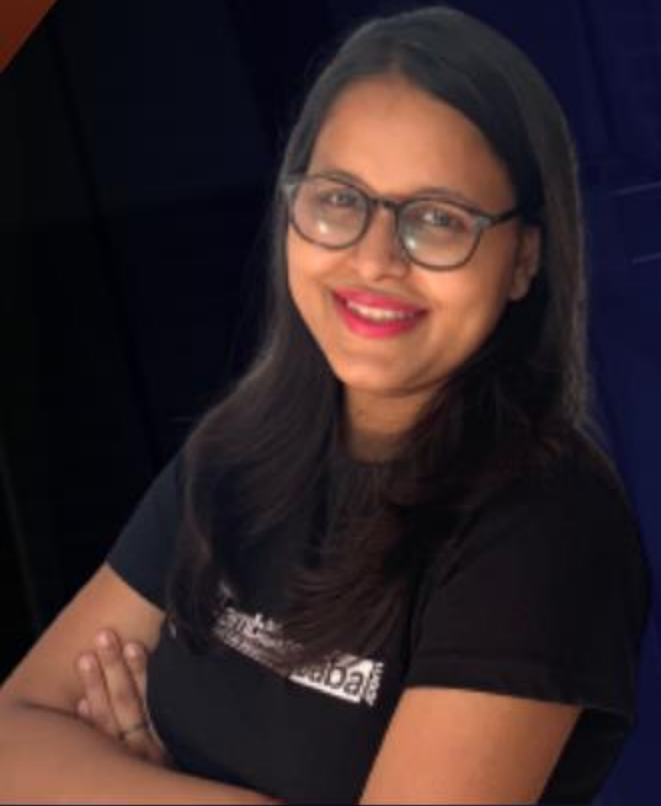
JAIIB MAY EXAM 2025

2 HOURS NON STOP

MARATHON

IE & IFS

PART-2



29 APRIL 2025 09:00 PM

LIVE STREAMING

@JAIIB CAIIB BABA

96. In ______________, the Government set up a committee under the chairmanship of Shri R N Malhotra, former Governor of RBI, to propose recommendations for reforms in the insurance sector. The objective was to complement the reforms initiated in the financial sector.

(a) 1991

(b) 1993

(c) 1995

(d) 1997

B

1. Opening up the Insurance Sector
2. Establishment of a Regulatory Authority
3. Professionalism in the Sector
4. Autonomy to Public Sector Insurers
5. Product Innovation and Competition
6. Strengthening the Rural and Social Sectors
7. Capital Requirements
   - Suggested a minimum capital requirement of ₹100 crore for entry into the insurance business to ensure financial stability.
8. Tariff Advisory Committee (TAC)
   - Recommended phasing out the role of TAC to allow for market-determined pricing of insurance products.

97. Under section ____________ of the Insurance Act 1938, every insurer is obliged to reinsure with Indian reinsurer(s), a certain percentage of the sum insured, on each general insurance policy as specified by IRDA.

(a) 101A

(b) 102B

(c) 103C

(d) 101D

A

98. Among the below mentioned how many times, at the minimum, does the Monetary Policy Committee meet in a year?

(a) 4

(b) 6

(c) 10

(d) 12

A

•Officially came into existence in October 2016.

➢ **Purpose:**

•To maintain price stability while keeping in mind the objective of growth.

➢ **Inflation Target:**

•Current target: 4% CPI inflation with a tolerance band of +/- 2% (i.e., 2% to 6%).

•Fixed by the Government of India in consultation with RBI, reviewed every 5 years.

➢ **Composition of MPC: 6 members**

•3 members from the RBI:

- Governor of RBI (Chairperson)
- Deputy Governor (in charge of monetary policy)
- One officer of the RBI (nominated by the Governor)

•3 external members:

- Appointed by the Central Government.
- Hold office for 4 years, not eligible for reappointment.
- Must be experts in economics, banking, finance, etc.

99. ______________is the proportion of net demand and time liabilities that banks must maintain in high quality liquid assets, such as government securities, cash and gold.

(a) CRR

(b) SLR

(c) SCB

(d) MPD

B

100. A State Government account can be in overdraft, for a maximum ____________ consecutive working days, within an overall limit of 36 days, in a quarter

(a) 7

(b) 10

(c) 14

(d) 21

C

101. If a some person are controlling the economy of country City Centre and takes all the decisions which are only beneficial for them. Which type of economy is working in country City Centre?

