

1. A

The balance of payments (BoP) record the transactions in goods, services, and assets between residents of a country with the rest of the world for a specified time period typically a year.

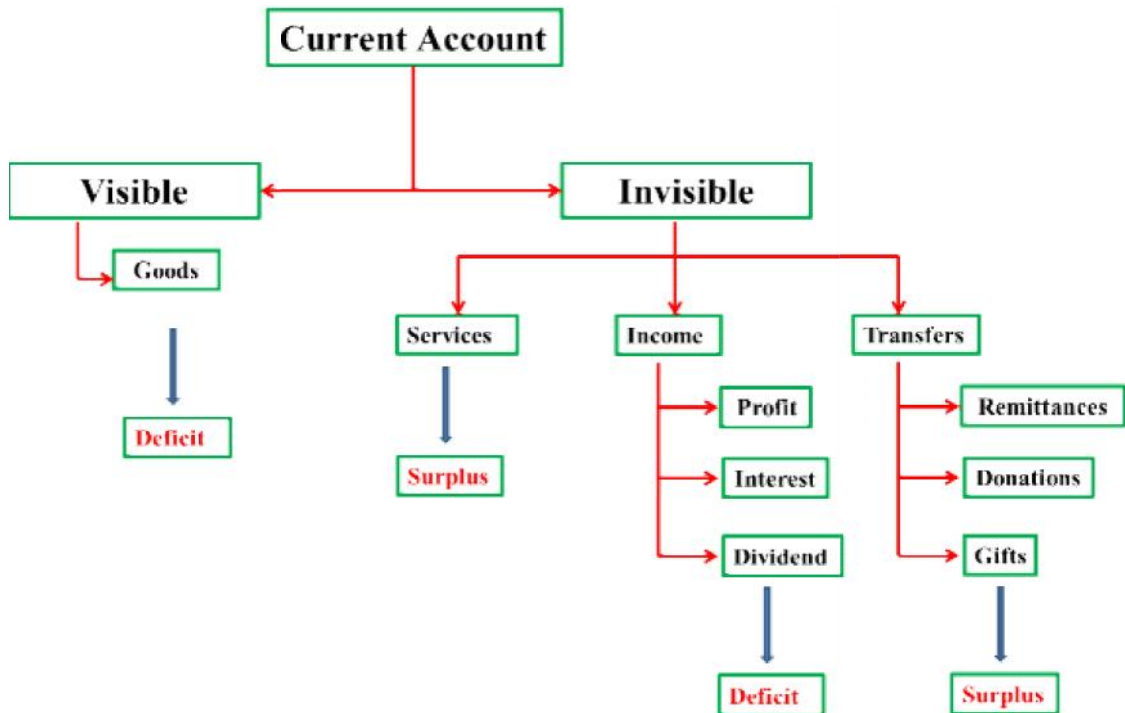
It represents a summation of country's current demand and supply of the claims on foreign currencies and of foreign claims on its currency.

There are two main accounts in the BoP – the current account and the capital account.

Current Account: The current account records exports and imports in goods, trade in services(invisibles) and transfer payments.

Capital Account: The capital account records all international purchases and sales of assets such as money, stocks, bonds, etc. It includes foreign investments and loans.

Note: The IMF accounting standards of the BOP statement divides international transactions into three accounts: the current account, the capital account, and the financial account, where the current account should be balanced by capital account and financial account transactions. But, in countries like India, the financial account is included in the capital account itself.



2. C

What is Current Account Deficit?

- It's simply deficit on all 4 components of current account.
- $(\text{Export} - \text{Import}) + \text{Net income from abroad} + \text{Net Transfers}$
- $(\text{Export} - \text{Import})$ is trade deficit
- **CAD = Trade Deficit + Net Income From Abroad + Net transfers**
 - BOP crisis when capital account surplus are insufficient to finance current account deficit
 - Gulf war period → Oil price shoot
 - Current account became more negative than positive capital account
 - Lead to negative BOP → Rupee value fell → Bad for Indian importers
 - RBI sold its own dollars to make BOP Zero
 - But RBI did not have enough dollars to make BOP zero
 - India pledged 65 tonnes of gold from IMF to make BOP Zero

Steps to avoid BOP crisis

- CAD should be kept low (Or Positive) e.g. Germany
- Capital account should be kept largely surplus (attract investment + LPG reforms)
- Central Bank must have large FOREX reserve e.g. China

BoP Deficit or Surplus

- The decrease (increase) in official reserves is called the overall balance of payments deficit (surplus).
- The balance of payments deficit or surplus is obtained after adding the current and capital account balances.
- The balance of payments surplus will be considered as an addition to official reserves (reserve use).

BoP Crisis

- Countries with current account deficits can run into difficulties. If the deficit is large and the economy is not able to attract enough inflows of foreign investment, then their currency reserves will dwindle.
- There may come a point when the country needs to seek emergency borrowing from institutions such as the International Monetary Fund, that may lead to external debt.

Ans KSCSAPT 508

- Countries with deficits in their current accounts will build up increasing debt and/or see increased foreign ownership of their assets.
- BoP crisis is also known as the currency crisis.

3. C

NEER vs REER

Nominal Effective Exchange Rate (NEER)

Real Effective Exchange Rate (REER)

The weighted average of bilateral nominal exchange rates of home currency in terms of foreign currencies

Weighted average of nominal exchange rates, inflation

$$REER = \sum \left(NEER * \frac{Indian\ CPI}{Partner\ CPI} \right)^{wt\ of\ Partner}$$

- NEER & REER → Weighed Geometric mean with foreign countries currencies – 6 or 36
 - NEER & REER → Calculated by CSO & RBI
 - REER is an indicator of trade competitiveness
 - REER > 100 means national currency is overvalued
 - REER < 100 means national currency is undervalued
 - Undervalued currency → Good for exports e.g. Chinese Yuan
- Real exchange rate is the ratio of foreign to domestic prices and if the ratio yields one , we will say that the currencies are at purchasing power parity that is the exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries

4. C

Fixed Exchange Rate

- Upto March 1992 in India
- 1\$ was approx. equal to Rs. 40
- Authorized dealers under FEMA → If enough dollars not available, then go to RBI

Ans KSCSAPT 508

- If large number of dollar required by people due to any geopolitical or any other factor –
- Devaluation of currency to balance demand of dollar
- Devaluation of national currency increases exports

Floating exchange rate

- RBI doesn't intervene to control exchange rate
- Free market supply-demand came into play to decide the exchange rates
- But too much volatility in exchange rate → Hence in real-life countries use “Managed floating”

Managed floating Exchange Regime

- RBI interfere to manage volatility in floating exchange regime
- To stop depreciation of rupee, RBI should sell dollars from its forex reserve
- To stop appreciation of rupee, RBI should purchase dollars from market

Fixed Exchange Rate

Under this system, there is complete government intervention in the foreign exchange markets.

The government or central bank determines the official exchange rate by linking exchange rate to the price of gold or major currencies like US dollar.

If due to any reason, the exchange rate fluctuates, government intervenes and make sure that equilibrium pre-determined level is maintained.

The only merit of fixed exchange rate system is that it assures the stability of exchange rate. It prevents both currency appreciation and depreciation.

The many disadvantages of such a system are: It puts a

Floating Exchange Rate

Under this system, the market is allowed to determine the value of exchange rate freely.

The exchange rate is determined by the forces of demand and supply.

If due to any reason exchange rate fluctuates, the government never intervenes and allows the market to function and determine the true value of exchange rate.

The only demerit of floating exchange rate system is that exchange rate fluctuates a lot on day to day basis.

The advantages of such a system are: the

heavy burden on governments to maintain exchange rate. This especially happens during the time of deficits, as the governments need to infuse a lot of money to maintain exchange rate.

The foreign investors avoid investing in such countries as they fear to lose their investments because they believe that exchange rate does not reflect the true value of the economy.

exchange rate is determined in well-functioning foreign exchange markets with no government interference. The exchange rate reflects the true value of the domestic currency which helps in establishing the trust among foreign investor.

A country can easily access funds/ loans from IMF and other international institutions if the exchange rate is market determined.

- **Managed Floating Exchange rate**

Managed Floating exchange rate lies in between of the two extremes of fixed and floating exchange rate. Under such a system, the exchange is allowed to move freely and determined by the forces of the market (Demand and Supply). But when a difficult situation arises, the central banks of the country can intervene to stabilise the exchange rate.

There are mainly three sub categories under managed floating exchange rate:

1. **Adjusted Peg System:** In this system, a country should try to hold on to a fixed exchange rate system for as long as it can, i.e. until the country's foreign exchange reserves got exhausted. Once the country's foreign exchange reserves got exhausted, the country should undergo devaluation of currency and move to another equilibrium exchange rate.
2. **Crawling Peg System:** In this system, a country keeps on adjusting its exchange rate to new demand and supply conditions. The system requires that instead of devaluing currency at the time of crisis, a country should follow regular checks at the exchange rate and when required must undertake small devaluations.
3. **Clean Floating:** In the clean float system, the exchange rate is determined by market forces of demand and supply. The exchange rate appreciates or depreciates as per market forces and with no government intervention. It is identical to floating exchange rate.
4. **Dirty Floating:** In the dirty float system, the exchange rate is to a very large extent is determined by the market forces of demand and supply (so far identical to clean floating), but occasionally the central banks of the countries intervene in foreign exchange markets to smoothen or remove excessive fluctuations from the foreign exchange markets.

(a) Autonomous items in BOP:

These refer to international economic transactions that take place due to some economic motives like earning income and profit maximisation. They have nothing to do with foreign exchange payments. Since such transactions are independent of the state of country's balance of payment, i.e., irrespective of whether BOP is favourable or unfavourable, they are, therefore, called autonomous items.

These items are generally called 'above the line items' in BOP. Again, it is autonomous transactions which make deficit or surplus in BOP. BOP is in deficit if the autonomous receipts are less than autonomous payments. BOP is in surplus if the autonomous receipts are greater than autonomous payments. In other words, deficit or surplus in BOP depends upon the balance of autonomous items.

Deficit in BOP account: When during the year total inflows of foreign exchange on account of autonomous transactions are less than total outflows on account of such transactions, there is deficit in BOP.

(b) Accommodating items in BOP:

These refer to transactions that take place to cover deficit (or surplus) arising from autonomous transactions. These items are also called 'below the line items'. Because of government financing, official settlements are seen as accommodating items to keep the BOP identity.

To meet deficit, govt. may borrow from abroad or make withdrawals from foreign exchange reserves. The official settlement approach is based on the assumption that monetary authority is the ultimate financier of any deficit in BOP or the ultimate recipient of any surplus.

5. D

- Bretton Woods is a place in New Hampshire State of USA, just like BASEL is a city in Switzerland
- In 1944, President Roosevelt hosted a conference here, to rebuild the world economy, after Second World War.
- Delegates of 44 allied nations came to participate (India was represented by Sir D. Deshmukh, the first Indian Governor of RBI)

Ans KSCSAPT 508

- Officially known as United Nations Monetary and Financial Conference, commonly known as Bretton Woods because of the place where it was held.

This conference resulted into creation of four important organizations viz.

