



**VVR-IAS**  
INDIA'S Best Trainers for  
General Studies

# GS PRELIMS TEST SERIES 2017

## TEST-11 : ANSWER KEY (ECONOMY)

- |         |         |         |         |          |
|---------|---------|---------|---------|----------|
| 1. (C)  | 21. (A) | 41. (A) | 61. (B) | 81. (A)  |
| 2. (C)  | 22. (A) | 42. (C) | 62. (C) | 82. (C)  |
| 3. (D)  | 23. (A) | 43. (A) | 63. (D) | 83. (B)  |
| 4. (A)  | 24. (D) | 44. (D) | 64. (C) | 84. (C)  |
| 5. (d)  | 25. (B) | 45. (C) | 65. (C) | 85. (A)  |
| 6. (D)  | 26. (D) | 46. (D) | 66. (A) | 86. (D)  |
| 7. (C)  | 27. (A) | 47. (C) | 67. (B) | 87. (B)  |
| 8. (A)  | 28. (C) | 48. (A) | 68. (B) | 88. (A)  |
| 9. (B)  | 29. (A) | 49. (A) | 69. (B) | 89. (B)  |
| 10. (A) | 30. (A) | 50. (D) | 70. (A) | 90. (B)  |
| 11. (B) | 31. (B) | 51. (B) | 71. (C) | 91. (A)  |
| 12. (D) | 32. (D) | 52. (D) | 72. (B) | 92. (B)  |
| 13. (D) | 33. (C) | 53. (A) | 73. (B) | 93. (C)  |
| 14. (B) | 34. (C) | 54. (B) | 74. (C) | 94. (A)  |
| 15. (C) | 35. (D) | 55. (B) | 75. (A) | 95. (D)  |
| 16. (C) | 36. (A) | 56. (D) | 76. (C) | 96. (C)  |
| 17. (C) | 37. (D) | 57. (A) | 77. (C) | 97. (D)  |
| 18. (A) | 38. (A) | 58. (D) | 78. (A) | 98. (D)  |
| 19. (C) | 39. (D) | 59. (A) | 79. (A) | 99. (B)  |
| 20. (B) | 40. (C) | 60. (C) | 80. (B) | 100. (B) |

## (ECONOMY) (T-11)

1. (C)

*Exp.*

A negative interest rate means the central bank and perhaps private banks will charge negative interest: instead of receiving money on deposits, depositors must pay regularly to keep their money with the bank. This is intended to incentivize banks to lend money more freely and businesses and individuals to invest, lend, and spend money rather than pay a fee to keep it safe. It is done during deflationary phase when the demand is really low.

2. (C)

*Exp.*

The objectives of setting up of payments banks will be to further financial inclusion by providing (i) small savings accounts and (ii) payments/remittance services to migrant labour workforce, low income households, small businesses, other unorganized sector entities and other users. Payments banks cannot provide loans to farmers.

Apart from amounts maintained as Cash Reserve Ratio (CRR) with the Reserve Bank on its outside demand and time liabilities, it will be required to invest minimum 75 per cent of its "demand deposit balances" in Statutory Liquidity Ratio (SLR) eligible Government securities/treasury bills with maturity up to one year and hold maximum 25 per cent in current and time/fixed deposits with other scheduled commercial banks.

3. (d)

*Exp.*

The HDI was created to emphasize that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone. The HDI can also be used to question national policy choices, asking how two countries with the same level of GNI per capita can end up with different human development outcomes. These contrasts can stimulate debate about government policy priorities.

4. (A)

*Exp.*

$GVA \text{ at basic price} = GVA \text{ at factor cost} + \text{production tax} - \text{production subsidy}$ .

5. (D)

*Exp.*

Production taxes or production subsidies are paid or received with relation to production and are independent of the volume of actual production. Product taxes or subsidies are paid or received on per unit of product.

Product subsidies- Food, petroleum, fertilizer and interest subsidy to farmers. Production subsidies- Subsidies to railways, Subsidies to villages and small industries, Input subsidies to farmers, Subsidies to co-operatives and corporations.

Product taxes- VAT, EXCISE, CUSTOMS, SERVICE tax

Production tax- Stamp duty, Land revenue, professional tax. M-2-B-2

6. (D)

*Exp.*

$GDP + \text{Net factor income from abroad} = GNP$   
Even if the country is an open economy, it may not always favor  $GNP > GDP$  situation. For this situation, it requires that nationals earn more from abroad than non nationals earning within a country. If more subsidy is dispersed to foreign investors they may earn more, but it will not always lead  $GNP > GDP$ . Statement three does not take into account other factors hence this statement is wrong.

7. (C)

*Exp.*

Indicative planning was adopted in India after post 1991 era. Earlier our planning was imperative and directive. But after the Manmohan-Narsingh Rao reforms it became indicative. In this planning, private sector is given a substantial role. In this kind of planning, government becomes facilitator than regulator. It indicates policy direction to private sector

