

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

# Week 96

## QUESTION 1

With reference to the key takeaways from the Economic Survey for 2024-25 consider the following :

1. The world's modus operandi of outsourcing manufacturing to China pursued vigorously in the globalisation era is poised for a reset.
2. India faces limitations in producing critical goods at the scale and quality required to serve the infrastructure and investment needs of an aspiring economy.

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 2

This theory is based on the observation that underdeveloped economies tend to grow more rapidly than wealthier economies, leading to a 'catching-up' effect.

Which economic theory does this describe?

- (a) Dependency Theory
- (b) World Systems Theory
- (c) Convergence Theory
- (d) Modernization Theory

### QUESTION 3

With reference to 'The India Employment Report 2024', consider the following statements:

1. Statement 1: The report noted that the country's job creation is struggling to keep up with the growing workforce.
  2. Statement 2: It found that India's labor force participation rate (LFPR) decreased in 2023-24.
- (a) Statements 1 and 2 are true, and statement 2 is the correct explanation of statement 1.
- (b) Statements 1 and 2 are true, but statement 2 is not the correct explanation of statement 1.
- (c) Statement 1 is true, but statement 2 is false.
- (d) Statement 1 is false, but statement 1 is true.

## QUESTION 4

Consider the following statements regarding the Unified Portal for Agricultural Statistics (UPAg):

1. It is a platform designed exclusively for generating crop production estimates.
2. It integrates data from multiple sources, including trade, procurement, and stock statistics.
3. The portal provides near real-time agricultural information.

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 5

With reference to UDGAM portal, consider the following statements:

1. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks at one place in a centralised manner and they can settle/ claim his/her unclaimed deposits through the portal or from RBI.
2. All unclaimed deposits/accounts that are part of Depositor Education and Awareness (DEA) Fund of RBI can be searched in UDGAM portal.

Which of the above given statements 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 key takeaways from the Economic Survey for 2024-25 consider the following :

1. The world's modus operandi of outsourcing manufacturing to China pursued vigorously in the globalisation era is poised for a reset.
2. India faces limitations in producing critical goods at the scale and quality required to serve the infrastructure and investment needs of an aspiring economy.

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

## 1.Explanation

- ✓ The Survey has flagged two main concerns.
- ✓ Introducing the Economic Survey, CEA V Anantha Nageswaran said that the broader global economic environment has become unfavourable and challenging, and global trade and investment have “come to a crawl”.
- ✓ “Global trade dynamics have changed significantly in recent years, shifting from globalisation to rising trade protectionism, accompanied by increased uncertainty,” the Survey says.
- ✓ The impact of this shift in global structural forces is reflected in global trade growth, and “signs of secular stagnation in the global economy are beginning to emerge”.
- ✓ The second big challenge concerns the dominance of China as the world’s manufacturing superpower – a third of all global production happens in China, and it alone manufactures more global output than the next 10 countries put together.
- ✓ However, thanks to global economic fragmentation and upheaval, “the world’s modus operandi of outsourcing manufacturing to China pursued vigorously in the globalisation era is

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- ✓ poised for a reset,” says the Survey. Hence, statement 1 is correct.
- ✓ While the Survey sounds sanguine about India’s post-pandemic economic recovery, on the whole, it sounds an alert. “India faces limitations in producing critical goods at the scale and quality required to serve the infrastructure and investment needs of an aspiring economy,” says the preface of the Survey. Hence, statement 2 is correct.
- ✓ Therefore, option (c) is the correct answer.

## QUESTION 2

This theory is based on the observation that underdeveloped economies tend to grow more rapidly than wealthier economies, leading to a 'catching-up' effect.

Which economic theory does this describe?

- (a) Dependency Theory
- (b) World Systems Theory
- (c) Convergence Theory
- (d) Modernization Theory

## 2.Explanation

- ✓ The catch-up effect, also known as the theory of convergence, is a concept suggesting that per capita incomes across all economies will eventually align. This theory stems from the observation that less developed economies typically experience faster growth than wealthier ones. As a result, these economies gradually catch up with more prosperous economies.
- ✓ Therefore, option (c) is the correct answer.

### QUESTION 3

With reference to 'The India Employment Report 2024', consider the following statements:

1. Statement 1: The report noted that the country's job creation is struggling to keep up with the growing workforce.
  2. Statement 2: It found that India's labor force participation rate (LFPR) decreased in 2023-24.
- (a) Statements 1 and 2 are true, and statement 2 is the correct explanation of statement 1.
- (b) Statements 1 and 2 are true, but statement 2 is not the correct explanation of statement 1.
- (c) Statement 1 is true, but statement 2 is false.
- (d) Statement 1 is false, but statement 1 is true.

### 3.Explanation

- ✓ Even as overall labour force participation, workforce participation and employment rates improved in India in recent years after showing long-term deterioration during 2000-2019, the employment conditions remain poor, according to the 'India Employment Report 2024' released by the Institute for Human Development (IHD) and International Labour Organisation (ILO). Hence, statement 1 is correct and statement 2 is not correct.
- ✓ Therefore, option (c) is the correct answer.

## QUESTION 4

Consider the following statements regarding the Unified Portal for Agricultural Statistics (UPAg):

1. It is a platform designed exclusively for generating crop production estimates.
2. It integrates data from multiple sources, including trade, procurement, and stock statistics.
3. The portal provides near real-time agricultural information.

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

## 4.Explanation

- ✓ “Unified Portal for Agricultural Statistics (UPAg) is an advanced agricultural data management platform designed to generate crop estimates and integrate with other systems generating Agriculture Statistics such as Price, Trade, Procurement, Stock etc. It serves as a centralized hub for near real time information on crop production, market trends, pricing, and other vital agricultural data.” Hence, statement 3 is correct.
- ✓ “UPAg is not exclusively for crop production estimates; it also integrates various agricultural statistics such as price, trade, procurement, and stock.” Hence, statement 1 is not correct and statement 2 is correct.
- ✓ Therefore, option (b) is the correct answer.

## QUESTION 5

With reference to UDGAM portal, consider the following statements:

1. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks at one place in a centralised manner and they can settle/ claim his/her unclaimed deposits through the portal or from RBI.
2. All unclaimed deposits/accounts that are part of Depositor Education and Awareness (DEA) Fund of RBI can be searched in UDGAM portal.

Which of the above given statements is/are correct?

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

## 5.Explanation

- ✓ FAQs on UDGAM portal,
- ✓ “UDGAM refers to Unclaimed Deposits-Gateway to Access inforMation, which is an online portal developed by RBI. It facilitates the registered users to search unclaimed deposits/accounts across multiple banks at one place in a centralised manner.” However the second part of the statement is not true. “No, the UDGAM portal facilitates only (a) the search of unclaimed deposits/accounts across multiple banks at one place and (b) provides information on claim/settlement process of each bank (which will be available in the search result). The unclaimed deposits can be claimed only from the respective bank.” Hence, statement 1 is not correct.
- ✓ “All unclaimed deposits/accounts that are part of Depositor Education and Awareness (DEA) Fund of RBI can be searched in UDGAM portal.” Hence, statement 2 is correct.
- ✓ Therefore, option (b) is the correct answer.