

**Q1.** RAISE 2020 summit, recently seen in news is related to:

- A. Sustainable Development
- B. Renewable Energy
- C. Artificial Intelligence
- D. Energy Efficient Technology

• **Solution:**

(C)

- The RAISE 2020 summit (Responsible AI for Social Empowerment) has brought issues around artificial intelligence (AI) to the centre of policy discussions.

**Q2.** Which of the following are the member states of Shanghai Co-operation Organisation (SCO):

- 1) Kazakhstan
- 2) Kyrgyzstan
- 3) Uzbekistan
- 4) Turkmenistan
- 5) Russia

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Select the correct answer code:

- A. 1, 2, 3, 5
- B. 1, 2, 3, 4
- C. 1, 2, 4, 5
- D. 1, 2, 3, 4, 5

• **Solution:**

(A)

- Presently, the SCO comprises eight member states, namely the Republic of India, the Republic of Kazakhstan, the People's Republic of China, the Kyrgyz Republic, the Islamic Republic of Pakistan, the Russian Federation, the Republic of Tajikistan, and the Republic of Uzbekistan.

**Q3.** Consider the following statements regarding Group of 7 (G7) countries:

- 1) G7 is a group consisting of Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.
- 2) European Union is not represented within the G7.
- 3) G7 countries represent more than 70% of the net global wealth.

Which of the above statements is/are correct:

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

• **Solution:**

(A)

- The Group of Seven (G7) is an international intergovernmental economic organization consisting of seven major developed countries: Canada, France, Germany, Italy, Japan, the United Kingdom and the United States, which are the largest IMF-advanced economies in the world.
- As of 2018, the seven countries involved represent 58% of the global net wealth.
- The European Union (EU) is sometimes considered to be a de-facto eighth member of the G-7, since it holds all the rights and responsibilities of full members except to chair or host the meeting.

**Q4.** 'Economic efficiency' as used by economists and policymakers is related to which of the following:

- 1) Equal allocation of goods and services to all consumers and corporations.
- 2) Resource efficient production

Select the correct answer code:

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

• **Solution:**  
**(B)**

- Economic efficiency is when goods and services are distributed according to consumer preferences and needs of corporations.
- It is when the maximum number of goods and services are produced with a given amount of inputs.

**Q5.** Stressed Assets is a powerful indicator of the health of the banking system. It includes:

- 1) Non-performing Assets
- 2) Restructured Loans
- 3) Written off Assets

Select the correct answer code:

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

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• **Solution:**  
**(D)**

- The most important scale of asset quality is Non Performing Assets (NPA).
- But NPA alone doesn't tell the whole story of bad asset quality of loans given by banks.
- Hence a new classification is made in the form of stressed assets that comprises restructured loans and written off assets besides NPAs.
- Restructured asset or loan are that assets which got an extended repayment period, reduced interest rate, converting a part of the loan into equity, providing additional financing, or some combination of these measures.
- Written off assets are those the bank or lender doesn't count the money borrower owes to it.
- The financial statement of the bank will indicate that the written off loans are compensated through some other way.

**Q6.** Which of the following is disadvantageous to developing countries' international trade:

- A. Protection to domestic industries from dumping

- B. Establishing regional trading blocs
- C. Export of primary articles and import of manufactured goods
- D. Free trade with other developing nations

• **Solution:**

(C)

- The present integration of global markets favours the more competitive product from a more competitive country.
- Developed countries have an edge over manufactured goods due to advance in physical as well as human capital.
- Developing countries are preferred for exporting primary articles because they have an abundance of it.
- This affects their competitiveness in the long-run as they miss out on the chance to build a manufacturing base, and remain a primary producer backward economy.

