

CURRENT AFFAIRS



MCQ PRACTICE



ECONOMICS

Week 102

QUESTION 1

What is the correct order of these items in terms of value (High to Low) of India's goods exports to New Zealand:

1. Clothing and textile
2. Refined petroleum
3. Medicines and medical supplies

Select the correct answer using the codes given below:

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

QUESTION 2

With reference to the currency exchange rates, consider the following statements:

1. If the demand in Americans for euros outstrips the demand for dollars among Europeans, the exchange rate will reflect it by making euros more costly.
2. A free-floating exchange rate rises and falls due to changes in the foreign exchange market.

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

Consider the following statements about Pradhan Mantri Kisan Samman Nidhi:

1. It is a Central Sector scheme with 100% funding from the Government of India.
2. The central government is responsible for identifying the farmer families eligible for support, as per the scheme guidelines.
3. Under the scheme an income support of 8,000/- per year in four equal instalments will be provided to all land holding farmer families.

How many of the statements given above are correct?

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

QUESTION 4

With reference to the Engineering Export Promotion Council (EEPC), consider the following statements:

1. It was set up in 1955.
2. More than half of its members are in the MSME segment.
3. It is sponsored by the Ministry of External Affairs.

Which of the statements given above is/are correct?

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

QUESTION 5

With reference to the export of railway equipment to various countries, consider the following pairs:

1. Metro coaches – Australia
2. Locomotives and passenger coaches – Sri Lanka and Bangladesh

Which of the pairs 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

What is the correct order of these items in terms of value (High to Low) of India's goods exports to New Zealand:

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Select the correct answer using the codes given below:

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

1. Explanation

- ✓ Following a meeting between New Zealand's Trade Minister Todd McClay and India's Commerce Minister Piyush Goyal, the two countries confirmed the resumption of free trade agreement (FTA) talks.
- ✓ The announcement of the talks comes as India has announced that it intends to conclude trade negotiations with the United States and the European Union this year. Trade talks with Australia for a comprehensive deal are also underway, as is the reworking of the Association of Southeast Asian Nations' (ASEAN) trade agreement.
- ✓ The India-New Zealand FTA negotiations seek balanced solutions that boost supply chain integration and market access. This milestone demonstrates a common vision for a more robust economic cooperation that promotes resilience and prosperity.
- ✓ Clothing, fabrics, and home textiles are India's top exports to New Zealand, at \$72.8 million. Medicines and medical goods followed closely at \$67.5 million, while refined petroleum exports totalled \$52.2 million. Other important exports were autos and parts.

MCQ PRACTICE

CURRENT AFFAIRS



ECONOMICS

- ✓ New Zealand's goods exports to India are predominantly agricultural products, minerals, and scrap metals. Key products include apples at \$22.6 million and kiwifruit worth \$6.6 million. Meat items such as lamb, mutton, and beef provided \$1.9 million, while dairy goods contributed a mere \$0.57 million due to India's protective measures.
- ✓ Therefore, option (d) is the correct answer.

QUESTION 2

With reference to the currency exchange rates, consider the following statements:

1. If the demand in Americans for euros outstrips the demand for dollars among Europeans, the exchange rate will reflect it by making euros more costly.
2. A free-floating exchange rate rises and falls due to changes in the foreign exchange market.

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

2.Explanation

- ✓ Interest rates, economic activity, gross domestic product, and each country's unemployment rate are frequent factors that influence the exchange rate between two currencies.
- ✓ The exchange rate between two currencies fundamentally indicates which of the two currencies is in higher relative demand. In this case, Americans and Europeans demand each other's currencies in order to invest in each other's region (either in stocks or government bonds), spend money in the other region (for example, European tourists in America), or purchase goods and services made in the other regions.
- ✓ If demand for euros in America exceeds demand for dollars in Europe, the exchange rate will reflect this by making euros more expensive — that is, “stronger” against the dollar. In such a case, the euro will begin to fetch more dollars. Hence, statement 1 is correct.
- ✓ Exchange rates may be free-floating or fixed. A free-floating exchange rate fluctuates due to changes in the foreign exchange market. A fixed exchange rate is based on the value of another currency. Hence, statement 2 is correct.
- ✓ Therefore, option (c) is the correct answer.

