

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

Week 101

QUESTION 1

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

1. The EU is India's largest trading partner in goods.
2. Indian exports were less in terms of value as compared to imports for FY 2023-24.
3. Foreign Direct Investment (FDI) flows from the EU from April 2000 to September 2024 represented 16 per cent of the total FDI equity inflow.

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 National Mission on Edible Oils – Oilseeds (NMEO-Oilseeds), consider the following statements:

1. The Mission will be implemented over a five-year period, from 2024-25 to 2028-29.
2. It will focus on enhancing the production of key primary oilseed crops.
3. The ‘Seed Authentication, Traceability & Holistic Inventory (SATHI)’ Portal will provide tie-ups with seed-producing agencies.
4. Groundnut and Soybean are excluded from this mission.

How many of the statements given above are correct?

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

QUESTION 3

With reference to the Kisan Credit Card (KCC), consider the following statements:

1. It was introduced in 1998.
2. It provides adequate and timely access to credit to farmers for agricultural and other allied activities.
3. KCC loans are not a part of the priority sector lending (PSL) book of banks.
4. It offers revolving cash credit facilities to farmers with restrictions on the number of debits or credits.

Which of the statements given above are correct?

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

QUESTION 4

With reference to the Navratna status, consider the following statements:

1. It is the highest category of the central government-owned 'Ratna' companies based on criteria including profitability and net worth.
2. The Department of Public Enterprises (DPE) picks the Central Public Sector Enterprises (CPSEs) for Navratna status.
3. There are only 10 CPSEs under the Navratna status.

Which of the statements given above is/are correct?

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

QUESTION 5

Bollgard-3 is a variety of:

- (a) Rice
- (b) Wheat
- (c) Sugarcane
- (d) Cotton



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Answers and Explanations

QUESTION 1

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

1. The EU is India's largest trading partner in goods.
2. Indian exports were less in terms of value as compared to imports for FY 2023-24.
3. Foreign Direct Investment (FDI) flows from the EU from April 2000 to September 2024 represented 16 per cent of the total FDI equity inflow.

How many of the statements given above are correct?

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

1. Explanation

- ✓ India and the EU have been negotiating a free trade agreement for the past decade and a half.
- ✓ The EU is India's largest trading partner in goods, and bilateral commerce has expanded by 90% over the last decade. Hence, statement 1 is correct.
- ✓ In fiscal year 2023-24, bilateral trade in goods totalled \$135 billion, with India exporting \$76 billion to the EU and importing \$59 billion. Bilateral trade in services in 2023 was \$53 billion, with Indian exports of \$30 billion and imports of \$23 billion. Hence, statement 2 is not correct.
- ✓ Foreign Direct Investment (FDI) flows from the EU totalled \$117.4 billion between April 2000 and September 2024, accounting for 16.6% of overall FDI equity inflows. Hence, statement 3 is correct.
- ✓ Between April 2000 and March 2024, Indian FDI outflows to the EU were valued at around \$40.04 billion.
- ✓ Therefore, option (b) is the correct answer.

QUESTION 2

With reference to the National Mission on Edible Oils – Oilseeds (NMEO-Oilseeds), consider the following statements:

1. The Mission will be implemented over a five-year period, from 2024-25 to 2028-29.
2. It will focus on enhancing the production of key primary oilseed crops.
3. The ‘Seed Authentication, Traceability & Holistic Inventory (SATHI)’ Portal will provide tie-ups with seed-producing agencies.
4. Groundnut and Soybean are excluded from this mission.

How many of the statements given above are correct?

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

2.Explanation

- ✓ The National Mission on Edible Oils and Oilseeds (NMEO-Oilseeds) has been authorised by the Centre, with a budget of '10,103 crore.
- ✓ This effort aims to increase domestic oilseed production and achieve self-reliance (Atmanirbhar Bharat) in edible oils. The Mission will be implemented over seven years, from 2024-25 to 2030-31. Hence, statement 1 is not correct.
- ✓ The newly approved NMEO-Oilseeds will concentrate on increasing production of key primary oilseed crops such as rapeseed-mustard, groundnut, soybean, sunflower, and sesamum, as well as improving collection and extraction efficiency from secondary sources such as cottonseed, rice bran, and tree-borne oils. Hence, statement 2 is correct and statement 4 is not correct.
- ✓ The mission intends to boost primary oilseed output from 39 million tonnes (2022-23) to 69.7 million tonnes by 2030-31. Together with NMEO-OP (Oil Palm), the Mission aims to boost domestic edible oil output to 25.45 million tonnes by 2030-31, meeting about 72% of our expected domestic demand.

