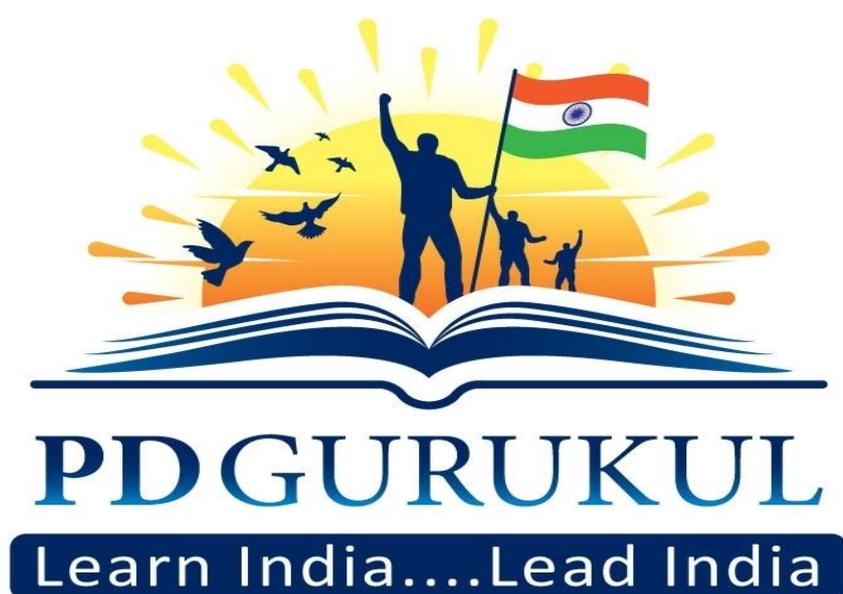


PRELIMS TEST SERIES 2019

TEST 3 Answers: Economy, Polity, Current Affairs



Jd

Detail Answers

1. C. Change in consumer preferences

Answer Justification:

Justification: Option C: This is because PPF shows a possibility of production and not what the consumers want to be produced. Even if the consumers change their preferences, the possibility of production in the economy in terms of technological capability or manpower remains the same.

For e.g. if all the resources are used in the production of corn, the maximum amount of corn that can be produced is 4 units and if all resources are used in the production of cotton, at the most, 10 units of cotton can be produced. The economy can also produce 1 unit of corn and 9 units of cotton or 2 units of corn and 7 units of cotton or 3 units of corn. There can be many other possibilities. These possibilities are not changed even if the consumer preference changes, the actual quantity of each good produced may however depend on the consumer preference.

Option A and B: These will tend to shift the PPF downwards or upwards because an improvement in technology or resources would imply a change in production possibilities.

2. C. 1, 2, 3 and 4

Answer Justification :

Background: Part of this explanation coincides with the explanation for the Q on Great depression.

The dominant thinking in economics before Keynes was that all the labourers who are ready to work will find employment and all the factories will be working at their full capacity. This school of thought is known as the classical tradition.

However, the Great Depression of 1929 and the subsequent years saw the output and employment levels in the countries of Europe and North America fall by huge amounts. It affected other countries of the world as well. Demand for goods in the market was low, many factories were lying idle, workers were thrown out of jobs.

Justification: Statement 1: Economists found that first, in some cases, the markets did not or could not exist. This can be due to lack of buyers or suppliers, for e.g. of a scare good during a war.

Statement 2: Secondly, in some other cases, the markets existed but failed to produce equilibrium of demand and supply. The whole theory of free market rests on the assumption that markets are able to satisfy (supply) whatever is needed (demand). But, there can be instance when the supply is not forthcoming or there is little demand despite the lower price.

Statement 3 and 4: Thirdly, and most importantly, in a large number of situations society (or the State, or the people as a whole) had decided to pursue certain important social goals unselfishly (in areas like employment, administration, defence, education and health) for which some of the aggregate effects of the microeconomic decisions made by the individual economic agents needed to be modified.

In a developing country like India such choices have to be made to remove or reduce unemployment, to improve access to education and primary health care for all, to provide for good administration, to provide sufficiently for the defence of the country and so on.

Macroeconomics tries to address situations facing the economy as a whole.

3. A. The number of people seeking employment increase

Answer Justification :

Justification: Keep in mind that we are taking a short term scenario where the labour force is assumed to be fixed. So, people in the labour force can either seek work or not seek work.

Unemployed people are the ones who are willing and available to work and have actively sought work. Those with temporary, part-time or full-time jobs are considered employed.

To calculate the unemployment rate, the number of unemployed people is divided by the number of people in the labor force, which consists of all employed and unemployed people. The ratio is expressed as a percentage.

Options C and D would keep the UR constant.

Option B would reduce the UR because people would not be interested in employment, option A only would increase the UR.

4. D. Closed market economy

Answer Justification :

Justification: Factor payments are the sum total of remunerations earned by the four factors of production. Only if it is a closed system where only those who work are able to buy goods, there is no leakage from the system.

5. C. 3 only

Answer Justification:

Justification: Statement 1: In a centrally planned economy, the government or the central authority plans all the important activities in the economy. All important decisions regarding production, exchange and consumption of goods and services are made by the government.

The central authority may try to achieve a particular allocation of resources and a consequent distribution of the final combination of goods and services which is thought to be desirable for society as a whole.

For example, if it is found that a good or service which is very important for the prosperity and wellbeing of the economy as a whole, e.g. education or health service, is not produced in adequate amount by the individuals on their own, the government might try to induce the individuals to produce adequate amount of such a good or service.

Statement 2 and 3: The arrangements which allow people to buy and sell commodities freely are the defining features of a market. This can exist both in free market economy and a centrally planned economy.

In contrast to a centrally planned economy, in a market economy, all economic activities are organised through the market. A market, as studied in economics, is an institution which organises the free interaction of individuals pursuing their respective economic activities.

It is important to note that the term 'market' as used in economics is quite different from the common sense understanding of a market. In particular, it has nothing as such to do with the marketplace as you might tend to think of. For buying and selling commodities, individuals may or may not meet each other in an actual physical location.

Interaction between buyers and sellers can take place in a variety of situations such as a villagechowk or a super bazaar in a city, or alternatively, buyers and sellers can interact with each other through telephone or internet and conduct the exchange of commodities.

6. D. Port Said and Istanbul

Answer Justification :

Learning: Port Said is a city that lies in north east Egypt extending about 30 kilometres along the coast of the Mediterranean Sea, north of the Suez Canal. The city was established in 1859 during the building of the Suez Canal.

Port Said's twin city is Port Fuad, which lies on the eastern bank of the canal. The two cities coexist, to the extent that there is hardly any town centre in Port Fuad. The cities are connected by free ferries running all through the day, and together they form a metropolitan area with over a million residents that extends both on the African and the Asian sides of the Suez Canal.

The only other metropolitan area in the world that also spans two continents is Istanbul.

Port Said acted as a global city since its establishment and flourished particularly during the nineteenth and the first half of the twentieth century when it was inhabited by various nationalities and religions.

7. B. The volume of production of the country may have doubled without any increase in prices

Answer Justification :

Justification: Option C is incorrect because if production increases even a little despite the price hike the GDP is going to be more than doubled.

- GDP at market prices reflects both production and price.
- It is possible that only prices of all goods and services have doubled between the two years whereas the production has remained constant.
- Therefore, in order to compare the GDP figures (and other macroeconomic variables) of different countries or to compare the GDP figures of the same country at different points of

time, we cannot rely on GDPs evaluated at current market prices.

- For comparison we take the help of real GDP. Real GDP is calculated in a way such that the goods and services are evaluated at some constant set of prices (or constant prices). Since these prices remain fixed, if the Real GDP changes we can be sure that it is the volume of production which is undergoing changes.
- Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices. For example, suppose a country only produces bread.

In the year 2000 it had produced 100 units of bread, price was Rs 10 per bread. GDP at current price was Rs 1,000. In 2001 the same country produced 110 units of bread at price Rs 15 per bread. Therefore nominal GDP in 2001 was Rs 1,650 ($=110 \times \text{Rs } 15$). Real GDP in 2001 calculated at the price of the year 2000 (2000 will be called the base year) will be $110 \times \text{Rs } 10 = \text{Rs } 1,100$.

8. D. Cotton and jute textile mills

Answer Justification :

Learning: The cotton textile mills, mainly dominated by Indians, were located in the western parts of the country, namely, Maharashtra and Gujarat, while the jute mills dominated by the foreigners were mainly concentrated in Bengal.

India was quite weak in capital goods industries. Subsequently, the iron and steel industries began coming up in the beginning of the twentieth century.

The Tata Iron and Steel Company (TISCO) was incorporated in 1907. A few other industries in the fields of sugar, cement, paper etc. came up after the Second World War.

9. A. Self reliance and avoiding imports

Answer Justification :

Justification: In the first seven plans, trade was characterised by what is commonly called an inward looking trade strategy. Technically, this strategy is called import substitution.

This policy aimed at replacing or substituting imports with domestic production. For example, instead of importing vehicles made in a foreign country, industries would be encouraged to produce them in India itself.

Further, it was feared that dependence on imported food supplies, foreign technology and foreign capital may make India's sovereignty vulnerable to foreign interference in our policies.

In this policy the government protected the domestic industries from foreign competition. Protection from imports took two forms: tariffs and quotas.

10. C. 2 only

Answer Justification :

Justification: HYVs become popular in the 1960s and play an important role in the green revolution, although their ancestral roots can be older.

Advantages

- Starvation and famine have been reduced
- HYV crops are shorter (show the trait of dwarfness) so more able to withstand high winds and heavy rain
- More food is grown on an area of land which increases farmers' profits
- Early maturation

Disadvantages

- HYV crops need a lot of fertilisers and pesticides to grow which increases costs and pollution
- HYV crops require a more reliable source of water – irrigation increases costs.

- The poorest farmers have been unable to buy HYV seeds so they are of no benefit to them
- Most important HYVs can be found among wheat, corn, soybean, rice, potato, and cotton.

11. A. Disposable Income

12. A. Ownership and responsibility of development

Answer Justification :

Learning: It was the first comprehensive statement on industrial development of India. The 1956 policy continued to constitute the basic economic policy for a long time.

According to this resolution the objective of the social and economic policy in India was the establishment of a socialistic pattern of society. It provided more powers to the governmental machinery. It laid down three categories of industries which were more sharply defined. These categories were:

- **Schedule A:** those industries which were to be an exclusive responsibility of the state.
- **Schedule B:** those which were to be progressively state-owned and in which the state would generally set up new enterprises, but in which private enterprise would be expected only to supplement the effort of the state; and

Schedule C: all the remaining industries and their future development would, in general be left to the initiative and enterprise of the private sector.

Although there was a category of industries left to the private sector (Schedule C above), the sector was kept under state control through a system of licenses.

In order to open new industry or to expand production, obtaining a license from the government was a prerequisite.

Opening new industries in economically backward areas was incentivised through easy licensing and subsidization of critical inputs like electricity and water.

