

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

Week 110

QUESTION 1

Consider the following statements:

1. Statement 1: All startups in Tier-2 and Tier-3 cities are eligible for tax exemptions.
2. Statement 2: The Government of India has prioritized promoting startups in Tier-2 and Tier-3 cities.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement 1 and Statement 2 are correct and Statement 2 is the correct explanation for Statement 1.
- (b) Both Statement 1 and Statement 2 are correct and Statement 2 is not the correct explanation for Statement 1.
- (c) Statement 1 is correct but Statement 2 is incorrect.
- (d) Statement 1 is incorrect but Statement 2 is correct.

QUESTION 2

With reference to the Special Non-Resident Rupee Account (SNRR), consider the following statements:

1. Any person resident outside India with a business interest in India can open a SNRR with an authorised dealer to conduct legitimate rupee transactions under the provisions of the Act.
2. These accounts are interest bearing.
3. The tenure for these accounts is no more than seven years.

How many of the statements given above are correct?

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

QUESTION 3

The term “Gross fixed capital formation” is defined as:

- (a) The government spending on roads, bridges, ports, and other large-scale public assets.
- (b) Investments made by foreign entities in domestic businesses or assets.
- (c) The acquisition of created assets (including the purchase of used assets), as well as the production of such assets by producers for their own use, without disposals.
- (d) measure how much capital is needed to produce a given amount of output.

QUESTION 4

The Vadhvan Port was recently in the news. It is being constructed in:

- (a) Tamil Nadu
- (b) Gujarat
- (c) Odisha
- (d) Maharashtra

QUESTION 5

With reference to the Kodo millets, consider the following statements:

1. It is most commonly cultivated in tropical regions and not in dry regions.
2. It is a staple diet for many tribal and economically disadvantaged communities in India.
3. It is high in vitamins and minerals.
4. It has very low amounts of antioxidants.

How many of the statements given above are correct?

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

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Answers and Explanations

QUESTION 1

Consider the following statements:

1. Statement 1: All startups in Tier-2 and Tier-3 cities are eligible for tax exemptions.
2. Statement 2: The Government of India has prioritized promoting startups in Tier-2 and Tier-3 cities.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement 1 and Statement 2 are correct and Statement 2 is the correct explanation for Statement 1.
- (b) Both Statement 1 and Statement 2 are correct and Statement 2 is not the correct explanation for Statement 1.
- (c) Statement 1 is correct but Statement 2 is incorrect.
- (d) Statement 1 is incorrect but Statement 2 is correct.



1.Explanation

- ✓ The Government of India has prioritized promoting startups in Tier-2 and Tier-3 cities to decentralize innovation hubs. Hence, statement 2 is correct.
- ✓ Not all startups in Tier-2 and Tier-3 cities are eligible for tax exemptions under the Startup India initiative. Hence, statement 1 is not correct.
- ✓ The Department for Promotion of Industry and Internal Trade (DPIIT) is in charge of recognising businesses under the Startup India initiative.
- ✓ Statement 1 is incorrect but Statement 2 is correct.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 2

With reference to the Special Non-Resident Rupee Account (SNRR), consider the following statements:

1. Any person resident outside India with a business interest in India can open a SNRR with an authorised dealer to conduct legitimate rupee transactions under the provisions of the Act.
2. These accounts are interest bearing.
3. The tenure for these accounts is no more than seven years.

How many of the statements given above are correct?

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

2.Explanation

- ✓ Any person resident outside India with a business interest in India can open a Special Non-Resident Rupee Account (SNRR) with an authorised dealer to conduct legitimate rupee transactions under the provisions of the Act, rules, and regulations enacted thereunder. Hence, statement 1 is correct.
- ✓ The opening of SNRR accounts by Pakistan and Bangladesh nationals, as well as entities incorporated in Pakistan and Bangladesh, requires prior Reserve Bank approval.
- ✓ SNRR Accounts are non-interest bearing. Hence, statement 2 is not correct.
- ✓ Permissible Transactions: Debits and credits that are specific/incidental to the account holder's anticipated business activity.
- ✓ Tenure: Concurrent with the contract/duration of operation/business of the account holder, and no longer than seven years, unless approved by the Reserve Bank. Hence, statement 3 is correct.
- ✓ Therefore, option (b) is the correct answer.

QUESTION 3

The term “Gross fixed capital formation” is defined as:

- (a) The government spending on roads, bridges, ports, and other large-scale public assets.
- (b) Investments made by foreign entities in domestic businesses or assets.
- (c) The acquisition of created assets (including the purchase of used assets), as well as the production of such assets by producers for their own use, without disposals.
- (d) measure how much capital is needed to produce a given amount of output.

3.Explanation

- ✓ Gross fixed capital formation (GFCF), commonly known as “investment,” is defined as the acquisition of created assets (including the purchase of used assets), as well as the production of such assets by producers for their own use, without disposals.
- ✓ Therefore, option (c) is the correct answer.



QUESTION 4

The Vadhvan Port was recently in the news. It is being constructed in:

- (a) Tamil Nadu
- (b) Gujarat
- (c) Odisha
- (d) Maharashtra





4.Explanation

- ✓ The Jawaharlal Nehru Port Authority (JNPA) is building the Vadhvan Port. JNPA and the Maharashtra Maritime Board will jointly implement this port, with 74% and 26% ownership, respectively.
- ✓ The development of a port in Vadhvan was planned as part of the Sagarmala Programme, a government initiative to supplement port-led development and coast-line development in order to contribute to India's progress.
- ✓ The goal is to expand and develop Green Field Ports to meet the growing traffic demand of Major Ports on the West Coast.
- ✓ The new Vadhvan port will have a deep draught to accommodate large container, bulk, and crude vessels.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 5

With reference to the Kodo millets, consider the following statements:

1. It is most commonly cultivated in tropical regions and not in dry regions.
2. It is a staple diet for many tribal and economically disadvantaged communities in India.
3. It is high in vitamins and minerals.
4. It has very low amounts of antioxidants.

How many of the statements given above are correct?

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

5.Explanation

- ✓ Kodo millet (*Paspalum scrobiculatum*) is also known as Kodra and Varagu in India.
- ✓ The crop is grown in India, Pakistan, the Philippines, Indonesia, Vietnam, Thailand, and West Africa.
- ✓ The millet is believed to have originated in India and Madhya Pradesh is one of the largest producers of the crop, according to a 2020 research paper, 'Nutritional, Functional Role of Kodo Millet and its Processing: A review'.
- ✓ Kodo millet is most commonly cultivated in tropical and subtropical regions, but it is also extensively dispersed in dry and semi-arid regions. Apart from MP, millet is grown in Gujarat, Karnataka, Chhattisgarh, and parts of Tamil Nadu. Hence, statement 1 is not correct.
- ✓ Kodo millet is a staple diet for many tribal and economically disadvantaged communities in India. It is one of the "hadiest crops, drought tolerant with high yield potential and excellent storage properties," according to researchers. Hence, statement 2 is correct.

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- ✓ Kodo millet is high in vitamins and minerals. Researchers further claim that the millets are gluten-free, easily digestible, high in antioxidants, and “might have anti-carcinogenic properties.” Hence, statement 3 is correct and statement 4 is not correct.
- ✓ Therefore, option (b) is the correct answer.