(a) market Economy

(b) Socialistic Economy

(c) Command Economy

(d)Mixed economy

A

102. During which period of business cycle the product capacity is fully utilized?

(a) Boom

(b) Recession

(c) Depression

(d) Recovery

A

103. During which period of business cycle, the producer needs to reduce the volume of the product?

(a) Boom

(b) Recession

(c) Depression

(d) Recovery

C

104. Among the given by which policies the total supply of money in the economy is increased?

(a) Expansionary policy

(b) Contractionary policy

(c) Market stabilization policy

(d) All of the above

A

105. Which among the following scheme are launched by RBI for mopping up the liquidity?

(a) SLR scheme

(b) MLR scheme

(c) Market stabilization scheme

(d) CRR scheme

C

- **RBI introduced Market Stabilization Scheme after consulting GOI for mopping up liquidity of a more enduring nature.**
- **Under this scheme, the GOI issue existing instrument, such as Treasury Bills/ and or dated securities by way of auctions under the MSS, in addition to the normal borrowing requirements, for absorbing liquidity form the system.**

106. Which among the following is the main theme of FRBM Act?

(a) Reducing the dependence of Government on borrowing

(b) Reducing the fiscal deficit

(c) Reducing the NPA

(d) Both a and b

D

107. Which of the following is correct formula for finding the GNI at market price?

(a) Gross national Income at Market Price = GDP at Market Price + Taxes less subsidies on production and imports (net receivable from abroad) + Compensation of Employees (Net Receivables from abroad) + Property income (Net receivables from abroad)

(b) Gross national Income at Market Price = GDP at Market Price + Taxes less subsidies on production and imports (net receivable from abroad

(c) Gross national Income at Market Price = GDP at Market Price + Taxes less subsidies on production and imports (net receivable from abroad + Compensation of Employees (Net Receivables from abroad)

(d) Gross national Income at Market Price = GDP at Market Price + Compensation of Employees (Net Receivables from abroad) + Property income (Net receivables from abroad)

A

108. The excess of total expenditure including loans, net of recoveries over revenue receipts (including external grants) and non- debt receipts is called as?

(a) Gross fiscal deficit

(b) Net fiscal deficit

(c) Net primary deficit

(d) Net tax revenue

A

109. The LTRO was introduced by RBI in February 2020, among the below mentioned, which of the following is/are the objective of the above?

(a) To encourage banks to undertake maturity transformation smoothly and seamlessly, so as to augment credit flows to productive sectors

(b) To assure banks about the availability of durable liquidity, at reasonable cost, relative to prevailing market conditions.

(c) Both a and b

(d) None of the above

C

110. Which of the following is incorrect for GVA ?

a. GVA is the measure of the value of goods and services produced in an area, industry or sector of an economy - intermediate consumption over a specified period of time.

b. GVA at basic prices = GDP at factor cost + product taxes - product subsidies.

c. Basic price = Factor cost + Production taxes – Production subsidy

d. Market price = Basic price + Product taxes – Product subsidy

B

111. Who is known as father of Micro economics?

a. JM Keynes

b. Adam Smith

c. Robbins Marshall

d. None of these

B

112. Among the below mentioned, in which phase of development of the financial system was focus laid on setting up of Development Financial Institutions?

(a) Phase I

(b) Phase II

(c) Phase III

(d) Phase IV

B

The development of the financial system in India can be broadly classified into four phases.

In the second phase of development, which lasted from 1950s to 1980s, the focus was on setting up of Development Financial Institutions (DFIs) to provide long-term credit to industrial and infrastructure sectors.

This was done to promote the growth of these sectors and achieve self-sufficiency in the economy.

During this phase, institutions such as Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), and National Bank for Agriculture and Rural Development (NABARD) were set up to cater to the specific needs of the industrial and agricultural sectors.

113. ______________, cater to the entities who possess wealth, they cater to those entrepreneurs and businesses who require the wealth in the form of capital, for their investments.

(a) Financial Institutions

(b) Financial markets

(c) Financial instruments

(d) All of the above

A

114. The SFBs are also required to extend 75% of their Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposures (CEOBE), whichever is higher to the sectors eligible for classification as priority sector lending (PSL) by the RBI, and at least 50% of their credit portfolios should constitute of loans and advances of up to Rs. ___________ lakhs.

