 percent of GDP) during the corresponding period of the previous year. The widening of the current account deficit (CAD) in the second quarter of FY23 was mainly on account of a higher merchandise trade deficit of US\$ 83.5 billion and an increase in net investment income outgo. Hence, India did not Current Account Surplus in FY 23. Hence option 4 is not correct.

#### **Q 43.A**

- The government has recently come up with clarifications on the IMF's Article IV consultations with India.
  - General Government Debt includes debt of both the Centre and the State Governments. under favourable circumstances, the General Government Debt to GDP ratio may decline to below 70 per cent in the same period. Hence, statement 1 is correct.
  - General Government Debt in India is overwhelmingly rupee-denominated, with external borrowings (from bilateral and multilateral sources) contributing a minimal amount. This has been highlighted in the IMF Report. Domestically issued debt, largely in the form of government bonds, is mostly medium or long-term with a weighted average maturity of roughly 12 years for central government debt. Therefore, the rollover risk is low for domestic debt, and the exposure to volatility in exchange rates tends to be on the lower end.
  - Among the various favourable and unfavourable scenarios given by the IMF, under one extreme possibility, like once-in-a-century COVID-19, it has been stated that the General Government's debt could be "100 per cent of debt to GDP ratio" under adverse shocks by FY2028. It talks only of a worst-case scenario and is not fait accompli.
  - According to the report, under favourable circumstances, the General Government Debt to GDP ratio may decline to below 70 per cent in the same period.

Country	2002	2010	2018	2022
Japan	154.1	205.9	232.4	260.1
Singapore	96.3	98.7	109.4	167.5
USA	55.5	95.1	107.4	121.3
Sri Lanka	96.3	68.7	83.6	115.5
France	60.3	85.3	97.8	111.8
UK	34.1	74.0	85.2	101.9
Brazil	76.1	62.4	84.8	85.3
<b>India</b>	<b>82.9</b>	<b>66.4</b>	<b>70.4</b>	<b>81.0</b>
China	25.9	33.9	56.7	77.0
South Africa	31.8	31.2	51.5	71.1
Germany	59.9	82.0	61.9	66.1

- Hence, statement 2 is not correct.

**Q 44.B**

- The international investment position (IIP) is the balance sheet of a country's external financial assets and liabilities. It is an indicator of the degree of financial openness of a country. **Hence statements 1 and 2 are correct.**
- The net IIP (NIIP) (that is, net claims of non-residents in India) to GDP ratio, which indicates the creditworthiness of a country witnessed a consistent decline over the past decade, i.e., from (-) 18.2 per cent of GDP at end-March 2014 to (-) 11.3 per cent at end-September 2023. A decline in this ratio signals constructive utilisation of financial liabilities in the GDP creation.
- India's IIP position, on the whole, has remained stable during the past decade. As of September 2023, **total liabilities, which largely comprise investments by non-residents, increased by 6.5 per cent (YoY)**, while total assets, which largely comprise reserve assets, increased by 10.2 per cent (YoY). **Hence statement 3 is not correct.**

**Q 45.B**

- Revenue Expenditure is part of government spending that does not result in the production of assets. **The significant components of the Centre's revenue expenditure include Interest payments, major subsidies, salaries of Government employees, pensions, defence revenue expenditure and transfers to States.**
- **Construction of National Highways is covered under Capital Expenditure as it leads to asset creation.**
- **Hence, option (b) is the correct answer.**

**Q 46.C**

- **Pent-up demand refers to a situation where demand for a service or product is unusually strong.** Pent-up demand describes a rapid increase in demand for a service or product, usually following a period of subdued spending. **Hence statement II is not correct.**
- Consumers tend to hold off making purchases during a recession, building up a backlog of demand that is unleashed when signs of a recovery emerge.
- **Pent-up demand is especially evident with big-ticket, durable goods.** When economic times get tough, consumers tend to refrain from making expensive, big-ticket purchases such as vehicles, appliances, and other durable goods, instead opting to make what they have last longer—even if it requires extra maintenance and repairs. Once conditions improve, there is a surge in spending. **Hence statement I is correct.**

**Q 47.C**

- India, today is a part of the top 100 clubs on Ease of Doing Business (EoDB). FDI inflows in India stood at \$45.15 Bn in 2014-15 and have consistently increased since then. Total FDI inflows in the country in the last 23 years (April 2000 - September 2023) are \$953.143 Bn while the total FDI inflows received in

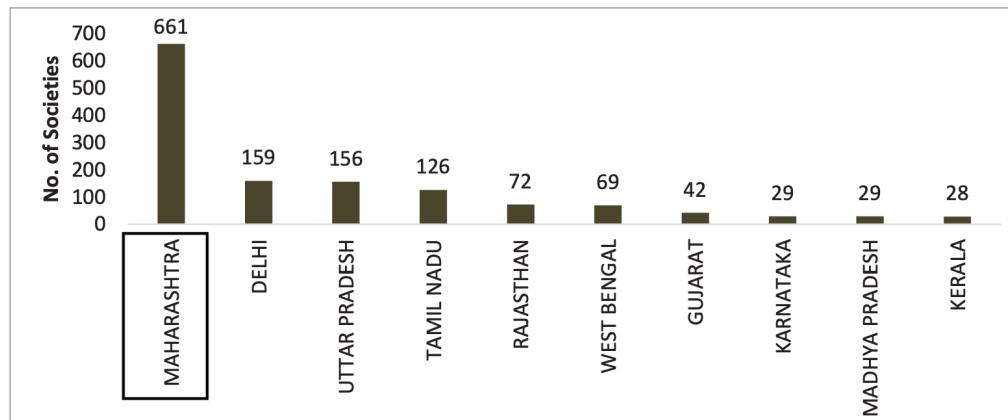
the last 9 years (April 2014 - September 2023) was \$615.73 Bn which amounts to nearly 65% of total FDI inflow in last 23 years.

- Mauritius (24%), Singapore (23%), USA (9%), Netherland (7%) and Japan (6%) emerge as top 5 countries for FDI equity inflows into India FY 2022-23.
- The top 5 sectors receiving the highest FDI Equity Inflow during FY 2022-23 are Services Sector (Finance, Banking, Insurance, Non-Fin/ Business, Outsourcing, R&D, Courier, Tech. Testing and Analysis, Other) (16%), Computer Software & Hardware (15%), Trading (6%), Telecommunications (6%) and Automobile Industry (5%). Hence option (c) is the correct answer.
- Top 5 States receiving highest FDI Equity Inflow during FY 2022-23 are Maharashtra (29%), Karnataka (24%), Gujarat (17%), Delhi (13%), and Tamil Nadu (5%).

#### **Q 48.B**

- The Multi-State Cooperative Societies Act, 2002 (MSCS) was enacted after repealing the Multi-State Cooperative Act 1984, to facilitate the democratic functioning and autonomous working of Multi-State Cooperative Societies in line with the established Cooperative Principles.
- As of date, there are 1528 registered societies under the Multi-State Cooperative Societies Act 2002. The MSCSs include 66 Multi-State Cooperative Banks with deposits of approx. ₹2.6 lakh crore.
- **Maharashtra leads 661 cooperatives, followed by Delhi and Uttar Pradesh**

**Figure VIII.8: Top ten states with Multi-State Cooperative Societies as on 20 October 2022**

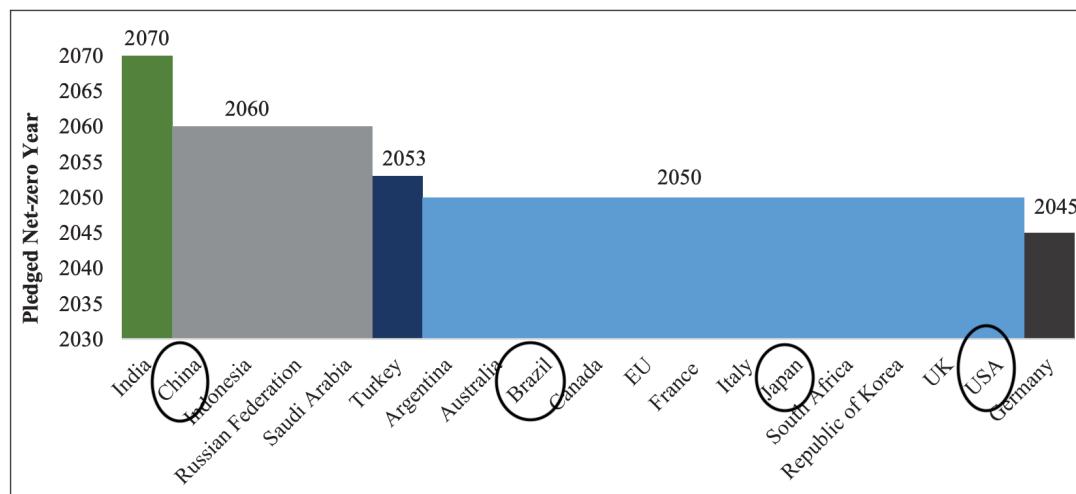


- Hence option (b) is the correct answer.

#### **Q 49.C**

- Climate change is the long-term change in temperature and weather patterns that can occur due to natural reasons, but since the beginning of the industrial revolution in the 19th century, it has been predominantly due to anthropogenic activities.
- Many nations have pledged to reduce their net emission to zero by 2050. Some wish to achieve it by 2060 and by 2070.

**Figure VII.1: Net Zero Pledges of countries (the Year pledged is on top of the bars)**



- In 2020, China announced that it would achieve Carbon Neutrality by 2060. Hence option (c) is the correct answer.

**Q 50.D**

- **Pradhan Mantri Awas Yojana (rural and urban components taken together) has the highest allocation in 2023-24 at Rs 79,590 crore.** This is an increase of 3.2% over the revised estimate of 2022-23. As compared to the revised estimates of 2022-23, the allocation for the rural component of the scheme has increased by 13% and the urban component has declined by 13% in 2023-24. For 2022-23, the allocation towards the scheme has been increased by 60.7% as compared to the budget estimates. **Hence, statement 1 is not correct.**
- **The government attracted criticism due to the significant reduction in the MGNREGA outlays.** Also, **The Pradhan Mantri Gram Sadak Yojana has seen no improvement in terms of allocation as the allocation remains the same as last year despite a major infrastructure push by the government.** Hence, statements 2 and 3 are not correct.