13. B. 2 and 3 only

Answer Justification :

Justification: Jawaharlal Nehru was the Chairman of NPC and K.T. Shah served as the general editor. It was set up by the Indian National Congress on the behest of Subhash Chandra Bose.

The Committee started functioning in 1939, but it could not make much headway as the chairman was arrested by the British and the war broke out.

Notwithstanding these obstacles, 29 sub-committees divided into eight groups were set up to deal with all aspects of national life and to work in accordance with a predetermined plan. However, the reports of the committee could not be prepared and only for the first time in 1948 -49 some papers came out.

14. A. Stock market crash

Answer Justification :

Justification: The specific economic events that took place during the Great Depression are well established.

There was an initial stock market crash that triggered a "panic sell-off" of assets. This was followed by a deflation in asset and commodity prices, dramatic drops in demand and credit, and disruption of trade, ultimately resulting in widespread unemployment (over 13 million people were unemployed by 1932) and impoverishment.

The dominant thinking in economics before Keynes was that all the labourers who are ready to work will find employment and all the factories will be working at their full capacity. This school of thought is known as the classical tradition. However, the Great Depression of 1929 and the subsequent years saw the output and employment levels in the countries of Europe and North America fall by huge amounts.

It affected other countries of the world as well. Demand for goods in the market was low, many factories were lying idle, workers were thrown out of jobs.

In USA, from 1929 to 1933, unemployment rate rose from 3 per cent to 25 per cent. These events made economists think about the functioning of the economy in a new way. The fact that the economy may have long lasting unemployment had to be theorised about and explained.

15. A. 1 only

Answer Justification :

Concept and Justification: If we want to have more of something, we will have less of the other thing. Say with a fixed space in your belly, you can only eat 500g of food. You can stuff yourself with either 200g of Pizza and then a 300g of Calzone, or 100g of cheese cake and 400g of Tofu fried rice, but there is always a cost involved, where you are trading off more of a good (food here) for other. So, if you want to eat more cheesecake, it comes at a cost of having to forego eating Tofu fried rice.

This is known as the opportunity cost of an additional unit of the goods.

Statement 1: Every economy has to choose one of the many possibilities that it has. In other words, one of the central problems of the economy is to choose from one of the many production possibilities. If the consumers start demanding more of the other good, say Pizza, the demand for calzone and thus its price would go down. The opportunity cost of eating more Pizza would be lower now because Calzone is valued lesser than previously.

Statement 2: Note that the concept of opportunity cost is applicable to the individual as well as the society. Wherever there is a choice and cost involved, the concept of opportunity cost would apply.

16. B. July

Answer Justification :

Background: Price volatility makes life difficult for farmers. Though prices of agri commodities may soar while in short supply, during years of bumper production, prices of the very same commodities plummet.

MSPs ensure that farmers get a minimum price for their produce in adverse markets. MSPs have also been used as a tool by the Government to incentivise farmers to grow crops that are in short supply.

Learning: In theory, an MSP is the minimum price set by the Government at which farmers can expect to sell their produce for the season. When market prices fall below the announced MSPs, procurement agencies step in to procure the crop and ‘support’ the prices.

MSP for various crops is announced at the beginning of each sowing season (so, for Kharf season it should be July) based on the recommendations of the Commission for Agricultural Costs and Prices (CACP).

The CACP takes into account demand and supply, the cost of production and price trends in the market among other things when fixing MSPs.

17. A. 1 only

Answer Justification :

Justification: Statement 1: Here the open market (imports and exports) solves the problem of excess or shortage of any good, say pulses in India which is in regular shortfall. If there was no supply of external goods, distribution of resources as per the present demand (and social requirements) becomes slightly difficult. We will cover the topic of open economy in a better way when we deal with the 6th chapter in Macroeconomics 12th NCERT.

Statement 2: Capital output ratio is the amount of capital needed to produce one unit of output. For example, suppose that investment in an economy, investment is 32% (of GDP), and the economic growth corresponding to this level of investment is 8%.

Here, a Rs 32 investment produces an output of Rs 8. Capital output ratio is $32/8$ or 4. In other words, to produce one unit of output, 4 unit of capital is needed. But don't forget that the Rs 32 invested in the form of machineries will remain there for around ten or twelve years. Such a machinery will be giving Rs 1 output in every year.

Capital output ratio has very good use in economic planning. Suppose the government targets an economic growth of 9% for next year. planners know that the capital output ratio in India is 4. Here, to realize 9% growth, investment should be increased to 36% (9×4).

18. C. Both 1 and 2

Answer Justification :

Justification: Aggregate expenditure is the sum of expenditures on consumption, investment, government expenses and net exports.

If only consumption expenditure is increased, the economy would soon run out of capital goods to raise production.

So, profits are often used by the producers in the next period to buy new machinery or to build new factories, so that production can be expanded. These expenses which raise productive capacity are examples of investment expenditure. They add to the future capacity and the income of the population as well.

19. B. Services sector grew faster than other sector and occupies a share much larger than manufacturing

Answer Justification :

Justification: As a country develops, it undergoes 'structural change'. In the case of India, the structural change is peculiar. Usually, with development, the share of agriculture declines and the share of industry becomes dominant.

At higher levels of development, the service sector contributes more to the GDP than the other two sectors. In India, the share of agriculture in the GDP was more than 50 per cent—as we would expect for a poor country.

But by 1990 the share of the service sector was 40.59 per cent, more than that of agriculture or industry, like what we find in developed nations. This phenomenon of growing share of the service sector was accelerated in the post 1991 period.

20. D. Efficient transformation of resources through an organized production process

Answer Justification :

Justification: Options A and C: It is not that countries which are endowed with a bounty of natural wealth – minerals or forests or the most fertile lands – are naturally the richest countries. In fact the resource rich Africa and Latin America have some of the poorest countries in the world, whereas many prosperous countries have scarcely any natural wealth.

Option B: If you do not have labour and only have technology, you cannot produce more because there are not many people to consume more (considering labourers are the consumers).

Option D: There was a time when possession of natural resources was the most important consideration but even then the resource had to be transformed through a production process. The economic wealth, or well-being, of a country thus does not necessarily depend on the mere possession of resources; the point is how these resources are used in generating a flow of production and how, as a consequence, income and wealth are generated from that process.

21. C. Both 1 and 2

Answer Justification :

Justification: Statement 1: Subsidies are meant to benefit the farmers but a substantial amount of fertiliser subsidy also benefits the fertiliser industry; and among farmers, the subsidy largely benefits the farmers in the more prosperous regions. Therefore, it is argued that there is no case for continuing with fertiliser subsidies; it does not benefit the target group and it is a huge burden on the government's finances. This is one view.

Statement 2: Some economists point out that subsidies do not allow prices to indicate the supply of a good. When electricity and water are provided at a subsidised rate or free, they will be used wastefully without any concern for their scarcity.

- If the price of water goes up because of lower supply, people will have the incentive to use it with greater care; for example, they may stop watering the garden to conserve water. We complain whenever the price of petrol increases and blame it on the government. But the increase in petrol price reflects greater scarcity and the price rise is a signal that less petrol is available—this provides an incentive to use less petrol or look for alternate fuels.
- Farmers will cultivate water intensive crops if water is supplied free, although the water resources in that region may be scarce and such crops will further deplete the already scarce resources. If water is priced to reflect scarcity, farmers will cultivate crops suitable to the region.

22. A. 1 and 2 only

Answer Justification :

Justification: Statement 1 and 2: In economics, a transfer payment (or government transfer or simply transfer) is a redistribution of income and wealth (payment) made without goods or services being received in return. These payments are considered to be non-exhaustive because they do not directly absorb resources or create output.

For the purposes of calculating gross domestic product (GDP), government spending does not include transfer payments – the reallocation of money from one party to another – which includes Social Security, Medicare, unemployment insurance, welfare programs and subsidies. Because these are not payments for goods or services, they do not represent a form of final demand, or GDP.

Statement 3: Examples of transfer payments include welfare, financial aid, social security, and government making subsidies for certain businesses (firms) Transfer payments, however, do not include

subsidies that are paid to domestic farmers, manufacturers and exporters, even though they are technically a one-way payment to a person on behalf of the government.

23. D. 2 and 3 only

Answer Justification :

Justification: Statement 1: That part of our final output that comprises of capital goods constitutes gross investment of an economy.

The total production of final goods can thus be either in the form of consumption or investment. This implies that there is a trade-off. If an economy produces more of consumer goods, it is producing less of capital goods and vice-versa. Moreover, after a certain point you need more capital goods to produce more and more consumer goods. You cannot keep producing more and more clothes out of the same number of sewing machines.

Statement 2: A significant part of current output of capital goods goes in maintaining or replacing part of the existing stock of capital goods. This is because the already existing capital stock suffers wear and tear and needs maintenance and replacement. A part of the capital goods produced this year goes for replacement of existing capital goods and is not an addition to the stock of capital goods already existing and its value needs to be subtracted from gross investment for arriving at the measure for net investment. This is called depreciation.

New addition to capital stock in an economy is measured by net investment or new capital formation, which is expressed as

Net Investment = Gross investment – Depreciation

Statement 3: Improvement in technology reduces the rate of depreciation. You can imagine a computer that had a life of only few years in the 80s and 90s can now last for close to decade now. More computers would mean more capital stock.

24. C. Investment expenditure

Answer Justification :

Justification: $GDP \equiv$ Sum total of all the final expenditure received by the firms in the economy.

In other words $GDP \equiv C + I + G + X - M$

This equation expresses GDP according to the expenditure method. It may be noted that out of the five variables on the right hand side, investment expenditure, I, is the most unstable. This is the most fundamental assumption with which Keynes begins his macroeconomic analysis because as per him a lack of aggregate demand in the economy leads to economic cycles.

The reason for lack of aggregate demand for him is the lack of investment expenditure. Therefore, he recommends that when private investment expenditure is not forthcoming, the state has to balance the fall in such expenditure.

25. D. None of the above

Answer Justification:

Justification: None of the options take depreciation into account, so all are wrong.

The correct answer will be: $GDP + \text{Net Factor Income from abroad (NFIA)} - \text{Depreciation} - \text{Indirect Taxes} + \text{Subsidies}$

Learning: This is a step by step process.

Gross National Product (GNP) is defined as $GNP \equiv GDP + \text{Factor income earned by the domestic factors of production employed in the rest of the world} - \text{Factor income earned by the factors of production of the rest of the world employed in the domestic economy}$. In short the component after GDP in the equation is NFIA.

We have already noted that a part of the capital gets consumed during the year due to wear and tear. This wear and tear is called depreciation. Naturally, depreciation does not become part of anybody's income. If we deduct depreciation from GNP the measure of aggregate income that we obtain is called Net National Product (NNP). Thus $NNP \equiv GNP - \text{Depreciation}$.

It is to be noted that all these variables are evaluated at market prices. When indirect taxes are imposed on goods and services, their prices go up. Indirect taxes accrue to the government. We have to deduct them from NNP evaluated at market prices in order to calculate that part of NNP which actually accrues to the factors of production. Similarly, there may be subsidies granted by the government on the prices. When we adjust all that, we get NNP at FC.