(a) 20

(b) 30

(c) 40

(d) 25

D

The maximum loan size and investment limit exposure to a single and group obligor would be restricted to 10 per cent and 15 per cent of its capital funds, respectively.

Eligible promoters

- **Resident individuals/professionals with 10 years of experience in banking and finance;**
- **Companies and societies owned and controlled by residents will be eligible to set up small finance banks.**
- **Existing Non-Banking Finance Companies (NBFCs), Micro Finance Institutions (MFIs), and Local Area Banks (LABs) that were owned and controlled by residents were also permitted to opt for conversion into small finance banks.**
- **Promoter/promoter groups should be 'fit and proper', with a sound track record of professional experience or of running their businesses for at least a period of 5 years, in order to be eligible to promote Small Finance Banks.**

115. A Regional Rural Bank can transact any business of banking in its operational area, as defined in clause (b) of Section ___________ of the Banking Regulation Act, 1949.

(a) 4

(b) 5

(c) 6

(d) 10

B

116. In terms of Section __________ of the BR Act, "No company other than a banking company shall use as part of its name any of the word's "bank", "banker" or "banking" and no company shall carry on the business of banking in India, unless it uses as part of its name at least one of such words.

(a) 7(1)

(b) 6(2)

(c) 2(a)

(d) 10(f)

B

117. Application of the Act to Cooperative Societies (Amendments of 1965 and 2020) With the introduction of Section ____________ in the Banking Regulation Act, 1949, with effect from 1 March, 1966, (Act 23 of 1965) co-operative banks have come under the regulatory purview of RBI.

(a) 45ZA

(b) 45ZC

(c) 45ZE

(d) 56

D

- **Application of the Act to Cooperative Societies (Amendments of 1965 and 2020)**
- **With the introduction of Section 56 in the Banking Regulation Act, 1949, with effect from 1 March, 1966, (Act 23 of 1965) co-operative banks have come under the regulatory purview of RBI.**
- **While the formation and management of co-operative societies operating in one state only (including those conducting banking business) are under the control of the State Government, licensing and regulation of banking business rests with RBI.**
- **Thus, there is a dual control of State Governments and the Reserve Bank over these banks.**

118. According to Section 11 of banking regulation Act, the aggregate value of a banking company's paid-up capital and reserves shall not be less than Rs. _____________ lakhs, if the bank has been established after 16th September, 1962

(a) 5

(b) 10

(c) 1

(d) 2

A

119. Among the below mentioned which of the following is/are the function of NaBFID?

(a) extending loans and advances for infrastructure projects,

(b) taking over or refinancing such existing loans,

(c) attracting investment from private sector investors and institutional investors for infrastructure projects,

(d) All of the above

D

120. Among the below mentioned, in which of the following SHG-bank borrowing model, the NGOs will promote SHGs and link them with banks. SHGs formed by NGOs are also directly financed by banks?

(a) Model I

(b) Model II

(c) Model III

(d) Model IV

B

- **Model I:** NABARD-Bank-SHG. Under this model, SHGs are formed and directly financed by banks. There is no NGO intervention.
- **Model II:** NABARD-Bank-SHG (with NGO as a facilitating agency). Under this model, the NGOs will promote SHGs and link them with banks. SHGs formed by NGOs are also directly financed by banks. This is the most popular model and a majority of the SHGs were financed by banks under Model II.
- **Model III:** NABARD-Bank-NGO-SHG (with NGO as the financial intermediary). Funds flow from banks to NGOs, and the SHGs are, thereafter, financed by banks through the NGOs.

121. ________________ are non-banking financial companies (NBFCs), which are registered under the Companies Act and regulated by the RBI.

(a) Not for profit MFIs

(b) Mutual benefit MFIs

(c) For profit MFIs (NBF C-MFIs)

(d) None of the above

C

122 Which of the following statements correctly describes the nature of interval funds and differentiates them from purely open-ended and close-ended mutual fund schemes?

A. Interval funds allow continuous subscription and redemption like open-ended funds, with daily NAV-based pricing.
B. Interval funds do not permit any redemption before maturity, similar to close-ended funds.
C. Interval funds are hybrids that allow repurchase and subscription only during specific transaction periods, combining features of both open-ended and close-ended schemes.
D. Interval funds are exclusively traded on stock exchanges and cannot be redeemed through the fund house.

C

124. Which of the following best explains the key operational and cost-related difference between active and passive mutual fund management?

A. Active funds aim to replicate market index returns at low cost, while passive funds attempt to outperform the index through active stock selection.