- IMF (International monetary fund)
- World Bank
- GATT (General Agreement on Trade and Tarrif) – later becomes WTO in 1995
- Fixed Exchange Rate system (Discarded in 1970s)

-

Key Players in this meeting

- US President Franklin D Roosevelt
- UK Prime Minister Winston Churchill
- Harry Dexter White, S. Treasury
- John Maynard Keynes, UK treasury

-

International Monetary Fund

- HQ – Washington
- Official language – Chinese, English, French, Russian, Spanish, Arabic
- Formally created in 1945 by 29 member countries
- Stated goal was to assist in the reconstruction of world’s international payment system post World War II
- Countries contribute funds to a pool through a quota system from which countries with payment imbalances temporarily can borrow money and other resources.

Organization’s objectives as stated in the Articles of Agreement

- To promote international economic co-operation,
- To promote international trade,

- To promote employment and exchange-rate stability,
- Make financial resources available to member countries to meet balance of payments needs

-

Upon initial IMF formation, its two primary functions were:

- to oversee the fixed exchange rate arrangements between countries
- to provide short-term capital to aid balance of payments

-

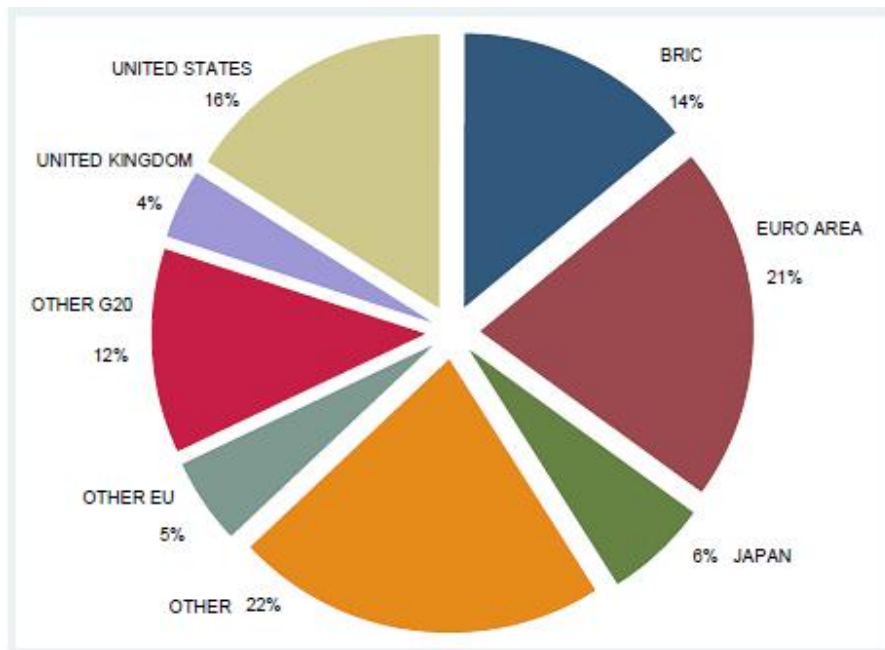
IMF's role was fundamentally altered after the floating exchange rates post 1971

- Shifted to examining the economic policies of countries
- Researched what types of government policy would ensure economic recovery
- Its function became of surveillance of the overall macroeconomic performance of its member countries
- Now manages economic policy instead of just exchange rates + Promotes international trade
- Publishes surveys on world economy → World Economic Outlook

-

IMF Quota & Voting Rights

- Quotas was assigned to member countries reflecting their relative economic power & credit deposit to IMF
- Subscription was to be paid 25% in gold or currency convertible into gold (effectively the dollar, which was the only currency then, still directly gold convertible for central banks) and 75% in the member's own currency
- Members were provided voting rights in proportion to their quota, hence member countries with higher quota have a higher say at IMF



Special Drawing Rights

- Special drawing rights (SDRs) are supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund (IMF)
- SDR is not a currency, instead represents a claim to currency held by IMF member countries for which they may be exchanged.
- The value of an SDR is defined by a weighted currency basket of four major currencies: the US dollar, the euro, the British pound, the Chinese Yuan and the Japanese yen
- Central bank of member countries held SDR with IMF which can be used by them to access funds from IMF in case of financial crises in their domestic market

Reverse Tranche

- A certain proportion of a member country's quota is specified as its reserve tranche.
- The member country can access its reserve tranche funds at its discretion, and is not under an immediate obligation to repay those funds to the IMF.
- Member nation reserve tranches are typically 25% of the member's quota.

Given its unequal voting power mechanism, IMF doesn't always serve the interests of poor & developing countries, hence requires two set of reforms

-

IMF reform in quota

- IMF Executive board decides the Quota of each member based on various parameters including GDP & tariff barriers.
- Higher quota gives higher voting rights and borrowing permissions, But formula is designed in such way US has ~18% quota, G7 collectively own >40% while India and Russia have barely ~2.5% each.
- BRICS, G20 and emerging market economies are against this scheme especially after Subprime crisis and declined economic strength of USA & G7
- 2010: Board decided to increase quota of developing countries albeit mainly by decreasing the quota of poor countries.

-

Problem : 70% votes required to implement this reform, not 70 nations, & the nations who collectively own 70% quota- USA, Germany, Japan etc. Hence quota reform is pending.

-

IMF reform in governance

- Currently in Executive board, 5 out of 24 directors are permanently decided by five largest quota holders.
- 2010: new reforms proposed: Board composition will be reviewed every 8 years + all directors to be elected, no permanent chairs.

-

Problem: Requires 85% votes in favor, hence governance reform is pending as well

Nauru is the latest country joined in IMF

Uruguay Round of the GATT on multilateral trade negotiations has given birth to the Dunkel Draft. World Trade Organization was also given birth by the Uruguay Round.

7. C

Ghulam Mustafa Khan is an Indian classical musician in the Hindustani classical music tradition, belonging to the Rampur-Sahaswan Gharana.

He was awarded the Padma Shri in 1991, followed by the Sangeet Natak Akademi Award in 2003, Padma Bhushan in 2006, and Padma Vibhushan in 2018

8. D

Indian Railways has launched the mission Satyanishtha.

It aims at sensitizing all railway employees about the need to adhere to good ethics and to maintain high standards of integrity at work.

It is the first ever such mission by any government organisation.

• The objectives of the Mission are

1. To train every employee to understand the need and value of ethics in Personal and Public life.
2. To deal with ethical dilemmas in life and Public Governance.
3. To help understand the policies of Indian Railways on ethics and integrity and the employee's role in upholding the same.
4. To develop inner governance through tapping inner resources.

9. D

It is the software to detect plagiarism (Stealing and publication of another author's ideas or expressions) in research.

Union Human Resource Development Minister has recently asserted that this software will be provided to all universities free of cost

10. D

It is a mobile application is launched by Ministry of Coal for tracking illegal mining.

It is a tool for reporting any activity taking place related to illegal coal mining like rat hole mining, pilferage etc.

Citizens can upload geotagged photographs of the incident along with textual information directly to the system.

11. A

It is a Central Sector Scheme under the Ministry of Culture. Under the Scheme, CGST and Central Government's share of IGST paid by Charitable Religious Institutions on purchase of specific raw food items shall be reimbursed to them as financial assistance by the Government of India. The charitable religious institutions include Temples, Gurudwara, Dharmik Ashram, Mosques, Dargah, Church, Matth, Monastries etc. As per the scheme guidelines, the institutions applying for financial assistance are required to produce a certificate from District Magistrate indicating that the institution is involved in charitable religious activities. These institutions must be distributing free food to public/devotees etc. since last 3 years on daily/monthly basis. In case of mis-use of funds, it provide for penalties such as black listing the organisations, recovering the financial assistance with penal interest apart from taking criminal action as per law

12. B

OPCW is an independent, autonomous international organisation with a working relationship with the United Nations.

It is the implementing body of the Chemical Weapons Convention (CWC), which entered into force in 1997.

OPCW has 193 Member States working together to achieve a world free of chemical weapons.

It is headquartered in The Hague, Netherlands.

It was awarded Nobel Peace Prize in 2013.

It has been recently granted additional powers by its members voting in twothird majority.

Until now, OPCW could only say whether chemical weapons were used but not who had used them.

The new power allows it to assign blame for attacks.

This process of extending its jurisdiction was heavily opposed by Russia.

But, Britain was supporting the move arguing that new powers were needed to deal with repeated chemical attacks in Syria

13. B

RIMPAC (Rim of the Pacific Exercise) is the world's largest international maritime exercise.

The 26th edition of RIMPAC was hosted by the U.S. Indo-Pacific Command (INDOPACOM) recently.

It commenced off the Hawaii coast with the participation from 25 countries.

It is aimed at increased inter-operability and development of common understanding of procedures for maritime security operations.

It provides a platform for multilateral operational interactions.

India has participated in this edition and represented by INS Sahyadri.

Israel, Sri Lanka and Vietnam joined RIMPAC for the first time.

China is absent this year as it was disinvented from participating by the U.S., citing China's military actions in the South China Sea.

China participated in the exercise in 2014 and 2016

14. D

Union Environment Ministry has recently unveiled the most advanced System of Air Quality and Weather Forecasting (SAFAR) in New Delhi.

The system, first of its kind in the country, was developed indigenously in by Indian Institute of Tropical Meteorology, Pune and operationalized by IMD.

It will also measure sun's UV-Index, PM1 and Mercury in addition to monitoring and forecasting regular air quality.

In addition to regular air quality parameters like PM2.5, PM10, Sulfur Dioxide, Ozone, Nitrogen Oxides, Carbon Monoxide, the system will also monitor the existence of Benzene, Toluene and Xylene.

Based on UVI, skin advisories will be issued on display

15. A

It is an indigenous fighter aircraft inducted in to Indian Airforce in the year 2016.

It has recently commenced its operation.

It is designed by the Aeronautical Development Agency (ADA) and Hindustan Aeronautics Limited (HAL).

It is a single seat, single-jet engine, multirole light fighter.

It is the smallest and lightest multirole supersonic fighter aircraft in its class.

It can fire Air to Air Missiles, carry bombs and Precision Guided ammunition.

It has its root in the Light Combat Aircraft (LCA) programme, which began in the 1980s to replace the ageing MiG-21 fighters.

MiG21 fighters are purchased from Russia in 1961.

16. C

The 11th edition of Global Innovation Index (GII) has ranked India as the 57th most innovative nation in the world.

The GIi is being developed jointly by Cornell University, the Paris-based business school Insead and the World Intellectual Property Organisation (WIPO) in Geneva.

GII ranks 126 economies based on 80 indicators.

India has improved its ranking from 60th position in 2016 and 81st position in 2015.

China improved its ranking from 22 in 2017 to 17 this year.

Since 2011, Switzerland has been ranked at the top every year. This year, Netherlands follows at second place and Sweden at third

17. B

The index is compiled by AT Kearney, an American global management consulting firm.

It ranks top 10 destinations for FDI in terms of its attractiveness.

India ranks 11th in 2018 index, down from 8 in 2017 and 9 in 2016. Thus, India has fallen out of top 10 destination.

The report by AT Kearney highlighted that the fall in rank is due to troubles in the implementation of the goods and services tax and the government's demonetisation decision in 2016.

It also highlighted several of the reforms such as removing the Foreign Investment Promotion Board and liberalising FDI limits in key sector

18. C

Recently, an international team of scientists has successfully sequenced the whole genome of Koala bear.