	Actuals 2021-22	Budgeted 2022-23	Revised 2022-23	Budgeted 2023-24	% change (2022-23 RE to 2023-24 BE)
Pradhan Mantri Awas Yojana	90,020	48,000	77,130	79,590	3.2%
Jal Jeevan Mission/National Rural Drinking Water Mission	63,126	60,000	55,000	70,000	27.3%
PM-KISAN	66,825	68,000	60,000	60,000	0.0%
MGNREGS	98,468	73,000	89,400	60,000	-32.9%
National Education Mission	25,305	39,553	32,612	38,953	19.4%
National Health Mission	32,958	37,160	33,708	36,785	9.1%
Modified Interest Subvention Scheme*	-	19,500	22,000	23,000	4.5%
Saksham Anganwadi and POSHAN 2.0	18,382	20,263	20,263	20,554	1.4%
Pradhan Mantri Gram Sadak Yojana	13,992	19,000	19,000	19,000	0.0%
AMRUT and Smart Cities Mission	13,868	14,100	15,300	16,000	4.6%
National Livelihood Mission-Ajeevika	10,177	14,236	13,886	14,129	1.7%
Guarantee Emergency Credit Line to MSME borrowers	7,445	15,000	10,500	14,100	34.3%
Pradhan Mantri Fasal Bima Yojana	13,549	15,500	12,376	13,625	10.1%
Swachh Bharat Mission	5,050	9,492	7,000	12,192	74.2%
Reform Linked Distribution Scheme	814	7,566	6,000	12,072	101.2%

**Q 51.C**

- The formation of Unity malls was announced during the budget 2023-24 that all states will be encouraged to construct a unity mall in their state capitals. The malls can be set up either in their state capitals or major tourism and economic centers.
- The main purpose behind setting up the Unity Mall will be to promote their ODOPs (one district, one product). These products can be characterized as having the Geographical Indication tag. Other handicraft products will also be sold in these malls. The Centre will also request the states to sell such products from other states as well. **Hence, statement 1 is correct.**
- This endeavour, embedded within the 'Scheme for Special Assistance to States for Capital Investment 2023-24,' and outlined in the supplementary guidelines provided by the Department of Expenditure, seeks to infuse new vitality into the ethos of the nation. The objective of the Special Assistance to States for Capital Expenditure/Investment is to enhance capital expenditure by the States. **Hence, statement 2 is correct.**

**Q 52.D**

- In Budget 2023-24, Union Minister of Finance Nirmala Sitharaman announced major changes in personal income tax that not only brought in much-needed relief to the salaried class, but also clearly revealed that the new tax regime would now be the default one, and the old tax regime would merely be a choice and not be discarded.
- **The Indian income tax system levies tax on individual taxpayers based on the income or profits earned by them, which is commonly called taxable income. It was in the financial year 2020-21, that the new tax regime was announced for Individuals and Hindu Undivided Families (HUF) in Budget 2020.** **Hence, option (d) is the correct answer.**
- Accordingly, individuals could opt for reduced tax rates with no option for claiming exemptions and deductions.

- The new tax regime gives flexibility to taxpayers to invest their money as they prefer. In this case, there's no obligation to tax-saving schemes and insurance plans, which may not be in alignment with their long-term financial goals.

**Q 53.D**

- As per the RBI data, in FY 22, the total amount recovered by Scheduled Commercial Banks (SCBs) under IBC has been the highest compared to other channels such as Lok Adalat's, SARFAESI Act and Debts Recovery Tribunals (DRTs) in this period. **Hence option (d) is the correct answer.**

**Table IV.5: Amount recovered by SCBs through various channels (Amount in ₹ crore)**

Recovery Channel	Amount recovered during the year*				
	2017-18	2018-19	2019-20	2020-21	2021-22(P)
Lok Adalats	1,811	2,750	4,211	1,119	2,777
DRTs	7,235	10,552	9,986	8,113	12,114
SARFAESI Act	26,380	38,905	34,283	27,686	27,349
IBC	4,926	66,440	1,04,117	27,311	47,421
<b>Total</b>	<b>40,352</b>	<b>1,18,647</b>	<b>1,52,597</b>	<b>64,229</b>	<b>89,661</b>

Source: Off-site returns, RBI and IBBI

Note: P: Provisional, DRTs stand for Debt Recovery Tribunals

\*: Refers to the amount recovered during the given year, which could be with reference to the cases referred during the given year as well as during the earlier years.

- Recovery of Debts and Bankruptcy Act (RDB Act), 1993:** The RDB Act, 1993 provides for the establishment of Debts Recovery Tribunals (DRTs) with original jurisdiction and Debts Recovery Appellate Tribunals (DRATs) with appellate jurisdiction, for expeditious adjudication and recovery of debts due to banks and financial institutions, insolvency resolution and bankruptcy of individuals and partnership firms and connected matters therewith. The Act is applicable to cases where the amount of debt due to any bank or financial institution defined under the Act or a consortium of banks or financial institutions is Rs.20 lakh or more.
- NALSA along with other Legal Services Institutions conducts Lok Adalats.** Lok Adalat is one of the alternative dispute redressal mechanisms, it is a forum where disputes/cases pending in the court of law or at the pre-litigation stage are settled/ compromised amicably. Lok Adalats have been given statutory status under the Legal Services Authorities Act, of 1987.
- SARFAESI Act or Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002** was formulated with the intent to empower banks to recover Non-Performing Assets (NPAs) without the intervention of a court.
- The Insolvency and Bankruptcy Code, 2016** is an act to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time-bound manner.

**Q 54.A**

- No changes have been announced by the finance minister in the income tax slab rates in the interim Budget 2024.** The income tax slabs and income tax rates will remain unchanged in the upcoming financial year 2024-25, starting from April 1, 2024. Hence, the tax slabs under new and old regime which was introduced in the previous budget are as follows,
- The Income tax regime has seen some important changes in the budget for 2023-24. Some of the significant changes proposed are:
- The number of tax slabs has been reduced from six to five.** The surcharge on the income when it exceeds Rs 5 crore will be reduced from 37% to 25%. Currently, those with income up to Rs 5 lakh can avail of a rebate and not pay any taxes; this limit has been raised to Rs 7 lakh. Further, the standard deduction will be available under the new tax regime. **Hence statement 1 is correct.**

₹ 0-3 lakh	Nil
₹ 3-6 lakh	5 per cent
₹ 6-9 lakh	10 per cent
₹ 9-12 lakh	15 per cent
₹ 12-15 lakh	20 per cent
Above ₹ 15 lakh	30 per cent

- In the old tax regime, the slabs were six with zero tax up to 2.5 Lakhs. Though it has higher rates compared to the new regime, it comes with the facility to avail deductions under Section 80C, etc. The old regime is less flexible in terms of the taxpayer's ability to invest in other options. It left taxpayers with low disposable income. The old tax regime has been proposed to be made optional from years 2023-24.

**Old Tax Regime**

Net Annual Income Range	OLD REGIME TAX RATE
Up to INR 2.5 lakh	Nil
INR 2.5 lakh to INR 5 lakh	5% (tax rebate u/s 87A is available)
INR 5 lakh to INR 7.5 lakh	20%
INR 7.5 lakh to INR 10 lakh	20%
INR 10 lakh to INR 12.5 lakh	30%
INR 12.5 lakh to INR 15 lakh	30%
Above INR 15 lakh	30%

- The highest income tax slab under both regimes is above 15 lakhs with a 30% tax rate. **Hence statement 2 is not correct.**
- The income tax rate for new cooperative societies engaged in manufacturing activities has been lowered from 22% to 15% (plus a 10% surcharge).**

**Q 55.A**

- The Government has been working on improving the life and dignity of the country's labor force by protecting and safeguarding the interest of workers, promoting their welfare and providing social security both in organized and unorganized sectors. **Accordingly, the Ministry of Labour and Employment (MoLE) has developed eShram portal for creating a National database of unorganized workers, which is verified with Aadhaar.** Hence, statement 2 is not correct.
- It captures details of workers like name, occupation, address, occupation type, educational qualification, and skill types etc., for the optimum realization of their employability and extends the benefits of the social security schemes to them. **It is the first-ever national database of unorganized workers, including migrant workers, construction workers, gig and platform workers, etc.** Hence, statement 1 is correct.
- Currently, e-Shram portal has been linked to NCS portal and ASEEM portal for seamless facilitation of services.
- As on 31 December 2022, total over 28.5 crore unorganised workers have been registered on eShram portal.

**Q 56.C**

- The Leadership Group for Industry Transition (LeadIT) gathers countries and companies that are committed to action to achieve the Paris Agreement. It was launched by the governments of Sweden and India at the UN Climate Action Summit in September 2019 and is supported by the World Economic Forum.** Hence, statement 2 is correct but statement 3 is not correct.
- LeadIT members subscribe to the notion that energy-intensive industries can and must progress on low-carbon pathways, aiming to achieve net-zero carbon emissions by 2050.
- It was the first global high-level initiative aimed at reaching net zero emissions from heavy industry. Originally established to build momentum in industries considered “impossible to abate” it has made considerable progress since 2019 and at COP28 in Dubai in 2023 a new phase of LeadIT was launched.** Hence, statement 1 is correct.

**Q 57.B**

- An open economy is one that trades commodities, services as well as financial assets with other countries. An open economy is one that conducts business with other countries in a variety of ways. Normal residents of an open economy are free to move or work in the domestic territory of other economies.
- In an open economy, Gross Domestic Product and Gross National Product are not the same things for these reasons. **In a closed economy, gross domestic product is always equal to gross national product.** Hence statement 1 is not correct.
- Foreign trade (exports + imports) as a proportion of GDP is a common measure of the degree of openness of an economy.** Thus, a higher foreign trade as a proportion of GDP indicates a higher degree of openness of an economy. Hence statement 2 is correct.

**Q 58.B**

- Over time, the trade openness of countries across the globe has been increasing as measured by trade as a proportion of GDP. For the world as a whole, the share of trade as a percentage of world GDP has been in the range of 50-60 per cent since 2003 and stood at 52 per cent in 2020, according to the World Bank database.
- India maintained its dominance in the world services trade in FY22. It is the 7th largest service exporter in the world. Hence statement 1 is not correct.**
- Despite pandemic-induced global restrictions and weak tourism revenues, India's services exports stood at US\$ 254.5 billion in FY22 recording a growth of 23.5 per cent over FY21 and registered a growth of 32.7 per cent in April-September 2022 over the same period of FY22.
- Software and business services together constitute more than 60 per cent of India's total services exports and exhibited strong growth during Q2FY23. Hence statement 2 is correct.**
- While strong revenues in major information technology (IT) companies from various segments such as retail and consumer business; communications and media; healthcare; and banking, financial and insurance services drove the growth in software exports, a significant pick-up in engineering and research and development related services boosted the growth in business services exports during the quarter.