B. Passive funds require higher fund management fees due to frequent buying and selling, whereas active funds maintain lower costs by holding stocks long term.

C. Active funds involve strategic decision-making to outperform a benchmark index, resulting in higher expense ratios, whereas passive funds simply replicate the index composition, incurring lower management costs.

D. Both active and passive funds follow identical investment strategies but differ in how often the Net Asset Value (NAV) is declared.

C

125. Which of the following statements best matches the correct risk type with its description in the context of mutual fund investments?

A. Market risk refers to the inability to sell units during a lock-in period; it can be reduced by diversification.
B. Interest rate risk affects equity funds more than debt funds and arises from unpredictable corporate earnings.
C. Concentration risk is mitigated by diversification and arises when investments are overly focused on a single sector or asset.
D. Liquidity risk arises from macroeconomic factors like inflation or recession and cannot be managed by the investor.

C

126. Which of the following statements about New Fund Offers (NFOs) in mutual funds is most accurate, in light of SEBI regulations and operational guidelines?

A. NFOs can invest only after the offer period closes, and allotment of units along with account statements must be completed within 5 business days of the offer's closure.

B. An NFO can invest the pooled money before the offer period ends and must allot units within 15 business days of the offer closing.

C. For any mutual fund scheme, the NFO can remain open for up to 30 days and must maintain a minimum subscription of ₹10 crores regardless of scheme type.

D. Open-ended schemes launched through NFOs are not obligated to be available for ongoing purchase or sale afte[illegible]nt of units.

A

- In case of open ended and close ended schemes (except ELSS schemes), the NFO should be open for 15 days
- The minimum subscription amount of debt oriented and balanced schemes at the time of new fund offer should be at least Rs 20 crores and that of other schemes shall be at least Rs 10 crores.
- An average Assets Under Management (AUM) of Rs 20 crore on half - yearly rolling basis should be maintained for open-ended debt-oriented schemes.
- The scheme, for which there has been an NFO, should be available for ongoing re-purchase, sale or trading, within 5 business days of allotment.
- The NFO can make its investments only after the offer period closes and it must allot the units and send the account statements to the investors within 5 days of closure of the NFO

127. Which of the following best summarizes the multifaceted role of the Association of Mutual Funds in India (AMFI) in regulating and supporting the mutual fund industry?

A. AMFI is a government-owned body that exclusively handles mutual fund licensing and taxation in India.

B. AMFI is a profit-oriented company focused on expanding mutual fund distribution networks in India.

C. AMFI is a non-profit organization that promotes ethical standards, liaises with regulators, builds investor awareness, and develops best practices in the mutual fund industry.

D. AMFI is an autonomous regulatory authority with powers to penalize mutual fund companies for non-compliance with SEBI regulations.

C

128 . An investor is planning for long-term wealth creation without the need for regular income. Based on investment objectives, which type of mutual fund scheme is most appropriate for such an investor, and why?

A. Dividend scheme, because it reinvests the earnings to generate long-term capital appreciation.
B. Growth scheme, because it avoids periodic payouts and reinvests earnings to enhance capital over time.
C. Dividend scheme, because it provides regular payouts that help in growing the corpus gradually.
D. Growth scheme, because it pays out profits annually to increase investor's disposable income.

B

129. In the context of SEBI's Risk-o-Meter, which of the following is the correct ascending order of risk levels depicted for mutual fund investments?

A. Low < High < Moderate < Very High < Moderately Low < Moderately High

B. Low < Moderately Low < Moderate < Moderately High < High < Very High

C. Very High < High < Moderately High < Moderate < Moderately Low < Low

D. Low < Moderate < Moderately Low < High < Moderately High < Very High

B

130 Which of the following statements best reflects the objective of SEBI's Risk-o-Meter introduced in mutual funds?

A. To classify mutual funds based on historical returns.
B. To determine the tax liability on various mutual fund products.
C. To depict the expected return from a mutual fund over a period.
D. To provide a visual representation of the risk to the principal invested in a mutual fund.

D

Q.131 Which of the following committees is credited with recommending the creation of venture capital in India, and in which year?

B

A. Narasimham Committee, 1991
B. Bhatt Committee, 1972
C. Abid Hussain Committee, 1984
D. Rangarajan Committee, 1993

Q.132 Which of the following best describes the characteristics of the Seed Capital Stage in venture capital financing?

