

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

# Week 91

## QUESTION 1

With reference to the Household Consumption Expenditure Survey 2023-24, consider the following statements:

1. Eastern and central states of India fared better with per capita monthly consumption spending higher than the national average.
2. Rural average monthly consumption spending per person decreased in 2023-24 from 2022-23.
3. The average monthly consumption expenditure difference between rural and urban households increased in 2023-24 from 2022-23.

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 coffee, consider the following statements:

1. India's global coffee export market during the current financial year crossed the \$1-billion mark for the first time.
2. Robusta coffee accounts for over 40 per cent of global production.
3. Kerala is the largest producer of Arabica and Robusta coffee in 2022-23.
4. Which of the statements given above are correct?
  - (a) 1 and 2 only
  - (b) 2 and 3 only
  - (c) 1 and 3 only
  - (d) 1, 2 and 3

### QUESTION 3

With reference to the trade between India and Australia, consider the following statements:

1. The export utilisation under the India-Australia Economic Cooperation and Trade Agreement (ECTA) was higher than the import utilisation.
2. Trade between India and Australia has increased during the current financial year as compared to the previous year.

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 4

Individuals aged 75 years and above are exempt from filing income-tax (I-T) returns if their income consists solely of:

1. Pension
2. Interest income
3. Income not more than 3 lakhs

Select the correct answer using the codes given below:

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

## QUESTION 5

Consider the following states:

1. West Bengal
2. Uttar Pradesh
3. Rajasthan
4. Maharashtra
5. Madhya Pradesh

What is the correct chronological order of these states from top to bottom of the centres of migrants movement from across the country travelled to by the Indian Railways?

- (a) 1—2—3—4—5
- (b) 2—3—5—1—4
- (c) 1—3—2—4—5
- (d) 4—2—1—3—5

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## Answers and Explanations

## QUESTION 1

With reference to the Household Consumption Expenditure Survey 2023-24, consider the following statements:

1. Eastern and central states of India fared better with per capita monthly consumption spending higher than the national average.
2. Rural average monthly consumption spending per person decreased in 2023-24 from 2022-23.
3. The average monthly consumption expenditure difference between rural and urban households increased in 2023-24 from 2022-23.

How many of the statements given above are correct?

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

## Explanation 1

- ✓ India is making substantial gains into the global coffee export industry, with total shipments exceeding \$1 billion for the first time in the current fiscal year through November, according to data from the Centre for Monitoring Indian Economy (CMIE). Hence, statement 1 is correct.
- ✓ The sharp growth can be attributed to a rise in Robusta coffee prices, which account for more than 40% of global production, as well as stockpiling ahead of the European Union's new deforestation regulation, which could raise the cost of coffee and several other agricultural exports to the EU. Hence, statement 2 is correct.
- ✓ India's coffee exports reached a record high of \$1,146.9 million between April and November in FY24, up from \$803.8 million in the same period prior year, representing a 29% increase. This figure is nearly double that of the same period in FY21, when exports were \$460 million.
- ✓ Global Robusta prices have risen to multi-decade highs as a result of supply concerns in key coffee-producing countries such as Vietnam and Brazil.

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- ✓ Notably, Brazil is the world's largest coffee grower, accounting for over 40% of worldwide production, and Vietnam, the second-largest producer, has also revealed decreased production projections.
- ✓ According to Coffee Board data, Karnataka's Chikkamagaluru, Kodagu, and Hassan would produce the most Arabica and Robusta coffee in 2022-23, with 2,48,020 MTs. Kerala ranks second at 72,425 MTs, followed by Tamil Nadu at 18,700 MTs. Hence, statement 3 is not correct.
- ✓ Therefore, option (a) is the correct answer.

## QUESTION 2

With reference to the coffee, consider the following statements:

1. India's global coffee export market during the current financial year crossed the \$1-billion mark for the first time.
2. Robusta coffee accounts for over 40 per cent of global production.
3. Kerala is the largest producer of Arabica and Robusta coffee in 2022-23.
4. Which of the statements given above are correct?
  - (a) 1 and 2 only
  - (b) 2 and 3 only
  - (c) 1 and 3 only
  - (d) 1, 2 and 3



## Explanation 2

- ✓ The Ministry of Commerce and Industry announced that export utilisation under the India-Australia Economic Cooperation and Trade Agreement (ECTA) has reached 79% after two years of implementation, while import utilisation is at 84%. Hence, statement 1 is not correct.
- ✓ Trade utilisation of a free trade agreement (FTA) reflects the degree to which trade benefits from the agreement. It also gives information on whether enterprises are effectively using the FTA or find its concession procedures cumbersome.
- ✓ However, commerce between India and Australia has declined in the current fiscal year. Official trade data revealed that goods exports to Australia totalled \$3.99 billion in the six months from April to September 2024, down from \$4.89 billion in the same period last year, representing an 18% decrease. Hence, statement 2 is not correct.
- ✓ Imports plummeted 18% during the same period, to \$6.7 billion this year from \$8.3 billion the previous year. This has resulted in a smaller trade imbalance.