**Q 59.C**

- DigiSaksham - a digital skills programme to enhance the employability of youth by imparting digital skills that are required in an increasingly technology-driven era was launched by the Ministry of Labour and Employment in 2021.**
- This joint initiative with Microsoft India is an extension of the Government's ongoing programs to support the youth from rural and semi-urban areas.
- Through the DigiSaksham initiative, free-of-cost training in digital skills including basic skills as well as advanced computing, will be provided to more than 3 lakh youths in the first year. **Hence statement 2 is correct.**
  - It is a **self-paced Online/Offline Training Programme on “Career Skills”**, to equip the jobseekers with an array of soft and digital skills with the mandate of improving their employability. **Hence statement 1 is correct.**
  - The Jobseekers can access the training through the National Career Service (NCS) Portal ([www.ncs.gov.in](http://www.ncs.gov.in)).
  - The initiative gives priority to job-seekers in semi-urban areas belonging to disadvantaged communities, including those who have lost their jobs due to the COVID-19 pandemic.
- Under the DigiSaksham initiative, **there will be basically three types of training viz. Digital Skills – Self-paced learning, VILT mode training (Virtual Instructor-led) and ILT mode training (Instructor-led)**. The ILT training which is in-person training would be conducted at the Model Career Centres (MCCs) and National Career Service Centres (NCSC) for SCs/STs across the country.
- DigiSaksham will be implemented in the field by Aga Khan Rural Support Programme India (AKRSP-I).**

**Q 60.A**

- By the time India became independent, her share of world income had shrunk from 22.6 per cent in 1700 to 3.8 per cent in 1952. To enable the economy to emerge from the shackles of the colonial regime as well as set itself on the path of growth and modernisation, the government in the 1950s adopted a strategy aimed at achieving economic sufficiency.
- This period was characterised by rapid industrialisation, which involved raising a massive amount of resources and investing them in the creation of large industrial state-owned enterprises (SOEs). The decadal average growth rate for this period (1952-60) was 3.9 per cent.
- However, the 1960s witnessed the Indian economy going through several doldrums. **The 1962 SinoIndian war and the 1965-66 India-Pakistan war, combined with severe drought in 1965, had significant repercussions on the Indian economy. High rates of taxation and pervasive control of the economy** also played a key role in the growth trajectory of the economy slowing down during this period and posting a decadal growth rate of 4.1 per cent in the 1960s. **Hence option (a) is the correct answer.**

**Q 61.C**

- India's National Stock Exchange (NSE) and the Singapore Exchange (SGX) have been given the go-ahead for a planned collaboration in trading stock index-based products from an international financial centre being developed in western India.**

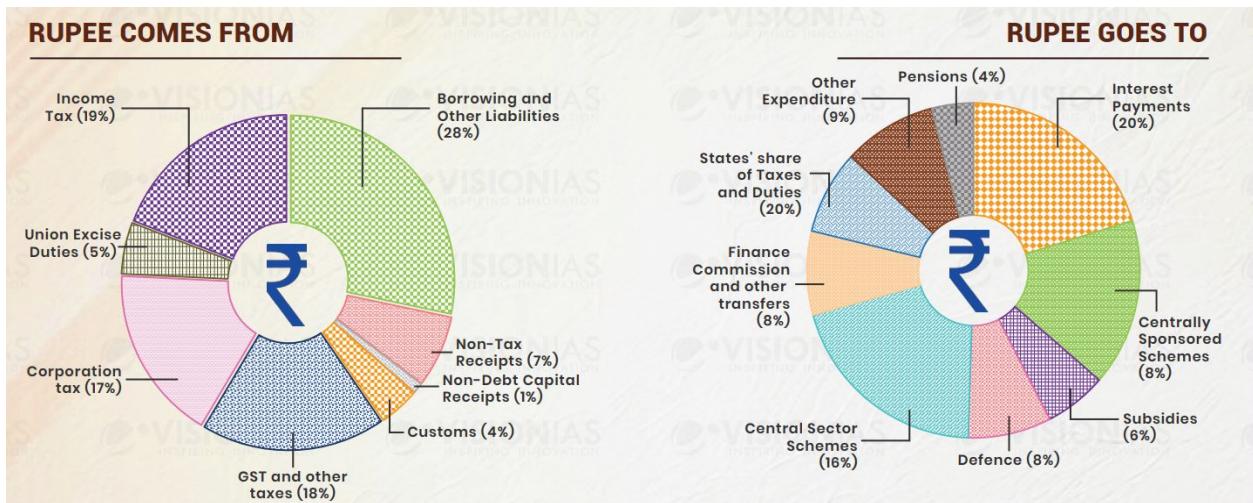
- Both India and Singapore have been pioneers in the FinTech sector. To fuel the next phase of FinTech growth, the Government of India is developing GIFT IFSC as the nerve centre of all FinTech activities.
- **Monetary Authority of Singapore (MAS) and the International Financial Services Centres Authority (IFSCA) have signed a FinTech Co-operation Agreement (CA) to facilitate regulatory collaboration and partnership in FinTech to promote a Joint Regulatory Sandbox Collaboration that will leverage existing regulatory sandboxes in their respective jurisdictions to support experimentation of technology innovations.**
- The Agreement will enable FinTech firms from one jurisdiction to gain market access in the other jurisdiction through a regulatory referral system. **Hence, option (c) is the correct answer.**
- **NSE IFSC-SGX Connect**
  - National Stock Exchange's International Financial Service Centre (NSE IFSC)-SGX Connect, inaugurated by the PM on July 29, 2022, is an essential milestone in the cross-border collaboration between India and Singapore in the area of capital markets.
  - The Connect has been operational since July 3rd 2023 and is expected to play a pivotal role in onshoring derivative trading in NIFTY Products from SGX, Singapore, to NSE-IFSC, GIFT City.
  - The Connect is expected to consolidate volumes and deepen liquidity in derivative instruments at GIFT IFSC, bring in more international participants and positively impact other financial ecosystems in GIFT IFSC.
  - It has been designed to harness the advantages of respective exchanges, SGX for ease of access to investors and NSE IFSC for trading and clearing derivative contracts, in a symbiotic manner to confer gains on all.
- **Please note:** India has this fintech agreement with other countries also, like the Philippines.

#### **Q 62.B**

- **The All-India House Price Index (HPI) is a quarterly release by the Reserve Bank of India with Base Year - 2010-11. Hence, statement 1 is not correct.**
- It is based on transaction-level data obtained from the housing registration authorities in 10 major cities in the country. The cities are Ahmedabad, Bengaluru, Chennai, Delhi, Jaipur, Kanpur, Kochi, Kolkata, Lucknow, and Mumbai. **Hence, statement 2 is correct.**
- **NHB Residex is the housing price index released by the National Housing Bank.**
- NHB Residex was developed under the supervision of a Technical Advisory Committee comprised of housing market stakeholders, representatives from the Government of India (Ministry of Housing and Urban Poverty Alleviation, Ministry of Finance, Ministry of Statistics and Programme Implementation), RBI, NHB (National Housing Bank), and others.

#### **Q 63.A**

- The government generates revenue from both tax and non-tax sources. Taxes are classified as direct and indirect. Income tax and corporate tax are examples of direct taxes whereas GST, Customs, and Excise are indirect taxes.
  - The government isn't able to generate the entire amount that it needs to finance its expenditure through taxes and resorts to market borrowing. Borrowing and other liabilities comprised 28 paise in the overall pie. **Hence statement 1 is correct.**
  - Income and Corporate tax contributed 19 paise and 17 paise respectively, whereas GST comprised 18 paise. Union excise duty stood at 5 paise while customs formed 4 paise in the overall pie.
  - Non-debt capital receipts which includes divestment contributed 1 paise while non-tax receipts stood at 7 paise.
- **On the expenditure front, interest payments on past borrowing and the States share of taxes and duties form the biggest chunk comprising 20 paise each.** This is followed by central sector schemes at 16 paise. Centrally-sponsored schemes are at 8 paise of the overall government expenditure while defence is at 8 paise. The government spends around 6 paise on various subsidies while 9 paise is spent on other expenditure forms. **Hence statement 2 is not correct.**



#### Q 64.C

- India submitted its Long-Term Low Carbon Development Strategy (LT-LEDS) on November 14, 2022, at COP 27. It encompasses the objectives of the National Hydrogen Policy.

### Long-Term Low Emission Development Strategy (LT-LEDS)

Elements	Current policies and targets
 Low carbon development of electricity systems consistent with development	<ul style="list-style-type: none"> <li><b>NDC Target:</b> 50% of non-fossil capacity by 2030.</li> <li><b>Renewable Purchase Obligations</b> for distribution companies, open access consumers and captive power plants.</li> <li><b>Green energy corridors</b> to strengthen transmission networks in 8 Renewable Energy (RE) rich States.</li> <li>A three-fold rise in nuclear installed capacity by 2032.</li> </ul>
 Integrated, efficient, inclusive low-carbon transport system	<ul style="list-style-type: none"> <li>20% ethanol blending in petrol by 2025.</li> <li><b>Indian Railways</b> to become net-zero by 2030.</li> <li>Leapfrogging to directly reach Bharat Stage VI emissions.</li> <li>A National Master Plan for Multi-modal Connectivity - PM Gati Shakti.</li> </ul>
 Adaptation in urban design, energy and material-efficiency in buildings, and sustainable urbanisation	<ul style="list-style-type: none"> <li><b>National Urban Policy Framework (NUPF).</b></li> <li>National Building Code, Energy Conservation Building Code, Eco-Niwas Samhita (an energy conservation building code for residential buildings).</li> <li>India Cooling Action Plan</li> <li><b>National Mission on Sustainable Habitat.</b></li> <li>Extended Producer Responsibility 2021, and Plastic Waste Management (Amendment) Rules 2021.</li> </ul>
 Economy-wide decoupling of growth from emissions and development of an efficient, innovative low-emission industrial system	<ul style="list-style-type: none"> <li><b>National Missions for Enhanced Energy Efficiency</b> and Sustainable Habitat, Standards and Labelling Scheme, and the Energy Efficiency Financing Platform.</li> <li>Fuel switching through promotion of natural gas and the <b>National Policy on Bio-Fuels</b>.</li> <li>Material efficiency through policies on resource efficiency, plastic and e-waste, and steel recycling.</li> <li><b>Green hydrogen technology</b> and infrastructure promotion.</li> </ul>
 CO2 removal and related engineering solutions	<ul style="list-style-type: none"> <li>R&amp;D and building human and infrastructure capacity to evolve technologies and methodologies like <b>Carbon Capture Utilisation and Storage (CCUS)</b>.</li> </ul>
 Enhancing Forest and vegetation cover consistent with socio-economic and ecological considerations	<ul style="list-style-type: none"> <li><b>NDC target:</b> Create an additional carbon sink of 2.5 to 3 billion tonnes of CO2 equivalent by 2030.</li> <li>Other voluntary contributions: <ul style="list-style-type: none"> <li>To restore 26 million ha degraded land by 2030.</li> <li>12 National Biodiversity Targets, in line with 20 global Aichi biodiversity goals.</li> </ul> </li> <li>Major policies and institutions: National Mission for a Green India, <b>National Afforestation Programme</b>, Nagar Van Yojana, National REDD+ (Reducing Emissions from Deforestation and forest Degradation) Strategy 2018 etc.</li> <li>Major greening efforts of the National Highways Authority of India (NHAI) and Indian Railways.</li> </ul>
 Economic and financial aspects of low-carbon development	<ul style="list-style-type: none"> <li><b>Business Responsibility and Sustainability Report (BRSR)</b> by SEBI for mandatory sustainability reporting.</li> <li>Inclusion of Renewable energy projects under Priority Sector Lending (PSL).</li> <li><b>Sustainable Finance Group established by RBI</b> to lead regulatory initiatives in the area of investments linked to climate risk and sustainable finance.</li> </ul>

- **The rapid expansion of green hydrogen production, increasing electrolyser manufacturing capacity in the country, and a three-fold increase in nuclear capacity by 2032** are some of the other milestones that are envisaged alongside the overall development of the power sector. Hence, statement 1 is correct.
- **LT-LEDS has been prepared in the framework of India's right to an equitable and fair share of the global carbon budget and is the practical implementation of India's call for "climate justice."** This is essential to ensure that there are no constraints on realizing India's vision of rapid growth and economic transformation while protecting the environment. Hence, statement 2 is correct.

**Q 65.A**

- To further the Digital India initiative of the Government, the Finance Minister proposed that the newly designed U-WIN platform be rolled out expeditiously throughout the country. **This platform will be used for managing immunization and furthering the efforts under Mission Indradhanush.** Hence option (a) is the correct answer.
- India plans to digitize its Universal Immunisation Programme (UIP) with the introduction of the U-WIN platform, which will issue digital vaccination certificates. All 13 vaccinations administered under India's UIP will be documented digitally on U-WIN. The platform will serve as a single point for registration, record-keeping, follow-ups, and issuing certificates.