26. B. Business Activity

Answer Justification :

Learning: Started in 1948 by the US-based Institute of Supply Management, the Purchasing Managers' Index, or PMI, has now become one of the most closely watched indicators of business activity across the world.

PMI or a Purchasing Managers' Index (PMI) is an indicator of business activity -- both in the manufacturing and services sectors. It is a survey-based measure.

The PMI is usually released at the start of the month, much before most of the official data on industrial output, manufacturing and GDP growth becomes available.

The PMI also gives an indication of corporate earnings and is closely watched by investors as well as the bond markets. A good reading enhances the attractiveness of an economy vis-a- vis another competing economy.

In India it is released by HSBC in partnership with MarkIt.

27. C. 1 and 3 only

Answer Justification :

Justification: Statement 1: Philosopher by training, Smith's well known work *An Enquiry into the Nature and Cause of the Wealth of Nations* (1776) is regarded as the first major comprehensive book on the subject. It advocated the theory of *laissez fairez* or free markets.

Statement 2 and 3: Keynes actively involved in international diplomacy during the years following the First World War.

He prophesied the break down of the peace agreement of the War in the book *The Economic Consequences of the Peace* (1919). His book *General Theory of Employment, Interest and Money* (1936) is regarded as one of the most influential economics books of the twentieth century. He was also a shrewd foreign currency speculator.

28. D. 1, 2, 3, 4, 5 and 6

Answer Justification :

Justification: Indian villages were largely self-sufficient in the production of crops in the pre- British era. The farmers grew what they consumed and traded the rest based on the barter system within the community. The idea of producing crops for sale was not deeply ingrained. The British introduced commercialization where the farmer was now not only producing to feed his family but also to sell the excess produce in the market.

Statement 1: The American Civil War dramatically reduced the economic isolation of India and brought about the Commercialisation of agriculture. The War transferred the British demand for Cotton from America to India as a result of which exports of cotton at once jumped from 5 lakh bales in 1859 to 12.6 lakh bales in 1865.

The exports of rice, wheat and other food grains also increased. Although the British demand for Indian raw Cotton fell off after the Civil War was over, it was largely compensated by the increase in domestic demand.

Statement 2: The opening of the Suez canal in 1869 was another event of world-wide importance. The opening of the canal cut the sea-route between India and England by over 3000 miles and shortened the period of journey between Calcutta and London by 36 days.

Statement 3 and 4: Another factor was the 'revolution and depression' in the British shipping industry. The revolution was caused when, from 1869 onwards, the new and more efficient steamships began to replace the old, slow moving sailing vessels, especially on long distance routes.

The depression in British shipping was brought when, with the opening of the Suez Canal, the distance between England and the East was reduced and a good many ships were rendered surplus. This led to competition among shipping companies and a fall in freight rates.

Statement 5: The most significant event was the revolution in the means of transport. The railways were rapidly extended, the route mileage increasing from 432 in 1859 to 1990 in 1881 and 25,363 in 1901. Every railway station became a Mandi or an export Centre to which traders and exporters alike-flocked.

Statement 6: Another contributory factor was the introduction of money economy in the form of cash assessment of land revenue and the substitution of rent in kind by cash rents. Money economy allowed cash crops and other crops to be sold in far off markets.

29. A. 1 only

Answer Justification:

Background: Prior to the introduction of currency derivatives on exchanges, there was only the OTC – over the counter – market to hedge currency risks and where forward contracts were negotiated and entered into. It was kind of an opaque and closed market where mostly banks and financial institutions traded. Exchange-based currency derivatives segment is a regulated and transparent market that can be used by small businesses and even individuals to hedge their currency risks.

Justification: Statement 1: Currency derivatives are exchange-based futures and options contracts that allow one to hedge against currency movements.

Simply put, one can use a currency future contract to exchange one currency for another at a future date at a price decided on the day of the purchase of the contract.

In India, one can use such derivative contracts to hedge against currencies like dollar, euro, U.K. pound and yen. Corporates, especially those with a significant exposure to imports or exports, use these contracts to hedge against their exposure to a certain currency.

While all such currency contracts are cash-settled in rupees, the Securities and Exchange Board of India (SEBI), early this year, gave a go-ahead to start cross currency contracts as well on eurodollar, pound-dollar and dollar-yen.

Statement 2: Arbitrage is the process of exploiting differences in the price of an asset by simultaneously buying and selling it. In the process the arbitrageur pockets a risk-free return. For e.g. if you can buy USD and sell it for Dinar to buy Rupees, if the market allows you can make some profits!

Currency derivatives do not guard against such transactions.

The Multi Commodity Exchange of India (MCX), the country's largest commodity bourse in terms of market share, is planning to enter the currency derivatives segment.

30. B. V.K.R.V. Rao

Answer Justification :

Learning: The colonial government never made any sincere attempt to estimate India's national and per capita income.

Some individual attempts which were made to measure such incomes yielded conflicting and inconsistent results. Among the notable estimators — Dadabhai Naoroji, William Digby, Findlay Shirras, V.K.R.V. Rao and R.C. Desai — it was Rao whose estimates of the national and per capita incomes during the colonial period were considered very significant.

However, most studies did find that the country's growth of aggregate real output during the first half of the twentieth century was less than two per cent coupled with a meagre half per cent growth in per capita output per year.

31. C. Jointly by the Central, State governments and the sponsor banks

Answer Justification :

Learning: A Regional Rural Banks Ordinance was promulgated in September 1975, which was replaced by the Regional Rural Banks Act 1976.

RRBs were set up with the objective to provide credit and other facilities, especially to the small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in rural areas for development of agriculture, trade, commerce, industry and other productive activities.

RRBs are jointly owned by Government of India, the concerned State Government and Sponsor Banks with the issued capital shared in the proportion of 50%, 15% and 35% respectively.

Cabinet recently approved extension of Scheme of Recapitalization of Regional Rural Banks upto 2019-20.

This will enable the RRBs to maintain the minimum prescribed Capital to Risk Weighted Assets Ratio (CRAR) of 9%. A strong capital structure and minimum required level of CRAR will ensure financial stability of RRBs which will enable them to play a greater role in financial inclusion and meeting the credit requirements of rural areas.

32. B. 3 only

Answer Justification :

Justification: This is where UPSC in 2018 picked its questions from (check British India trade related question in CSP 2018).

India has been an important trading nation since ancient times. But the restrictive policies of commodity production, trade and tariff pursued by the colonial government adversely affected the structure, composition and volume of India's foreign trade.

Consequently, India became an exporter of primary products such as raw silk, cotton, wool, sugar, indigo, jute etc. and an importer of finished consumer goods like cotton, silk and woollen clothes and capital goods like light machinery produced in the factories of Britain.

For all practical purposes, Britain maintained a monopoly control over India's exports and imports. As a result, more than half of India's foreign trade was restricted to Britain while the rest was allowed with a few other countries like China, Ceylon (Sri Lanka) and Persia (Iran).

The opening of the Suez Canal further intensified British control over India's foreign trade.

33. C. Product method

Answer Justification :

Justification: The term that is used to denote the net contribution made by a firm is called its value added. We have seen that the raw materials that a firm buys from another firm which are completely used up in the process of production are called 'intermediate goods'. Therefore the value added of a firm is, value of production of the firm – value of intermediate goods used by the firm.

Let's suppose that we calculate the total value added in a bread.

The total value of the bread includes the contribution of several intermediaries that add a certain value to it.

To calculate the net contribution of the bakers, we need to subtract the value of the wheat that they have bought from the farmers. If we do not do this we shall commit the mistake of 'double counting'.

This is because Rs 50 worth of wheat (that comes from farmers) will be counted twice. First it will be counted as part of the output produced by the farmers. Second time, it will be counted as the imputed value of wheat in the bread produced by the bakers.

Therefore, the net contribution made by the bakers is, $\text{Rs } 200 - \text{Rs } 50 = \text{Rs } 150$.

Hence, aggregate value of goods produced by this simple economy is $\text{Rs } 100$ (net contribution by the farmers) + $\text{Rs } 150$ (net contribution by the bakers) = $\text{Rs } 250$.

34. B. 2 only

Answer Justification :

Justification: Statement 1: Small-scale industries tend to be more 'labour intensive' i.e., they use more labour than the large-scale industries and, therefore, generate more employment.

However, they are not as efficient as large scale firms and thus require support from the government.

For this purpose, in post-independent India, the production of a number of products was reserved for the small-scale industry; the criterion of reservation being the ability of these units to manufacture the goods.

They were also given concessions such as lower excise duty and bank loans at lower interest rates.

Statement 2: Any firm employing 100 or more employees is usually subject to much stricter labour laws, especially relating to hire and fire.

While this is not the only reason for higher employment in SSIs, this is considered to be an important reason.

35. A. Ownership and responsibility of development

Answer Justification :

Learning: It was the first comprehensive statement on industrial development of India. The 1956 policy continued to constitute the basic economic policy for a long time.

According to this resolution the objective of the social and economic policy in India was the establishment of a socialistic pattern of society. It provided more powers to the governmental machinery. It laid down three categories of industries which were more sharply defined. These categories were:

- Schedule A: those industries which were to be an exclusive responsibility of the state.
- Schedule B: those which were to be progressively state-owned and in which the state would generally set up new enterprises, but in which private enterprise would be expected only to supplement the effort of the state; and
- Schedule C: all the remaining industries and their future development would, in general be left to the initiative and enterprise of the private sector.

Although there was a category of industries left to the private sector (Schedule C above), the sector was kept under state control through a system of licenses.

In order to open new industry or to expand production, obtaining a license from the government was a prerequisite.

Opening new industries in economically backward areas was incentivised through easy licensing and subsidization of critical inputs like electricity and water.

36. B. 2 and 3 only

Answer Justification :

Justification: Statement 1: It was the regulating Act of 1773.

In 1765, the Company, which till now had purely trading functions obtained the ‘diwani’ (i.e., rights over revenue and civil justice) of Bengal, Bihar and Orissa.

The regulating Act of 1773 is of great constitutional importance as (a) it was the first step taken by the British Government to control and regulate the affairs of the East India Company in India; (b) it recognised, for the first time, the political and administrative functions of the Company; and (c) it laid the foundations of central administration in India.

Statement 2: This was due to the GoI Act of 1858, the details of which are well covered in Laxmikanth and need not be repeated here.

The act known as the Act for the Good Government of India, abolished the East India Company, and transferred the powers of government, territories and revenues to the British Crown.

Statement 3: Federal Service Commission, division of powers, Parliamentary form of government etc. have all their roots in the acts enacted prior to 1947. We will cover this in greater depth as we

proceed with the syllabus.

Statement 4: This was the regulating Act of 1773. It provided for the establishment of a Supreme Court at Calcutta (1774) comprising one chief justice and three other judges.

37. C. August 15, 1947 with India's Independence

Answer Justification :

Justification: The Indian Independence Act 1947 ended the British rule in India and declared India as an independent and sovereign state from August 15, 1947.

It finally provided for the partition of India and creation of two independent dominions of India and Pakistan with the right to secede from the British Commonwealth.

It proclaimed the lapse of British paramountcy over the Indian princely states and treaty relations with tribal areas from August 15, 1947.

