

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

Week 114

QUESTION 1

Consider the following statements about MGNREGS:

1. The government has capped spending under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) at 60 per cent of its annual allocation for the first half of the financial year 2025–26.
2. The Finance Ministry has directed the Ministry of Rural Development (MoRD) to include MGNREGS under the Monthly/Quarterly Expenditure Plan (MEP/QEP) framework.
3. Till now, the scheme has operated as a demand-driven programme with 40 per cent mandatory capping on the spending limit.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

QUESTION 2

With reference to the Collection of Real Time Observations & Photo of Crops (CROPIC), which of the following statements are correct?

1. The scheme will gather crop information using field photographs and AI-based models.
2. The study will be carried out for two seasons initially, kharif 2025 and rabi 2025-26.
3. The CROPIC mobile app has been developed by the National Informatics Centre under the Ministry of Electronics and Information Technology.
4. It is an initiative under the Pradhan Mantri Fasal Bima Yojana (PMFBY).

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 2, 3 and 4
- (c) 1, 2 and 4
- (d) 1 and 3 only

QUESTION 3

Recently, MSC IRINA, the world's largest container ship by capacity docked at which port?

- (a) Jawaharlal Nehru Port
- (b) Kandla Port
- (c) Chennai Port
- (d) Vizhinjam Port

QUESTION 4

With reference to the Gross Domestic Product (GDP), consider the following statements:

1. It is the central metric to assess the annual economic growth or the overall size of an economy.
2. The Ministry of Home Affairs regulates and updates the base year for the calculation of GDP.
3. At present, the base year used for the GDP calculations is 2019-20.
4. The first set of estimates of national income (GDP) for India was compiled by the “National Income Committee”, under the chairmanship of PC Mahalanobis in 1949.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

QUESTION 5

The UPI handle “@valid” was in the news. It has been launched by:

- (a) Reserve Bank of India
- (b) National Payment Corporation of India
- (c) Ministry of Finance
- (d) Securities and Exchange Board of India

QUESTION 6

Consider the following statements with reference to Real Time Gross Settlement (RTGS):

1. RTGS transactions/transfers have no amount cap set by RBI.
2. The transactions received up to a particular time are processed in batches.
3. The remitter need not use a physical cheque or a demand draft.

Which of the statements given above is/are correct?

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

QUESTION 7

Which of the following was the subject for awarding the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 2024?

- (a) for having advanced our understanding of women's labour market outcomes
- (b) for improvements to auction theory and inventions of new auction formats
- (c) for studies of how institutions are formed and affect prosperity
- (d) for research on banks and financial crises

QUESTION 8

Consider the following statements:

1. The committee was tasked with the progress review of the implementation of the banking reforms since 1992 with the aim of further strengthening the financial institutions of India.
2. It focused on issues like size of banks and capital adequacy ratios among other things.
3. It proposed a three-tier banking structure in India through establishment of three large banks with international presence, eight to ten national banks and a large number of regional and local banks.

The above given statements are related to which of the following economic committees in India:

- (a) Rangarajan Committee
- (b) The Kelkar Committee
- (c) The Narasimham Committee-I
- (d) The Narasimham Committee-II

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MCQ PRACTICE



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Answers and Explanations

QUESTION 1

Consider the following statements about MGNREGS:

1. The government has capped spending under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) at 60 per cent of its annual allocation for the first half of the financial year 2025–26.
2. The Finance Ministry has directed the Ministry of Rural Development (MoRD) to include MGNREGS under the Monthly/Quarterly Expenditure Plan (MEP/QEP) framework.
3. Till now, the scheme has operated as a demand-driven programme with 40 per cent mandatory capping on the spending limit.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

1.Explanation

- ✓ For the first time, the government has limited spending under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) to 60% of its annual allocation during the first half of fiscal year 2025-26. Until now, the rural jobs guarantee scheme has functioned as a demand-driven program with no spending cap. Hence, statement 1 is correct and statement 3 is not correct.
- ✓ The Ministry of Finance has informed the Ministry of Rural Development that it would now be subject to the Monthly/Quarterly Expenditure Plan (MEP/QEP), a spending control mechanism from which it was previously free.
- ✓ The Finance Ministry implemented the MEP/QEP in 2017 to assist ministries in managing cash flow and avoiding wasteful borrowing. MGNREGS remained outside its purview until recently, with the Rural Development Ministry claiming that the scheme's

MCQ PRACTICE

CURRENT AFFAIRS



ECONOMICS

- ✓ demand-driven nature rendered set spending caps ineffective. However, from the start of the 2025-26 fiscal year, the Finance Ministry is said to have urged the MoRD to incorporate MGNREGS in the MEP/QEP framework as well. Hence, statement 2 is correct.
- ✓ Therefore, option (b) is the correct answer.