B

A. It involves large-scale production funding with low risk and high market certainty.
B. It funds prototype development and R&D-based innovations, typically with high risk and limited investor participation.
C. It provides working capital for expanding successful businesses into new markets.
D. It focuses on acquiring equity stakes in already profitable ventures.

Q.133 Which of the following statements most accurately describes the role of venture capital in the Start-up Stage?

A. It funds the commercialization of new products with market potential, while also providing managerial support and sharing high risks.
B. It focuses solely on funding the expansion of proven business models with minimal involvement in operations.
C. It offers short-term debt financing to entrepreneurs with substantial financial backing.
D. It assists in funding research activities within academic institutions with no expectation of commercialization.

A

Q.134 Which of the following is not an advantage of forfaiting for exporters in international trade?

A. It provides 100% financing on a without-recourse basis, freeing the exporter from credit and political risks.

B. It enhances the exporter's liquidity by converting receivables into immediate cash, improving overall cash flow.

C. It allows the exporter to increase trade competitiveness by offering longer credit terms without assuming additional risk.

D. It requires the exporter to actively manage receivables and monitor collection schedules to reduce administrative costs.

D

Q 135 Which of the following best describes the exit strategies available to a Venture Capitalist?

B

A. A venture capitalist can only exit through Initial Public Offerings (IPOs), as it provides the most profitable returns.
B. Exit strategies include methods such as IPOs, buyback of shares by promoters, sale to another company, sale to a new venture capitalist, self-liquidation, or liquidation of the investee company.
C. The only exit strategy available is through self-liquidation, where the company repays the venture capitalist over time.
D. Venture capitalists exit primarily through liquidation of the investee company if the company becomes unsuccessful.

Q.136. Which of the following best characterizes Expansion Finance in venture capital?

B

A. Funding for launching a new product concept that has not yet entered the market.
B. Financial support for acquiring or expanding operations after achieving market acceptance, with a possibility of increased VC equity participation.
C. Initial funding provided for R&D activities in scientific institutions.
D. Rescue capital injected into distressed businesses to prevent insolvency.

Q.137 Which of the following statements accurately describes the Trade Receivables Discounting System (TReDS) in India?

A. TReDS is a digital platform designed to facilitate receivables financing exclusively for large corporates and public sector undertakings through recourse-based loans.

B. TReDS is a government-mandated offline registry for MSMEs to report outstanding receivables and apply for subsidies.

C. TReDS is a digital mechanism introduced by the RBI to enable without-recourse discounting of trade receivables—including invoices and bills of exchange—of MSMEs by multiple financiers, thereby improving their liquidity.

D. TReDS is a tool used only for cross-border transactions, allowing MSMEs to obtain export financing through a consortium of international forfaiters.

C

Q 138 Which of the following best explains Replacement Finance in venture capital funding?

C

A. It involves providing working capital loans for day-to-day operations in a mature company.
B. It refers to funding new product development and prototype testing in early-stage ventures.
C. It is the purchase of equity from existing shareholders who wish to exit, typically when the company is not planning to go public.
D. It is financing offered to companies in financial distress to avoid liquidation

Q.139 Which of the following correctly matches a type of derivatives market participant with their primary objective?

D

A. Hedgers – Aim to profit from price differences across markets.
B. Speculators – Aim to reduce risk from price fluctuations in the underlying asset.
C. Arbitrageurs – Aim to eliminate or reduce risk in asset price volatility.
D. Hedgers – Aim to manage and reduce price risk in the underlying asset

Q 140 Which of the following statements best describes Post-Investment Activity and Exit Plan in venture capital?

C

A. Post-investment activity involves the venture capitalist managing the day-to-day operations of the business, while the exit plan is set after the first two years of operation.

B. Post-investment activity focuses on the venture capitalist providing direct management to the enterprise, while the exit plan primarily involves liquidating the company's assets.

C. Post-investment activity includes overseeing the company's performance through Board representation, and the exit plan focuses on methods like IPOs, acquisitions, or buybacks to maximise returns.

D. Post-investment activity includes setting up marketing strategies, while the exit plan is designed after the company becomes profitable.

Q.141 Which of the following statements about Forward Rate Agreements (FRAs) is true?

A. In an FRA, the notional principal is exchanged at the start and end of the contract.
B. An FRA is a contract that allows parties to fix the exchange rate for future currency transactions.
C. An FRA allows the buyer to fix the interest rate for a borrowing or lending that will occur in the future.
D. FRAs are traded on exchanges and involve daily mark-to-market settlements.