Even though India was declared as a sovereign and independent state, it was still called as a dominion because the constitution was not finalized.

38. D. None

Answer Justification :

Justification: Statement 1: The first Indian Budget was presented by James Wilson on February 18, 1869. Wilson, whose designation was Finance Member of the India Council that advised the Indian Viceroy, was also the founder of The Economist and described by Karl Marx as an “economical mandarin of high standing.”

Statement 2: The first Union Budget of Independent India was presented by the first Finance Minister of Independent India, Sir R.K. Shanmugham Chetty, on November 26, 1947. Liaquat Ali Khan served as a Finance Minister only in the interim government.

It is noteworthy that the first Union Budget was presented amidst widespread riots due to the partition of India. This budget was meant for seven and a half months, following which the next budget was to be implemented from April 1, 1948. It was the first Union Budget wherein it was decided that both India and Pakistan would share the same currency till September 1948.

39. B. 273

Answer Justification :

Justification: Amendment to the Constitution requires two different kinds of special majorities: in the first place, those voting in favour of the amendment bill should constitute at least half of the total strength of that House. Secondly, the supporters of the amendment bill must also constitute

two-thirds of those who actually take part in voting.

In the Lok Sabha there are 545 members. Therefore, any amendment must be supported by a minimum of 273 members. Even if only 300 members are present at the time of voting, the amendment bill must get the support of 273 out of them.

40. D. Distributes economic resources within the population

Answer Justification :

Justification: Option A: You can think of this in terms of the formation of government, parliament, establishment of bureaucracy etc.

Option B: A function of a constitution is to specify who has the power to make decisions in a society. It decides how the government will be constituted.

Option C: Another function of a constitution is to set some limits on what a government can impose on its citizens. These limits are fundamental in the sense that government may never trespass them. Constitutions limit the power of government in many ways. The most common way of limiting the power of government is to specify certain fundamental rights that all of us possess as citizens and which no government can ever be allowed to violate. This ensures Rule of law in a certain way.

Option D: Most constitutions refrain from doing so, and only provide a larger set of principles on which of the state should endeavour ensuring economic welfare. In India, we follow principles of equity and fairness, as a part of DPSP, in the desirable distribution of economic resources in the society.

41. D. 1, 2 and 3

Answer Justification :

Justification: Statement 1: The term 'secular' was added to the Preamble of the Indian Constitution by the 42nd Constitutional Amendment Act of 1976. The Preamble secures to all citizens of India liberty of belief, faith and worship.

Statement 2: The State shall endeavour to secure for all the citizens a Uniform Civil Code (Article 44) is mentioned in DPSP – Part IV.

Statement 3: The State shall not deny to any person equality before the law or equal protection of the laws (Article 14).

- The State shall not discriminate against any citizen on the ground of religion (Article 15).
- Equality of opportunity for all citizens in matters of public employment (Article 16).

42. A. 1 and 2 only

Answer Justification :

Justification: Statement 3: The parliamentary system is based on the principle of cooperation and co-ordination between the legislative and executive organs while the presidential system is based on the doctrine of separation of powers between the two organs. So, 3 is incorrect.

Learning: Other major features are: (a) Presence of nominal and real executives; (b) Majority party rule, (c) Collective responsibility of the executive to the legislature, (d) Membership of the ministers in the legislature, (e) Leadership of the prime minister or the chief minister, (f) Dissolution of the lower House (Lok Sabha or Assembly).

43. A. 1 only

Answer Justification :

Justification: Statement 1: Civil Servants for the East India Company used to be nominated by the Directors of the Company and thereafter trained at Haileybury College in London and then sent to India.

Following Lord Macaulay's Report of the Select Committee of British Parliament, the concept of a merit based modern Civil Service in India was introduced in 1854.

The Report recommended that patronage based system of East India Company should be replaced by a permanent Civil Service based on a merit based system with entry through competitive examinations.

Statement 2: Throughout the next 50 years, Indians petitioned for simultaneous examinations to be held in India without success because the British Government did not want many Indians to succeed and enter the ICS. It was only after the First World War and the Montagu Chelmsford reforms that this was agreed to. From 1922 onwards the Indian Civil Service Examination began to be held in India also, first in Allahabad and later in Delhi with the setting up of the Federal Public Service Commission. The Examination in London continued to be conducted by the Civil Service Commission.

Statement 3: Similarly, prior to independence superior police officers belonged to the Indian (Imperial) Police appointed by the Secretary of State by competitive examination. The first open competition for the service was held in England in June, 1893.

Entry into Imperial Police was thrown open to Indians only after 1920 and the following year examinations for the service were conducted both in England and India. Indianisation of the police service continued to be very slow despite pronouncement and recommendations of the Islington Commission and the Lee Commission.

Till 1931, Indians were appointed against 20% of the total posts of Superintendents of Police. However, because of non availability of the suitable European candidates, more Indians were appointed to the Indian Police from the year 1939 onwards.

Learning: Regarding Central Civil Services, the Civil Services in British India were classified as covenanted and uncovenanted services on the basis of the nature of work, pay-scales and

appointing authority. In 1887, the Aitchinson Commission recommended the reorganization of the services on a new pattern and divided the services into three groups-Imperial, Provincial and Subordinate. The recruiting and controlling authority of Imperial services was the 'Secretary of State'.

With the passing of the Indian Act 1919, the Imperial Services headed by the Secretary of State for India, were split into two-All India Services and Central Services.

The central services were concerned with matters under the direct control of the Central Government. Apart from the Central Secretariat, the more important of these services were the Railway Services, the Indian Posts and Telegraph Service, and the Imperial Customs Service.

44. C. Both 1 and 2

Answer Justification :

Justification: As per his Presidential Address to the Student's Conference held at Lahore on 19 October 1929.

"If we are to bring about a revolution of ideas we have first to hold up before us an ideal which will galvanise our whole life. That ideal is freedom.

But freedom is a word which has varied connotations and, even in our country, the conception of freedom has undergone a process of evolution. By freedom I mean all round freedom, i.e., freedom for the individual as well as for society; freedom for the rich as well as for the poor; freedom for men as well as for women; freedom for all individuals and for all classes.

This freedom implies not only emancipation from political bondage but also equal distribution of wealth, abolition of caste barriers and social iniquities and destruction of communalism and religious intolerance.

This is an ideal which may appear Utopian to hard-headed men and women, but this ideal alone can appease the hunger in the soul."

45. C. Both 1 and 2

Answer Justification :

Justification: Statement 1: Equal citizenship brings with it certain basic rights such as the right to vote, freedom of expression, movement and association and freedom of belief. These are rights which are considered necessary to enable citizens to develop themselves and participate in the affairs of the state. But they are legal rights, guaranteed by the constitution and laws.

Statement 2: But, we know that considerable inequality can exist even in countries which grant equal rights to all citizens. This necessitates social and economic inequality to ensure that citizens are able to exercise their rights effectively. In the absence of such facilities it is exceedingly difficult for all the members of the society to compete on equal terms.

46. A. 1 only

Answer Justification :

Justification: Statement 1: Article 3 authorises the Parliament to form a new state or change area of an existing state.

However, Article 3 lays down two conditions in this regard: one, a bill contemplating the above changes can be introduced in the Parliament only with the prior recommendation of the President; and two, before recommending the bill, the President has to refer the same to the state legislature concerned for expressing its views within a specified period.

But, the President (or Parliament) is not bound by the views of the state legislature and may either accept or reject them, even if the views are received in time.

Statement 2: Creation of new states does not require constitutional amendment as such amendments are not to be deemed as “amendments” under A368. So, 2 is wrong.

47. D. Contradictions between the material interests of the oppressed proletariat and ruling capitalist class

Answer Justification :

Justification: As per the Marxian view, contradictions between the material interests of the oppressed proletariat—a class of wage labourers employed by the bourgeoisie to produce goods and services—and the bourgeoisie—the ruling class that owns the means of production and extract their wealth through appropriation of the surplus product (profit) produced by the proletariat.

In accounting for the extraordinary fact that everything produced in capitalist society has a price, Marx emphasizes the separation of the worker from the means of production (whereas slaves and serfs are tied to their means of production) and the sale of his or her labor power that this separation makes necessary.

To survive, the workers, who lack all means to produce, must sell their labor power.

In selling their labor power, they give up all claims to the products of their labor. Hence, these products become available for exchange in the market, indeed are produced with this exchange in mind, while workers are able to consume only that portion of their products which they can buy back in the market with the wages they are paid for their labor power.

Marxian economics and its proponents view capitalism as economically unsustainable and incapable of improving the living standards of the population due to its need to compensate for falling rates of profit by cutting employee's wages, social benefits and pursuing military aggression.

The socialist system would succeed capitalism as humanity's mode of production through workers' revolution. According to Marxian crisis theory, socialism is not an inevitability, but an economic necessity.

48. : B

Answer Justification :

Justification: Under LRS, all resident individuals can freely remit \$250,000 overseas every financial year for a permissible set of current or capital account transactions.

Remittances are permitted for overseas education, travel, medical treatment and purchase of shares and property, apart from maintenance of relatives living abroad, gifting and donations. Individuals can also open, maintain and hold foreign currency accounts with overseas banks for carrying out transactions.

Not permitted: However, the rules do not allow remittances for trading on the foreign exchange markets, margin or margin calls to overseas exchanges and counterparties and the purchase of Foreign Currency Convertible Bonds issued by Indian companies abroad. Sending money to certain countries and entities is also barred.

Learning: Under LRS, people can't send money to countries identified as 'non cooperative' by the Financial Action Task Force. Remittances are also prohibited to entities identified as posing terrorist risks.

Concerned over funds sent abroad under the 'maintenance of close relative' category of the Liberalised Remittance Scheme (LRS), the Reserve Bank of India (RBI) has narrowed the definition of relatives to check the flow of funds.

RBI has aligned the definition of 'relative' with the definition given in Companies Act, 2013 instead of Companies Act, 1956. Hence, funds under the 'maintenance of close relative' category can be sent only to immediate relatives such as parents, spouses, children and their spouses.

Outward remittances under maintenance of close relatives shot up to almost \$3 billion in 2017-18 from a mere \$174 million in 2013-14. In fact, funds sent under this category have more than doubled since 2015-16. Overall outward remittances under LRS went up to \$11 billion from \$1 billion in the same period.

49. B. The people behind framing the Constitution were unelected.

Answer Justification :

Justification: Option A: The Indian constitution borrows heavily from the constitution of other nations.

Option B: Suppose if the constituent assembly of India consisted of British administrators and only members of princely states, we wouldn't have acknowledged the framing of the constitution as just and democratic.

Option C: Democracies can decide to vest greater or lesser power in its federal units; its only a matter of political structure.

Option D: A democracy need not be secular, for e.g. Pakistan.

50. C. 1 and 3 only

Answer Justification :

Justification: **Statement 1:** The states thus derive power directly from the constitution.

Statement 2: It shall flow from its people based on the doctrine of popular sovereignty.