It is a tree-dwelling marsupial of coastal eastern Australia and not a bear.

They have exceptional parental care and strange eating habits that they enjoy the leaves of eucalyptus that would be toxic or even fatal to most mammals.

They are born after just 3436 days of gestation without an immune system and spend almost six months developing in the pouch.

It is listed as "Vulnerable" under IUCN's Red Data Book

19. C

International Centre for Automotive Technology (ICAT) releases first Bharat Stage -VI engine certificate for a heavy-duty engine model.

It is much ahead of the implementation date of 1st April 2020 for rolling out of Bharat Stage-VI norms in the country.

BS standards are emission standards instituted by the Government of India in the year 2000, based on EU standards.

It is to regulate the output of air pollutants from internal combustion engines and Spark ignition engines equipment, including motor vehicles.

The standards and the timeline for implementation are set by the Central Pollution Control Board under the Ministry of Environment & Forests and climate change.

All new vehicles manufactured after the implementation of BS norms must be compliant with the regulations.

Major emissions governed under these norms are carbon monoxide emissions, hydrocarbon emission limits. Nitrogen Oxides and particulate matter are also significant metrics.

BSIV standard was brought into place in country-wide in April 2017.

Implementation of the BS V standard that was earlier scheduled for 2019 has now been skipped

20. A

Biofuels are fuels produced directly or indirectly from organic material biomass, including plant materials and animal waste.

Primary biofuels are organic materials used in an unprocessed form, primarily for heating, cooking or electricity production.

Ethanol is a secondary biofuel which is produced through processing of biomass.

First generation biofuels are produced directly from food crops.

Second Generation (2G) biofuels are produced from marginal croplands unsuitable for food production.

Oil PSUs have entered into MoUs with State Governments and Technology Providers for setting up five 2G ethanol bio-refineries.

In 2016, the foundation stone of India's first 2G ethanol bio-refinery in Bathinda, Punjab has been laid.

In the National Policy on Biofuels 2018, Government has allowed B grade heavy molasses, sugarcane juice and damaged food grains as feedstocks to increase availability of ethanol.

Jatropha is an example of third generation Biofuel

21. C

GSM, designed by SEBI, is to keep a tab on securities that witness an abnormal price rise, which is not commensurate with financial health and fundamentals of the company.

The underlying principle is to protect small /retail investors from getting stuck in such stocks inadvertently on some wrong advice.

Currently, more than 900 companies are monitored under this.

Once a firm is identified for surveillance it goes through 6 stages.

In the first stage the securities are put in the trade-to-trade segment i.e no speculative trading is allowed and delivery of shares and payment of consideration amount are mandatory.

A maximum of 5% movement in share price is allowed.

With subsequent stages, corresponding surveillance actions and the restrictions get higher progressively.

In the sixth and final stage, trading is permitted only once a month, with no upward movement allowed in price.

There would be a quarterly review of securities.

Based on this, the securities would be moved from a higher stage to a lower stage in a sequential manner

22. C

The UN Security Council has adopted a resolution 2427, which won unanimous approval of the 15 members of the council.

The resolution aimed at a framework for mainstreaming protection, rights, well-being and empowerment of children throughout the conflict cycle.

It also condemns attacks against schools and hospitals and the denial of humanitarian access by parties to armed conflict.

It demands that all relevant parties immediately put an end to such practices and take special measures to protect children

23. D

Union Cabinet has approved the proposal regarding accession to the WIPO Copyright Treaty and WIPO Performers and Phonograms Treaty.

The treaty extends coverage of copyright to the internet and digital environment.

It is seen as a step towards the objective laid in the National Intellectual Property Rights (IPR) Policy, 2016.

The policy aims to get value for IPRs through commercialization by providing guidance and support to IPR owners about commercial opportunities of e-commerce through Internet and mobile platforms.

The treaty came to force in 2002 and has been adopted by 96 contracting parties till date. It is a Special agreement under Berne Convention (for protection of literary and artistic works).

It has provisions to extend the protection of copyrights contained therein to the digital environment

24. D

Third Intergovernmental Group of Experts (IGE) on consumer protection was recently convened by UNCTAD.

India was represented by Union Minister of Consumer Affairs, Food and Public Distribution.

UNCTAD is a permanent intergovernmental body established by the United Nations General Assembly in 1964.

It is headquartered in Geneva, Switzerland and part of the UN Secretariat.

It is a part of the United Nations Development Group (UNDG).

It was formed specifically to handle the problems of developing countries dealing with trade, investment and development issues.

Reports published by UNCTAD- World Economic Situation and Prospects Report, Trade and Development Report, World Investment Report, The Least Developed Countries Report, Information and Economy Report, Technology and Innovation Report and Commodities and Development Report.

25. B

Indian Government has recently renamed National Centre for Antarctic and Ocean Research (NCAOR) as "National Centre for Polar and Ocean Research".

NCAOR was formed in 1998 with an objective to conduct expedition to India's base stations in Antarctica.

NCAOR is under the Ministry of Earth Sciences.

The intent behind the name change is to show that government is refocusing its priorities to Arctic.

It is because of the opportunities and challenges posed by climate change in Arctic.

Now, India only has one Arctic observation station near Norway.

India is already an observer at the Arctic Council.

Arctic Council is a forum of countries that decides on managing the region's resources and popular livelihood in Arctic region.

The Ottawa Declaration lists the few countries as Members of the Arctic Council.

They are Canada, the Kingdom of Denmark, Finland, Iceland, Norway, the Russian Federation, Sweden and the United States.

Observer countries are China, France, Germany, India, Italy, Japan, South Korea, Netherlands, Poland, Singapore, Spain, and the United Kingdom.

India setup an underground observatory, called IndARC in 2015.

It is located at the Kongsfjorden fjord, half way between Norway and the North Pole

26. D

Ministry of Tribal Affairs recently approves setting up of Ekalavya Model Residential Schools (EMRSs) in States/ UTs.

Ekalavya Residential Schools aims to provide education to tribals in their local environment.

Target- Ekalavya schools in every block with more than 50% ST population and at least 20,000 tribal persons by 2022.

Ekalavya schools will be on a par with Navodaya Vidyalayas.

It will have special facilities for preserving local art and culture, besides providing training in sports and skill development.

The Ekalavya Residential School Scheme is not new. It has been around for many years now. However, the government has signaled in Budget 2018 that it wants to expand the scope

27. C

Any investment flowing from one country into another is foreign investment.

A simple and commonly-used definition says financial investment by which a person or an entity acquires a lasting interest in, and a degree of influence over, the management of a business enterprise in a foreign country is foreign investment. Globally, various types of technical definitions -- including those from IMF and OECD -- are used to define foreign investment.

How does the Indian government classify foreign investment?

The Indian government differentiates cross-border capital inflows into various categories like foreign direct investment (FDI), foreign institutional investment (FII), non-resident Indian (NRI) and person of Indian origin (PIO) investment. Inflow of investment from other countries is encouraged since it complements domestic investments in capital-scarce economies of developing countries, India opened up to investments from abroad gradually over the past two decades, especially since the landmark economic liberalisation of 1991. Apart from helping in creating additional economic activity and generating employment, foreign investment also facilitates flow of technology into the country and helps the

industry to become more competitive.

Why does the government differentiate between various forms of foreign investment?

FDI is preferred over FII investments since it is considered to be the most beneficial form of foreign investment for the economy as a whole. Direct investment targets a specific enterprise, with the aim of increasing its capacity/productivity or changing its management control. Direct investment to create or augment capacity ensures that the capital inflow translates into additional production. In the case of FII investment that flows into the secondary market, the effect is to increase capital availability in general, rather than availability of capital to a particular enterprise. Translating an FII inflow into additional production depends on production decisions by someone other than the foreign investor — some local investor has to draw upon the additional capital made available via FII inflows to augment production. In the case of FDI that flows in for the purpose of acquiring an existing asset, no addition to production capacity takes place as a direct result of the FDI inflow. Just like in the case of FII inflows, in this case too, addition to production capacity does not result from the action of the foreign investor — the domestic seller has to invest the proceeds of the sale in a manner that augments capacity or productivity for the foreign capital inflow to boost domestic production. There is a widespread notion that FII inflows are hot money — that it comes and goes, creating volatility in the stock market and exchange rates. While this might be true of individual funds, cumulatively, FII inflows have only provided net inflows of capital.

FDI tends to be much more stable than FII inflows. Moreover, FDI brings not just capital but also better management and governance practices and, often, technology transfer. The know-how thus transferred along with FDI is often more crucial than the capital per se. No such benefit accrues in the case of FII inflows, although the search by FIIs for credible investment options has tended to improve accounting and governance practices among listed Indian companies.

According to the Prime Minister's Economic Advisory Committee, net FDI inflows amounted to \$8.5 billion in 2006-07 and is estimated to have gone up to \$15.5 billion in 07-08. The panel feels FDI inflows would increase to \$19.7 billion during the current financial year. FDI up to 100% is allowed in sectors like textiles or automobiles while the government has put in place foreign investment ceilings in the case of sectors like telecom (74%). In some areas like gambling or lottery, no foreign investment is allowed.

According to the government's definition, FIIs include asset management companies, pension funds, mutual funds, investment trusts as nominee companies, incorporated/institutional portfolio managers or their power of attorney holders, university funds, endowment foundations, charitable trusts and charitable societies. FIIs are required to allocate their investment between equity and debt instruments in the ratio of 70:30. However, it is also possible for an FII to declare itself a 100% debt FII in which case it can make its entire investment in debt instruments. The government allows greater freedom to FDI in various sectors as compared to FII investments. However, there are peculiar cases like airlines where foreign investment, including FII investment, is allowed to the extent of 49%, but FDI from foreign airlines is not allowed.

What are the restrictions that FIIs face in India?

FII's can buy/sell securities on Indian stock exchanges, but they have to get registered with stock market regulator Sebi. They can also invest in listed and unlisted securities outside stock exchanges if the price at which stake is sold has been approved by RBI. No individual FII/sub-account can acquire more than 10% of the paid up capital of an Indian company. All FII's and their sub-accounts taken together cannot acquire more than 24% of the paid up capital of an Indian Company, unless the Indian Company raises the 24% ceiling to the sectoral cap or statutory ceiling as applicable by passing a board resolution and a special resolution to that effect by its general body in terms of RBI press release of September 20, 2001 and FEMA Notification No.45 of the same date. In addition, the government also introduces new regulations from time to time to ensure that FII investments are in order. For example, investment through participatory notes (PNs) was curbed by Sebi recently.

28. A

The entry of Foreign Direct Investment by non residents into India is regulated through two routes –automatic route and approval route. The automatic route is aimed for those sectors and levels of investment that are less restricted. On the other hand, in the case of approval route, government agencies regulate and scrutinises foreign investment while approving it.

The automatic and approval routes are aimed to have monitoring over the investment activities at the same time to avoid wasteful procedural delays. In most cases, FDI up to certain limits (in Rs crores) and with certain conditions can be made through the automatic route. In the same sectors, FDI beyond a limit (in terms of percentage of investment made in a business venture) and that generally have critical importance need approval from the relevant agencies.

Automatic route

The automatic route stands for less restricted or more liberalized regulation. Under the Automatic Route, the foreign investor or the Indian company does not require any approval from the Reserve Bank or Government of India for the investment. The approval route FDI is allowable in all sectors and activities specified under the consolidated FDI policy.