QUESTION 2

With reference to the Collection of Real Time Observations & Photo of Crops (CROPIC), which of the following statements are correct?

1. The scheme will gather crop information using field photographs and AI-based models.
2. The study will be carried out for two seasons initially, kharif 2025 and rabi 2025-26.
3. The CROPIC mobile app has been developed by the National Informatics Centre under the Ministry of Electronics and Information Technology.
4. It is an initiative under the Pradhan Mantri Fasal Bima Yojana (PMFBY).

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 2, 3 and 4
- (c) 1, 2 and 4
- (d) 1 and 3 only

2.Explanation

- ✓ The Ministry of Agriculture and Farmers Welfare intends to establish CROPIC, a project that will collect crop information through field Photos and AI-based models. Hence, statement 1 is correct.
- ✓ CROPIC stands for “Collection of Real-Time Observations and Photos of Crops.” Crops will be photographed four to five times throughout their life cycle, and the images will be evaluated to estimate their health and probable mid-season losses.
- ✓ The study will initially include two seasons: kharif 2025 and rabi 2025-26. Hence, statement 2 is correct.
- ✓ The study proposes employing a mobile application to capture field images during the crop season. The CROPIC smartphone app was created by the Union Ministry of Agriculture and Farmers’ Welfare. Hence, statement 3 is not correct.



- ✓ Photographs from the field will be crowdsourced directly from farmers. Then they will be examined for information such as crop type, crop stage, crop damage, and extent.
- ✓ The CROPIC model will analyse photos and extract information using an AI-powered cloud platform, with visualisation provided by a web-based interface.
- ✓ “CROPIC is a PMFBY initiative that uses computer vision technology and photo-analytic models to monitor crop health and stress, as well as automate crop loss assessment and claim payment to affected farmers.” This program is part of a series of digital agricultural advances aimed at increasing financial resilience. Hence, statement 4 is correct.
- ✓ Therefore, option (c) is the correct answer.

QUESTION 3

Recently, MSC IRINA, the world's largest container ship by capacity docked at which port?

- (a) Jawaharlal Nehru Port
- (b) Kandla Port
- (c) Chennai Port
- (d) Vizhinjam Port

3.Explanation

- ✓ MSC IRINA, the world's largest container ship by capacity, arrived at Vizhinjam International Seaport, which opened last month. This is the ship's first call to a South Asian port.
- ✓ "Kerala welcomes MSC IRINA, the largest container ship to call at any South Asian port, with great pleasure. Her arrival at Vizhinjam, which measures 399.9m in length and 61.3m in breadth and has a capacity of 24,346 TEUs, is a historic event. A proud milestone that highlights our port's key worldwide position and fuels our collective dream of expansion," Vijayan wrote on X.
- ✓ The port, administered by Adani Ports and SEZ Private Limited under a design, develop, finance, operate, and transfer (DBFOT) model, has made exceptional progress in transshipment container handling.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 4

With reference to the Gross Domestic Product (GDP), consider the following statements:

1. It is the central metric to assess the annual economic growth or the overall size of an economy.
2. The Ministry of Home Affairs regulates and updates the base year for the calculation of GDP.
3. At present, the base year used for the GDP calculations is 2019-20.
4. The first set of estimates of national income (GDP) for India was compiled by the “National Income Committee”, under the chairmanship of PC Mahalanobis in 1949.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

4.Explanation

- ✓ The Ministry of Statistics and Programme Implementation stated that the ministry is in the process of revising the “base year” for the calculation of Gross Domestic Product (GDP). Hence, statement 2 is not correct.
- ✓ The GDP is the central metric to assess the annual economic growth or the overall size of an economy and the so-called “base year” refers to the year that works as a starting point for calculations. Hence, statement 1 is correct.
- ✓ Currently, the base year is 2011-12. In other words, the GDP in 2011-12 serves as a “base” from which the GDP growth of every subsequent year is measured. The new base year for GDP estimates will be 2022-23, with the revised set of data to be released on February 27, 2026. Hence, statement 3 is not correct.
- ✓ The base year for the Index of Industrial Production (IIP) will be amended to 2022-23, while the base year for the Consumer Price Index, which is used to monitor consumer inflation, will be revised to 2023-24.