Statement 3: As per the resolution, all people of India shall be guaranteed and secured social, economic and political justice; equality of status and opportunities and equality before law; and fundamental freedoms - of speech, expression, belief, faith, worship, vocation, association and action - subject to law and public morality;

Learning: Some other major pointers were:

- The minorities, backward and tribal areas, depressed and other backward classes shall be provided adequate safeguards;
- The territorial integrity of the Republic and its sovereign rights on land, sea and air shall be maintained according to justice and law of civilized nations;
- The land would make full and willing contribution to the promotion of world peace and welfare of mankind.

51. A. 1, 2 and 4 only

Answer Justification :

Justification: Features of the Act

1. It relaxed the central control over the provinces by demarcating and separating the central and provincial subjects. The central and provincial legislatures were authorised to make laws on their respective list of subjects. However, the structure of government continued to be centralised and unitary.

2. It further divided the provincial subjects into two parts—transferred and reserved. The

transferred subjects were to be administered by the governor with the aid of ministers responsible to the legislative Council.

3. The reserved subjects, on the other hand, were to be administered by the governor and his executive council without being responsible to the legislative Council. This dual scheme of governance was known as 'dyarchy'—a term derived from the Greek word di-arche which means double rule. However, this experiment was largely unsuccessful.

4. It introduced, for the first time, bicameralism and direct elections in the country. Thus, the Indian Legislative Council was replaced by a bicameral legislature consisting of an Upper House (Council of State) and a Lower House (Legislative Assembly). The majority of members of both the Houses were chosen by direct election.

5. It required that the three of the six members of the Viceroy's executive Council (other than the commander-in-chief) were to be Indian.

6. It extended the principle of communal representation by providing separate electorates for Sikhs, Indian Christians, Anglo-Indians and Europeans.

7. It separated, for the first time, provincial budgets from the Central budget and authorised the provincial legislatures to enact their budgets.

8. It provided for the appointment of a statutory commission to inquire into and report on its working after ten years of its coming into force.

52. D. None

Answer Justification :

Justification: The Kesavananda Bharati ruling, that gave out the Basic structure doctrine, has contributed to the evolution of the Constitution in the following ways:

- It has set specific limits to the Parliament's power to amend the Constitution. It says that no amendment can violate the basic structure of the Constitution;
- It allows the Parliament to amend any and all parts of the Constitution (within this limitation); and
- It places the Judiciary as the final authority in deciding if an amendment violates basic structure and what constitutes the basic structure.

The Supreme Court gave the Kesavananda ruling in 1973. In the past three decades, this decision has governed all interpretations of the Constitution and all institutions in the country have accepted the theory of basic structure. In fact, the theory of basic structure is itself an example of a living Constitution.

There is no mention of this theory in the Constitution. It has emerged from judicial interpretation. Thus, the Judiciary and its interpretation have practically amended the Constitution without a formal amendment.

53. C.

54. D. 1, 2 and 3

Answer Justification :

Justification: The Courts were setup for two purposes:

Statement 1 and 2: One, to protect the supremacy of the Constitution by exercising the power of judicial review; and two, to settle the disputes between the Centre and the states or between the states.

The Constitution contains various measures like security of tenure to judges, fixed service conditions and so on to make the judiciary independent of the government.

Statement 3: Via provisions like Judicial review, the judiciary checks abuse of powers by the executive and legislative organs, for e.g. exceeding jurisdiction by District Collector, or unconstitutional legislation by Parliament.

55. C. 1 and 3 only

Answer Justification :

Justification: Statement 1: Both these aspects of freedom — the absence of external constraints as well as the existence of conditions in which people can develop their talents — are important. A free society would be one which enables all its members to develop their potential with the minimum of social constraints.

No individual living in society can hope to enjoy total absence of any kind of constraints or restrictions. It becomes necessary then to determine which social constraints are justified and which are not, which are acceptable and which should be removed.

Statement 2: S2 implies that freedom can be a component of only democratic societies, but it is not true. Even autocratic societies have some sense of freedom. Moreover, in order to be free, an individual should be able to make decisions individually, with a support of collective decision making in which no one individual dominates the others. So, it is wrong to say that ALL decisions should be made collectively to enjoy freedom.

56. B. Universal Suffrage

Answer Justification :

Justification: Option A, C and D: These were some of the most debated provisions due to the

various nuances that each related provisions contains, for e.g. the distribution of powers between centre and state, or the rights of religious minorities etc.

Option B: Only one provision of the Constitution was passed without virtually any debate: the introduction of universal suffrage (meaning that all citizens reaching a certain age, would be entitled to be voters irrespective of religion, caste, education, gender or income).

So, while the members felt no need at all to discuss the issue of who should have the right to vote, every other matter was seriously discussed and debated. Nothing can be a better testament to the democratic commitment of this Assembly.

57. D. Canada

58. B. 1, 2 and 3

Answer Justification :

Justification: Statement 1: The 38th Amendment Act, 1975, made the declaration of "The Emergency" final and conclusive. In particular it codified and enlarged the State's power to remove fundamental rights from its citizens during states of emergency.

The 39th Amendment Act, enacted in 10 August 1975, placed the election of the President, the Vice President, the Prime Minister and the Speaker of the Lok Sabha beyond the scrutiny of the Indian courts. It was passed during the Emergency of 1975-1977.

Statement 2: The 42nd Amendment is regarded as the most controversial constitutional amendment in Indian history. It attempted to reduce the power of the Supreme Court and High Courts to pronounce upon the constitutional validity of laws. It laid down the Fundamental Duties of Indian citizens to the nation. This amendment brought about the most widespread changes to the Constitution in its history, and is sometimes called a "mini-Constitution" or the "Constitution of Indira.

Almost all parts of the Constitution, including the Preamble and amending clause, were changed by the 42nd Amendment, and some new articles and sections were inserted.

Statement 3: The 52nd amendment to the Constitution added the Tenth Schedule which laid down the process by which legislators may be disqualified on grounds of defection. A member of parliament or state legislature was deemed to have defected if he either voluntarily resigned from his party or disobeyed the directives of the party leadership on a vote.

59. A. 1 only

Answer Justification :

Justification: Statement 1: In both the articles given below, the wording 'by law' indicates that these articles can be modified by the Parliament without recourse to the procedure laid down in

Article 368.

Article 2: Parliament may by law admit into the unionnew states....

Article 3: Parliament may by law... b) increase the area of any state....

Many other articles of the Constitution can be modified by the Parliament in this simple manner.

Statement 2: He cannot send the bill back for reconsideration. The 24th CA Act bound him to consent to any such CA bill.

60. D. Directive Principles of State Policy

Answer Justification :

Learning: The directive principles are meant for promoting the ideal of social and economic democracy. They seek to establish a 'welfare state' in India.

However, unlike the Fundamental Rights, the directives are non-justiciable in nature, that is, they are not enforceable by the courts for their violation. Yet, the Constitution itself declares that 'these principles are fundamental in the governance of the country and it shall be the duty of the state to apply these principles in making laws'.

Hence, they impose a moral obligation on the state authorities for their application. But, the real force (sanction) behind them is political, that is, public opinion.

In the *Minerva Mills* case (1980), the Supreme Court held that 'the Indian Constitution is founded on the bedrock of the balance between the Fundamental Rights and the Directive Principles'.

61. C. Both 1 and 2

Answer Justification :

Justification: They operate as limitations on the tyranny of the executive and arbitrary laws of the legislature. They are justiciable in nature, that is, they are enforceable by the courts for their violation.

Statement 2: Rights such as equality to contest for political office, right against discrimination etc show the political and social equality of citizens.

Learning: The aggrieved person can directly go to the Supreme Court which can issue the writs of habeas corpus, mandamus, prohibition, certiorari and quo warranto for the restoration of his rights.

However, the Fundamental Rights are not absolute and subject to reasonable restrictions. Further, they are not sacrosanct and can be curtailed or repealed by the Parliament through a constitutional amendment act. They can also be suspended during the operation of a National Emergency except the rights guaranteed by Articles 20 and 21.

62. C. 4123

Answer Justification :

Justification: If you remember some major articles of the Constitution, you can arrive at the answer. Or if you know broadly which parts of the Constitution deal with which subjects, you can arrive at the correct answer.

The following shows the right order.

Table 3.1 *The Constitution of India at a Glance*

Parts	Subject Matter	Articles Covered
I	The Union and its territory	1 to 4
II	Citizenship	5 to 11
III	Fundamental Rights	12 to 35
IV	Directive Principles of State Policy	36 to 51
IV-A	Fundamental Duties	51-A
V	The Union Government	52 to 151
	Chapter I – The Executive	52 to 78
	Chapter II – Parliament	79 to 122
	Chapter III – Legislative Powers of President	123
	Chapter IV – The Union Judiciary	124 to 147
	Chapter V – Comptroller and Auditor-General of India	148 to 151
VI	The State Governments	152 to 237
	Chapter I – General	152
	Chapter II – The Executive	153 to 167
	Chapter III – The State Legislature	168 to 212
	Chapter IV – Legislative Powers of Governor	213
	Chapter V – The High Courts	214 to 232
	Chapter VI – Subordinate Courts	233 to 237
VIII	The Union Territories	239 to 242

63. D. 1, 2 and 3

Answer Justification :

Justification: Statement 1: It is dealt by A78.

Duties of Prime Minister as respects the furnishing of information to the President, etc It shall be the duty of the Prime Minister

1. to communicate to the President all decisions of the council of Ministers relating to the administration of the affairs of the union and proposals for legislation;
2. to furnish such information relating to the administration of the affairs of the Union and proposals for legislation as the President may call for; and

3. if the President so requires, to submit for the consideration of the Council of Ministers any matter on which a decision has been taken by a Minister but which has not been considered by the Council

Statement 2: A143: Power of President to consult Supreme Court: If at any time it appears to the President that a question of law or fact has arisen, or is likely to arise, which is of such a nature and of such public importance that it is expedient to obtain the opinion of the Supreme Court upon it, he may refer the question to that Court for consideration and the Court may, after such hearing as it thinks fit, report to the President its opinion thereon

Statement 3: Under article 239 AA the legislative assembly of National Capital Territory of Delhi has legislative and executive powers with the exceptions of land, police etc. v

Also, certain categories of Bills require the prior approval of the Central Government for introduction in the legislative assembly. Some Bills, passed by the legislative assembly of the Union Territory of Puducherry and National Capital Territory of Delhi are required to be reserved for consideration and assent of the President.

64. B. 1 and 3 only

Answer Justification :

Justification: “We, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens: JUSTICE, Social, Economic and Political;

LIBERTY of thought, expression, belief, faith and worship;

EQUALITY of status and of opportunity; and to promote among them all;

FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation;

IN OUR CONSTITUENT ASSEMBLY this twenty-sixth day of November, 1949, do HEREBY ADOPT, ENACT AND GIVE TO OURSELVES THIS CONSTITUTION”

65. C. 1, 2 and 5 only

Answer Justification :

Justification: The provisions of the Constitution pertaining to the states are applicable to all the states (except Jammu and Kashmir) in the same manner.