C

Q.142 Which of the following correctly distinguishes Merchant Banks from Commercial Banks in terms of regulatory authority and primary services?

B

A. Merchant Banks are regulated by RBI and deal with debt finance; Commercial Banks are regulated by SEBI and assist in equity financing.
B. Merchant Banks are regulated by SEBI and assist in equity financing; Commercial Banks are regulated by RBI and deal with debt finance.
C. Merchant Banks and Commercial Banks are both regulated by SEBI and focus on fee-based services.
D. Both are regulated by RBI and provide the same financial services.

Q.143 Which of the following statements correctly describes the difference between a Call option and a Put option?

A. A Call option gives the right to sell, while a Put option gives the right to buy the underlying asset.
B. A Call option gives the right to buy, while a Put option gives the right to sell the underlying asset.
C. Both Call and Put options obligate the buyer to execute the trade.
D. Both Call and Put options are only valid on the expiry date.

B

Q.144 Which of the following correctly matches the SEBI classification of Merchant Bankers with the scope of their permitted activities?

A. Category I – Advisor only; Category II – Issue Manager; Category III – Banker to the Issue; Category IV – Underwriter
B. Category I – Full issue management and advisory services; Category II – Co-manager, consultant, underwriter; Category III – Underwriter, advisor; Category IV – Advisor or consultant only
C. Category I – Portfolio management only; Category II – Prospectus preparation and subscription refund; Category III – Banker to the Issue; Category IV – Co-manager and advisor
D. Category I – Consultant only; Category II – Underwriter only; Category III – Issue Manager; Category IV – Full-service provider

B

Q.145 What is the main difference between an American option and a European option?

A. American options are traded in the U.S., while European options are traded in Europe.
B. American options can be exercised only on the expiration date, while European options can be exercised any time.
C. American options can be exercised any time before or on the expiration date, while European options can be exercised only on the expiration date.
D. European options are always cheaper than American options

C

Q.146 According to SEBI regulations, what is the minimum net worth requirement for an applicant seeking a Category I Merchant Banking license?

A. ₹1 crore
B. ₹2 crores
C. ₹5 crores
D. ₹10 crores

C

Q.147 Which of the following best describes a Credit Default Swap (CDS)?

A. A contract to exchange currency payments between two parties.
B. An agreement to hedge against interest rate fluctuations.
C. A financial derivative where the buyer pays a premium to transfer the risk of default to the seller.
D. A futures contract to lock in the price of a corporate bond.

C

Q.148 Under SEBI regulations, what is the minimum underwriting obligation for a Category I Merchant Banker managing a public issue?

A. 10% of the issue or ₹50 lakhs, whichever is more
B. 15% of the total issue amount
C. 2% of the issue or ₹10 lakhs, whichever is more
D. 5% of the total underwriting commitment or ₹25 lakhs, whichever is less

D

149. Section ____________ of banking regulation Act states that the subscribed capital of a banking company cannot be less than 50% of the authorised capital, and the paid-up capital cannot be less than 50% of the subscribed capital.

(a) 10

(b) 12

(c) 1

(d) 2

A

Q.150 Under SEBI regulations, when is it mandatory for a company issuing shares to appoint a Monitoring Agency?

A. Only if the issue is made through private placement
B. If the issue size exceeds ₹100 crores
C. If the issue size exceeds ₹500 crores
D. For all public issues, regardless of size

C

151. Section 20 of banking regulation act deals with restrictions on banks for making certain types of loans According to the Section, no banking company shall enter into any commitment for granting any loan or advance to or on behalf of:

(a) any of its directors,

(b) to any firm in which any of its directors is interested as a partner, manager, employee or guarantor, or

(c) any company in which a director of the bank is interested as a Director, Managing Agent, Manager, employee or guarantor.

(d) All of the above

D

152. Among the below mentioned statements, which of the following is/are the objective of NHB?

(a) To regulate the activities of housing finance companies, based on regulatory and supervisory authority, derived under the Act

(b) To encourage augmentation of supply of buildable land and also building materials for housing and to upgrade the housing stock in the country

(c) To encourage public agencies to emerge as facilitators and suppliers of serviced land, for housing.

(d) All of the above

D

Q.153. Primary sector includes all economic activities that involve the direct use of natural resources. Which of the following is NOT a part of the primary sector?