**Q 66.C**

- **According to the Economic Survey 2022-23, India is the third-largest economy in the world in Purchasing power parity (PPP) terms. China and the USA are the leading countries in terms of PPP.**
  - Purchasing power parities (PPPs) are the rates of currency conversion that try to equalize the purchasing power of different currencies, by eliminating the differences in price levels between countries.
- **According to the Economic Survey 2022-23, India is the fifth largest in market exchange rates.**
- **As of January 2024, India is not the largest holder of foreign exchange reserves. According to the Reserve Bank of India (RBI)'s website, India's foreign exchange reserves stand at approximately USD 568 billion. Japan currently holds the top spot with reserves exceeding USD 1.3 trillion.** Hence, option (c) is the correct answer.
- India has been the highest remittance-receiving country in the World for the past two years. **In the World Bank's latest Migration and Development Brief, it was reported that India received the highest amount of remittance flows in 2023 at \$125 billion.** India was followed by Mexico (USD 67 billion), China (USD 50 billion), the Philippines (USD 40 billion), and Egypt (USD 24 billion).

**Q 67.C**

- **The NITI Aayog, in collaboration with ministries and state governments, endeavoured to fill this need by launching a transformational open data platform called the National Data and Analytics Platform (NDAP).** NDAP serves foundational datasets from central and state government entities in machine-readable formats, with a user-friendly interface and powerful analytics. Hence, statement 2 is correct.
- The platform uses cutting-edge methods to link diverse datasets from across the government and enables the use of several types of data at once. NDAP's target users include policymakers, civil servants, university students and researchers, journalists, innovators, and civil society groups. A platform of this scale and vision is rare, and NDAP can set a global standard.
- NITI Aayog launched the National Data & Analytics Platform (NDAP) for open public use. **The platform aims to democratise access to public government data by making data accessible, interoperable, interactive, and available on a user-friendly platform.** It hosts foundational datasets from various government agencies, presents them coherently, and provides tools for analytics and visualization. This public launch follows a beta release of the platform in August 2021 that provided access to a limited number of users for testing and feedback. Hence, statement 1 is correct.

**Q 68.D**

- Capital expenditure is the money spent by the government on the development of machinery, equipment, building, health facilities, education, etc. It also includes the expenditure incurred on acquiring fixed assets like land and investment by the government that gives profits or dividends in the future.
- Capital expenditure includes money spent on the following:
  - Acquiring fixed and intangible assets
  - Upgrading an existing asset

- Repairing an existing asset
- Repayment of loan
- **With capital expenditure taken together with the provision made for the creation of capital assets through Grants-in-Aid to States is called ‘Effective Capital Expenditure’ of the Central Government**
- It is estimated at Rs. 10.68 lakh crore in 2022-23, which will be about 4.1% of GDP, according to the Finance Minister who announced the data during the budget 2023-24.
- Hence, option (d) is the correct answer.

**Q 69.C**

- The Finance Minister announced an Agriculture Accelerator Fund during the budget 2023-24 to encourage agri-startups by young entrepreneurs in rural areas. The Fund will aim at bringing innovative and affordable solutions for challenges faced by farmers. It will also bring in modern technologies to transform agricultural practices and increase productivity and profitability.
- This fund will enable inclusive, farmer-centric solutions through relevant information services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for the growth of the agri-tech industry and startups. Hence, option (c) is the correct answer.
- According to the Economic Survey 2022-23, there are over 1,000 agri-tech startups that are currently helping farmer improve their farming practices. The survey said that the smart farming practices introduced by the startups have helped with crop diversification which reduces the farmers' dependency on monsoon water.

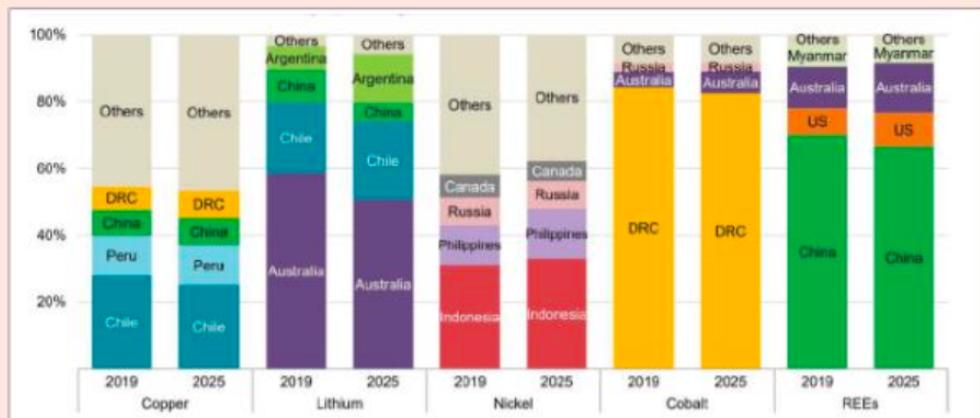
**Q 70.D**

- In its recent report on municipal finances, RBI pointed out that India's property tax collection was much lower than the OECD countries. While the average collection from property taxes as a proportion of GDP was 1.1% in the OECD, it was only 0.2% in India. Hence, statement 1 is not correct.
- Lower property tax collection in India can be attributed to several factors including property undervaluation, incomplete registers, policy inadequacy, and ineffective administration.
- According to ESI 2022-23, there is a wide disparity in taxes across the States, thus creating scope for a large-scale reform of property taxation practices in India. Hence, statement 2 is not correct.
- The latest report by the RBI on the financial condition of municipal bodies in the country has disclosed that municipal bodies in states like Delhi, Gujarat, Maharashtra, Chandigarh, and Chhattisgarh collect higher taxes relative to other states.

**Q 71.A**

- The shift to a clean energy system is set to drive a huge increase in the requirements for critical minerals. Solar photovoltaic (PV) plants, wind farms and electric vehicles (EVs) generally require more minerals than their fossil fuel-based counterparts. A typical electric car requires six times the mineral inputs of a conventional car, and an onshore wind plant requires nine times more mineral resources than a gas-fired plant according to the International Energy Agency Report on ‘The Role of Critical Minerals in Clean Energy Transitions’. Hence, statement 1 is correct.

Figure VII.11: Concentration of production of selected minerals in 2019 and 2025



Source: International Energy Agency Report on ‘The Role of Critical Minerals in Clean Energy Transitions’

- The above graph shows that the highest concentration of production of Lithium is found in Australia and that of Cobalt in the Democratic Republic of Congo. Hence, statement 2 is not correct.

**Q 72.C**

- The credit-to-GDP gap is defined as the difference between the credit-to-GDP ratio and its long-run trend. It captures the build-up of excessive credit in a reduced-form fashion.
- A higher credit-to-GDP ratio indicates aggressive and active participation of the banking sector in the real economy, while a lower number shows the need for more formal credit. **Hence statement 2 is correct.**
- Basel III introduced a countercyclical capital buffer (CCB) aimed at strengthening banks' defences against the build-up of systemic vulnerabilities. The framework assigns the credit-to-GDP gap a prominent role as a guide for policymakers. The guide is intended to help frame the analysis of whether to activate or increase the required buffer and the communication of the related decisions. **Hence statement 1 is correct.**

**Q 73.B**

- Ensuring hassle-free credit availability at cheaper rate to farmers has been the top priority of Government of India. Accordingly, Kisan Credit Card scheme was introduced for farmers, to empower them to purchase agriculture products and services on credit at any time. To ensure that the farmers have to pay a minimal interest rate to the bank, the Government of India introduced Interest Subvention Scheme (ISS), now renamed as Modified Interest Subvention Scheme (MISS), to provide short term credit to farmers at subsidized interest rates.
- **Under this scheme, short-term agriculture loan upto Rs. 3.00 lakh is available to farmers engaged in Agriculture and other allied activities including Animal Husbandry, Dairying, Poultry, fisheries etc. at the rate of 7% p.a. Hence statements 1 and 2 are correct.**
- An additional 3% subvention (Prompt Repayment Incentive - PRI) is also given to the farmers for prompt and timely repayment of loans. Therefore, if a farmer repays his loan on time, he gets credit at the rate of 4% p.a. For enabling this facility to the farmers, Government of India provides Interest Subvention (IS) to the Financial Institutions offering this scheme. This support is 100% funded by the Centre, it is also the second largest scheme of DA&FW as per budget outlay and coverage of beneficiaries.
- MISS covers activities like Animal Husbandry, Dairy, and Fisheries. **Hence statement 3 is not correct.**

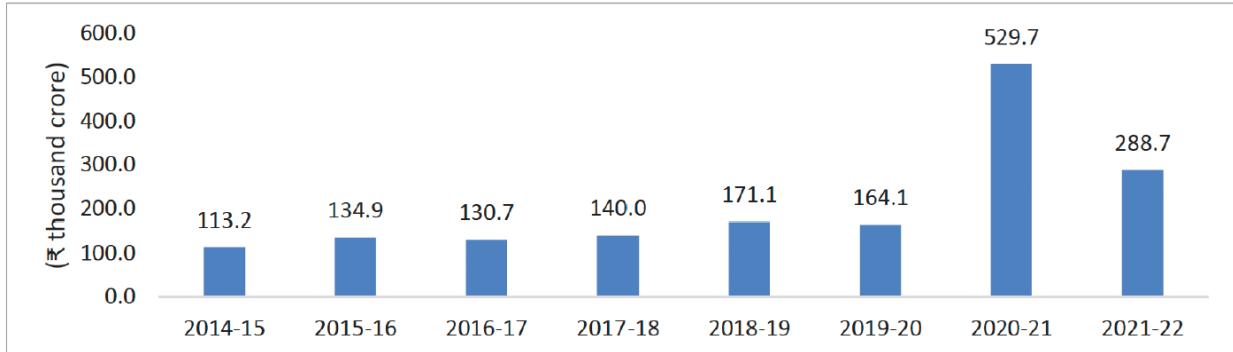
**Q 74.B**

- **The budget 2023-24 announced that a Mission to eliminate Sickle Cell Anaemia by 2047 will be launched.**
- **Accordingly, the National Sickle Cell Anaemia Elimination Mission was launched on 1st July 2023 at Shahdol, Madhya Pradesh. The program is being carried out in a mission mode for screening, prevention, and management of sickle cell anemia in all tribal and other high prevalent areas States/UTs of India.**
- **It will entail awareness creation, universal screening of 7 crore people in the age group of 0-40 years in affected tribal areas, and counseling through collaborative efforts of central ministries and state governments.**
- **Hence, statement 1 is not correct and 2 is correct.**
- **Sickle cell anemia is a form of inherited blood disorder that affects the red blood cells of the body.** It is part of a group of blood disorders called sickle cell disease. The infection turns the RBCs from round flexible discs into stiff and sticky sickled cells. As a result, the blood doesn't have enough red blood cells anymore and the affected person develops anemia, a condition when your body is not able to carry adequate oxygen to the tissues. • Babies who are born with sickle cell anemia might not show symptoms for many months. When they do, the symptoms include extreme tiredness, fussiness and painfully swollen hands and feet. They could also suffer from jaundice.