However, the special provisions (under Part XXI) applicable to the States of Maharashtra, Gujarat, Nagaland, Assam, Manipur, Andhra Pradesh, Sikkim, Mizoram, Arunachal Pradesh and Goa override the general provisions relating to the states as a class.

Statement 2 and 3: But, the provisions for Jharkhand and Chattisgarh are found only in the 5th Schedule (tribal areas). Further, the Sixth Schedules contain separate provisions with respect to the administration of scheduled areas and tribal areas within the NE states.

66. D. 1, 2 and 3

Answer Justification :

Justification: Statement 1: Rights are reasonable claims of persons recognised by society and sanctioned by law. However, in most cases the claimed rights are directed towards the state. That is, through these rights people make demands upon the state.

When I assert my right to education, I call upon the state to make provisions for my basic education. Society may also accept the importance of education and contribute to it on its own.

Different groups may open schools and fund scholarships so that children of all classes can get the benefit of education. But the primarily responsibility rests upon the state. It is the state that must initiate necessary steps to ensure that my right to education is fulfilled.

Statement 2: If a right can be enjoyed only by an individual or a group of people, it is not a right, but a privilege. Your freedom to drive a car on the street conjoins the freedom of other to drive on the same street.

Also, you cannot have a right that harms or hurts others. You cannot have a right to drive such a way that it hurts others on the street.

Statement 3: My right to liberty as a person, for instance, suggests that the state can not simply arrest me at its own will. If it wishes to put me behind bars it must defend that action; it must give reasons for curtailing my liberty before a judicial court. This is why the police are required to produce an arrest warrant before taking me away. My rights thus place certain constraints upon state actions.

67. C. Both 1 and 2

Answer Justification :

Justification: The Bill provides for the prevention, rescue, and rehabilitation of trafficked persons.

Key features of the Bill include:

National Anti-Trafficking Bureau: The Bill provides for the establishment of a National Anti-Trafficking Bureau to investigate trafficking cases and implement provisions of the Bill. The Bureau will comprise of police officers, and any other officers as required. It may take over the investigation of any offence under the Bill, that has been referred to it by two or more states.

Further, the Bureau may: (i) request the state government to co-operate in the investigation, or (ii) transfer the case to the state government for investigation and trial, with approval from the central

government.

Functions of the Bureau: Key functions of the Bureau include: (i) coordinating and monitoring surveillance along known routes, (ii) facilitating surveillance, enforcement and preventive steps at source, transit and destination points, (iii) maintaining coordination between law enforcement agencies and non-governmental organisations and other stakeholders, and (iv) increasing international cooperation with authorities abroad for intelligence sharing, and mutual legal assistance.

State Anti-Trafficking Officers: Under the Bill, the state government will appoint a State Nodal Officer. He will be responsible for: (i) follow up action under the Bill, as per the instructions of the State Anti-Trafficking Committee, and (ii) providing relief and rehabilitation services. The state government will also appoint a Police Nodal Officer at the state and district levels. The state government will also designate Anti-Trafficking Police Officers for each district, to deal with all matters related to trafficking in the district.

Anti-Trafficking Units: The Bill also provides for the setting up of Anti-Trafficking Units (ATUs) at the district level. ATUs will deal with the prevention, rescue, and protection of victims and witnesses, and for the investigation and prosecution of trafficking offences. In districts where an ATU is not functional, this responsibility will be taken up by the local police station.

68. D. None of the above

Answer Justification :

Justification: One can move the SC or HCs only for issuance of writs only for the purpose of enforcing either constitutional rights or legal rights (in case of HC only).

Besides the Fundamental Rights included in Part III, there are certain other rights contained in other parts of the Constitution. These rights are known as constitutional rights or legal rights or non-fundamental rights. IN case of these rights, one can only move the HCs and not the SC.

They are:

- No tax shall be levied or collected except by authority of law (Article 265 in Part XII).
- No person shall be deprived of his property save by authority of law (Article 300-A in Part XII).
- Trade, commerce and intercourse throughout the territory of India shall be free (Article 301 in Part XIII).
- The elections to the Lok Sabha and the State Legislative Assembly shall be on the basis of adult suffrage (Article 326 in Part XV).

69. C It expects people to just be their usual rational selves

Answer Justification :

Concept: John Rawls argues that the only way we can arrive at a fair and just rule is if we imagine ourselves to be in a situation in which we have to make decisions about how society should be organised although we do not know which position we would ourselves occupy in that society.

- This is because if we know our social position already, we would be willing to abuse our rulemaking power to benefit ourselves.
- Rawls describes this thinking under a 'veil of ignorance'. He expects that in such a situation of complete ignorance about our possible position and status in society, each person would decide in the way they generally do, that is, in terms of their own interests.
- But since no one knows who he would be, the merit of the 'veil of ignorance' position is that it expects people to just be their usual rational selves: they are expected to think for themselves and choose what they regard to be in their interest.
- The pertinent thing however is that when they choose under the 'veil of ignorance' they will find that it is in their interest to think from the position of the worst-off.

Justification: Option A: No, they think about the self as the rule they make should not land them the worst-off position.

Option B: It does require consensus, and this is the whole idea behind Rawl's proposition that people would jointly decide upon a rule that does not unfairly benefit anyone.

70. B. 2 only

Answer Justification :

Justification: In India both a citizen by birth as well as a naturalised citizen are eligible for the office of President while in USA, only a citizen by birth and not a naturalised citizen is eligible for the office of President.

A PIO or a person of Indian origin staying abroad is not an Indian citizen and thus not eligible for the office of the President.

71. B. None of the above

Answer Justification :

Justification: A19 is not available to foreign citizens, so they cannot openly criticize the Government or the constitution.

This right, is however, available to Indian citizens and except for participating in armed rebellion, we can criticize the government, its policies, officeholders and even the constitution in a peaceful way such that it does not incite a rebellion against the incumbent government or cause a threat to public order and morality.

72. D. 2 only

Answer Justification :

Justification: Statement 1: While these powers can be given to a lower court they cannot be taken away from the higher courts. This will be unconstitutional.

Statement 2: The right to move the Supreme Court shall not be suspended except as otherwise provided for by the Constitution. Thus the Constitution provides that the President can suspend the right to move any court for the enforcement of the fundamental rights during a national emergency (Article 359).

Statement 3: The violation of a fundamental right is the sine qua non for the exercise of the right conferred by Article 32. In other words, the Supreme Court, under Article 32, cannot determine a question that does not involve Fundamental Rights.

Article 32 cannot be invoked simply to determine the constitutionality of an executive order or a legislation unless it directly infringes any of the fundamental rights.

73. D. 1, 2 and 3

Answer Justification :

Justification: Our Constitution ensures that persons accused of various offences would also get sufficient protection. We often tend to believe that anyone who is charged with some offence is guilty. However, no one is guilty unless the court has found that person guilty of an offence. It is also necessary that a person accused of any crime should get adequate opportunity to defend herself or himself. To ensure a fair trial in courts, these rights are provided.

74. B. 1 and 2 only

Answer Justification :

Justification: Statement 1: The ICCPR is part of the International Bill of Human Rights, along with the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the Universal Declaration of Human Rights (UDHR).

Statement 2: Part 1 (Article 1) of ICCPR recognizes the right of all peoples to self-determination, including the right to "freely determine their political status", pursue their economic, social and cultural goals, and manage and dispose of their own resources. Our Indian constitution does not give a right to self-determination.

Statement 3: Part 4 of ICCPR (Articles 28 – 45) governs the establishment and operation of the Human Rights Committee (a different body from UNHRC) and the reporting and monitoring of the Covenant. It also allows parties to recognise the competence of the Committee to resolve disputes between parties on the implementation of the Covenant (Articles 41 and 42).

Part 3 (Articles 6 – 27) lists the rights themselves. These include rights to:

Learning: The rights included under ICCPR are:

- physical integrity, in the form of the right to life and freedom from torture and slavery (Articles 6, 7, and 8);
- liberty and security of the person, in the form of freedom from arbitrary arrest and detention and the right to habeas corpus (Articles 9 – 11);
- procedural fairness in law, in the form of rights to due process, a fair and impartial trial, the presumption of innocence, and recognition as a person before the law (Articles 14, 15, and 16);
- individual liberty, in the form of the freedoms of movement, thought, conscience and religion, speech, association and assembly, family rights, the right to a nationality, and the right to privacy (Articles 12, 13, 17 – 24);
- prohibition of any propaganda for war as well as any advocacy of national or religious hatred that constitutes incitement to discrimination, hostility or violence by law (Article 20);
- political participation, including the right to the right to vote (Article 25);
- Non-discrimination, minority rights and equality before the law (Articles 26 and 27).

Rights under ICESCR include:

- right to work: opportunity to everyone to earn livelihood by working
- right to safe and healthy working conditions, fair wages that can provide decent standard of living for the workers and their families
- right to adequate standard of living including adequate food, clothing and housing
- right to social security and insurance
- right to health: medical care during illness, special care for women during childbirth and prevention of epidemics
- right to education: free and compulsory primary education, equal access to higher education.

75. B. 2 only

Answer Justification :

Justification: Statement 1: A notice is moved in the form of a motion by any member of either House against those being held guilty of breach of privilege. Motions are different from resolutions. Resolutions only express the will of the house rather than a substantial action concerning the matters of the house. Each House also claims the right to punish as contempt actions which, while not breach of any specific privilege, are offences against its authority and dignity.

Statement 2: A member may, with the consent of the Speaker or the Chairperson, raise a question involving a breach of privilege either of a member or of the House or of a committee thereof. The rules however mandate that any notice should be relating to an incident of recent occurrence and should need the intervention of the House. Notices have to be given before 10 am to the Speaker or the Chairperson.

Statement 3: In the Lok Sabha, the Speaker nominates a committee of privileges consisting of 15 members as per respective party strengths. A report is then presented to the House for its consideration. The Speaker may permit a half-hour debate while considering the report. The Speaker may then pass final orders or direct that the report be tabled before the House.

A resolution may then be moved relating to the breach of privilege that has to be unanimously passed. In the Rajya Sabha, the deputy chairperson heads the committee of privileges that consists of 10 members.

The Speaker/RS chairperson is the first level of scrutiny of a privilege motion. The Speaker/Chair can decide on the privilege motion himself or herself or refer it to the privileges committee of Parliament. If the Speaker/Chair gives consent under Rule 222, the member concerned is given an opportunity to make a short statement.

The Congress recently submitted a notice to Lok Sabha Speaker Sumitra Mahajan for a privilege motion against Prime Minister Narendra Modi and Defence Minister Nirmala Sitharaman for allegedly misleading the House on the commercial value of the deal to buy Rafale fighter jets from France.

76. A. 1 and 2 only

Answer Justification :

Justification: Statement 1: A34 empowers the Parliament to indemnify any government servant or any other person for any act done by him in connection with the maintenance or restoration of order in any area where martial law was in force. The Parliament can also validate any sentence passed, punishment inflicted, forfeiture ordered or other act done under martial law in such area.

The Act of Indemnity made by the Parliament cannot be challenged in any court on the ground of contravention of any of the fundamental rights.