A) Agriculture
B) Fishing
C) Horticulture
D) Manufacturing

D

Q.154 What is the total Priority Sector Lending (PSL) target for advances to weaker sections by Regional Rural Banks (RRBs)?

A) 10% of Adjusted Net Bank Credit (ANBC) or Credit Equivalent of Off-Balance Sheet Exposure (CEOBE), whichever is higher
B) 15% of ANBC or CEOBE, whichever is higher
C) 20% of ANBC or CEOBE, whichever is higher
D) 25% of ANBC or CEOBE, whichever is higher

B

Q.155 Quaternary Sector, also known as the 'knowledge' sector, includes which of the following activities?

A) Agriculture and fishing
B) Teaching and research
C) Manufacturing and construction
D) Banking and retail

B

- Employees in office buildings,
- Elementary schools and university classrooms,
- Hospitals and physicians' offices,
- Theatres,
- Accountancy and
- Brokerage businesses,
- and so on.

Q.156 Which economic sector involves the processing of raw materials extracted from the primary sector and is also known as the industrial sector?

A) Primary Sector
B) Secondary Sector
C) Tertiary Sector
D) Quaternary Sector

B

Q.157 What are the criteria for defining Micro, Small, and Medium Enterprises (MSMEs) in India as per the updated definition?

A) Investment < ₹125 crore, Turnover < ₹500 crore
B) Investment < ₹25 crore, Turnover < ₹100 crore
C) Investment < ₹10 crore, Turnover < ₹50 crore
D) Investment < ₹75 crore, Turnover < ₹300 crore

A

Q.158 Which sector includes all economic activities that produce services, such as education, healthcare, banking, and communication, and forms the basis of a service-based economy?

A) Primary Sector
B) Secondary Sector
C) Tertiary Sector
D) Quaternary Sector

C

Q.159 What are some characteristics of a sunrise sector?

A) Strong growth rates, low innovation, and limited public awareness
B) Strong growth rates, a high degree of innovation, and high public awareness
C) Low growth rates, lack of investor interest, and limited job creation
D) High competition and no potential for future business growth

B

Q.160 Which of the following is NOT one of the four pillars of the Make in India initiative?

A) New Processes
B) New Policies
C) New Infrastructure
D) New Mind-set

B

Q.161. Which of the following is correct:

1. In Emergency Credit Line Guarantee Scheme (ECLGS), loan limit is Rs. 3 lakh crore collateral-free
2. In Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) , Individual Micro and Small Enterprises can apply for collateral-free loans up to Rs. 1 crore
3. Interest Subsidy Eligibility Certificate (ISEC) has been implemented as a funding mechanism for the khadi programme run by the country's khadi institutions
4. In stand up India, given special loans ranging from Rs. 50 lakhs to Rs. 1 crore, at a low interest rate.

B

a. All are correct
b. 1 to 3
c. 2 to 4
d. 1, 2 & 4

Q.162 What is the primary focus of the Bharatmala Pariyojana, India's largest infrastructure investment program?

A. Developing airports in rural areas
B. Expanding rail connectivity across the country
C. Investing in road infrastructure and highway development
D. Building smart cities with advanced technology

C

Q.163. Which of the following statements best describes ESG (Environmental, Social, and Governance) and its relevance to corporate social responsibility (CSR) in modern business practices?

A. ESG focuses solely on the environmental impact of a business, ignoring social and governance factors.
B. ESG criteria are primarily used by banks to determine how to manage customer complaints and improve services.
C. ESG considers the long-term ethical impact of business activities, including factors like diversity, human rights, and equality, and is used by investors to screen investments.
D. ESG guidelines are only applied to large multinational corporations and do not affect smaller companies or banks.

C

Q.164 Which of the following statements correctly describes the Right to Education in India?

A. The Right to Education guarantees free education for all citizens above the age of 18.
B. The 86th Constitutional Amendment Act, 2002 introduced Article 21-A, ensuring free and compulsory education for children aged 6 to 14 years.
C. The Right to Education applies only to children from economically disadvantaged backgrounds and not to others.
D. The Right to Education is optional and is not legally binding for the government to implement.

B

Q.165. Which of the following statements accurately reflects the four pillars of the National Education Policy (NEP) 2020?

