

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

Week 103

QUESTION 1

With reference to Bioresources, consider the following statements:

1. They are renewable and relatively cheap.
2. Ethanol is produced by the fermentation of crops like sugarcane or corn by microorganisms, and it is a biological alternative to fuels traditionally derived from hydrocarbons.
3. Biological resources are integral to the healthcare, pharmaceutical, and agriculture sectors.

How many of the statements given above are correct?

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

QUESTION 2

The major crops of interest in the United States when it comes to securing greater market access in India are:

1. Maize
2. Cotton
3. Millets
4. Soyabean
5. Wheat

Select the correct answer using the codes given below:

- (a) 1, 3 and 5
- (b) 2 and 3 only
- (c) 4 and 5 only
- (d) 1, 2 and 4

QUESTION 3

The Transforming Relationship Utilising Strategic Technology (TRUST) initiative is associated with:

- (a) A Centre of Excellence in Artificial Intelligence for education
- (b) Digital-form Indian language books for school and higher education
- (c) Research & development of Small Modular Reactors (SMR)
- (d) Recovery and processing of critical minerals

QUESTION 4

With reference to the trade deficit, consider the following statements:

1. It signifies the demand in the domestic economy is not being met by the domestic producers.
2. It refers to the high competitiveness in the domestic industry.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

QUESTION 5

With reference to the ropeways, consider the following statements:

1. They need large construction works on the ground surface and incur high land acquisition costs.
2. They have a lower cost of construction per km than roadways.
3. Govindghat to Hemkund Sahib Ji (12.4 km) and Sonprayag to Kedarnath (12.9 km) will be developed in Design, Build, Finance, Operate and Transfer (DBFOT) mode.

How many of the statements given above are correct?

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

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Answers and Explanations

QUESTION 1

With reference to Bioresources, consider the following statements:

1. They are renewable and relatively cheap.
2. Ethanol is produced by the fermentation of crops like sugarcane or corn by microorganisms, and it is a biological alternative to fuels traditionally derived from hydrocarbons.
3. Biological resources are integral to the healthcare, pharmaceutical, and agriculture sectors.

How many of the statements given above are correct?

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

1.Explanation

- ✓ The bioeconomy is the economic utilisation of biological resources (plants, animals, and microbes) and the replication of natural biological processes in the creation of commodities and services.
- ✓ Biological resources and natural processes have long played an important role in the healthcare, pharmaceutical, and agriculture industries. However, their applications are increasingly spreading to a variety of other fields. Hence statement 3 is correct.
- ✓ Bioresources such as plants and microbes are renewable, inexpensive, and readily available, whilst natural processes are more environmentally benign. Hence statement 1 is correct.
- ✓ A good example is the expanding usage of ethanol, created by microbes through the fermentation of crops such as sugarcane or maize, as a biological alternative to hydrocarbon-based fuels. Modern biology provides environmentally friendly alternatives to clothing, plastics, building materials, medications, and a wide range of chemicals. Hence statement 2 is correct.

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- ✓ Even in conventional application sectors such as healthcare and agriculture, there is a push to expand the use of biotechnology, which involves manipulating biological resources and processes to create desired goods or applications. Biotechnology is becoming increasingly important in the development of biomedicines generated from bioresources rather than chemicals, as well as synthetic biology, which involves the cultivation of specially designed microorganisms with desired features.
- ✓ Therefore, option (c) is the correct answer.