Statement 2: There is also no specific or express provision in the Constitution that authorises the executive to declare martial law. However, it is implicit in Article 34 under which martial law can be declared in any area within the territory of India. The martial law is imposed under the extraordinary circumstances like war, invasion, insurrection, rebellion, riot or any violent resistance to law.

Its justification is to repel force by force for maintaining or restoring order in the society.

Statement 3: The Supreme Court held that the declaration of martial law does not ipso facto result in the suspension of the writ of habeas corpus.

The declaration of a martial law under Article 34 is different from the declaration of a national

emergency under Article 352.

During the operation of martial law, the military authorities are vested with abnormal powers to take all necessary steps. They impose restrictions and regulations on the rights of the civilians, can punish the civilians and even condemn them to death.

77. C. 1 and 2 only

Answer Justification :

Justification: These include:

- Acquisition of estates and related rights by the State;
- Taking over the management of properties by the State;
- Amalgamation of corporations;
- Extinguishment or modification of rights of directors or shareholders of corporations; and Extinguishment or modification of mining leases.

Article 31A does not immunise a state law from judicial review unless it has been reserved for the president's consideration and has received his assent.

This Article also provides for the payment of compensation at market value when the state acquires the land held by a person under his personal cultivation and the land is within the statutory ceiling limit.

78. D. 1 and 2 only

Answer Justification :

Justification: It aims to deter fugitive economic offenders from evading the legal process by fleeing the country and remaining outside the jurisdiction of Indian courts.

Highlights of the Bill

- The Bill defines the economic offenders as those against whom a legal warrant has been issued, but they refuse to adhere to the summons of the legal authorities.
- The law balances itself with a provision that allows the accused to file an appeal in the High Court to state their case.
- The Bill keeps the banks and other financial institutions at the Centre and seeks to help them recover the amount. The Bill will only be used for economic offences over Rs 100 crores.

- The Bill makes provisions for a Court ('Special Court' under the Prevention of Moneylaundering Act, 2002) to declare a person as a Fugitive Economic Offender.

Statement 3: The amount is 100 crores because it will be impossible to keep track of small offenders.

79. A. 1 only

Answer Justification :

Justification: Statement 1: Article 25 (1) mandates freedom of conscience and right to practise religion. "All persons are equally entitled to freedom of conscience and the right freely to profess, practise and propagate religion". This means right to pray is a constitutional right.

Statement 2: This is not a right. In fact, it is the right of a religious denomination to exclude people from other religions to access their shrines. Several Vaishnavite temples which follow very strict agama codes do not allow other religious people to enter their shrines and this can well be considered a part of their religious freedom.

80. B. 2 only

Answer Justification :

Justification: Statement 1: As per Kant, all human beings possess dignity. If all persons are granted dignity then what is due to each of them is that they have the opportunity to develop their talents and pursue their chosen goals. This, however, does not mean that they would automatically get all the other rights and opportunities.

Statement 2: Kant says that Justice requires that we give due and equal consideration to all individuals. This means that the notion of justice is rooted in fairness and not favouring any individual arbitrarily.

81. C. 4 only

Answer Justification :

Justification: The conditions are the following;

- (a) It should be a collection of individuals who have a system of beliefs (doctrines) which they regard as conducive to their spiritual well-being;
- (b) It should have a common organisation; and

(c) It should be designated by a distinctive name.

Under the above criteria, the Supreme Court held that the 'Ramakrishna Mission' and 'Ananda Marga' are religious denominations within the Hindu religion. It also held that Aurobindo Society is not a religious denomination.

Learning: Article 25 guarantees rights of individuals, while Article 26 guarantees rights of religious denominations or their sections. In other words, Article 26 protects collective freedom of religion.

According to Article 26, every religious denomination or any of its section shall have which of the following rights:

- (a) Right to establish and maintain institutions for religious and charitable purposes;
- (b) Right to manage its own affairs in matters of religion;
- (c) Right to own and acquire movable and immovable property; and
- (d) Right to administer such property in accordance with law.

82. C. 1, 2 and 3 only

Answer Justification :

Justification: The procedure of renaming of the state can be initiated by either the Parliament or the State Legislator (by passing a resolution in the assembly) and the procedure is as follows

- The renaming of a state requires Parliamentary approval under Article 3 and 4 of the Constitution.
- A bill for renaming a state may be introduced in the Parliament on the recommendation of the President.
- Before the introduction of the bill, the President shall send the bill to the respective state assembly for expressing their views within a stipulated time. The views of the state assembly are not binding, neither on the President nor on the Parliament.
- On the expiry of the period, the bill will be sent to the Parliament for deliberation. The bill in order to take the force of a law must be passed by a simple majority.
- The bill is sent for approval to the President. After the approval of the said bill, the bill becomes a law and the name of the state stands modified.
- If any fresh proposal comes from states to the Home Ministry, it will prepare a note for the Union Cabinet for an amendment to the Schedule 1 of the Constitution. Thereafter, a Constitution Amendment Bill will be introduced in Parliament, which has to approve it with a simple majority, before the President gives his assent to it.

83. C. Both 1 and 2

Answer Justification :

Justification: The term quo warranto means what is your authority . The writ of quo warranto is

used to judicially control executive action in the matter of making appointments to public offices under relevant statutory provisions.

The writ is also used to protect a citizen from the holder of a public office to which he has no right. The writ calls upon the holder of a public office to show to the court under what authority he is holding the office in question.

If he is not entitled to the office, the court may restrain him from acting in the office and may also declare the office to be vacant. The writ proceedings not only give a weapon to control the executive from making appointments to public office against law but also tend to protect the public from being deprived of public office to which it has a right.

84. D. 1, 2 and 3

Answer Justification :

Justification: This was a fairly simple question – the preamble, excerpt, reads that:

- Whereas recognition of the inherent dignity and of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world,
 - Whereas disregard and contempt for human rights have resulted in barbarous acts which have outraged the conscience of mankind, and the advent of a world in which human beings shall enjoy freedom of speech and belief and freedom from fear and want has been proclaimed as the highest aspiration of the common people,
 - Whereas it is essential, if man is not to be compelled to have recourse, as a last resort, to rebellion against tyranny and oppression, that human rights should be protected by the rule of law, Whereas it is essential to promote the development of friendly relations between nations,
 - Whereas the peoples of the United Nations have in the Charter reaffirmed their faith in Fundamental human rights, in the dignity and worth of the human person and in the equal Rights of men and women and have determined to promote social progress and better Standards of life in larger freedom,
 - Whereas Member States have pledged themselves to achieve, in cooperation with the United Nations, the promotion of universal respect for and observance of human rights and Fundamental freedoms,
 - Whereas a common understanding of these rights and freedoms is of the greatest importance for the full realization of this pledge,
- Now, therefore THE GENERAL ASSEMBLY proclaims THIS UNIVERSAL DECLARATION OF HUMAN RIGHTS as a common standard of achievement for all peoples and all nations, to the end that every individual and every organ of society,

85. C. 1, 2, 3 and 4

- E-Governance refers to the use by government agencies of Information Technologies (such as Wide Area Networks, the Internet and mobile computing) that have the ability to transform relations with citizens, businesses, and various arms of government resulting in better delivery of government services to citizens, improved interactions with business and industry, citizen empowerment through access to information, or more efficient government management. The resultant benefits are less corruption, increased transparency, greater convenience, revenue growth, and cost reductions.
- The goals of e-Governance are:
 - (a) Better service delivery to citizens
 - (b) Ushering in transparency and accountability
 - (c) Empowering people through information
 - (d) Improved efficiency within Governments
 - (e) Improve interface with business and industry

86. B. 2 and 3 only

- Union List includes subjects like, War and Peace, Naval, military and air force works, Foreign jurisdiction., Citizenship, naturalisation and aliens. etc.
- State List includes subjects like Agriculture, Police, Prison, Local Government, Public Health, Land, Liquor, etc.
- Concurrent List includes subjects like Education, Transfer of Property other than Agricultural land, Forests, Trade Unions, etc.
- Residuary Powers include all other matters not mentioned in any of the lists such as Cyber Laws. Union Legislature alone has the power to legislate on such matters.

87. D. 1, 2 and 3

- e-Governance facilitates interaction between different stakeholders in governance. These interactions may be described as follows:
 - G2G (Government to Government) – In this case, Information and Communications Technology is used not only to restructure the governmental processes involved in the functioning of government entities but also to increase the flow of information and services within and between different entities.
 - This kind of interaction is only within the sphere of government and can be both horizontal i.e. between different government agencies as well as between different functional areas within an organisation, or vertical i.e. between national, provincial and local government agencies as well as between different levels within an organisation. The primary objective is to increase efficiency, performance and output.

- G2C (Government to Citizens) – In this case, an interface is created between the government and citizens which enables the citizens to benefit from efficient delivery of a large range of public services. This expands the availability and accessibility of public services on the one hand and improves the quality of services on the other. It gives citizens the choice of when to interact with the government (e.g. 24 hours a day, 7 days a week), from where to interact with the government (e.g. service centre, unattended kiosk or from one's home/workplace) and how to interact with the government (e.g. through internet, fax, telephone, email, face-to-face, etc). The primary purpose is to make government, citizen-friendly.
- G2B (Government to Business) – Here, e-Governance tools are used to aid the business community – providers of goods and services – to seamlessly interact with the government. The objective is to cut red tape, save time, reduce operational costs and to create a more transparent business environment when dealing with the government. The G2B initiatives can be transactional, such as in licensing, permits, procurement and revenue collection. They can also be promotional and facilitative, such as in trade, tourism and investment. These measures help to provide a congenial environment to businesses to enable them to perform more efficiently.
- G2E (Government to Employees) – Government is by far the biggest employer and like any organisation, it has to interact with its employees on a regular basis. This interaction is a two-way process between the organisation and the employee. Use of ICT tools helps in making these interactions fast and efficient on the one hand and increase satisfaction levels of employees on the other.

88. C. Both 1 and 2

- Sevottam literally is the combination of Hindi words 'SEWA + UTTAM', meaning uttam sewa i.e. excellence in services. It has basically three components
 - Citizen Charter
 - Public Grievance Redress Mechanism
 - Service Delivery Capability.
- The 2nd ARC in its 12th Report "Citizen Centric administration" has recommended that Union and State Governments should make SEVOTTAM mandatory for all organizations having public interface. It aims to provide an assessment improvement framework to bring excellence in public service delivery. The model works as an evaluation mechanism to assess the quality of internal processes and their impact on the quality of service delivery.
- Sevottam framework was created by the Department of Administrative Reforms and Public Grievances, Government of India in 2005. An organization which meets Indian Standard 15700:2005

will be entitled for “Sevottam” certification, “Sevottam” being the Indian name for excellence in service delivery.

89. D. Neither 1 nor 2

- Section 6(2) of the RTI Act specifically says “an applicant making request for information shall not be required to give any reason for requesting the information or any other personal details except those that may be necessary for contacting him.” This salutary provision is important to ensure that there is no subjective evaluation of the request, or denial on specious ground. Hence, statement 1 is not correct.
- Under the Act, a non-governmental body needs to be substantially financed by government to be categorized as a public authority under the Act. There is however no definition of “substantially financed.” Hence, statement 2 is not correct.