Approval Route

Under the approval route or government route, the foreign investor or the Indian company should obtain prior approval of the Government of India agencies or bodies specified.

Proposals for foreign investment under approval route as laid down in the FDI policy are considered by either Foreign Investment Promotion Board (FIPB) or Cabinet Committee on Economic Affairs or Cabinet Committee on Securities. In certain cases, the Department of Economic Affairs (DEA) or Department of Industrial Policy & Promotion are also assisting the above approving agencies. The FIPB considers those investments up to Rs 5000 crores for approval. Above this limit, approval will be made by CCEA.

Which body or agency has to give the approval for a specific FDI proposal depends upon the sector and nature of investment specified under the consolidated policy on FDI. For example, as per the new FDI policy on defence sector, FDI more than 49% and also that involves more than Rs 2000 crores investment is to be approved by the Cabinet Committee on Securities.

29. B

The first and foremost difference between FERA and FEMA is that the former requires previous approval of Reserve Bank of India (RBI), whereas the latter does not require RBI's approval, except when the transaction is related to foreign exchange. Check out this article to know more differences between the two acts.

BASIS FOR COMPARISON	FERA	FEMA
Meaning	An act promulgated, to regulate payments and foreign exchange in India, is FERA.	FEMA an act initiated to facilitate external trade and payments and to promote orderly management of the forex market in the country.
Enactment	Old	New

BASIS FOR COMPARISON	FERA	FEMA
Number of sections	81	49
Introduced when	Foreign exchange reserves were low.	Foreign exchange position was satisfactory.
Approach towards forex transactions	Rigid	Flexible
Basis for determining residential status	Citizenship	More than 6 months stay in India
Violation	Criminal offence	Civil offence
Punishment for contravention	Imprisonment	Fine or imprisonment (if fine not paid in the stipulated time)

About FERA

Foreign Exchange Regulation Act, shortly known as FERA, was introduced in the year 1973. The act came into force, to regulate foreign payments, securities, currency import and export and purchase of fixed assets by foreigners. The act was promulgated in India when the position of foreign reserves wasn't satisfactory. It aimed at conserving foreign exchange and its optimum utilisation in the development of the economy.

The act applies to the whole country. Therefore, all the citizens of the country, inside or outside India are covered under this act. The act extends to branches and agencies of the Indian multinationals operating outside the country, which is owned or controlled by the person who is the resident of India.

About FEMA

FEMA expands to Foreign Exchange Management Act, which was promulgated in the year 1999, to repeal and replace the earlier act. The act applies to the whole country and to all the branches and agencies of the body corporate operating outside India, whose owner or controller is an Indian resident and also any violation committed by the person covered under the Act, outside India.

The main objective of the act is to facilitate foreign trade and to encourage systematic development and maintenance of forex market in the country. There are total seven chapters contained in the act which are divided into 49 sections, out of which 12 sections deal with the operational part while the remaining 37 sections cover penalties, contravention, appeals, adjudication and so on.

30. A

The **Committee on Capital Account Convertibility (CAC) or Tarapore Committee** was constituted by the Reserve Bank of India for suggesting a roadmap on full convertibility of Rupee on Capital Account. The committee **submitted its report in May 1997**. The committee observed that there is no clear definition of CAC. The CAC as per the standards, refers to the freedom to convert the local financial assets into foreign financial assets or vice versa at the market determined rates of exchange.

The Tarapore committee observed that the Capital controls can be useful in insulating the economy of the country from the volatile capital flows during the transitional periods and also in providing time to the authorities, so that they can pursue discretionary domestic policies to strengthen the initial conditions.

The CAC Committee recommended the implementation of Capital Account Convertibility for a **3 year period** viz. 1997-98, 1998-99 and 1999-2000.

But this committee had laid down **some pre conditions** as follows:

- Gross fiscal deficit to GDP ratio has to come down from a budgeted 4.5 per cent in 1997-98 to 3.5% in 1999-2000.
- A consolidated sinking fund has to be set up to meet government's debt repayment needs; to be financed by increased in RBI's profit transfer to the govt. and disinvestment proceeds. Inflation rate should remain between an average 3-5 per cent for the 3-year period 1997-2000.
- Gross NPAs of the public sector banking system needs to be brought down from the present 13.7% to 5% by 2000.
- At the same time, average effective CRR needs to be brought down from the current 9.3% to 3%
- RBI should have a Monitoring Exchange Rate Band of plus minus 5% around a neutral Real Effective Exchange Rate RBI should be transparent about the changes in REER External sector policies should be designed to increase current receipts to GDP ratio and bring down the debt servicing ratio from 25% to 20%
- Four indicators should be used for evaluating adequacy of foreign exchange reserves to

safeguard against any contingency. Plus, a minimum net foreign asset to currency ratio of 40 per cent should be prescribed by law in the RBI Act.

The above committee's **report was not translated into any actions**. India is till a country with partial convertibility. However, some important measures in "that direction" were taken and they are summarized as below: The **Indian Corporate were allowed full convertibility in an automatic route** up to the \$ 500 million overseas ventures. This means that the limited companies were allowed to invest in foreign countries. Indian corporate were allowed to prepay their external commercial borrowings via automatic route if the loan is above \$ 500 million. Individuals were allowed to invest in foreign assets , shares up to \$ 2, 00, 000 per year.

Unlimited amount of Gold was allowed to be imported. "The last measure, i.e. allowing unlimited amount of Gold is equal to allowing the full convertibility in capital account via current account route"

Tarapore Committee mentioned the following benefits of capital account convertibility to India:

1. Availability of large funds to supplement domestic resources and thereby promote economic growth.
2. Improved access to international financial markets and reduction in cost of capital.
3. Incentive for Indians to acquire and hold international securities and assets, and
4. Improvement of the financial system in the context of global competition.

Problems

It may be noted that convertibility of currency can give rise to some problems. Firstly, since market determined exchange rate is generally higher than the previous officially fixed exchange rate, prices of essential imports rise which may generate cost-push inflation in the economy.

Secondly, if current account convertibility is not properly managed and monitored, market exchange rate may lead to the depreciation of domestic currency. If a currency depreciates heavily, the confidence in it is shaken and no one will accept it in its transactions. As a result, trade and capital flows in the country are adversely affected.

Thirdly, convertibility of a currency sometimes makes it highly volatile. Further, operations by speculators make it more volatile. Further, operations by speculators make it more volatile and unstable. When due to speculative activity, a currency depreciates and confidence in it is shaken there is capital flight from the country as it happened in 1997-98 in case of South East Asian economies such as Thailand, Malaysia, Indonesia, Singapore and South Korea.

This adversely affects economic growth of the economy. In the context of heavy

depreciation of the currency not only there is capital flight but inflow of capital in the economy is discouraged as due to depreciation of the currency profitability of investment in an economy is adversely affected.

31. A

The Bretton Woods Conference held in 1944 set up the International Monetary Fund (IMF) and the World Bank and re-established a system of fixed exchange rates. This was different from the international gold standard in the choice of the asset in which national currencies would be convertible. A two-tier system of convertibility was established at the centre of which was the dollar.

The US monetary authorities guaranteed the convertibility of the dollar into gold at the fixed price of \$35 per ounce of gold. The second-tier of the system was the commitment of monetary authority of each IMF member participating in the system to convert their currency into dollars at a fixed price. The latter was called the official exchange rate. For instance, if French francs could be exchanged for dollars at roughly 5 francs per dollar, the dollars could then be exchanged for gold at \$35 per ounce, which fixed the value of the franc at 175 francs per ounce of gold (5 francs per dollar times 35 dollars per ounce). A change in exchange rates was to be permitted only in case of a 'fundamental disequilibrium' in a nation's BoP – which came to mean a chronic deficit in the BoP of sizeable proportions.

32. D

Devaluation in modern monetary policy is a reduction in the value of a currency with respect to those goods, services or other monetary units with which that currency can be exchanged. "Devaluation" means official lowering of the value of a country's currency within a fixed exchange rate system, by which the monetary authority formally sets a new fixed rate with respect to a foreign reference currency. In contrast, depreciation is used to describe a decrease in a currency's value (relative to other major currency benchmarks) due to market forces, not government or central bank policy actions.

Fixed Rate System vs Floating Rate System

If the government or RBI fix the exchange rate of a currency (and does not allow any variations according to demand and supply forces in the market), such a system is called **the Fixed Rate system**. It is also called the Bretton Woods system or Pegged Currency System.

India was following this kind of system till 1975 and partial controls followed until 1993. Since this currency valuation mechanism is artificial, most of the countries including India changed to **Floating Rate System** where currency market determines the value of a currency.

Rupee Devaluation vs Rupee Depreciation

The term **devaluation** is used when the government reduces the value of a currency under Fixed-Rate System. When the value of the currency falls under the Floating Rate System, it is called **depreciation**.

Revaluation is a term which is used when there is a rise in currency value in relation with a foreign currency in a fixed exchange rate. In the floating exchange rate regime, the correct term would be **appreciation**.

33. D

Tariff Barriers → When Govt. puts heavy import duty / custom duty on Foreign Products which protects domestic players from competition from foreign players

Non Tariff barriers → When Domestic players are given subsidies / preference over the foreign players by Govt. for Ex.

Key Functions of WTO

- Reduce above stated barriers to international trade – both tariff barriers and non-tariff barriers & Get the members enter into multilateral trade agreements.
 - Provide forum for negotiation & dispute settlement for members, if agreements are violated.
 - Ensure the developing countries benefit from world trade, especially the least Developed countries
 - Cooperate with UN, World and IMF for a global economic policy that improves livelihood, protects environment and promotes sustainable Development.
-
- Agriculture R &D, Training programmes, Flood / Drought relief to farmers etc.
 - Subsidies that don't disrupt trade balance or cause minimum damage to trade balance
 - WTO Limit → Nothing

Green Box

Blue Box

- Amber type Subsidies that aim to limit production

- Subsidies that don't increase with production
- For example subsidies linked with acreage or number of animals
- WTO Limit → Nothing

- Subsidies that disturb trade balance like subsidies on fertilizers, seeds, power and irrigation
- By this, country's product becomes cheaper than others, in the international market
- WTO Limit – De Minimus

Amber Box

Amber Box: De Minimus limits

- The minimal amounts of Amber box subsidies permitted by WTO, even though they distort trade
- Calculated on the agriculture production of the given member state in 1986-88
- Limits – Developed (5%), Developing (10%), Least Developed (Exempted)

34. D

Revitalising Infrastructure and Systems in Education (RISE) Scheme

RISE scheme was announced in 2018 budget to revitalize the infrastructure of higher educational institutions with a total investment of one lakh crore in the upcoming 4 years.

It will be financed via a restructured HEFA.

This scheme will cover all centrally funded institutes (CFIs) including central universities, IITs, IIMs, NITs and IISERs.

These institutions can borrow a sum of Rs. 1,00,000 crore in next 4 years.

Indian Institutes of Technology (IITs) will get largest part of loans on offer under RISE Scheme.

35. C

PMKK is established by National Skill Development Corporation (NSDC) across India.

It aims to provide skill training for unemployed youth through its short term training (STT) module and contribute to the capacity building of municipal employees through Recognition of Prior Learning (RPL) program.