- ✓ In 1949, the “National Income Committee”, chaired by PC Mahalanobis compiled the first set of national income (GDP) estimates for India. This committee issued its first and final reports on national income in 1951 and 1954, respectively. Hence, statement 4 is correct.
- ✓ The Central Statistics Office (CSO) conducted a thorough examination of the methodology used to calculate GDP. Aside from moving the base years of national accounts series, the CSO attempted to improve the compilation of national accounts series in terms of activity coverage, the incorporation of newest datasets, and the application of latest international norms.
- ✓ Therefore, option (b) is the correct answer.

QUESTION 5

The UPI handle “@valid” was in the news. It has been launched by:

- (a) Reserve Bank of India
- (b) National Payment Corporation of India
- (c) Ministry of Finance
- (d) Securities and Exchange Board of India

5.Explanation

- ✓ The Securities and Exchange Board of India (SEBI) intends to implement a structured unified payment interface (UPI) address mechanism for its registered intermediaries in order to combat the growing number of unregistered entities in the stock market that are misleading investors.
- ✓ To improve investor security and combat illegal money collection in the securities market, the Sebi has announced the implementation of a structured and validated UPI address method, which includes the exclusive “@valid” handle for all registered investor-facing intermediaries.
- ✓ The National Payments Corporation of India (NPCI) would exclusively allocate the certified UPI handle for payment collection by Sebi-registered intermediaries. The NPCI is the country’s umbrella organisation for retail payments and settlement systems, and it owns and

MCQ PRACTICE

CURRENT AFFAIRS



ECONOMICS

- ✓ operates the UPI platform. UPI, a mobile-based, 365x24x7 'rapid payment' system, allows users to send and receive money instantaneously using a Virtual Payment Address (VPA) that they set themselves.
- ✓ According to Sebi, the new approach will require the intermediary to choose a comprehensible name for the username, followed by a necessary suffix that clearly defines the category. A stock broker's suffix is '.brk', whereas a mutual fund's suffix is '.mf'.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 6

Consider the following statements with reference to Real Time Gross Settlement (RTGS):

1. RTGS transactions/transfers have no amount cap set by RBI.
2. The transactions received up to a particular time are processed in batches.
3. The remitter need not use a physical cheque or a demand draft.

Which of the statements given above is/are correct?

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

6.Explanation

- ✓ NEFT is an electronic fund transfer system in which the transactions received up to a particular time are processed in batches. Contrary to this, in RTGS, the transactions are processed continuously on a transaction-by-transaction basis throughout the day.
- ✓ RTGS transactions/transfers have no amount cap set by RBI.
- ✓ The system is available on all days on a 24x7x365 basis. There is real time transfer of funds to the beneficiary account.
- ✓ The remitter need not use a physical cheque or a demand draft.
- ✓ The beneficiary need not visit a bank branch for depositing the paper instruments.
- ✓ Therefore, option (c) is the correct answer.

QUESTION 7

Which of the following was the subject for awarding the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel in 2024?

- (a) for having advanced our understanding of women's labour market outcomes
- (b) for improvements to auction theory and inventions of new auction formats
- (c) for studies of how institutions are formed and affect prosperity
- (d) for research on banks and financial crises

7.Explanation

- ✓ The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2024 was awarded jointly to Daron Acemoglu, Simon Henry Roberts Johnson and James A. Robinson “for studies of how institutions are formed and affect prosperity.”
- ✓ Therefore, option (c) is the correct answer.

QUESTION 8

Consider the following statements:

1. The committee was tasked with the progress review of the implementation of the banking reforms since 1992 with the aim of further strengthening the financial institutions of India.
2. It focused on issues like size of banks and capital adequacy ratios among other things.
3. It proposed a three-tier banking structure in India through establishment of three large banks with international presence, eight to ten national banks and a large number of regional and local banks.

The above given statements are related to which of the following economic committees in India:

- (a) Rangarajan Committee
- (b) The Kelkar Committee
- (c) The Narasimham Committee-I
- (d) The Narasimham Committee-II

8.Explanation

- ✓ The Narasimham Committee-II had suggested that financial institutions like IDBI and ICICI should either convert themselves into banks or non-banking financial companies (NBFCs). The committee was tasked with the progress review of the implementation of the banking reforms since 1992 with the aim of further strengthening the financial institutions of India. It focused on issues like size of banks and capital adequacy ratios among other things. He proposed a three-tier banking structure in India through establishment of three large banks with international presence, eight to ten national banks and a large number of regional and local banks.
- ✓ Therefore, option (d) is the correct answer.