**Q 75.D**

- Pradhan Mantri Garib Kalyan Yojana / Package is a comprehensive relief package of Rs 1.70 Lakh Crore Yojana for the poor to help them fight the battle against coronavirus. This was announced in March 2020, to reach out to the poorest of the poor, with food and money in their hands, so that they do not face difficulties in buying essential supplies and meeting essential needs. The package included the measures listed hereunder from 30th March 2020. Because of the Yojana, the food subsidy bill was higher during 2020-21 and 2021-22 in comparison to other years, **but that does not mean it has increased continuously in the last 5 years. Hence statement II is correct.**

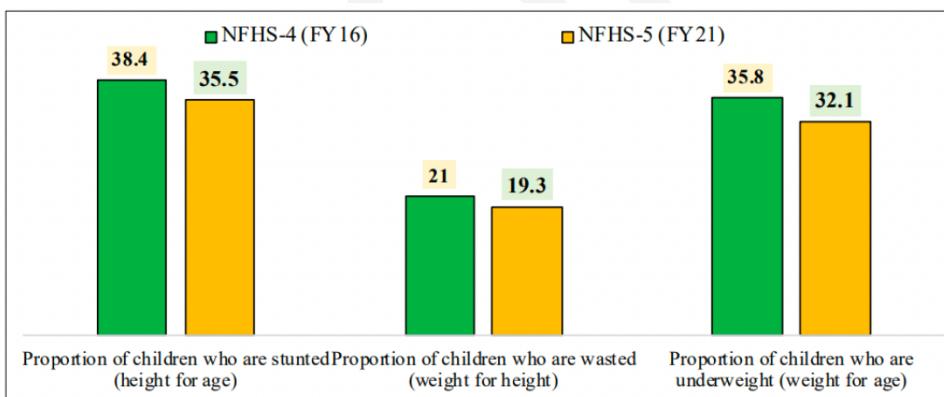
- Food Subsidy trends**



- Hence statement I is not correct.

**Q 76.D**

- The National Family Health Survey (NFHS) is conducted under the aegis of the Ministry of Health & Family Welfare. The National Family Health Survey 2019-21 (NFHS-5), the fifth in the NFHS series, provides information on population, health, and nutrition for India and each state/union territory (UT). Like NFHS-4, NFHS-5 also provides district-level estimates for many important indicators. The contents of NFHS-5 are similar to NFHS-4 to allow comparisons over time. However, NFHS-5 includes some new topics, such as preschool education, disability, access to a toilet facility, death registration, bathing practices during menstruation, and methods and reasons for abortion.
- The Economic Survey 2022-23 highlights the report of the National Family Health Survey (NFHS). The Survey shows improved rural welfare indicators from FY16 to FY20, covering aspects like gender, fertility rate, household amenities, and women empowerment.
- According to the survey report, at least 67 percent of children (6-59 months) have anemia as compared to 58.6 percent in the last survey conducted in 2015-16. Hence option (d) is the correct answer.
- The following graph from the Economic Survey 2022-23, shows the comparative parameters of Child Health from NFHS-4 and NFHS-4.



- Based on the above graph it is clear that maximum improvement has occurred in the proportion of children who are underweight.

**Q 77.A**

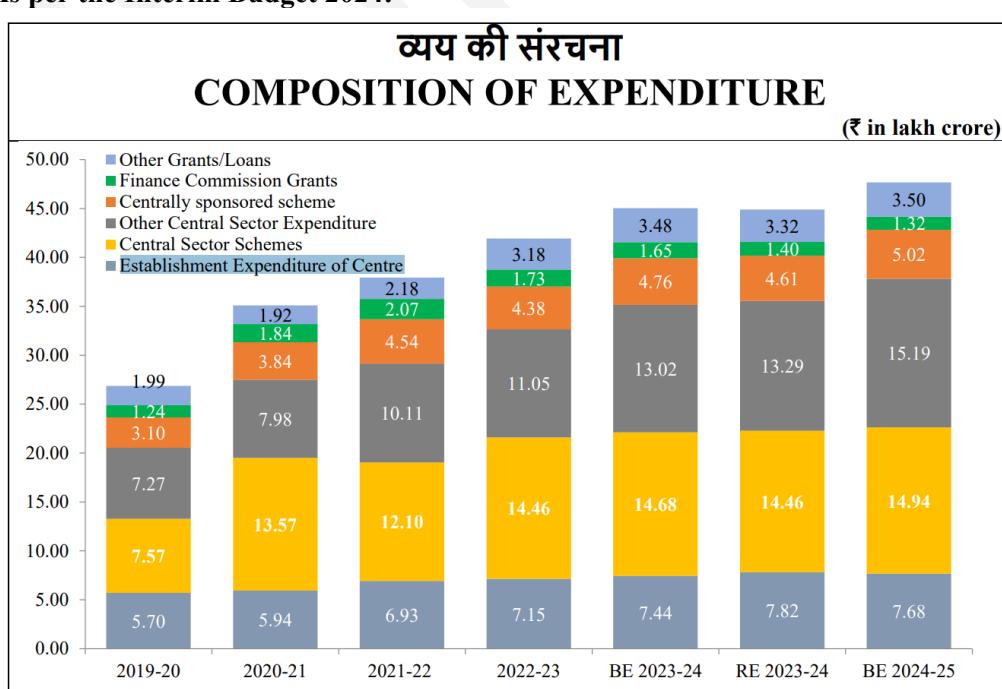
- According to the Economic Survey of India 2022-23, International prices of edible oils surged in FY22 owing to a shortfall in global production and an increase in export tax levies by various countries. India meets 60 percent of its edible oils demand through imports, making it vulnerable to international movements in prices. Hence, statement 1 is correct.
- Sunflower oil alone makes up 15 percent of India's total edible oil imports and is procured mainly from Ukraine and Russia. India buys palm oil mainly from Indonesia, Malaysia, and Thailand, while it imports soybean oil needs from Argentina and the rest from Brazil. Hence, statement 2 is not correct and statement 3 is not correct.
- India's edible oil imports have risen almost 1.5 times and more than doubled in rupee value terms during the last 10 years.
  - From a 10-year perspective, India's edible oil imports have increased from 11.6 mt (valued at Rs 60,750 crore) in 2013-14 to 16.5 mt (Rs 138,424 crore) in 2022-23.

## INDIA'S EDIBLE OIL IMPORTS

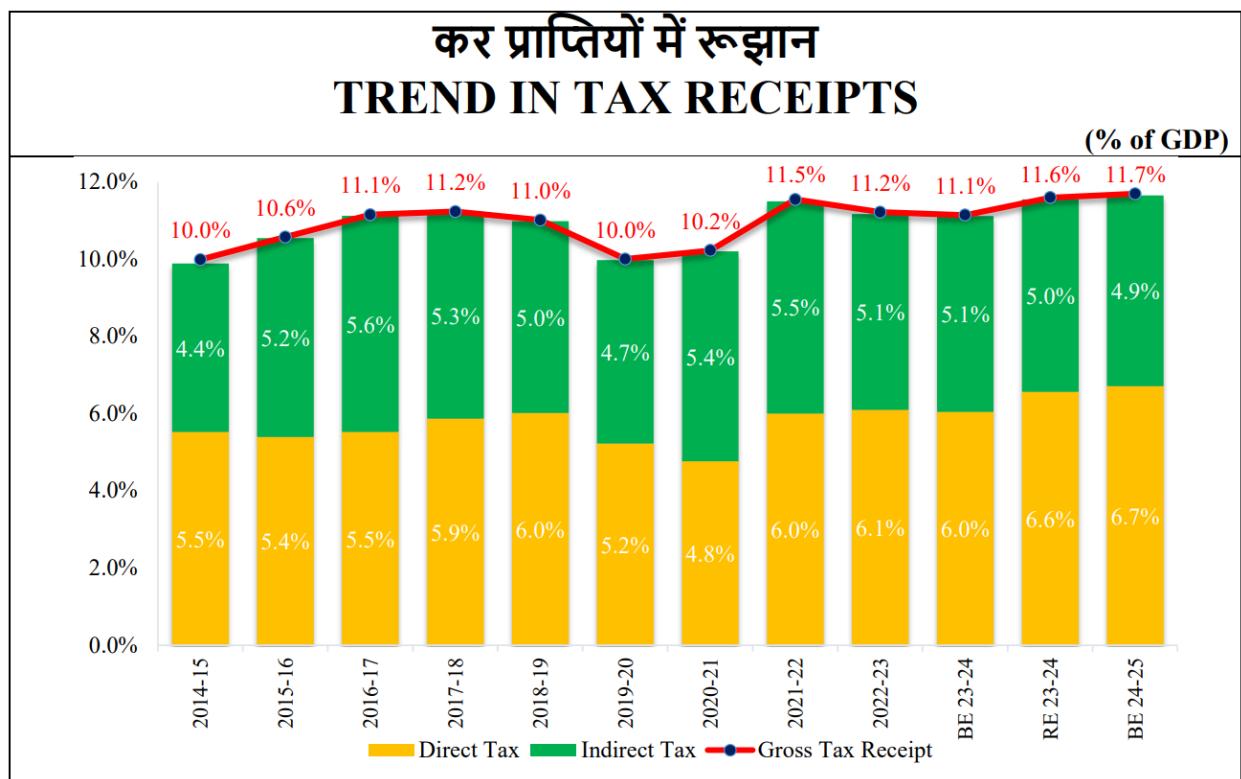
<b>Oil Year (Nov-Oct)</b>	<b>Quantity (million tonnes)</b>	<b>Value in (₹cr)</b>	<b>Value in US \$ billion</b>
2013-14	11.62	60,750	9.95
2014-15	14.42	62,862	9.65
2015-16	14.57	69,780	10.4
2016-17	15.08	75,125	11.55
2017-18	14.51	66,942	9.3
2018-19	14.91	62,933	9
2019-20	13.18	71,625	9.95
2020-21	13.13	117,225	15.6
2021-22	14.03	156,800	19.6
2022-23	16.47	138,424	16.65