B

A. The four pillars of NEP 2020 are Access, Quality, Skill Development, and Technology Integration.
B. The four pillars of NEP 2020 are Access, Equity, Quality, and Affordability, which focus on inclusive, high-quality education for all students.
C. The four pillars of NEP 2020 are Access, Equity, Digital Education, and Economic Support.
D. The four pillars of NEP 2020 are Literacy, Vocational Education, Community Engagement, and Research.

Q.166 What does the term "deglobalisation" primarily refer to?

A. The reduction of dependency and integration among global units.
B. Increasing interconnectedness among countries through trade and investment.
C. Expanding international trade and cross-border collaboration.
D. Encouraging unrestricted flow of goods, services, and people.

A

Q.167 What is the primary objective of protectionist measures during deglobalisation?

A. To promote free trade and global economic integration.
B. To encourage foreign investment and competition.
C. To protect domestic producers and workers from foreign competition.
D. To reduce government intervention in the economy.

C

Q.168 What are the three main forms of protectionism?

A. Free trade agreements, export subsidies, and tax incentives.
B. Tariffs, import quotas, and non-tariff barriers.
C. Foreign direct investment, open markets, and trade liberalization.
D. Global trade pacts, economic integration, and deregulation.

B

Q.169 The Foreign Trade Policy (FTP) 2015-20 introduced two new schemes to promote exports. Which of the following correctly matches these schemes with their objectives?

A. MEIS for promoting service exports and SEIS for promoting merchandise exports
B. MEIS for exporting defined products to designated destinations and SEIS for promoting exports of designated services
C. MEIS for promoting agricultural exports and SEIS for promoting industrial exports
D. MEIS for promoting infrastructure exports and SEIS for promoting technology exports

B

Q.170 Under the Export Promotion Capital Goods (EPCG) scheme, what was the reduction in the export obligation if capital goods were purchased from domestic producers?

A. 50%
B. 60%
C. 75%
D. 100%

C

Q.171 Which scheme has been repositioned to align with the objectives of 'Skill India' and support MSME clusters to boost exports?

A. Export Promotion Capital Goods (EPCG) Scheme
B. Niryat Bandhu Scheme
C. Merchandise Export from India Scheme (MEIS)
D. Focus Market Scheme

B

Q.172 Which strategy is recommended to address India's overdependence on a few items and markets in its international trade?

A. Focus solely on increasing exports to China
B. Diversify trading partners, exploring new markets like Africa, South-East Asia, and Latin America
C. Eliminate imports of non-essential products
D. Limit trade to high-value products from a few large suppliers

B

Q.173 What is Greenfield FDI?

A. Investment in an existing firm in the destination country
B. Investment in a new venture where the parent corporation builds operations from scratch
C. Investment through stock purchase in a foreign company
D. Investment in government projects abroad

B

Q.174 What is the role of Special Drawing Rights (SDRs) in the international monetary system?

A) SDRs serve as a currency issued by the IMF to replace member countries' currencies.
B) SDRs are a supplementary international reserve asset that can be exchanged for freely usable currencies of IMF members.
C) SDRs are claims on the IMF directly for obtaining financial aid.
D) SDRs are used exclusively to regulate exchange rates among IMF member countries.

B

Q.175 Which of the following currencies is not included in the SDR basket?

A) US dollar
B) Euro
C) Japanese yen
D) Swiss franc

D

Q.176 What is the primary purpose of the International Centre for Settlement of Investment Disputes (ICSID), founded in 1966?

A) To regulate global trade agreement
B) To provide loans to multinational corporations
C) To mediate and resolve legal disputes between international investors and states
D) To monitor the implementation of environmental policies

C

Q.177 What is the primary role of the Multilateral Investment Guarantee Agency (MIGA)?

A) To provide loans to governments in developing countries
B) To encourage foreign direct investment by protecting investors against non-commercial and political risks
C) To regulate international trade policies
D) To oversee foreign exchange markets

B

Q.178. Which of the following best encapsulates the functions of the World Trade Organization (WTO) as outlined in Article III of the WTO Agreement?

A) The WTO’s primary focus is to regulate trade tariffs globally while facilitating investment in developing countries.

B) The WTO facilitates the implementation and administration of agreements, serves as a forum for negotiations, resolves disputes, monitors trade policies, and engages with the IMF and World Bank for global economic policy coherence.

C) The WTO focuses on providing financial aid to member countries while coordinating the global exchange of technological knowledge.

D) The WTO oversees the implementation of multilateral trade agreements, but only manages agricultural ar[illegible]ustrial trade policies between members.

B