PMKK for differently abled person is going to be launched in Mohali.

It is also a first of its kind in India

36. A

eVIGIL is a mobile app launched by Election Commission of India.

It enables citizens to report on violation of code of conduct during elections.

The application will be active only in States where elections have been announced.

The moment a citizen exits an election-bound State, the app will become inactive.

To prevent any misuse, the app will not allow uploading of the pre-recorded or old images and videos.

The app will be made available for general use by all, from the forthcoming Assembly elections in the States of Chhattisgarh, Madhya Pradesh, Mizoram and Rajasthan

37. C

Home Ministry is planning to launch the Student Police Cadet (SPC) programme in Gurgaon.

The programme designed for students of Class VIII and IX to start a project on tolerance, moral values, patience and ethics among others.

The programme is aimed at making them "better citizens" and seeks to build a bridge between the police and the larger community through school students.

It will be implemented first in government schools.

It seeks to cover issues like community policing, fight against social evils, safety of women and children, fight against corruption and disaster management.

38. D

National Achievement Survey is conducted by National Council of Educational Research and Training (NCERT).

The survey focuses on assessing the learning levels of the students in Classes 3, 5, 8 and 10.

The Learning Outcomes for each class in Languages (Hindi, English and Urdu), Mathematics, Environmental Studies, Science and Social Science has been set under RTE Act, 2009.

The ambit of the survey includes school leaders, teachers and officials at the Cluster, Block, District Institute of Education and Training (DIET), State Council of Educational Research and Training (SCERT) and the Directorates of Education in the different States/UTs.

39. D

Institutes of Eminence are institutions which are expected to make into top 500 world rankings in a decade.

They have complete freedom to decide the curricula, hire domestic and foreign faculty and fix a fee structure of their choice.

It comprise 10 public and 10 private educational institutions which will be selected based on the recommendations of Empowered committee.

The Government has shortlisted Six Institutions of Eminence (IoEs) including 3 from Public Sector and 3 from Private Sector.

Public Sector- Indian Institute of Science, Bangalore, IIT Bombay and IIT, Delhi.

Private Sector- Jio Institute (Reliance Foundation), Pune, Birla Institute of Technology & Sciences, Pilani, Rajasthan; and Manipal Academy of Higher Education, Manipal, Karnataka.

These institutes were selected based on the recommendations of Empowered committee set up for this purpose.

These institutions will get financial assistance up to Rs. 1000 Crore over the period of five years under this scheme.

40. C

She was a Carnatic Vocalist and 1st Musician ever to be awarded Bharat Ratna.

She is the 1st Indian Musician to receive the Ramon Magsaysay Award

United Nations had issued a stamp in 2016 to mark her birth centenary.

She is the 1st Indian to perform in the Iconic U.N Hall in the year 1966.

India's mission to the UN also organised a photo exhibition from August 15-19 at the world body's headquarters to commemorate her birth centenary which falls on September 16.

41. B

The Indian subcontinent is a southern region and peninsula of Asia, mostly situated on the Indian Plate and projecting southwards into the Indian Ocean from the Himalayas. Geologically, the Indian subcontinent is related to the land mass that rifted from Gondwana and merged with the Eurasian plate nearly 55 million years ago. Geographically, it is the peninsular region in south-central Asia delineated by the Himalayas in the north, the Hindu Kush in the west, and the Arakanese in the east.^[3] Politically, the Indian subcontinent includes Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka

42. B

- Bays, gulfs, and straits are types of water bodies that are contained within a larger body of water near land.
- These three water bodies are usually located at important points of human activities; thus, conflicts with nature and neighbors are common.

Bays

- A bay is a small body of water that is set off from a larger body of water generally where the land curves inward.
- In simple words, bay is a water body surrounded on three sides by land with the fourth side (mouth) wide open towards oceans. (In Gulfs, the mouth is narrow).
- A bay is usually smaller and **less enclosed than a gulf**.
- Example: The Bay of Pigs (Cuba), Hudson Bay (Canada), Bay of Bengal etc.
- An example of a bay at a river's mouth is New York Bay, at the mouth of the **Hudson River (Hudson Estuary)**.

Guantánamo Bay

- Guantánamo Bay is a sheltered inlet within the Caribbean Sea.
- During the Spanish-American War in 1898, the United States gained access to the outer harbor of Guantánamo Bay.
- Through an agreement signed with Cuba in 1903, the United States obtained the right to maintain a naval base at Guantánamo Bay.
- In 1934, a treaty reaffirmed the U.S. right to lease the site. The treaty gave the United States a perpetual lease on Guantánamo Bay.
- The most infamous Guantánamo Bay prison is here.

Gulfs

- A gulf is a large body of water, sometimes with a **narrow mouth**, that is almost completely surrounded by land. The world's largest gulf is the **Gulf of Mexico**.
- Examples of other gulfs include the Gulf of California, Gulf of Aden (between the Red Sea and the Arabian Sea), and the Persian Gulf (between Saudi Arabia and Iran).
- The Persian Gulf is important with respect to world energy because petroleum is transported through its waters in oil tankers.

Straits

- A strait is a narrow passageway of water, usually between continents or islands, or between two larger bodies of water.
- The **Strait of Gibraltar** is probably the world's most famous strait. It connects the Atlantic Ocean on its west with the Mediterranean Sea on its east.
- Two other well-known straits are the **Strait of Bosphorus** and the **Strait of Hormuz**.

- The Strait of Bosphorus connects the **Black Sea (from the north) and the Sea of Marmara (from the south)**, and splits northwestern Turkey.
- The Strait of Hormuz is located at the **southeastern end of the Persian Gulf**. It is a narrow waterway that can be (and has been) controlled to prevent ships from sailing through the gulf.

Choke Point

- When a body of water such as a strait is capable of being blocked or even closed in order to control transportation routes, the body is called a “choke point.”
- Historically, the Strait of Gibraltar has been one of the world’s most important choke points.
- However, the Strait of Hormuz has become an important choke point in recent years because of increasing Middle East tensions.
- The Strait is surrounded by the United Arab Emirates and Oman (on one side) and Iran (on the other side).

Isthmus

- Isthmus is the land-equivalent of a strait. i.e., a narrow strip of land connecting two larger land masses.
- Example: **Isthmus of Panama** and **Isthmus of Suez**.
 - The Andaman islands are divided into three main islands i.e. **North, Middle** and **South**.
 - **Duncan passage** separates Little Andaman from South Andaman.
 - The Great Andaman group of islands in the north is separated by the **Ten Degree Channel** from the Nicobar group in the south [*Prelims 2014*].
 - **Port Blair**, the capital of Andaman Nicobar Islands lies in the South Andaman.
 - Among the Nicobar islands, the **Great Nicobar** is the largest. It is the southernmost island and is very close to Sumatra island of Indonesia. The **Car Nicobar** is the northernmost.
 - Most of these islands are made of tertiary sandstone, limestone and shale resting on basic and ultrabasic volcanoes [Similar to Himalayas].
 - **THE BARREN AND NARCONDAM ISLANDS**, north of Port Blair, are **volcanic islands [these are the only active volcanoes in India][There are no active volcanoes in main land India]**.
 - Some of the islands are fringed with **coral reefs**. Many of them are covered with thick forests. Most of the islands are mountainous.

43. A

Formation of Indo – Gangetic – Brahmaputra trough

- The rivers which were previously flowing into **Tethys sea** (Before Indian Plate collided with Eurasian Plate – continental drift, plate tectonics) deposited huge amount of sediments in the **Tethys Geosyncline. [Geosyncline – a huge depression]**
- Himalayas are formed out of these sediments which were uplifted, folded and compressed due to northern movement of Indian Plate.
- Northern movement of Indian Plate also **created a trough** to the south of Himalayas.

Depositional Activity

- During the initial stages of upliftment of sediments, the already existing rivers changed their course several times and they were **rejuvenated** each time (perpetual youth stage of rivers {Fluvial Landforms}).
- The rejuvenation is associated with intense **headward and vertical downcutting** of the soft strata overlying the harder rock stratum.
- Headward erosion and vertical erosion of the river valley in the initial stages, lateral erosion in later stages contributed huge amount of conglomerates (detritus)(rock debris, silt, clay etc.) which were carried downslope.
- [**Head ward erosion** == Erosion at the origin of a stream channel, which causes the origin to move back away from the direction of the stream flow, and so causes the stream channel to lengthen]
- These conglomerates were deposited in the **depression (Indo-Gangetic Trough or Indo-Gangetic syncline) (the base of the geosyncline is a hard crystalline rock)** between peninsular India and the convergent boundary (the region of present day Himalayas).

New rivers and more alluvium

- The raising of Himalayas and subsequent formation of glaciers gave rise to many new rivers. These rivers along with glacial erosion {Glacial Landforms}, supplied more alluvium which intensified the filling of the depression.
- With the accumulation of more and more sediments (conglomerates), the Tethys sea started receding.
- With passage of the time, the depression was completely filled with alluvium, gravel, rock debris (conglomerates) and the Tethys completely disappeared leaving behind a monotonous aggradational plain.
- [**monotonous** == featureless topography; **aggradational plain** == plain formed due to depositional activity. Indo-Gangetic plain is a monotonous aggradational plain formed due to fluvial depositions].
- Upper peninsular rivers have also contributed to the formation of plains, but to a very small extent.
- During the recent times (since few million years), depositional work of three major river systems viz., the Indus, the Ganga and the Brahmaputra have become predominant.
- Hence this arcuate (curved) plain is also known as **Indo-Gangetic-Brahmaputra Plain**.

The Peninsula is formed essentially by a great complex of very ancient gneisses and granites, which constitutes a major part of it.

The Himalayas along with other Peninsular mountains are young, weak and flexible in their geological structure unlike the rigid and stable Peninsular Block. Consequently, they are still subjected to the interplay of exogenic and endogenic forces, resulting in the development of faults, folds and thrust plains. These mountains are tectonic in origin, dissected by fast-flowing rivers which are in their youthful stage. Various landforms like gorges, V-shaped valleys, rapids, waterfalls, etc. are indicative of this stage

44. C

ORIENTATION OF HIMALAYA :-

First N-W to S-E (in western himalaya part) , then West to east in sikkim/darjeeling then S-W to N-W (Ar. P.) and finally N-S in eastern himalaya

The general orientation of these ranges is from northwest to the southeast direction in the northwestern part of India. Himalayas in the Darjeeling and Sikkim regions lie in an east-west direction, while in Arunachal Pradesh they are from southwest to the northwest direction. In Nagaland, Manipur and Mizoram, they are in the north-south direction

45. C

Important passes of the region are Zoji La on the Great Himalayas, Banihal on the Pir Panjal, Photu La on the Zaskar and Khardung La on the Ladakh range

46. D

Brahmaputra river system is one of the largest rivers of the world. In Tibet region, it is known by the name of Yarlung Tsangpo. It enters by the names of Siang and Dihang in India. And after it is joined by its two main tributaries, the Dibang and the Lohit, it is known by the name of Brahmaputra. It flows in Bangladesh by the name of Jumna. Finally, it merges with the Ganga river.

The Brahmaputra River System

The world's largest riverine island, Majuli Island is on the Brahmaputra river in the state of Assam. Important cities along Brahmaputra are Dibrugarh, Pasighat, Neamati, Tezpur and Guwahati.