QUESTION 2

The major crops of interest in the United States when it comes to securing greater market access in India are:

1. Maize
2. Cotton
3. Millets
4. Soyabean
5. Wheat

Select the correct answer using the codes given below:

- (a) 1, 3 and 5
- (b) 2 and 3 only
- (c) 4 and 5 only
- (d) 1, 2 and 4

2.Explanation

- ✓ When it comes to gaining more market access in India, the United States is most interested in three crops: soyabeans, maize (corn), and cotton.
- ✓ The desire for “opening up” could be amplified by US President Donald Trump’s promise to put so-called reciprocal tariffs on Indian goods beginning April 2: “We will be charging them the same tariffs they charge us”.
- ✓ The United States is a major exporter of all three commodities, with combined shipping values peaking at about \$62 billion in 2022.
- ✓ China is also the single largest market for US soyabean and cotton, despite the fact that its purchases between 2022 and 2024 fell from \$17.9 billion to \$12.8 billion for the former and \$2.9 billion to \$1.5 billion for the latter.
- ✓ China was also the largest maize importer from the US in 2022, at \$5.2 billion, before falling to \$328 million by 2024. Since 2023, Mexico and Japan have emerged as the top two consumers of US maize.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 3

The Transforming Relationship Utilising Strategic Technology (TRUST) initiative is associated with:

- (a) A Centre of Excellence in Artificial Intelligence for education
- (b) Digital-form Indian language books for school and higher education
- (c) Research & development of Small Modular Reactors (SMR)
- (d) Recovery and processing of critical minerals

3.Explanation

- ✓ At a time when India and the United States are increasing their bilateral engagement on critical minerals, a top American official has visited India to formalise cooperation between the two nations in promoting research in this field.
- ✓ India and the United States created the Transforming Relationship Utilising Strategic Technology (TRUST) program, which focusses on the recovery and processing of important minerals such as lithium and rare earth elements (REEs).
- ✓ The visit enabled the Catalysing Opportunities for Military Partnership, Accelerated Commerce, and Technology (COMPACT) initiative, which was also launched during PM Modi's visit to the United States.
- ✓ The TRUST initiative came after India joined the US-led Minerals Security Finance Network in September of last year. India joined the Minerals Security Partnership (MSP) in 2023.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 4

With reference to the trade deficit, consider the following statements:

1. It signifies the demand in the domestic economy is not being met by the domestic producers.
2. It refers to the high competitiveness in the domestic industry.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

4.Explanation

- ✓ A country's trade "balance" reflects the difference between what it receives from exports and what it pays for imports. If this number is negative, indicating that a country's total value of products imported exceeds its total value of goods exported, the country is said to have a "trade deficit".
- ✓ A trade deficit signifies that domestic producers are failing to meet domestic demand. For example, while India produces a lot of milk, it still does not meet the country's overall milk demand. As a result, India may choose to import milk. Hence statement 1 is correct.
- ✓ A deficit often indicates a lack of competitiveness in the domestic industry. For example, if Chinese steel was significantly less expensive for the same quality than domestic steel, Indian automobile manufacturers could import it instead of sourcing it domestically. Hence statement 2 is not correct.
- ✓ Therefore, option (a) is the correct answer.

QUESTION 5

With reference to the ropeways, consider the following statements:

1. They need large construction works on the ground surface and incur high land acquisition costs.
2. They have a lower cost of construction per km than roadways.
3. Govindghat to Hemkund Sahib Ji (12.4 km) and Sonprayag to Kedarnath (12.9 km) will be developed in Design, Build, Finance, Operate and Transfer (DBFOT) mode.

How many of the statements given above are correct?

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

5.Explanation

- ✓ The Union Cabinet has approved two major ropeway projects in Uttarakhand: Govindghat to Hemkund Sahib Ji (12.4 km) and Sonprayag to Kedarnath (12.9 km), which will be completed under the National Ropeways Development Programme – Parvatmala Pariyojana.
- ✓ The entire cost of both projects is more than Rs. 6,811 crore, and they will be created using the Design, Build, Finance, Operate, and Transfer (DBFOT) model, which is a version of the Public-Private Partnership, or PPP. Hence statement 3 is correct.
- ✓ Ropeways do not require extensive building works on the ground surface, resulting in lower land acquisition expenses. Despite having a higher construction cost per km than roadways, ropeway projects may be more cost-effective. This lowers both the building and maintenance costs. Hence statements 1 and 2 are not correct.
- ✓ Therefore, option (a) is the correct answer.