### Q 78.B

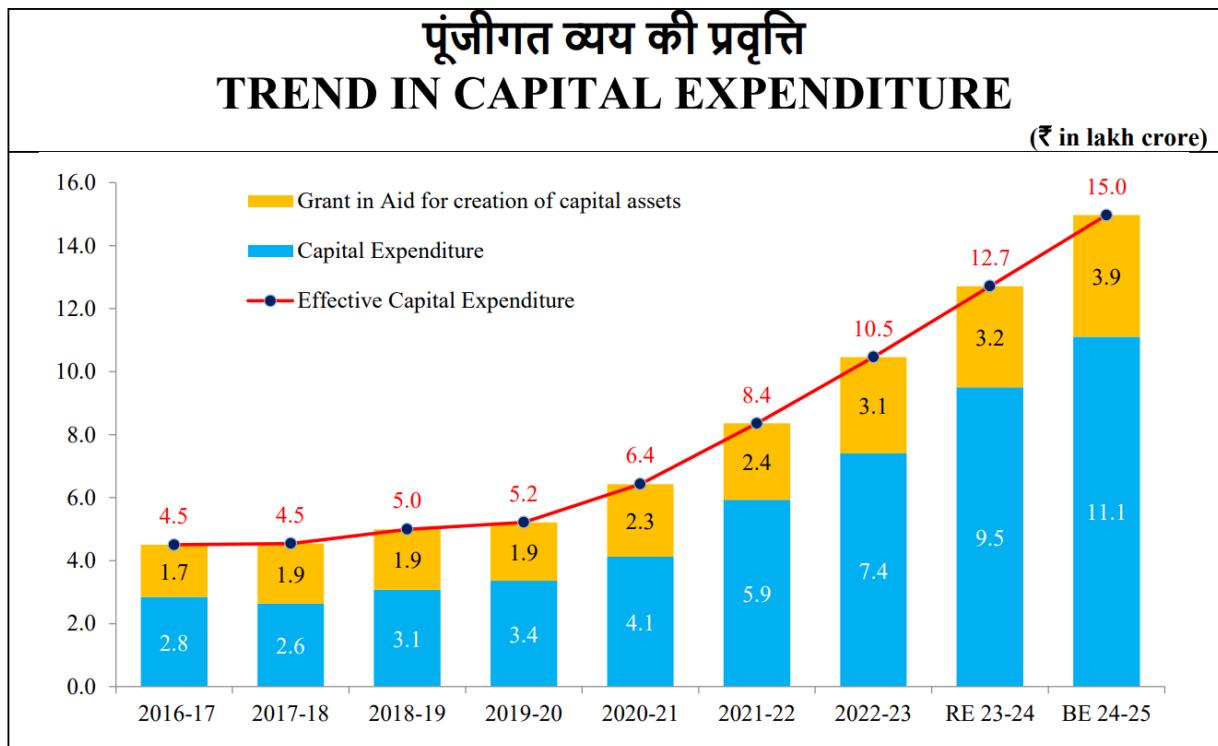
- The government budget and its components can be divided into two parts – Capital and Revenue budget
- Revenue Budget– It consists of the Revenue Expenditure and Revenue Receipts.**
  - Revenue Receipts** are receipts that do not have a direct impact on the assets and liabilities of the government. It consists of the money earned by the government through tax (such as excise duty, and income tax) and non-tax sources (such as dividend income, profits, and interest receipts).
  - Revenue Expenditure is the expenditure by the government that does not impact its assets or liabilities. For example, this includes salaries, interest payments, pension, and administrative expenses.
- Capital Budget– It includes the Capital Receipts and Capital Expenditure.**
  - Capital Receipts** indicate the receipts which lead to a decrease in assets or an increase in liabilities of the government. It consists of (i) the money earned by selling assets (or disinvestment) such as shares of public enterprises, and (ii) the money received in the form of borrowings or repayment of loans by states.
  - Capital expenditure** is used to create assets or to reduce liabilities. It consists of (i) the long-term investments by the government in creating assets such as roads and hospitals, and (ii) the money given by the government in the form of loans to states or repayment of its borrowings.
- As per the Interim Budget 2024:**



- The Gross Tax Receipts did not witness a continuous rise or fall during the last five years. Hence, statement 1 is not correct.



- According to the Interim Budget 2024, capital expenditure by the government has seen a consistent increase in the past 5 years. Hence, statement 2 is correct.



**Q 79.C**

- Invest India Grid (IIG) platform acts as a centralised portal to track and review project progress across all economic and social infrastructure sub-sectors. The portal also enables project-sponsoring authorities to showcase investment opportunities to national and international investors. Hence statement 1 is correct.
- NIP is hosted on the Invest India Grid (IIG) platform and provides opportunities for States/UTs and Ministries to collate all major infrastructure projects at a single location. Hence statement 2 is correct.

- The government launched the National Infrastructure Pipeline (NIP) with a forward-looking approach and with a projected infrastructure investment of around ₹111 lakh crore during FY20-25 to provide high-quality infrastructure across the country. Its Goal is to provide world-class infrastructure to citizens and improve their quality of life by:
  - Identifying and prioritizing infrastructure projects across social and economic sectors.
  - Attracting investment for these projects from both public and private sectors.
  - Improving project preparation and streamlining approvals. **Hence statement 3 is correct.**
- Project Monitoring Group (PMG) is an institutional mechanism put in place by the government for the resolution of issues related to large-scale projects. PMG is also involved in the fast-tracking of approvals/clearances for projects with an anticipated investment of ₹500 crore and above. Now, it has been proposed to integrate NIP and PMG portals.

**Q 80.B**

- GIFT IFSC (International Financial Services Centres) received a major boost in the Union Budget 2023 with the Finance Minister indicating that a number of measures will be undertaken to enhance business activities in the global financial hub.
- To enhance business activities in GIFT IFSC, the following measures will be taken:
  - Delegating powers under the SEZ (Special Economic Zone) Act, 2005 to IFSCA to avoid dual regulation; Hence statement 1 is correct.**
  - Setting up a single window IT system for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI, and IRDAI;
  - Permitting acquisition financing by IFSC Banking Units of foreign banks;
  - Establishing a subsidiary of EXIM Bank for trade re-financing; Hence statement 2 is correct**
  - Amending the International Financial Services Centres Authority Act, 2019 (IFSCA Act) for statutory provisions for arbitration, ancillary services, avoiding dual regulation under SEZ Act, and
  - Recognizing offshore derivative instruments as valid contracts; Hence statement 3 is not correct.**
- For countries looking for digital continuity solutions, the government will also facilitate the setting up of their Data Embassies in GIFT IFSC.

**Q 81.A**

- The finance minister in her Budget Speech made an announcement to set up the Bharat Shared Repository of Inscriptions (BharatSHRI), a digital epigraphy museum, with the digitization of one lakh ancient inscriptions in the first stage. Hence statement 1 is correct.**
- The BharatSHRI will be set up by the Archaeological Survey of India at Hyderabad. Hence statement 2 is not correct.**
- Apart from that, out of the total outlay for the annual budget, Rs. 1102.83 Crore has been allocated to the ASI for the protection, preservation, and conservation of Centrally Protected Monuments/sites and excavations of Ancient Monuments and Archaeological Sites.
- In FY 2023-24, an enhanced amount of Rs. 650.74 Crore (22.19%) has been allocated for the implementation of the Central Sector Schemes of the Ministry of Culture which includes:
  - Kala Sanskriti Vikas Yojana
  - Development of Museum
  - International Co-operation
  - National Mission on Culture Mapping Centenary and Anniversary
  - Celebration scheme and Development of Libraries and Archives

**Q 82.D**

- The project “UNNATI” intends to upgrade the skill base of the MGNREGS workers, and thereby improve their livelihoods so that they can move from their current partial employment to full employment.
- This project was launched in the FY20 and aims to enhance the skill base of 2 lakh MGNREGA beneficiaries in three years i.e., FY20, FY21, and, FY22. So far, about 27,383 candidates have been trained.
- UNNATI skilling project is meant to provide training to one adult member (of age 18-45 years) of a household who has completed 100 days of work under MGNREGA in the financial year from FY19. Hence statement 1 is not correct.**
- Full expenditures towards a stipend, against wage loss compensation, are entirely borne by the Central Government. Hence statement 2 is not correct.**
- A total of 2 lakh beneficiaries are to be imparted training in 26 States and 2 UTs**

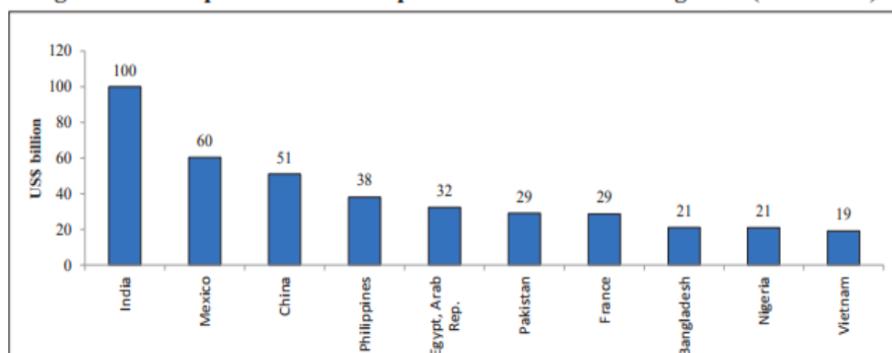
### **Q 83.C**

- In a move to steer India towards a greener future, the Finance Minister unveiled a comprehensive plan aimed at achieving the nation's ambitious Net Zero target by 2070 in Budget 2024.
- The finance minister has allocated significant resources to bolster the green energy sector, with a focus on harnessing India's vast offshore wind energy potential. A notable initiative includes **viability gap funding for the development of 1 gigawatt (GW) of offshore wind energy**, which is expected to play a crucial role in diversifying India's renewable energy portfolio and reducing reliance on fossil fuels.
- Another key component of the strategy is the ambitious goal to set up coal gasification and liquefaction projects capable of processing 100 metric tonnes by 2030. This move is poised to diminish India's import dependency on natural gas, methanol, and ammonia, while simultaneously promoting cleaner energy sources.
- To further reduce carbon emissions, the government plans to mandate the blending of biogas with compressed natural gas (CNG) for transportation and piped natural gas for domestic use. This policy is expected to not only improve air quality but also boost the biogas industry, contributing to the circular economy.
- Financial assistance will be provided to support the procurement of biomass aggregation, which is essential for the production of bioenergy. This step is likely to encourage farmers to participate in the bioenergy supply chain, thereby creating a sustainable and profitable model for agricultural waste management.
- Hence option (c) is the correct answer.

### **Q 84.D**

- Remittances are the transfer of funds between parties as a bill, an invoice, or even a gift. However, "remittance" refers more broadly to the funds migrants send to their relatives in their home country while working and living abroad. These are also referred to as worker or migrant transfers.
- **China is the third top remittance recipient of the world after India and Mexico in 2022. Hence statement 1 is not correct.**
- India's foreign exchange reserves stood at US\$ 532.7 billion as of end-September 2022, covering 8.8 months of imports.
- The reserves augmented to US\$ 562.7 billion as of end-December 2022 covering 9.3 months of imports.
- Forex reserves are foreign currency assets held by the central banks of countries. Description: These assets include foreign marketable securities, monetary gold, special drawing rights (SDRs) and reserve position in the IMF.
- **As of end-November 2022, India was the sixth largest foreign exchange reserves holder in the world according to data compiled by the IMF. Hence statement 2 is not correct.**

**Figure XI.10 Top Remittance recipients of the World during 2022 (Estimated)**

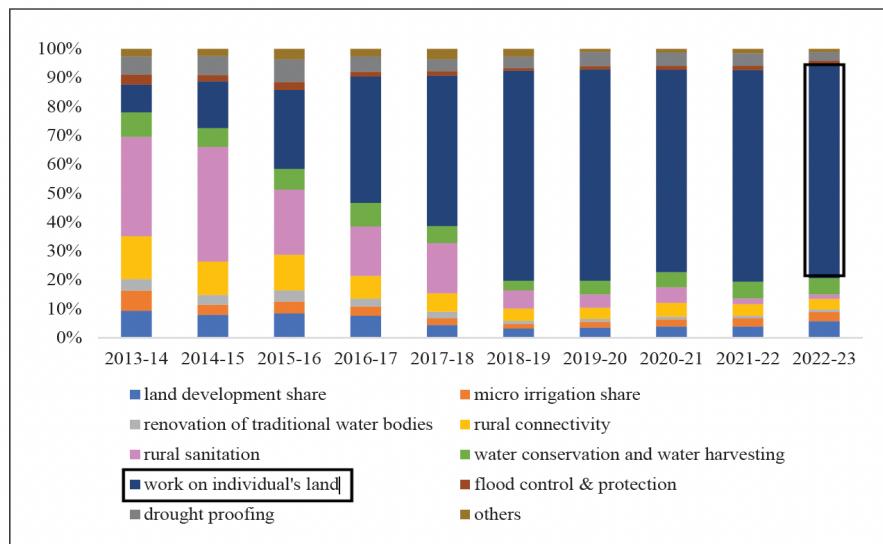


Source: World Bank

### **Q 85.C**

- The Mahatma Gandhi National Rural Employment Guarantee Act 2005 (MGNREGA) aims at enhancing the livelihood security of households in rural areas of the country by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work.
- In case employment is not provided within 15 days from the date of registration of the demand for work or the date from which work has been demanded in case of advance applications, whichever is later, the worker is entitled to a daily unemployment allowance.
- The number of works done under MGNREGS has steadily increased over the years, with 85 lakh completed works in FY22 and 70.6 lakh completed works so far in FY23 (as on 9 January 2023).