Source of origin: The Brahmaputra river rises from Chemayundung glacier of the Kailash range near the Mansarovar Lake to the north of the Himalayas in the southwest Tibet region.

Confluence or Mouth: The Brahmaputra drains into the Bay of Bengal before forming a huge delta along with the Ganga.

The course of the Brahmaputra river

In Tibet, it runs parallel to the Himalayas for about 1,200 km. It turns into the south and creates a deep gorge through the Himalayas near Namcha Barwa and enters India under the name of the Dihang. Near Sadia, it receives the Dibang coming from the north and the Lohit coming from the east and enters the Assam valley where it is called the Brahmaputra. It flows in the west direction upto Dhubri and further below, it runs to the south and enters Bangladesh.

The Brahmaputra receive numerous tributaries in the Assam valley. The number of streams joining the Brahmaputra on its right-bank is greater than that of those joining it on the left-bank. Most of the tributaries are large streams and they pour great quantities of water in the Brahmaputra. During the rainy season, it is 8 km broad, slow-moving and heavily laden

with silt. Its channel is braided. It is notorious for floods and erosion of its banks. Recurrent floods not only hampers the navigation through the river but also the establishment of large towns on its banks.

Mizoram is known as **LAND OF ROLLING MOUNTAINS**, i.e it has huge number of mountains. formation of most mountains are accompanied by formation of **foreland basin** or in simple terms valley type depression which runs parallel to mountains. These depression get accumulated with **unconsolidated deposits** known as molasses basin.

Tribe Gaddi in Jammu and Kashmir

47. B

The **Chenab** originates from the confluence of two rivers, the Chandra and the **Bhaga**, which themselves originate from either side of the Bara Lacha Pass in Lahul. It is also known as the Chandrabhaga in Himachal Pradesh

Bara-lacha la is a high mountain **pass** at an elevation of 4.890m (16,043ft) above the sea level, located in Zaskar range, in India. **Baralacha** means '**pass** with cross roads on summit'. The **pass**, also known as **Bara-lacha Pass** or Bārā Lācha La connects Lahaul district in Himachal Pradesh to Ladakh in Jammu and Kashmir

48. C

The Indus System, It is one of the largest river basins of the world, covering an area of 11,65,000 sq. km (in India it is 321, 289 sq. km and a total length of 2,880 km (in India 1,114 km). The Indus also known as the Sindhu, is the westernmost of the Himalayan rivers in India. It originates from a glacier near Bokhar Chu (31°15' N latitude and 81°40' E longitude) in the Tibetan region at an altitude of 4,164 m in the Kailash Mountain range. In Tibet, it is known as 'Singi Khamban; or Lion's mouth. After flowing in the northwest direction between the Ladakh and Zaskar ranges, it passes through Ladakh and Baltistan. It cuts across the Ladakh range, forming a spectacular gorge near Gilgit in Jammu and Kashmir. It enters into Pakistan near Chillar in the Dardistan region. Find out the area known as Dardistan

The Sutlej (Sanskrit name: Satadru or Satudri) The most important of the Indus tributaries in India, the Sutlej rises from the Rakas lake in Tibet at a height of 4,630 m. Its name in Tibet is Langchen Khambab and it rises in the glacial springs of Dulchu Khambab, 35 km west of Parkha which is an important trading centre between Kailas and Mansarovar. In Tibet it has a very narrow basin .between the Giri river on the east and the Beas on the west whose beds are however at' an elevation of 180 m to 215 m above the level of the Sutlej. The main tributary of the Sutlej is the Spiti river which drains a large area beyond the Central Himalayan Range. It also cuts deep into the rocks in the regions of Himachal Pradesh through which it flows. Even the Sutlej crosses the Dhauladhar range near Rampur through a narrow gorge. The river joins the Beas in the south-west corner of Kapurthala and the

Ans KSCSAPT 508

combined river joins the Indus near Mithankot. The total length of the Sutlej is about 1,050 km in India. The area drained by the river in India is 24,087 sq km.

49. A

It is believed that these islands are an elevated portion of submarine mountains. However, some smaller islands are volcanic in origin. Barren Island, the only active volcano in India is also situated in the Nicobar Islands. Some important mountain peaks in Andaman and Nicobar islands are Saddle peak (North Andaman – 738 m), Mount Diavolo (Middle Andaman – 515 m), Mount Koyob (South Andaman – 460 m) and Mount Thuiller (Great Nicobar – 642 m)

50. D

Depending on the slope of land, underlying rock structure and climate of an area, the streams in a drainage basin form certain patterns. Different types of drainage pattern are as follows:

1. **Dendritic Drainage Pattern:** When the river channel follows the slope of the terrain, it develops dendritic pattern. The stream and its tributaries resemble the branches of a tree. Hence, it is called dendritic pattern.
2. **Trellis Drainage Pattern:** When a river is joined by its tributaries at almost right angles, it develops a trellis pattern. Trellis pattern develops where hard and soft rocks exist parallel to each other.
3. **Rectangular Drainage Pattern:** When rocks are strongly joined, then rectangular pattern develops.
4. **Radial Drainage Pattern:** When the streams flow in different directions from a central peak or dome like structure, a radial pattern is developed.

It is important to note that a combination of different patterns may develop in the same drainage basin

51. a

The President is elected for a period of five years. But there is no direct election by the people for the office of President. The President is elected indirectly. This means that the president is elected not by the ordinary citizens but by the elected MLAs and MPs. This election takes place in accordance with the principle of proportional representation with single transferable vote.

52. a

53. b

Ans KSCSAPT 508

The Vice President is elected for five years. His election method is similar to that of the President, the only difference is that members of State legislatures are not part of the electoral college. The Vice President may be removed from his office by a resolution of the Rajya Sabha passed by a majority and agreed to by the Lok Sabha . The Vice President acts as the exofficio Chairman of the Rajya Sabha and takes over the office of the President when there is a vacancy by reasons of death, resignation, removal by impeachment or otherwise.

54. d

55. a

Both Lok Sabha and Rajya Sabha have equal powers in electing (and NOT appointing) President and Vice-President of India.

Apart from the elected members, Rajya Sabha also has twelve nominated members. The President nominates these members. These nominations are made from among those persons who have made their mark in the fields of literature, arts, social service, science etc.

56. c

57. a

If it is a money bill, the Rajya Sabha can either approve the bill or suggest changes (RS cannot make changes .. It can only Suggest changes/amend) but cannot reject it . If it takes no action within 14 days the bill is deemed to have been passed. Amendments to the bill, suggested by Rajya Sabha , may or may not be accepted by the Lok Sabha .

58. d

The state executive consists of the governor, the chief minister, the council of ministers and the advocate general of the state.

The governor is the chief executive head of the state.

59. d

60. c

61. d

62. d

Article 256 in The Constitution Of India (Obligation of States and the Union): The executive power of every State shall be so exercised as to ensure compliance with the laws made by Parliament and any existing laws which apply in that State, and the executive power of the Union shall extend to the giving of such directions to a State as may appear to the Government of India to be necessary for that purpose.

Ans KSCSAPT 508

63. d

64. d

Imagine going to the grocery store, filling up your cart and walking right out the door. No longer will you have to wait as someone rings up each item in your cart one at a time. Instead, these RFID tags will communicate with an electronic reader that will detect every item in the cart and ring each up almost instantly.

- An RFID tag serves the same purpose as a barcode and the magnetic strip behind your credit card: it provides for unique identification ('fingerprint') of the object to which the tag is affixed to. But its advantages over barcodes (statements 2 and 3) enables it to be used for a wide variety of applications.
- Bar code is a read-only technology, meaning that it cannot send out any information. RFID tags are an improvement over bar codes because the tags have read and write capabilities. Data stored on RFID tags can be changed, updated and locked.

RFID technology uses radio waves to read and capture information stored on an RFID tag attached to an object. A tag can be read from up to several feet away and does not need to be within direct line-of-sight of the reader to be tracked (unlike in the case of a barcode, wherein you may have noticed shopkeepers struggling at times to get their barcode scanners to read product barcodes). These tags generate radio waves.

There are active RFID tags (battery-powered) and passive tags (these use electromagnetic energy from an RFID reader to generate the radio waves).

Additional Information: RFID tags are being used by the government for various purposes; these include, among others: FASTags (electronic toll collection), tagging at gates of all ports to enable seamless entry-exit of trucks, Logistics Data Bank project, where every container is attached to an RFID tag and then tracked through RFID readers — aiding importers and exporters in tracking their goods in transit, etc.

65. c

Both the statements are correct. The ordinance-making power is the most important legislative power of the President. It has been laid down in Article 123 of the Indian Constitution. The power of ordinance making is not a discretionary power of the President. The President can promulgate or withdraw an ordinance only on the advice of the council of ministers headed by the Prime Minister.

66. d

67. c

As the World War II situation worsened, President Roosevelt of the USA and President Chiang Kai-Shek of China as also the Labour Party leaders of Britain put pressure on Churchill to seek the active cooperation of Indians in the War. To secure this cooperation the British Government sent to India in

Ans KSCSAPT 508

March 1942 a mission headed by a Cabinet minister Stafford Cripps, a leftwing Labourite who had earlier actively supported the Indian national movement. Hence, statement 1 is correct.

Even though Cripps announced that the aim of British policy in India was ‘the earliest possible realization of self- government in India,’ the Draft Declaration he brought with him was disappointing. The Declaration promised India Dominion Status and a constitution-making body, after the war, whose members would be elected by the provincial assemblies and nominated by the rulers in case of the princely states. Hence, statement 2 is correct.

68. b

Statement 1 is not correct: The Vaikom Satyagraha was launched in Kerala in 1924 and was led by K.P. Kesava. The Vaikom Satyagraha created enthusiasm all over the country and volunteers began to arrive from different parts of India. An Akali jatha arrived from Punjab. E.V. Ramaswami Naicker (popularly known as Periyar later) led a jatha from Madurai and underwent imprisonment. Kandukuri Veeresalingam Pantulu was the great Social Reformer from the state of Andhra Pradesh. He was not related with Vaikom Satyagraha. Veeresalingam took part in the controversy by championing women’s education. To propagate his views effectively Veeresalingam started his journal ‘Vivekavardhini’ in 1874 at Rajahmundry.

Statement 2 is correct: It demanded the throwing open of Hindu temples and roads to the untouchables. Many savarna organizations such as the Nair Service Society, Nair Samajam and Kerala Hindu Sabha supported the Satyagraha. Yogakshema Sabha, the leading organization of the Nambudiri (highest Brahmins by caste), passed a resolution favoring the opening of temples to avarnas (lower castes).

69. d

Nehru Report, 1928, was the first major attempt by the Indians to draft a constitutional framework for the country.

Recommendations:

- Dominion status on lines of self-governing dominions as the form of government desired by Indians
- Dissociation of the state from religion in any form.
- Rejection of separate electorates which had been the basis of constitutional reforms so far; instead, a demand for joint electorates with reservation of seats for Muslims at the centre and in provinces where they were in minority.
- Responsible government at the centre and in provinces— the central government to be headed by a governor-general, appointed by the British Government but paid out of Indian revenues, who would act on the advice of the central executive council responsible to the Parliament.
- Universal adult suffrage.
- Equal rights for women

Ans KSCSAPT 508

- Freedom to form unions

70 b

It was influenced by Non Cooperation Movement not Civil Disobedience Movement. Hence, statement 1 is not correct.

