

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

Week 92

QUESTION 1

With reference to the gross domestic product (GDP), consider the following statements:

1. It is the market value of all the final goods and services produced within a country in a specific time period.
2. Real GDP refers to the value of goods and services evaluated at current market prices without factoring in inflation.
3. Nominal GDP refers to the value of goods and services evaluated after adjusting inflation or deflation.

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 soapstone, consider the following statements:

1. It is a sedimentary rock made of talc.
2. Uttarakhand has the highest reserves of soapstone in India.

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 3

The Credit Information Companies (CICs) in India are governed by:

- (a) TransUnion CIBIL
- (b) CRIF High Mark
- (c) Department of Economic Affairs
- (d) Reserve Bank of India

QUESTION 4

With reference to the logistics index chart 2024, consider the following statements:

1. The index is an indicator of the efficiency of logistical services necessary for promoting exports and economic growth.
2. The index is released by the Ministry of Ports, Shipping and Waterways.
3. Tamil Nadu has been categorised as “achievers” in the index.

Which of the statements given above is/are correct?

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

QUESTION 5

With reference to the Urea, consider the following statements:

1. India's domestic urea production has increased from 2011-12 to 2023-24 (April-March).
2. The import of urea has increased from 2011-12 to 2023-24.

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

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Answers and Explanations

QUESTION 1

With reference to the gross domestic product (GDP), consider the following statements:

1. It is the market value of all the final goods and services produced within a country in a specific time period.
2. Real GDP refers to the value of goods and services evaluated at current market prices without factoring in inflation.
3. Nominal GDP refers to the value of goods and services evaluated after adjusting inflation or deflation.

How many of the statements given above are correct?

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

1.Explanation

- ✓ The Uttarakhand High Court pulled up the authorities for unregulated soapstone mining in Bageshwar, a district with more than 160 mines at present.
- ✓ Soapstone is a metamorphic rock composed of talc, a naturally occurring mineral, which is utilised in the building and design of countertops, sinks, hearths, and sculptures. Talc is used in various industries, including cosmetics and pharmaceuticals. Hence, statement 1 is not correct.
- ✓ According to the Indian Bureau of Mines, the states of Rajasthan (57%) and Uttarakhand (25%) have large soapstone reserves in India. Hence, statement 2 is not correct.
- ✓ Land sinking is a major concern throughout Uttarakhand. In 2022, fractures occurred in several roads and hundreds of dwellings in Joshimath, prompting authorities to label the area a landslip and subsidence zone. Kanda-Kanyal and Kanda are very susceptible regions in the Bageshwar district.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 2

With reference to the soapstone, consider the following statements:

1. It is a sedimentary rock made of talc.
2. Uttarakhand has the highest reserves of soapstone in India.

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- (c) Both 1 and 2
- (d) Neither 1 nor 2

2.Explanation

- ✓ Bank customers and borrowers often complain that even after a loan default is rectified by them, credit information companies (CICs) and banks do not update their status in their databases. This failure leads to a low credit score for the customer, and affects her chances of getting a bigger loan at a low interest rate.
- ✓ The Reserve Bank of India (RBI) has now urged CICs (which hold clients' credit histories), banks, and financing companies to speed up data updates and provide compensation for delays, as well as to notify customers of changes in their credit status. In India, the Reserve Bank of India (RBI) regulates credit information companies (CICs).
- ✓ In its Master Direction on Credit Information Reporting, the RBI has imposed a penalty for failing to resolve a consumer complaint within a certain deadline.
- ✓ It has requested that complainants be compensated at Rs 100 per calendar day if their complaint is not handled within 30 calendar days of the customer's first submission.



- ✓ If banks/NBFCs fail to submit updated credit information to CICs within 21 calendar days of being notified by a complainant or a CIC, they would be required to pay compensation.
- ✓ CICs and credit institutions (CIs) are obligated to keep the credit information they collect/maintain up to date fortnightly (on the 15th and last day of the month), or at shorter intervals as mutually agreed upon by the CI and CIC.
- ✓ The CI/CIC shall notify the complainant of any actions taken, including those in which the complaint is rejected. To help clients comprehend the concerns, the CI/CIC must explain reasons for rejecting the request for data rectification.
- ✓ Therefore, option (d) is the correct answer.