- Regarding the composition of works, the share of “works done on individual’s land” (included in the permissible work list in 2009 and expanded since then) has increased from 16 percent of the total completed works in FY15 to 73 percent in FY22. These works include creating household assets such as animal sheds, farm ponds, dug wells, horticulture plantations, vermicomposting pits, etc., in which the beneficiary gets both labour and material costs as per standard rates.



- Hence option (c) is the correct answer.

#### **Q 86.B**

- SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) is a Central Sector Scheme launched on 24 April 2020, the National Panchayati Raj Day. SVAMITVA (Survey of Villages and Mapping with Improvised Technology in Village Areas) scheme is a collaborative effort of the Ministry of Panchayati Raj, State Panchayati Raj Departments, State Revenue Departments, and Survey of India. Hence, statement 1 is not correct.
- The scheme is for surveying the land parcels in rural inhabited areas using Drone technology. The survey shall be done across the country in a phase-wise manner over the period 2020 -2025.
- Its objectives are:
  - To bring financial stability to the citizens in rural India by enabling them to use their property as a financial asset for taking loans and other financial benefits. Hence, statement 2 is correct.
  - Creation of accurate land records for rural planning.
  - Determination of property tax, which would accrue to the GPs directly in States where it is devolved or else, add to the State exchequer.
  - Creation of survey infrastructure and GIS maps that can be leveraged by any department for their use.
  - To support in preparation of a better-quality Gram Panchayat Development Plan (GPDP) by making use of GIS maps. Hence, statement 3 is correct.
  - To reduce property-related disputes and legal cases.

#### **Q 87.C**

- With a thrust on investment in infrastructure, the Union Ministry of Railways has been allocated ₹2.55 lakh crore for the financial year 2024-25, up by 5.8% from last year's allocation of ₹2.41 lakh crore.
- Union Finance Minister, in her Budget speech, said that the Centre will implement three major economic railway corridor programmes—
  - energy, mineral and cement corridor**, also being referred to as Energy Economic Corridor;
  - port connectivity corridor** a.k.a Rail Sagar; and
  - high traffic density corridors** a.k.a Amrit Chaturbhuj.
- The corridors have been planned along the lines of PM Gati Shakti framework by tracking the origin and destination nodes of railways across India. This allows us to understand where we need to add a railway section, which areas require doubling or multi-tracking of routes, where we need rail-over-rail flyovers, or where we need to deploy new lines.
- Hence option (c) is the correct answer.

**Q 88.A**

- For reducing the use of chemical fertilizers in agriculture, the Government of India (GoI) is promoting the balanced and judicious use of fertilizers based on soil test-based recommendations in conjunction with organic fertilizers and bio-fertilizers.
- The Cabinet Committee on Economic Affairs (CCEA) has approved the “PM Programme for Restoration, Awareness Generation, Nourishment, and Amelioration of Mother-Earth (PM-PRANAM)”.
- The PM-PRANAM scheme was aimed at saving the soil and promoting sustainable, balanced use of fertilizers and it involved the participation of State governments. **Hence statement 1 is correct.**
- The initiative aims to support the mass movement started by States/UTs to save the health of Mother Earth by promoting sustainable and balanced use of fertilizers, adopting alternate fertilizers, promoting organic farming and implementing resource conservation technologies.
- **Under the said scheme, 50% of the fertilizer subsidy saved by a State/UT in a particular financial year** by way of a reduction in consumption of chemical fertilizers (Urea, DAP, NPK, MOP) compared to the previous 3 years average consumption, will be passed on to that State/UT as Grant. **Hence statement 2 is not correct.**

**Q 89.C**

- The Shipbuilding industry is a strategically important industry due to its role in energy security, national defence and the development of the heavy engineering industry.
- The advantages of the indigenous shipbuilding sector are:
  - Shipbuilding with its links to other ancillary industries, including steel, engineering equipment, port infrastructure, trade and shipping services has the potential to create a collaborative production ecosystem and give boost to ancillary industries as well.
  - The Indigenous shipbuilding industry will reduce freight bills and forex outgo, thereby reducing the current account deficit.
  - It is capable of generating mass employment in remote, coastal and rural areas, thereby absorbing the labour migrating from agricultural pursuits to manufacturing facilities established by shipyards and their ancillary industries. Hence, statement 1 is correct.
- To promote the indigenous shipbuilding industry in India, the Ministry of Ports, Shipping and Waterways has brought in the Shipbuilding Financial Assistance Policy (SBFAP) scheme for Indian shipyards to procure orders from domestic as well as international markets and to be competitive in the international markets for securing global orders. The scheme offers financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016, and March 31, 2026 with the rate of financial assistance starting from 20% in 2016 and diminishing to 11% in 2026. Hence, statement 2 is correct.

**Q 90.C**

- **India Infrastructure Project Development Fund Scheme (IIPDF)** – was notified by the government on 3 November 2022 for financial support for project development expenses of PPP Projects. Hence statement 1 is correct.
- The scheme aims to develop quality PPP projects by providing necessary funding support to the project-sponsoring authorities, both in the Central and State Governments, for creating a shelf of bankable, viable PPP projects by on-boarding transaction advisers. Hence statement 2 is correct.
- IIPDF Scheme has a total outlay of ₹150 crore for 3 years from FY23 to FY25.
- The IIPDF will contribute up to 75% of the project development expenses to the Sponsoring Authority as an interest-free loan. The balance of 25% will be co-funded by the Sponsoring Authority.
- On successful completion of the bidding process, the project development expenditure would be recovered from the successful bidder. However, in the case of failure of the bid, the loan would be converted into a grant. In case the Sponsoring Authority does not conclude the bidding process for some reason, the entire amount contributed would be refunded to the IIPDF.

**Q 91.A**

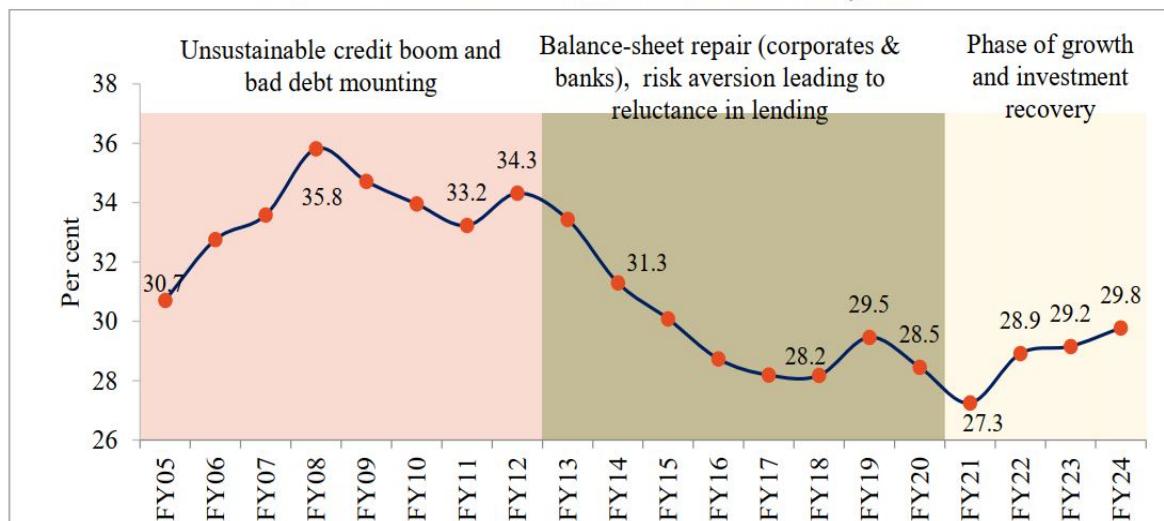
- **Recently, the Prime Minister launched first indigenous green hydrogen fuel cell ferry in Tamil Nadu.** The 24-meter-long catamaran can hold 50 passengers. It is a 'clean transportation' mode with zero greenhouse gas emissions. The inauguration of the fuel cell ferry will provide impetus for using hydrogen in marine applications as envisaged under the National Green Hydrogen Mission and early adoption of hydrogen fuel cell technology in the marine sector will provide it a global competitive advantage whereby meeting sustainable green energy aspirations of the country for net zero emission. Hence, statement 1 is correct.
- **Also, Larsen & Toubro (L&T) has commissioned its first indigenously manufactured electrolyzer at the Green Hydrogen Plant in Gujarat.** Also, BPCL has an electrolyzer facility that produces hydrogen from alkaline water through electrolysis. Hence, statement 2 is not correct.

- Depending on the nature of the method of its extraction, hydrogen is categorized into three categories, namely, Grey, Blue and Green.
  - Grey Hydrogen:** It is produced via coal or lignite gasification (black or brown), or via a process called steam methane reformation (SMR) of natural gas or methane (grey). These tend to be mostly carbon-intensive processes.
  - Blue Hydrogen:** It is produced via natural gas or coal gasification combined with carbon capture storage (CCS) or carbon capture use (CCU) technologies to reduce carbon emissions.
  - Green Hydrogen:** It is produced using electrolysis of water with electricity generated by renewable energy. The carbon intensity ultimately depends on the carbon neutrality of the source of electricity (i.e., the more renewable energy there is in the electricity fuel mix, the "greener" the hydrogen produced).

#### Q 92.A

- The investment climate in the country has transformed in recent years, leading to the emergence of 'investment' as a crucial driver of economic growth.
- The seemingly impressive investment rate in the first decade of the millennium was based on excessive borrowing and over-optimism**, which eventually proved unsustainable.
- In the second decade, banks were reluctant to lend to corporates, and the corporates, in turn, had to trim their balance sheets by selling assets and paying off debts. Hence, the investment share of GDP came down in the second decade.
- These stresses on the balance sheets, which accumulated in the first decade, compounded the underlying macro fragility of the Indian economy with a high fiscal deficit, high current account deficit and sustained double-digit inflation, and the Indian economy was included in the infamous club of 'fragile-five' emerging economies.

**Chart 3-Trends in Investment rate over the years**



Note: Investment Rate is the ratio of Nominal GFCF over Nominal GDP

Data for FY24 is as per the First Advance Estimates

Source: NSO, MoSPI

- Hence both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I.**

#### Q 93.C

- The Ministry of Environment, Forest and Climate Change notified the Guidelines on Extended Producer Responsibility for plastic packaging vide Plastic Waste Management Amendment Rules, 2022, on 16 February 2022. Some of the key highlights of the Guidelines on Extended Producers Responsibility (EPR) on plastic packaging:**
  - mandatory registration of Producers, Importers, and Brand Owners (PIBOs) and
  - Plastic Waste Processors (PWPs)
  - coverage of four categories of plastic packaging viz. rigid, flexible, multi-layered
  - plastic packaging, and compostable plastic packaging
  - clearly defined targets for EPR
  - provision for the sale and purchase of surplus EPR certificates
- The Government published the Battery Waste Management Rules, 2022, on August 24, 2022, to ensure environmentally sound management of waste batteries. Notifying these rules is a**

transformative step toward promoting the circular economy. New rules replaced Batteries (Management and Handling) Rules, 2001. The rules cover all types of batteries, viz. Electric Vehicle batteries, portable batteries, automotive batteries, and industrial batteries.