The Akali movement was a campaign to bring reform in the Gurudwaras in India during the early 1920s. Hence, statement 2 is correct.

It was based on Ahimsa and Satyagraha philosophy. Hence, statement 3 is not correct.

It led to the introduction of the Sikh Gurdwara Bill in 1925 and achieved its objective

71. d

The Congress met at Karachi on 29 March 1931 to endorse the Gandhi-Irwin or Delhi Pact. The session became memorable for its resolution on Fundamental Rights and the National Economic Programme.

72. b

The Indian National Congress, along with Indian business leaders, kept away from the conference. Many of them were in jail for their participation in Civil Disobedience Movement.

In 1930, the FICCI (in sharp contrast to the Liberals) advised its members to boycott the Round Table Conference (RTC) stating that no conference, convened for the purpose of discussing the problem of Indian constitutional advance can come to a solution, unless such a conference is attended by Mahatma Gandhi, as a free man, or has at least his approval.]]

This was partially because the capitalists did not want India to present a divided front at the RTC and because they knew only the Congress could actually deliver the goods. As Ambalal Sarabhai put it in November 1929, 'Minus the support of the Congress, the government will not listen to you.'

Muslim League, Hindu Mahasabha, Indian Liberal Party among others attended the conference.

73. d

Furthering the agenda for cooperative federalism, NITI Aayog has launched SATH, a program providing 'Sustainable Action for Transforming Human capital' with the State Governments. The vision of the program is to initiate transformation in the education and health sectors. The program addresses the need expressed by many states for technical support from NITI .

SATH aims to identify and build three future 'role model' states for health systems. NITI will work in close collaboration with their state machinery to design a robust roadmap of intervention, develop a program governance structure, set up monitoring and tracking mechanisms, hand-hold state institutions through the execution stage and provide support on a range of institutional measures to achieve the end objectives. The program will be implemented by NITI along with McKinsey & Company and IPE

Ans KSCSAPT 508

Global consortium, who were selected through a competitive bidding process. Hence, all the statements are correct.

74. b

A blockchain is an anonymous online ledger that uses data structure to simplify the way we transact. Blockchain allows users to manipulate the ledger in a secure way without the help of a third party. The algorithm used in blockchain reduces the dependence on people to verify the transactions. This technology used for recording various transactions has the potential to disrupt the financial system. In blockchain voting, each transaction is similar to a vote and through the use of multiple blockchains along with public key encryption, the voting process is secured while protecting the anonymity of voters. The votes can then be randomized more than three times in the digital ballot box so that voters' identities are not revealed. After the polls are closed, a separate blockchain application is created for the counting of votes in the digital ballot box.

Some countries are already experimenting with blockchain technology in voting processes and for delivering public services, these are Australia, Denmark, Norway, Spain and South Korea.

75. c

Statement 1 is correct: The governor is an integral part of the state legislature. In that capacity, he can appoint any member of state legislative assembly to preside over proceedings when the offices of both the Speaker and the Deputy Speaker fall vacant. Similarly, he can appoint any member of state legislative council to preside over its proceedings when the offices of both Chairman and the Deputy Chairman fall vacant. Hence, Statement 1 is correct.

Statement 2 is correct: Article 192 (Decision on question as to disqualifications of members) 1. 1. If any question arises as to whether a member of a House of the Legislature of a State has become subject to any of the disqualifications mentioned in clause (1) of article 191, the question shall be referred for the decision of the Governor and his decision shall be final. 2. Before giving any decision on any such question, the Governor shall obtain the opinion of the Election Commission and shall act according to such opinion

76. a

Some of the important outcomes of the pact are-

- The pact involved immediate release of all political prisoners except those who were convicted on charge of violence. Hence, statement 2 is not correct.
- The demand of Public inquiry into police excess was proposed by Congress but rejected by Lord Irwin. Hence, statement 3 is not correct
- Discontinuation of Civil Disobedience Movement.
- Conferring of right to peaceful and non aggressive picketing.
- Return of confiscated properties not yet sold. Hence, statement 1 is correct.

Ans KSCSAPT 508

77. a

Statement 1 is correct: Workers' and Peasants' Party (WPP) became an all-India party in 1928. It was a merger of following provincial organizations -

The Labour-Swaraj Party of the Indian National Congress organized by Muzaffar Ahmed, Qazi Nazrul Islam, Hemanta Kumar Sarkar, and others in Bengal in November 1925.

Congress Labour Party was formed in Bombay and a Kirti-Kisan Party in Punjab in late 1926

A Labour Kisan Party of Hindustan of Madras -1923.

Thus, by 1928 all of these provincial organizations had been renamed as the Workers' and Peasants' Party (WPP), whose units were also set up in Rajasthan, UP and Delhi.

Statement 2 is correct: All Communists were members of this party.

Statement 3 is not correct: The basic objective of the WPPs was to work within the Congress to give it a more radical orientation and make it 'the party of the people' and independently organize workers and peasants in class organizations, to enable first the achievement of complete independence and ultimately of socialism.

78. b

THE KANPUR COMMUNIST (BOLSHEVIK) CONSPIRACY CASE - The Peshawar Conspiracy cases failed, to check the spread of communism in India. Communist activities again started in the metropolitan cities of Calcutta, Bombay, Madras and other cities like Kanpur and Lahore. The communist groups in these city areas were involved in organising the workers and educating them with communist ideology and politics. Particularly after the withdrawal of the first non-cooperation movement, the radical sections of the Congress were gradually attracted towards the communist ideology. Sensing the situation, the governor-general of India sent a message on 28 February, 1923 to the Home Secretary in London to the effect that if mass movements started again, a section of non-cooperators and ex-terrorists will join hands with the communists to launch a fresh offensive. So a new conspiracy case was master-minded to smash the budding communist organisation.

It started with the arrests of Shaukat Usmani on 8 May and of Muzaffar Ahmad on 19 May, 1923. Ghulam Hussain was also arrested about the same time and were immediately sent to Peshawar, Lahore and Dacca jails respectively. Muzaffar made a statement to the police about his connections with Nalini Gupta, the linkman of Comintern and Roy with the Indian communist organisers of Calcutta, Bombay and Madras.

But this information added nothing new to what the government already knew about correspondence between MN Roy and the Indian communists. Nalini Gupta was arrested on 20 December, 1923 and he made a series of statements hi late December, 1923 and early January, 1924. A complaint under section 121-A, IPC against these eight accused was made before the District Magistrate on 3 March, 1924.

Ans KSCSAPT 508

Dange was arrested three days before and an warrant was issued on 6 March against Singaravelu Chettiar, who was arrested the same day at Madras. So Usmani, Muzaffar Ahmad, Ghulam Hussain, Nalini Gupta, Dange and Singaravelu were prosecuted.

But Ghulam Hussain made a confessional statement and appealed for mercy and wanted to help as an approver in the Peshawar case against Md. Shafiq and he was never produced before the sessions judge for trial. As MN Roy who was then in Germany and RL Sharma who was in Pondichery could not be produced before the court, their names did not figure in the sessions trial. Singaravelu appealed for bail on health ground, and was also not produced in the sessions court. Thus ultimately the case "The Crown Vs. Bolsheviks" under section 121-A IPC was put up against Usmani, Muzaffar Ahmad, SA Dange and Nalini Gupta at the sessions court of that notorious HE Holme (who had given death sentences to 172 peasants in the Chauri-Chaura case) on 22 April, 1924. The appeal by the accused to transfer the case to any metropolitan city was summarily rejected. After four weeks of sham trial, the sessions court gave its verdict i.e. 4 years' Rigorous imprisonment to the four accused.

Bhagat Singh was part of Lahore Conspiracy case (1928-31).

79. c

Dharasana Satyagraha was a protest against the British salt tax in colonial India in May, 1930. After the conclusion of the Salt March to Dandi, Mahatma Gandhi chose a non-violent raid of the Dharasana Salt Works in Gujarat as the next protest against the rule of the British Raj. But before it, he was arrested by Police. In the absence of Gandhi Ji, this unfinished task was completed by Sarojini Naidu, Imam Saheb and Manilal. Hundreds of satyagrahis were beaten by Indian soldiers under British command at Dharasana. The ensuing publicity attracted world attention to the Indian independence movement, and brought into question the legitimacy of British rule in India.

Jawaharlal Nehru was not part of Dharsana Satyagraha.

80. d

During Civil Disobedience Movement, Gandhiji was arrested on May 4, 1930 when he had announced that he would lead a raid on Dharsana Salt Works on the west coast. His arrest was followed by massive protests in Bombay, Delhi, Calcutta and in Sholapur, where the response was the fiercest. After Gandhi's arrest, the Congress Working Committee sanctioned:

Non-payment of revenue in Ryotwari areas;

no-chowkidara tax campaign in zamindari areas - In Bihar, a campaign was organised for refusal to pay chowkidara tax and a call was given for resignation of chowkidars and influential members of chowkidari panchayat who appointed these chowkidars. At Bengal, Anti-chowkidara tax and anti-union board tax campaign h was met with repression and confiscation of property.

violation of forest laws in the Central Provinces.

Ans KSCSAPT 508

In United Provinces: Non-revenue campaign by Zamindars against paying revenue to the government and a No-Rent Campaign by tenants against Zamindars.

In Maharashtra, Karnataka and Central Provinces: the forest laws were defied.

81. d

82. d

Both statements are not correct.

When the legislatures of two or more states pass resolutions requesting the Parliament to enact laws on a matter in the State List, then the Parliament can make laws for regulating that matter. A single state can also request the Parliament A law so enacted applies only to those states which have passed the resolutions. However, any other state may adopt it afterwards by passing a resolution to that effect in its legislature. Such a law can be amended or repealed only by the Parliament and not by the legislatures of the concerned states.

83. a

The fundamental principle underlying the working of parliamentary system of government is the principle of collective responsibility. Article 164 clearly states that the council of ministers is collectively responsible to the legislative assembly of the state. This means that all the ministers own joint responsibility to the legislative assembly for all their acts of omission and commission. Hence, statement 1 is correct.

As at the centre, there is no provision in the Constitution for the system of legal responsibility of the ministers of state. It is not required that an order of the governor for a public act should be countersigned by a minister. Moreover, the courts are barred from enquiring into the nature of advice rendered by the ministers to the governor. Hence, statement 2 is not correct.

84. d

If the bill (under dispute) has already lapsed due to the dissolution of the Lok Sabha, no joint sitting can be held if the Lok Sabha is dissolved after the President has notified his intention to summon such a sitting (as the bill does not lapse in this case).

After the President notifies his intention to summon a joint sitting of the two Houses, none of the Houses can proceed further with the bill.

If the bill in dispute is passed by a majority of the total number of members of both the Houses present and voting in the joint sitting, the bill is deemed to have been passed by both the Houses. Normally, the Lok Sabha with great number wins the battle in a joint sitting.

The Constitution has specified that in a joint sitting, new amendments to the bill cannot be proposed except in two cases:

Ans KSCSAPT 508

- Those amendments that have caused final disagreement between the Houses; and
- Those amendments that might have become necessary due to the delay in the passage to the bill.