90. A. 1 only

Answer Justification :

Justification: Statement 1 and 2: Chau mask of Purulia, the wooden mask of Kushmandi, the Patachitra, the Dokras of Bengal, and Madhurkathi (a kind of mat) have been presented with the Geographical Indication (GI) tag by the Geographical Indication Registry and Intellectual Property India.

GI tags for these five rural crafts would not only help the artisans create their own brand but would also provide legal protection to artisans practising the crafts against attempts to duplicate them in other regions. It will also have a direct impact on the occupation of 5,000-6,000 families in the State.

Statement 3: Pattachitra is a general term for traditional, cloth-based scroll painting, based in the eastern Indian states of West Bengal and Odisha.

Patrachitras are a component of an ancient Bengali narrative art, originally serving as a visual device during the performance of a song.

A GI is primarily an agricultural, natural or a manufactured product (handicrafts and industrial goods) originating from a definite geographical territory.

91. B. Corbett

Answer Justification :

Learning: Corbett National Park is situated in the foothills of the Sub- Himalayan belt in Nainital districts of Uttarakhand state in India.

Established in the year 1936 as Hailey National Park, Corbett has the glory of being India's oldest and most prestigious National Park. It is also being honored as the place where Project Tiger was first launched in 1973. This unique tiger territory is best known as the father who gave birth of the Project Tiger in India to protect the most endangered species and the Royal of India called Tigers.

Corbett National Park covers an area of 521 sq. km and together with the neighboring Sonanadi Wildlife Sanctuary and Reserve Forest areas, forms the Corbett Tiger Reserve.

Corbett is one of the richest bird regions of the Country and has been declared as an 'Important Bird Area' (IBA) by Birdlife International.

92. C. Both 1 and 2

Answer Justification :

Justification: Under article 80 of the Constitution, the Council of States (Rajya Sabha) is composed of not more than 250 members, of whom 12 are nominated by the President of India from amongst persons who have special knowledge or practical experience in respect of such matters as literature, science, art and social service.

Powers and privileges:

- Nominated members enjoy all powers, privileges and immunities available to an elected member of Parliament.
- They take part in the proceedings of the House as any other member.
- They, however, are not entitled to vote in the election of the President of India.
- But in the election of the Vice-President of India, they have a right to vote.
- A nominated member is allowed six months, should he decide to join a political party after he has taken his seat in the House in terms of article 99 of the Constitution.
- A nominated member has also been exempted from filing his assets and liabilities under Section 75A of the Representation of the Peoples Act, 1951 which requires the elected member to do so within 90 days of his making or subscribing oath/affirmation.
- Under MPLADS, the Nominated Members of the Rajya Sabha may select any Districts from any State in the Country for implementation of their choice of work under the scheme.
- In exercise of the powers conferred by Article 80 of the Constitution of India, and on the advice of the Prime Minister, the President of India has made four nominations to the Rajya Sabha.

The nominated members recently are- Ram Shakal, Rakesh Sinha, Raghunath Mohapatra and Sonal Mansingh.

93. C. 2 only

Answer Justification :

Justification: Statement 1 and 2: Nokma and the Village Council were the earliest political systems of the Garos.

Village Headmen always remain the centre stage of decision making process in most of the tribal communities in the world.

Nokma (Village Headman) also has very important role in agriculture in Garo Hills of Meghalaya, India because he has the sole authority to distribute the land to the villagers and also provides some directions according to Garo customary laws.

They were the only political systems that existed among them prior to the advent of the British.

Statement 3: In matrilineal Garo society, women as head of a particular clan in a village enjoy rights over land and natural resources in an A'king land (community land/area). Head of a particular clan is given the title of a nokma, the village head.

Traditionally, a woman is a village head while the husband is supposed to assist her. But over the years, things have changed and men are at the centre stage for taking decisions related to village affairs.

In Garo society, female descendants are recognised as rightful owners of the A'king land belonging to a particular mahari (clan). The female is, therefore, conferred the title of nokma and all the powers relating to the land are her birthright to be exercised on the advice of the chras (maternal uncles) of the clan.

The role of Nokmas, traditional custodians of the land, is important in supporting the move towards co-existence between man and animal and helping conservationists for the success of ecological initiatives.

94. A. 1 only

Answer Justification :

Justification: S-400 is known as Russia's most advanced long-range surface-to-air missile defence system.

India has concluded price negotiations with Russia for a nearly Rs 40,000 crore deal to procure S-400 Triumf air defence missile systems for the Indian Air Force.

In 2016, India and Russia had signed an agreement on the 'Triumf' interceptor-based missile system which can destroy incoming hostile aircraft, missiles and even drones at ranges of up to 400 km.

95. B. None of the above

Answer Justification :

Justification: Australia-based Institute for Economics and Peace (IEP), world's leading think tank that develops metrics to analyse peace and quantify its economic value, has released the 12th edition of the Global Peace Index (GPI), or measure of global peacefulness.

Performance of India:

India has moved up four places to the 137th rank among 163 countries. The improvement is due to a reduction in the level of violent crime driven by increased law enforcement. India was ranked 141 last year.

India was also among the countries with the biggest decreases in the number of deaths, along with Sri Lanka, Chad, Colombia, and Uganda.

Global performance:

Iceland remains the most peaceful country in the world, a position it has held since 2008. New Zealand, Austria, Portugal and Denmark also sit in the top five most peaceful rankings.

Syria remains the least peaceful country in the world, a position it has held for the past five years. Afghanistan, South Sudan, Iraq and Somalia comprise the remaining least peaceful countries.

96. C. 4 and 6 only

Answer Justification :

Concept, Justification and Learning: It has been decided to allow voluntary transition of UCBs meeting the prescribed criteria into SFBs.

UCBs currently face regulation by both the RBI and the respective State governments. By turning into SFBs, they will be regulated only by the RBI.

What are small finance banks?

The small finance bank will primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.

What they can do?

- Take small deposits and disburse loans.
- Distribute mutual funds, insurance products and other simple third-party financial products.
- Lend 75% of their total adjusted net bank credit to priority sector.
- Maximum loan size would be 10% of capital funds to single borrower, 15% to a group.

- Minimum 50% of loans should be up to 25 lakhs.

What they cannot do?

- Lend to big corporates and groups.
- Cannot open branches with prior RBI approval for first five years.
- Other financial activities of the promoter must not mingle with the bank.
- It cannot set up subsidiaries to undertake non-banking financial services activities.
- Cannot be a business correspondent of any bank.

The guidelines they need to follow:

- Promoter must contribute minimum 40% equity capital and should be brought down to 30% in 10 years.
- Minimum paid-up capital would be Rs 100 cr.
- Capital adequacy ratio should be 15% of risk weighted assets, Tier-I should be 7.5%.
- Foreign shareholding capped at 74% of paid capital, FPIs cannot hold more than 24%.
- Priority sector lending requirement of 75% of total adjusted net bank credit.
- 50% of loans must be up to Rs 25 lakh.

97. B. All India Trade Union Congress (AITUC)

Answer Justification :

Learning: AITUC was founded in 1920 in Bombay by Lala Lajpat Rai, Joseph Baptista, N. M. Joshi, Diwan Chaman Lall and a few others.

Until 1945 when unions became organised on party lines, it was the primary trade union organisation in India. Since then, it has been associated with the Communist Party of India. AITUC is a founder member of the World Federation of Trade Unions.

Accusing the Centre of running an “anti-worker government”, leading trade union body AITUC is planning to launch a nationwide campaign against the government.

A list of national-level CTUOs as recognised by the Ministry of Labour, Government of India can be found here

98. C. 1 only

Answer Justification :

Justification: Statement 1 and 2: The Eleventh edition of GeoIntelligence Asia 2018 is being held in New Delhi. It is organised by GeoSpatial Media and Communication with Directorate General of Information System as Knowledge Partners and Military Survey as Co-organisers.

The seminar brings together the military, security officials including BSF and Police Forces, Government and industry together to examine the latest technology solutions and on the critical role of geospatial technology in military and security applications.

Statement 3: Geospatial data is invaluable to the border security operations, to deliver accurate situational awareness information, enabling quick and secure decision-making, while mitigating risks, and increasing national security.

So, geospatial intelligence is a critical foundation for many aspects of defense and internal security. It offers the capability of monitoring, predicting and countering threats, while helping strategize and support various field operations.

It facilitates multi-source information sharing and integration across agencies and organizations by providing a common framework on which other information is based.

The use of big data, advanced geospatial analytics software and sophisticated imaging technologies from (very) high-resolution remote sensing satellites, UAVs and other sensors, enables seamless flow of information in pre-, real-time and post-combat operations.

Real-time views and insights of impacted regions are keys to improving emergency response times, especially in vulnerable areas such as a country's border.

99. D. None of the above

Answer Justification :

Concept: Fortification is the practice of deliberately increasing the content of an essential micronutrient, i.e. vitamins and minerals (including trace elements) in a food, so as to improve the nutritional quality of the food supply and provide a public health benefit with minimal risk to health.

Rice fortification is the practice of increasing the content of essential micronutrients in rice and to improve the nutritional quality of the rice.

Justification: Statement 1: So, any food whether GM or non-GM can be fortified.

Statement 2: Regular milled rice is low in micronutrients and serves primarily as a source of carbohydrate only. The fortification of rice is a major opportunity to improve nutrition.

Fortified rice contains Vitamin A, Vitamin B1, Vitamin B12, Folic Acid, Iron and Zinc.

The government is planning to provide fortified rice (enriched with essential vitamins and minerals) to all the poor under National Food Security Act (NFSA) across the country, which would cost about Rs 12,000 to Rs 14,000 crore annually. To begin with the scheme is likely to cover the 115 'aspirational' districts across the country.

The proposal is being prepared with the support of Niti Aayog under the National Nutrition Mission.

Statement 3: Food Safety and Standards Authority of India (FSSAI) has formulated a comprehensive regulation on fortification of foods namely 'Food Safety and Standards (Fortification of Foods) Regulations, 2016'.

These regulations set the standards for food fortification and encourage the production, manufacture, distribution, sale and consumption of fortified foods.

The regulations also provide for specific role of FSSAI in promotion for food fortification and to make fortification mandatory. This sets the premise for the national summit on fortification of food.

100. A. Weather forecasting

Answer Justification :

Learning: The India Meteorological Department (IMD) has commissioned two very high resolution (12 km grid scale) state-of-the-art global Ensemble Prediction Systems (EPS) for generating operational 10-days probabilistic forecasts of weather. The EPS involves the generation of multiple forecasts using slightly varying initial conditions.

Ensemble forecasting provides localised predictions of a 12 km resolution compared to 23 Kilometers in the earlier system.

The new model has been developed jointly by Indian Institute of Tropical Meteorology and National Centre for Medium-Range Weather Forecasting.

With this new model, India joins the US with a model that predicts with a 12 km resolution. Only the 'European Center for Medium Range Weather Forecast' has a, better, nine-kilometer resolution.

Better forecasts lead to better management agriculture and water resources. It also helps promote tourism, solar and wind energy.