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- ✓ It will be accomplished by encouraging the use of high-yielding, high-oil-content seed varieties, expanding production into rice fallow regions, and promoting intercropping.
- ✓ The Mission will capitalise on the development of high-quality seeds by utilising cutting-edge global technologies such as genome editing.
- ✓ To ensure the timely availability of quality seeds, the Mission will implement an online 5-year rolling seed plan via the 'Seed Authentication, Traceability & Holistic Inventory (SATHI)' Portal, allowing states to form advance alliances with seed-producing agencies such as cooperatives, Farmer Producer Organisations (FPOs), and government or private seed corporations. Hence, statement 3 is correct.
- ✓ Therefore, option (b) is the correct answer.

QUESTION 3

With reference to the Kisan Credit Card (KCC), consider the following statements:

1. It was introduced in 1998.
2. It provides adequate and timely access to credit to farmers for agricultural and other allied activities.
3. KCC loans are not a part of the priority sector lending (PSL) book of banks.
4. It offers revolving cash credit facilities to farmers with restrictions on the number of debits or credits.

Which of the statements given above are correct?

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

3.Explanation

- ✓ In a sign of agricultural stress, scheduled commercial banks, excluding regional rural banks (RRBs), have seen a sharp increase of 42% in bad loans Kisan Credit Card (KCC) accounts, a revolving cash credit facility issued to farmers, over the last four years.
- ✓ The Kisan loans Card (KCC) initiative, launched in 1998, offers farmers with appropriate and timely access to loans for agricultural and other allied activities. Hence, statements 1 and 2 are correct.
- ✓ Farmers can take advantage of KCC's revolving cash credit program, which has no limit on the number of debit or credit transactions. Hence, statement 4 is not correct.
- ✓ KCC loans are part of the bank's broader agriculture loan book, which is classified as priority sector lending (PSL). Banks are required to reach an 18% agriculture objective out of the total PSL target of 40%. Hence, statement 3 is not correct.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 4

With reference to the Navratna status, consider the following statements:

1. It is the highest category of the central government-owned 'Ratna' companies based on criteria including profitability and net worth.
2. The Department of Public Enterprises (DPE) picks the Central Public Sector Enterprises (CPSEs) for Navratna status.
3. There are only 10 CPSEs under the Navratna status.

Which of the statements given above is/are correct?

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

4.Explanation

- ✓ The Centre authorised the promotion of Indian Railway Catering and Tourism Corporation (IRCTC) and Indian Railway Finance Corporation (IRFC) to the country's 25th and 26th Navratna businesses, respectively. Hence, statement 3 is not correct.
- ✓ Navratnas are the second tier of central government-owned 'Ratna' firms, ranking between Maharatnas and Miniratnas based on factors such as profitability, net worth, earnings, inter-sectoral performance, and so on. Hence, statement 1 is not correct.
- ✓ The Department of Public Enterprises (DPE) of the Ministry of Finance selects CPSEs for Navratna status. Hence, statement 2 is correct.
- ✓ Six indicators are considered:
 - ✓ (i) ratio of net profit to net worth,
 - ✓ (ii) ratio of manpower cost to total cost of production or services,
 - ✓ (iii) ratio of profit before depreciation, interest, and tax (PBDIT) to capital employed or return on capital employed,

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- ✓ (iv) ratio of profit before interest and taxes (PBIT) to turnover,
- ✓ (v) earning per share, and
- ✓ (vi) inter-sectoral performance of the company.
- ✓ If a CPSE has a composite score of 60 or higher for all six indicators, and has obtained an Excellent or Very Good MOU rating in three of the last five years, it is eligible to be considered for Navratna status.
- ✓ Therefore, option (c) is the correct answer.

QUESTION 5

Bollgard-3 is a variety of:

- (a) Rice
- (b) Wheat
- (c) Sugarcane
- (d) Cotton



5.Explanation

- ✓ Monsanto created Bollgard-3 over a decade ago, and it is highly resistant to pests. It contains three Bt proteins: Cry1Ac, Cry2Ab, and Vip3A, which kill insects by interrupting their normal gastrointestinal function. This, in turn, promotes the growth of a better cotton crop, increasing production.
- ✓ *Bacillus thuringiensis* (Bt) is a soil-dwelling bacteria that has strong insecticidal characteristics. In recent decades, researchers have successfully put particular Bt genes into several crops, such as cotton, to provide insect repellent qualities.
- ✓ Bollgard-1, a Monsanto-developed Bt cotton, was released in India in 2002, followed by Bollgard-2 in 2006. The latter is still prevalent today. Although these have some insect repellent capabilities, they are ineffective against the whitefly and pink bollworm, which came

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- ✓ in Punjab in 2015-16 and 2018-19, respectively. This is why farmers are calling for the introduction of Bollgard-3, a pesticide that is especially efficient against lepidopteran pests such as pink bollworm.
- ✓ Therefore, option (d) is the correct answer.