QUESTION 3

Consider the following statements about Pradhan Mantri Kisan Samman Nidhi:

1. It is a Central Sector scheme with 100% funding from the Government of India.
2. The central government is responsible for identifying the farmer families eligible for support, as per the scheme guidelines.
3. Under the scheme an income support of 8,000/- per year in four equal instalments will be provided to all land holding farmer families.

How many of the statements given above are correct?

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



3.Explanation

- ✓ India has a federal direct income support programme — Pradhan Mantri Kisan Samman Nidhi (PM-Kisan) — with an outlay of Rs 63,500 crore in 2024-25.
- ✓ About PM-Kisan
- ✓ It is a Central Sector project fully funded by the Government of India. Hence, statement 1 is correct.
- ✓ It has been operational since December 1, 2018.
- ✓ Under the proposal, all land-holding farmer households will receive an income support of 6,000/- each year in three equal instalments. The plan defines a family as consisting of a husband, wife, and minor children. Hence, statement 3 is not correct.
- ✓ The State Government and UT administration selects farmer households that are eligible for assistance under the scheme parameters. Hence, statement 2 is not correct.
- ✓ The funds are deposited directly to the beneficiaries' bank accounts.
- ✓ Therefore, option (a) is the correct answer.

QUESTION 4

With reference to the Engineering Export Promotion Council (EETPC), consider the following statements:

1. It was set up in 1955.
2. More than half of its members are in the MSME segment.
3. It is sponsored by the Ministry of External Affairs.

Which of the statements given above is/are correct?

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

4.Explanation

- ✓ The Commerce Secretary stated that the government is working with stakeholders to address difficulties and discover possibilities resulting from US tariffs, which have sparked a global trade war involving major trading blocs such as the European Union and China.
- ✓ Pankaj Chadha, Chairman of the Engineering Export Promotion Council (EEPC) India, stated that because the voyage period to the United States is typically 60 days, around \$1 billion in shipments are currently on the high seas and will be affected by this charge.
- ✓ About EEPC
- ✓ EEPC India is India's main trade and investment promotion body. It is sponsored by the Ministry of Commerce and Industry, Government of India, and serves the Indian engineering sector. Hence, statement 3 is not correct.
- ✓ It is an advisory organisation that actively contributes to the Government of India's policies and serves as the primary liaison between the Indian engineering community and the government.
- ✓ It was established in 1955. Hence, statement 1 is correct.

MCQ PRACTICE

CURRENT AFFAIRS



ECONOMICS

- ✓ EEPIC India today has approximately 9500 members, with MSME accounting for 60% of the total. Hence, statement 2 is correct.
- ✓ Therefore, option (a) is the correct answer.

QUESTION 5

With reference to the export of railway equipment to various countries, consider the following pairs:

1. Metro coaches – Australia
2. Locomotives and passenger coaches – Sri Lanka and Bangladesh

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

5.Explanation

- ✓ From metro coaches to Australia, locomotives to Myanmar and Bangladesh, and passenger coaches to Mozambique and Sri Lanka, the Indian Railways' worldwide footprint is expanding as train equipment exports rise sharply.
- ✓ "Today, metro coaches are shipped from our country to Australia. The mechanical component below the locomotive and coaches, known as the bogie or underframe, is being exported to the United Kingdom, Saudi Arabia, France, and Australia. Along with this, the propulsion system, a critical component of power electronics, is now being exported to France, Mexico, Romania, Spain, Germany, and Italy. "It is a source of great pride," Vaishnaw stated during a Rajya Sabha debate on the Railway Budget. Hence, pair 1 is correct.
- ✓ The passenger coaches are being exported to Mozambique, Bangladesh and Sri Lanka. Similarly, Indian locomotives are being sent to Mozambique, Senegal, Sri Lanka, Myanmar and Bangladesh. Hence, pair 2 is correct.
- ✓ Therefore, option (c) is the correct answer.