**Q7.** Which of the following can be a form of economic “Protectionism” by India:

- 1) Entry restrictions for foreign nationals
- 2) Preferential market access policies for domestic industries
- 3) Increasing custom duties on imported goods and services

Select the correct answer code:

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

• **Solution:**

(D)

- Protectionism can be any attempt to protect domestic industries from global competition.
- Restricting movements of people (labour), goods, services will all be considered under economic protectionism.
- Preference to domestic industries creates barriers for other MNCs that desire investing in India.
- Increasing custom duties on imported goods and services renders Indian goods to be more competitive than goods imported from abroad.

**Q8.** Which of the following can lead to an increase and saving in forex reserves in India:

- 1) Rise in investment by foreign portfolio investors in Indian stocks and foreign direct investments (FDIs).
- 2) Fall in crude oil prices
- 3) Fall in overseas remittances and foreign travels from India
- 4) Cut corporate tax rates in India

Select the correct answer code:

- A. 1, 2, 3
- B. 2, 3, 4
- C. 1, 3, 4
- D. 1, 2, 3, 4

• **Solution:**

**(D)**

- **Why are forex reserves rising despite the slowdown in the economy?**
- The major reason for the rise in forex reserves is the rise in investment in foreign portfolio investors in Indian stocks and foreign direct investments (FDIs).
- Foreign investors had acquired stakes in several Indian companies in the last two months.
- According to the data released by RBI, while the FDI inflow stood at \$4 billion in March, it amounted to \$2.1 billion in April.
- After pulling out Rs 60,000 crore each from debt and equity segments in March, Foreign Portfolio Investments (FPIs), who expect a turnaround in the economy later this financial year, have now returned to the Indian markets and bought stocks worth over \$2.75 billion in the first week of June.
- Forex inflows are set to rise further and cross the \$500 billion as Reliance Industries subsidiary, Jio Platforms, has witnessed a series of foreign investments totalling Rs 97,000 crore.
- On the other hand, the fall in crude oil prices has brought down the oil import bill, saving precious foreign exchange.
- Similarly, overseas remittances and foreign travels have fallen steeply – down 61 per cent in April from \$12.87 billion. The sharp jump in reserves seen over the last nine-months started with the finance minister, Nirmala Sitharaman's announcement to cut corporate tax rates on September 20.
- Since then the forex reserves have grown by \$73 billion.

**Q9.** FATF-style regional bodies (FSRBs) have been established covering which of the following regions:

- 1) Caribbean Basin
- 2) West Africa
- 3) Latin America
- 4) Middle East

Select the correct answer code:

- A. 1, 2, 3
- B. 2, 3, 4
- C. 1, 2, 3, 4
- D. 1, 3, 4

• **Solution:**

(C)

- **FATF-style regional bodies:**
- Asia/Pacific Group on combating money laundering (APG)
- Caribbean Financial Action Task Force (CFATF)
- Committee of Experts on the Evaluation of Anti-Money Laundering Measures and the Financing of Terrorism of the Council of Europe (MONEYVAL)
- Eurasian Group (EAG)
- Eastern and South African Anti Money Laundering Group (ESAAMLG)
- Financial Action Task Force on Latin America (GAFILAT)
- Inter-Governmental Action Group against Money Laundering in West Africa (GIABA)
- Middle East & North Africa Financial Action Task Force (MENAFATF)
- Task Force on Money Laundering in Central Africa (GABAC)

**Q10.** India Energy Modeling Forum, recently seen in news is the joint initiative of:

- A. India and Japan
- B. India and USA
- C. India and Russia
- D. India and Uzbekistan

• **Solution:**

**(B)**

- **About the India Energy Modeling Forum:**
- Jointly launched by NITI Aayog and United States Agency for International Development (USAID) under the US–India Strategic Energy Partnership.
  
- **Composition:**
- The forum would include knowledge partners, data agencies and concerned government ministries.
  
- Energy modeling or energy system modeling is the process of building computer models of energy systems in order to analyze them.
- The Energy Modelling Forum (EMF) in USA was established in 1976 at Stanford University to connect leading modelling experts and decision makers from government, industry, universities, and other research organizations.