- The rules function based on the concept of Extended Producer Responsibility (EPR), where the producers (including importers) of batteries are responsible for the collection and recycling/refurbishment of waste batteries and the use of recovered materials from wastes into new batteries. EPR mandates that all waste batteries be collected and sent for recycling/refurbishment, prohibiting disposal in landfills and incineration. To meet the EPR obligations, producers may engage themselves or authorize any other entity to collect, recycle, or refurbish waste batteries.
- The Government notified the E-Waste (Management) Rules, 2022, on November 2, 2022. These rules replaced the E-waste (Management) Rules, 2016 effective from April 1, 2023. These rules was launched a new Extended Producer Responsibility (EPR) regime for e-waste recycling. Hence, option (c) is the correct answer.

**Q 94.A**

- According to the Economic Survey of India 2022-23, the contribution of the MSME sector to overall GVA rose from 29.3 percent in FY18 to 30.5 percent in FY20, the economic impact of the pandemic caused the sector's share to fall to 26.8 percent in FY21.
- Various steps taken by the government for the promotion of Micro, Small, and Medium Enterprises (MSMEs) in India are:
- CHAMPIONS Portal is a single-window grievance redressal portal for MSMEs launched by the Ministry of MSME in June 2020. Hence pair 1 is not correctly matched.
- Samadhaan Portal is set up under the Micro, Small, and Medium Enterprises Development (MSMED) Act to monitor the outstanding dues to the MSME sector and is helping MSMEs in resolving their cashflow difficulties. Hence pair 2 is not correctly matched.
- Udyam Portal is a paperless, zero-cost registration portal that is based on self-declaration and only requires Aadhaar. Hence pair 3 is correctly matched.

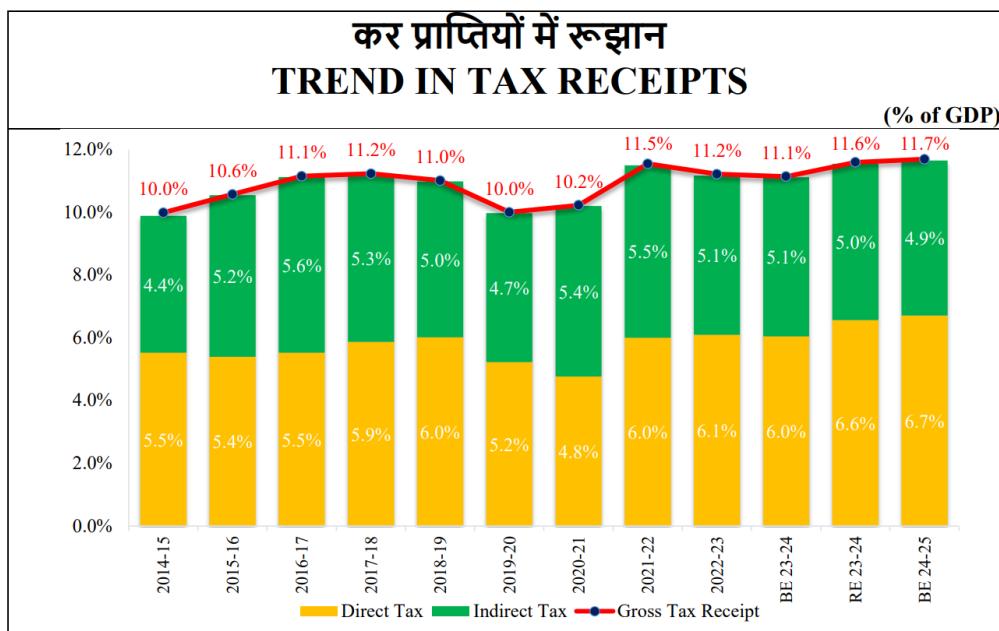
**Q 95.A**

- The ‘National Career Service (NCS’) project was launched in July 2015, as a one-stop solution providing an array of employment and career-related services. It works towards bridging the gap between candidates and employers.
- Nodal Agency: The project is being implemented by the Directorate General of Employment, Ministry of Labour & Employment. Hence, statement 1 is not correct.
- NCS portal has a job fair module to streamline the process of job fair activity on a single online platform by engaging all stakeholders i.e. model career centres, nodal officers, job seekers and employers.
- NCS has partnered with the private sector under the DigiSaksham programme to offer a free, self-paced Online/Offline Training Programme on “Career Skills”, to equip the jobseekers with an array of soft and digital skills with the mandate of improving their employability. Hence, statement 2 is not correct.
- NCS is also working closely with the Ministry of Education All India Council for Technical Education and the All India Survey of Higher Education ) to ensure that its benefits are reaching prospective students/ candidates. This program also includes advanced computing areas and is being provided free of cost.
- Online integration with EPFO and ESIC has also been done to link the willing employers to enable them to shortlist the right candidates through a countrywide database of the workforce on the NCS portal.
- As per the budget announcement of 2022-23, the NCS portal has been successfully interlinked with e-Shram, Udyam and Skill India portal (primary data source of ASEEM portal). This has resulted in the development of an employment ecosystem to facilitate job search and matching for both job seekers and employers.
- NCS added the ‘International Job’ module on the portal in March 2022, which facilitates employers registered with the Ministry of External Affairs to post international job opportunities on the NCS portal and jobseekers to search and apply for these opportunities via the NCS portal. Hence, statement 3 is correct.

**Q 96.C**

- Direct tax is paid by an individual directly to the government and a taxpayer cannot transfer this liability to another entity or person. Whereas an indirect tax is levied on goods and services rather than on income or profits and the taxpayers pay indirect tax to the government through an intermediary.

- According to the Interim Budget estimates for 2024-25, Direct taxes (income tax, corporate tax, etc.) accounted for 6.7 per cent of GDP, and indirect taxes (Goods and Services Tax, Central Excise, etc.) accounted for 4.9 per cent of the total central tax collection in India. Hence, statement 1 is correct.



- The Income Tax Act, of 1961 levies a corporate tax on domestic as well as foreign companies. The Government of India, through this Act, mandates domestic companies to pay corporate taxes based on their universal income. Hence statement 3 is correct.
- Goods and Services Tax constitutes 28 percent of total tax collection as compared to Corporation Income Tax which constitutes 26 percent of total tax collection. Hence, statement 2 is correct.

#### Q 97.A

- To improve the socio-economic conditions of the particularly vulnerable tribal groups (PVTGs), the budget 2023-24 announced that a Pradhan Mantri PVTG Development Mission will be launched.
- This will saturate PVTG families and habitations with basic facilities such as safe housing, clean drinking water and sanitation, improved access to education, health and nutrition, road and telecom connectivity, and sustainable livelihood opportunities. Hence, statement 1 is correct.
- An amount of 15,000 crores will be made available to implement the Mission in the next three years under the Development Action Plan (Which is also known as the Tribal Sub-plan) for the Scheduled Tribes. Hence, statement 2 is not correct.

#### Q 98.B

- The Reserve Bank has been rebalancing the surplus liquidity in the system by shifting it out of the fixed rate overnight reverse repo window into the variable rate reverse repo (VRRR) auctions of longer maturity. Hence statement 1 is not correct.
- Overall, this rebalancing has proceeded on a pre-announced glidepath and has evolved satisfactorily. The operational guidelines for the auction are:
  - The auction will be conducted on CBS (e-Kuber) platform.
  - The minimum bid amount for the auction would be Rupees one crore and multiples thereof. The allotment would be in multiples of Rupees one crore.
  - Banks would be required to place their bids in percentage terms up to two decimal places. Banks can place multiple bids.
  - Successful bids will get accepted at their respective bid rates.
  - Bids at or below the repo rate will be rejected.
- The eligible collateral and the applicable haircuts will remain the same as for the Liquidity adjustment facility (LAF). Hence statement 2 is correct.
- All other terms and conditions applicable to LAF operations will also apply to the above auction mutatis mutandis. These conditions will, however, be subject to review on a periodic basis.

**Q 99.C**

- The Scheme for Special Assistance to States for Capital Expenditure was launched in FY2020-21. The scheme has been expanded and continued as ‘Scheme for Special Assistance to States for Capital Investment 2023-24’ with the allocation of ₹1.3-lakh crore. It aims to provide financial assistance to the state governments in the form of a 50-year interest-free loan for capital investment projects. Hence, statement 1 is correct.
- The loan under the scheme would be over and above the normal borrowing ceiling allowed to states for FY 2023-24 and should be spent in the same year.
- The scheme has eight parts, Part I being the largest with allocation of Rs. 1 lakh crore. This amount has been allocated amongst states in proportion to their share of central taxes and duties as per the award of the 15th Finance Commission.
- Other parts of the scheme are either linked to reforms or are for sector-specific projects.
  - In Part-II of the scheme, an amount of Rs. 3,000 crore has been set aside for providing incentives to States for scrapping State Government vehicles and ambulances, waiver of liabilities on old vehicles, providing tax concessions to individuals for scrapping of old vehicles and setting up of automated vehicle testing facilities. Parts-III & IV of the scheme aimed at providing incentives to States for reforms in Urban Planning and Urban Finance. An amount of Rs. 15,000 crore is earmarked for Urban Planning Reforms, while an additional Rs. 5,000 crore is for incentivising the States to make Urban Local Bodies creditworthy and improving their finances.
  - The scheme also aims at increasing the housing stock for the police personnel and their families within the police stations in urban areas. An amount of Rs. 2,000 crore is earmarked for this purpose under Part-V of the scheme. Another objective of the Scheme is to promote national integration, carry forward the concept of “Make in India” and promote the concept of “One District, One Product (ODOP)” through the construction of Unity Mall in each State. An amount of Rs. 5,000 crore has been set aside for this purpose under the Part VI of the scheme.
  - Part VII of the Scheme, with an allocation of Rs. 5,000 crore is for providing financial assistance to States for setting up libraries with digital infrastructure at Panchayat and Ward level for children and adolescents. Hence, statement 2 is correct.

**Q 100.A**

- Fiscal Deficit** refers to the difference between a government's total revenue and expenses in a given fiscal year. Hence, statement 1 is correct.
- It indicates the extent to which a government relies on borrowing to finance its spending. According to Union Budget 2024-25, the Fiscal deficit as a percent of GDP was as follows: 3.5 (FY18), 3.4(FY19), 4.6(FY20), 9.2(FY21), 6.7(FY22), 6.3(FY 23), 5.8(FY 24) and 5.1 BE(FY 25)
- For FY24 the fiscal gap has been cut to 5.8 per cent as against the estimated 5.9 per cent. The number for 2024-25 has been fixed at 5.1%, below the revised budget for 2023-24, stating that the aim is to achieve a fiscal deficit target of below 4.5 percent by 2025-26. Hence, statement 2 is not correct.

**DEFICIT TRENDS**