It must be noted here that the provision of joint sitting is applicable to ordinary bills or financial bills and not to money bills or Constitutional amendment bills.

85. c

The Indian President has the veto power over the bills passed by both the Parliament and State legislature. The veto power enjoyed by Indian President can be classified into the following three types:

- Absolute veto, that is, withholding of assent to the bill passed by the legislature.
- Suspensive veto, which can be over ridden by the legislature with an ordinary majority.
- Pocket veto, that is, taking no action on the bill passed by the legislature.

The President of India has no veto power in respect of a Constitutional Amendment Bill. The 24th Constitutional Amendment Act of 1971 made it obligatory for the President to give his assent to a Constitutional Amendment Bill.

Under the Constitution (Articles 111 and 201) , a Money Bill (both Centre and State) cannot be returned to the House by the President for reconsideration but he may either give or withhold his assent to a Money Bill.

86. A

Advocate General is appointed by the Governor and holds office during the pleasure of the Governor.

Members of State Public Service Commission and State Election Commissioner are appointed by the Governor but can be removed only by the President.

87. c

The budget consists of two types of expenditure-the expenditure 'charged' upon the Consolidated Fund of India and the expenditure „made“ from the Consolidated Fund of India. The charged expenditure is nonvotable by the Parliament, that is, it can only be discussed by the Parliament, while the other type has to be voted by the Parliament. The list of the charged expenditure is as follows:

- Emoluments and allowances of the President and other expenditure relating to his office.
- Salaries and allowances of the Chairman and the Deputy Chairman of the Rajya Sabha and the Speaker and the Deputy Speaker of the Lok Sabha.
- Salaries, allowances and pensions of the judges of the Supreme Court.
- Pensions (and not salaries)of the judges of high courts. Hence, (c) is not correct.
- Salary, allowances and pension of the Comptroller and Auditor General of India.

Ans KSCSAPT 508

- Salaries, allowances and pension of the chairman and members of the Union Public Service Commission.

Administrative expenses of the Supreme Court, the office of the Comptroller and Auditor General of India and the Union Public Service Commission including the salaries, allowances and pensions of the persons serving in these offices.

The debt charges for which the Government of India is liable, including interest, sinking fund charges and redemption charges and other expenditure relating to the raising of loans and the service and redemption of debt.

Any sum required to satisfy any judgement, decree or award of any court or arbitral tribunal.

88. a

The Lok Sabha can express lack of confidence in the government in the following ways:

- By not passing a motion of thanks on the President's inaugural address.
- By rejecting a money bill.
- By passing a censure motion or an adjournment motion.
- By defeating the government on a vital issue.
- By passing a cut motion

89. a

The Constitution of India contains the following provisions with regard to the enactment of budget:

Statement 1 is correct: Article 112(2) provides that the budget shall distinguish expenditure on revenue account from other expenditure.

Statement 2 is not correct: Parliament can reduce or abolish a tax but cannot increase it.

Statement 3 is not correct: Article 113(3) states that no demand for a grant shall be made except on the recommendation of the President.

90. c

Statement 1 is not correct: Governor can reserve the money bill for the consideration of the President. But here President can either give his assent or reject the bill. He cannot ask state legislature for reconsideration.

Statement 2 is correct: When the Governor reserve the bill for the consideration of the President, he will not have any further role in the enactment of the bill. This means that the assent of the Governor is no longer required.

Statement 3 is correct: According to Article 200 - Governor shall not assent to, but shall reserve for the consideration of the President, any Bill which in the opinion of the Governor would, if it became law, so

Ans KSCSAPT 508

derogate from the powers of the High Court as to endanger the position which that Court is by this Constitution designed to fulfill

91. b

The Constitution authorized the Parliament to establish a „Contingency Fund of India“, into which amounts determined by law are paid from time to time. Accordingly, the Parliament enacted the contingency fund of India Act in 1950. This fund is placed at the disposal of the President, and he can make advances out of it to meet unforeseen expenditure pending its authorization by the Parliament. The fund is held by the finance secretary on behalf of the president. Hence, statement 1 is not correct.

Like the public account of India, it is also operated by executive action i.e. that is, the payments from this account can be made without parliamentary appropriation. Hence, statement 2 is correct.

Prime Minister's National Relief Fund (PMNRF)- It was established in 1948 with public contributions to assist displaced persons from Pakistan. The resources of the PMNRF are now utilized primarily to render immediate relief to families of those killed in natural calamities like floods, cyclones and earthquakes, etc. and to the victims of the major accidents and riots, etc. The fund consists entirely of public contributions and does not get any budgetary support. The corpus of the fund is invested with PSU banks in various forms. Disbursements are made with the approval of the Prime Minister. PMNRF has not been constituted by the Parliament. PMNRF operates from the Prime Minister's Office. PMNRF is exempt under Income Tax Act, 1961 under Section 10 and 139 for return purposes. PMNRF accepts only voluntary donations by individuals and institutions. Contributions flowing out of budgetary sources of Government or from the balance sheets of the public sector undertakings are not accepted.

92. d

Statement 1 is correct: The members of the committee are elected from both Lok Sabha and Rajya Sabha. Every year from amongst its members according to the principle of proportional representation by means of the single transferable vote. Thus, all parties get due representation in it. It consists of 22 members (15 from the LS and 7 from RS). The members are elected by the Parliament .

Statement 2 correct: A minister cannot be elected as a member of the committee.

Statement 3 is correct: The function of the committee is to examine the annual audit reports of the comptroller and auditor general of India (CAG), which are laid before the Parliament by the president. The committee examines public expenditure not only from legal and formal point of view to discover technical irregularities but also from the point of view of economy, prudence, wisdom and propriety to bring out the cases of waste, loss, corruption, extravagance, inefficiency and nugatory expenses. Whereas, the function of the Estimates committee is to examine the estimates included in the budget and suggest „economies“ in public expenditure only.

93. a

Ans KSCSAPT 508

Attorney General of India (AGI) has the Right to speak in Parliament or any Committee but without vote and when speaking he enjoys the privileges of a MP.

The Remuneration of AGI is decided by the President of India

He is not a whole time counsel for the Government, nor a Government Servant and can pursue private practice

94. d

The total length of road to be constructed under Bharatmala Pariyojana Phase-I is 24,800 Km new stretches along with 10,000 km remaining under NHDP.

As of 2017, 30 km/day construction is going on in highway sector. So, Phase-I may complete by 2022, compared to 19 years it took to upgrade almost same length of National Highways under NHDP.

Road Type	Kms
Economic Corridors	9,000
Inter-corridor & feeder Routes	6,000
National Corridors Efficiency Programme	5,000
Border & International connectivity roads	2,000
Coastal & port connectivity roads	2,000
Expressways	800
Total Bharatmala Pariyojana Phase-I	24,800
Remaining National Highways under National Highways Development Project (NHDP)	10,000
Total Km to be upgraded at the end of Phase-I	34,800

95. c

Articles 239 to 241 in Part VIII of the Constitution deal with the union territories.

Statement 1 is correct: The Parliament can make laws on any subject of the three lists (including the State List) for the union territories. This power of Parliament also extends to Puducherry and Delhi, which have their own local legislatures. This means that, the legislative power of Parliament for the union territories on subjects of the State List remain unaffected even after establishing a local legislature for them. But, the legislative assembly of Puducherry can also make laws on any subject of the State List and the Concurrent List. Similarly, the legislative assembly of Delhi can make laws on any subject of the State List (except public order, police and land) and the Concurrent List.

Ans KSCSAPT 508

Statement 2 is correct: The Parliament can establish a high court for a union territory or put it under the jurisdiction of the high court of adjacent state. Delhi is the only union territory that has a high court of its own (since 1966).

96. d

Statement 1 is correct: A state legislature can make laws for the whole or any part of the state. The laws made by a state legislature are not applicable outside the state, except when there is a sufficient nexus between the state and the object.

Statement 2 is correct: The Parliament can make laws for the whole or any part of the territory of India. The territory of India includes the states, the union territories, and any other area for the time being included in the territory of India.

Statement 3 is correct: The Parliament alone can make 'extra-territorial legislation'. Thus, the laws of the Parliament are also applicable to the Indian citizens and their property in any part of the world. These laws cannot be held invalid on the ground that it would have extra-territorial operation.

97. c

The President elections is held with the system of proportional representation by means of single transferable vote and the voting is by secret ballot. The Election Commission of India (Article 324) is vested with the power of superintendence, direction and control of conducting the elections to the offices of the President and Vice-President of India.

Statement 1 is correct: The legislative Councils have no role in electing the President. The President shall be elected by the members of an electoral college consisting of - (a) The elected members of both Houses of Parliament and (b) The elected members of the Legislative Assemblies of the States (including National Capital Territory of Delhi and the Union Territory of Pondicherry vide the Constitution 70th amendment Act, 1992).

Statement 2 is correct: Article 71 stipulates that all doubts arising out of election of the president will be decided by the „Supreme Court“ whose decision is final. Therefore Supreme Court of India is the only authority to try an election petition regarding President“s election and declare the elections as void.

98. c

Statement 1 is correct: Council of ministers is a constitutional body, dealt in detail by the Articles 74 and 75 of the Constitution. Its size and classification are, however, not mentioned in the Constitution. Its size is determined by the Prime Minister according to the exigencies of the time and requirements of the situation. The word 'Cabinet' was inserted in Article 352 of the Constitution in 1978 by the 44th Constitutional Amendment Act. Also, Article 352 only defines the cabinet saying that it is "the council consisting of the prime minister and other ministers of cabinet rank appointed under Article 75" and does not describe its powers and functions.

Ans KSCSAPT 508

Statement 2 is not correct: Council of ministers functions' are determined by the cabinet. It implements the decisions taken by the cabinet. Cabinet exercises, in practice, the powers of the council of ministers and thus, acts for the latter. Cabinet directs the council of ministers by taking policy decisions which are binding on all ministers. It supervises the implementation of its decisions by the council of ministers.

Statement 3 is correct: Council of ministers(CoM) includes all the three categories of ministers, that is, cabinet ministers, ministers of state, and deputy ministers whereas, Cabinet includes the cabinet ministers only. But it is a part of the council of ministers.

99. b

Special majority are of 4 types, with different clauses.

Type 1 - Special Majority as Per Article 249 - To pass the Rajya Sabha resolution to empower the parliament to make laws in state list (valid upto 1 year, but can be extended any number of times) requires a majority of 2/3rd members present and voting only.

Type 2 - Special Majority as per Article 368 requires a majority of 2/3rd members present and voting supported by more than 50% of the total strength of the house. This type of majority is used for most of the Constitution amendment bills.

Type 3 - Special Majority as per Article 368 + 50 percent state ratification by simple majority i.e. Special majority as per article 368 plus state ratification requires a majority of 2/3rd members present and voting supported by more than 50% of the state legislatures by a simple majority. This type of special majority is required when a constitutional amendment bill try to change the federal structure.

Type 4 - Special Majority as per Article 61 requires a majority of 2/3rd members of the total strength of the house – e.g . Impeachment of the President.

100. d

Speaker of the Loksabha or the Chairperson of the Rajyasabha heads following committees:

- Business Advisory Committee
- General Purpose Committee
- Rules Committee

Ans KSCSAPT 508

Ans KSCSAPT 508