- ✓ “The exchange of preferential import data between the two countries has begun, highlighting the agreement’s effective implementation in 2023.” The results show that export utilisation is 79% and import utilisation is 84%,” the Commerce and Industry Ministry reported.
- ✓ The government stated that major sectors such as textiles, chemicals, and agriculture have experienced strong development. Furthermore, exports in new categories, such as gold encrusted with diamonds and turbojets, highlight the agreement’s influence in expanding commerce.
- ✓ Therefore, option (d) is the correct answer.

### QUESTION 3

With reference to the trade between India and Australia, consider the following statements:

1. The export utilisation under the India-Australia Economic Cooperation and Trade Agreement (ECTA) was higher than the import utilisation.
2. Trade between India and Australia has increased during the current financial year as compared to the previous year.

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

### Explanation 3

- ✓ Finance Minister Nirmala Sitharaman will announce her ninth straight Union Budget on February 1, 2025. Speculation has already begun about what the Budget will hold for taxpayers. The salaried class would receive the most of the attention, but the issues of senior persons would also be addressed. With rising medical expenditures and inflation, the amount the elderly must spend each month has increased.
- ✓ Individuals 75 and older are excluded from submitting income-tax (I-T) returns if their income consists only of pension and interest income, with interest income generated from the same specified bank to which the pension is credited.
- ✓ In such circumstances, the selected bank deducts the applicable tax, removing the need to file a return. The age limit for this provision could be reduced to 70 years, extending the benefit to more senior individuals.

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- ✓ The current basic exemption ceiling for older citizens is Rs 3 lakh under both the old and new tax regimes. The baseline exemption ceiling for super senior citizens (aged 80 and above) was Rs 5 lakh under the previous regime, but it remains Rs 3 lakh under the current regime.
- ✓ Therefore, option (d) is the correct answer.

## QUESTION 4

Individuals aged 75 years and above are exempt from filing income-tax (I-T) returns if their income consists solely of:

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3. Income not more than 3 lakhs

Select the correct answer using the codes given below:

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- (d) 1, 2 and 3

## Explanation 4

- ✓ According to the latest working paper of the Economic Advisory Council to the Prime Minister (EAC-PM) on migration trends, West Bengal and Rajasthan have emerged as new centres of migration from across the country, ranking among the top five states with the highest number of general or second class passengers travelled to by Indian Railways.
- ✓ The remaining three states in the top five are Uttar Pradesh, Maharashtra, and Madhya Pradesh.
- ✓ Andhra Pradesh and Bihar are currently ranked slightly lower than they were in 2012. Titled “400 Million Dreams!”, the PM advisory body’s report stated that the overall number of migrants in the country has decreased by 11.78 percent since the 2011 census.
- ✓ The paper hypothesised that greater economic prospects in smaller cities are one of the factors contributing to India’s decreasing migration.
- ✓ Therefore, option (c) is the correct answer.

## QUESTION 5

Consider the following states:

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3. Rajasthan
4. Maharashtra
5. Madhya Pradesh

What is the correct chronological order of these states from top to bottom of the centres of migrants movement from across the country travelled to by the Indian Railways?

- (a) 1—2—3—4—5
- (b) 2—3—5—1—4
- (c) 1—3—2—4—5
- (d) 4—2—1—3—5

## Explanation 5

- ✓ In 2023-24 (October-September), the unincorporated non-agricultural sector added around 84 lakh establishments and 1.1 crore jobs, according to the results of the Annual Survey of Unincorporated Sector Enterprises (ASUSE).
- ✓ The unincorporated non-agricultural sector, which includes non-corporate entities, had a 13% increase in nominal wages for workers in 2023-24, in contrast to the corporate sector's slower wage growth.
- ✓ Story continues below this ad
- ✓ Wage growth of 13% in nominal terms in the unincorporated sector was higher than the (-)1.1% observed in 2022-23. The real rate of wage increase, adjusted for inflation, would be less than 13%, given that retail inflation averaged 4.9 percent between October 2023 and September 2024. Hence, statement 1 is correct.

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- ✓ The number of workers in the unincorporated sector was registered at 12.06 crore in 2023-24, a 10% increase over the previous year, with other services experiencing the fastest development. The number of enterprises in other services increased by 23.6%, followed by a 13% increase in manufacturing. Hence, statements 2 and 3 are correct.
- ✓ According to the ASUSE, gross value added (GVA) growth in the country's unorganised firms increased by 16.5% in 2023-24, compared to 16.1% the previous year.
- ✓ Therefore, option (c) is the correct answer.