QUESTION 3

The Credit Information Companies (CICs) in India are governed by:

- (a) TransUnion CIBIL
- (b) CRIF High Mark
- (c) Department of Economic Affairs
- (d) Reserve Bank of India

3.Explanation

- ✓ Gujarat, Karnataka, Maharashtra, Odisha, Tamil Nadu, and Delhi are among the 13 states and Union Territories designated as “achievers” in the 2024 logistics index chart, according to a report provided by the Commerce and Industry Ministry. Hence, statement 2 is not correct and statement 3 is correct.
- ✓ The index measures the effectiveness of logistics services required to promote exports and economic growth. Other states and union territories in the “achievers” category include Chandigarh, Haryana, Telangana, Uttar Pradesh, Uttarakhand, Assam, and Arunachal Pradesh. Hence, statement 1 is correct.
- ✓ Andhra Pradesh, Goa, Bihar, Himachal Pradesh, MP, Punjab, Rajasthan, Meghalaya, Mizoram, Nagaland, Sikkim, Tripura, Dadra and Nagar Haveli and Daman and Diu, Jammu and Kashmir, Lakshadweep, and Puducherry have been classified as “fast movers” Kerala, West Bengal, Chhattisgarh, Jharkhand, Andaman & Nicobar Islands, and Ladakh are among the “aspirers” group.

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- ✓ Maharashtra, Odisha, Uttarakhand, and Arunachal Pradesh have moved up from 'Fast Movers' and 'Aspirers' categories in 2023 to 'Achievers' in 2024. Punjab has dropped from first place to 'Fast Movers' in 2024. In contrast, Andhra Pradesh has slid from 'Achievers' to 'Fast Movers' rank in 2023.
- ✓ Therefore, option (c) is the correct answer.

QUESTION 4

With reference to the logistics index chart 2024, consider the following statements:

1. The index is an indicator of the efficiency of logistical services necessary for promoting exports and economic growth.
2. The index is released by the Ministry of Ports, Shipping and Waterways.
3. Tamil Nadu has been categorised as “achievers” in the index.

Which of the statements given above is/are correct?

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

4.Explanation

- ✓ Despite di-ammonium phosphate (DAP) shortages and a general dearth of manufacturing sector investments, one industry, urea, has witnessed significant installation of new production capabilities and progress towards the Narendra Modi government's goal of atmanirbharta (self-reliance).
- ✓ Between 2011-12 and 2023-24 (April-March), India's domestic urea production increased from 22 million to 31.4 million tonnes (mt), while imports decreased from 7.8 mt to 7 mt after peaking at more than 9.8 mt in 2020-21. Hence, statement 1 is correct and statement 2 is not correct.
- ✓ The current fiscal year has seen a further 31.7% reduction, perhaps falling below 5 mt – the lowest level since 2006-07.
- ✓ Therefore, option (a) is the correct answer.

QUESTION 5

With reference to the Urea, consider the following statements:

1. India's domestic urea production has increased from 2011-12 to 2023-24 (April-March).
2. The import of urea has increased from 2011-12 to 2023-24.

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



5.Explanation

- ✓ The Ministry of Statistics and Programme Implementation (MoSPI) released a fact sheet for the latest round of the Household Consumption Expenditure Survey 2023-24, which showed rural spending growing at a faster rate than urban areas, narrowing the gap between the two and possibly signalling a reduction in consumption by urban households.
- ✓ Western, northern, and southern states such as Maharashtra, Punjab, Tamil Nadu, Telangana, Kerala, Karnataka, Haryana, Gujarat, and Andhra Pradesh outperformed the national average in terms of per capita monthly consumption spending, while eastern and central Indian states such as West Bengal, Bihar, Assam, Odisha, Uttar Pradesh, Madhya Pradesh, Jharkhand, and Chhattisgarh spent less. Hence, statement 1 is not correct.
- ✓ Story continues below this ad



- ✓ Rural average monthly consumer spending per person climbed to Rs 4,122 in 2023-24, up 9.3% from Rs 3,773 in 2022-23. It amounted to Rs 1,430 in 2011-12. This growth in rural spending over a year was greater than the urban average monthly consumer expenditure per person of Rs 6,996, which climbed by 8.3 percent from Rs 6,459 in 2022–23. Hence, statement 2 is not correct.
- ✓ The difference in average monthly consumer spending between rural and urban households shrank to 69.7 percent in 2023-24, down from 71.2 percent in 2022-23 and 83.9 percent 11 years ago in 2011-12. Hence, statement 3 is not correct.
- ✓ Therefore, option (d) is the correct answer.