- 8. (A)**  
**Exp.** Excise duty and dividends come under revenue receipts.
- 9. (B)**  
**Exp.** Crowding out effect occurs when government increases its borrowing. Because large governments have the power to borrow large sums of money, doing so can actually have a substantial impact on the real interest rate, raising it by a significant degree. This has the effect of absorbing the economy's lending capacity and of discouraging businesses from engaging in capital projects.
- 10. (A)**  
**Exp.** Twin deficit - Fiscal and current account deficit. While there is another term- 'Twin balance sheet challenge' which is related with impaired position of Public sector bank and some large corporate houses.
- 11. (B)**  
**Exp.** First statement describes the qualitative method of 'Marginal requirement, and not that of rationing of credit. The marginal requirement is increased for those business activities, the flow of whose credit is to be restricted in the society. Rationing of credit method is used for preventing speculative activities.
- 12. (D)**
- 13. (D)**  
**Exp.** Certificate of Deposit (CD) is a negotiable money market instrument and issued in dematerialized form or as a Promissory Note against funds deposited at a bank or other eligible financial institution for a specified time period. Guidelines for issue of CDs are presently governed by various directives issued by the Reserve Bank of India (RBI), as amended from time to time.
- 14. (B)**  
**Exp.** DFHI was set up in March 1988 by Reserve Bank of India jointly with public sector banks and all India Financial Institutions to develop the money market and to provide liquidity to money market instruments as a sequel to Vaghal Working Group recommendations. With the introduction of new money market instruments such as Certificates of Deposits and Commercial Paper, DFHI began dealing in these instruments as well. With effect from 1992-93, DFHI was authorized to deal in dated Government Securities.
- 15. (C)**
- 16. (C)**  
**Exp.** Demand-pull inflation occurs when there is an increase in aggregate demand, categorized by the four sections of the macro economy: households, businesses, governments and foreign buyers. When these four sectors concurrently want to purchase more output than the economy can produce, they compete to purchase limited amounts of goods and services. An increase in government purchases (inducing liquidity) can increase aggregate demand, thus pulling up prices. Statement two is correct.
- 17. (C)**  
**Exp.** Payments bank can accept deposits on savings account and current account
- 18. (A)**  
**Exp.** Higher inflation suggests the producer to increase their production level as it indicates higher demand in the economy. Investment in the economy is increased for shorter term as high demand prompts entrepreneurs to expand business. As foreign goods become costlier there is lower import of foreign goods aided by import substitution.
- 19. (C)**  
**Exp.** Quantitative Measures -- Bank Rate Policy, Open Market Operations, Cash Reserve Ratio, Statutory Liquidity Ratio. Qualitative Measures-- Margin requirements, Consumer Credit Regulation, RBI Guidelines, Rationing of credit, Moral Suasion Direct Action.
- 20. (B)**  
**Exp.** Masala bonds are rupee-denominated instruments sold only to offshore investors by Indian corporate for raising money

- from overseas investors. They do not face currency fluctuation risks. The International Finance Corporation (IFC), the investment arm of the World Bank, issues these bonds. They are issued to foreign investors and settled in US dollars. Hence the currency risk lies with the investor and not the issuer, unlike external commercial borrowings (ECBs), where Indian companies raise money in foreign currency loans.
- 21. (A)**  
*Exp.* Rank of various taxes in total revenue  
1. Corporation Tax  
2. 2nd Income Tax  
3. 3rd Excise Duty  
4. 4th Custom Duty  
5. 5th Service Tax
- 22. (A)**  
*Exp.* It was introduced for 1st time in 2006-07 Union Budget.  
Tax exemptions often create pressure groups for their perpetuation & can distant resource allocation.
- 23. (A)**  
*Exp.* 3 and 4 are wrong as they are Navratnas. Maharashtra CPSE's and BHEL, COal India Limited. GAIL, Indian Oil Corporation Limited.  
NTPC Limited, ONGC, SAIL
- 24. (D)**  
*Exp.* In disinvestment there is no change in the management from public to private hands, the management lies with the government itself.
- 25. (B)**  
*Exp.* 1 Is wrong as it is maintained outside consolidated fund of India.
- 26. (D)**  
*Exp.* The 8 core industries of India are?  
Coal, Crude Oil, Cement, Natural Gas, Electricity. Fertilizers, Steel, Refinery Products
- 27. (A)**  
*Exp.* 2 Is wrong as It is operated under a "Planned economic" not command economy.
- India adopted Indicative Plan since 1991, away from centralized planning on Soviet Model.
- 28. (C)**  
*Exp.* 1 Is wrong as in 1st Five Year plan, all stress was on Agriculture. During 2nd Plan, emphasis was on heavy industries.
- 29. (A)**  
*Exp.* The result of fiscal drag is increase in income taxes but no increase in real purchasing power this is a problem during high inflation.
- 30. (A)**  
*Exp.* 2 is wrong as they are non-rivalrous in nature e.g. Parks, street lighting, defense etc.
- 31. (B)**  
*Exp.* 2 is wrong as Nikkei is the share index of Japan & Shinzhen Stock exchange is the share index of China.
- 32. (D)**  
**33. (C)**  
*Exp.* 1 is wrong as, they are set up by individuals & institutions to hedge risks & optimize returns.
- 34. (C)**  
*Exp.* 3 is wrong as it was set up in 1995.
- 35. (D)**  
*Exp.* Direct taxes help in maintaining equity. Direct taxes are progressive, hitting more to higher earners in the pyramid. Businesses pay corporate taxes only if they earn profits and thus maintain equilibrium.  
India's direct tax collection for the year 2015-16 was more than that of indirect tax collection.
- 36. (A)**  
*Exp.* Tobin tax is a proposed tax on all foreign exchange transaction.  
Pigovian tax is imposed on the bodies that have negative externality e.g. alcohol, tobacco  
Statement three is correct.

37. (D)

*Exp.*

The term disinvestment describes the only sale of shares. Under the concept of disinvestment, government's holdings can go below 51% but management still remains with it. The government does not allow the shareholding of other companies to go beyond its own shareholding. The strategic buyer gives a premium price per share as he gets the management rights.

38. (A)

*Exp.*

NIF is not a part of the consolidated fund of India.

NIF would be utilized for the following purposes:

- Subscribing to the shares being issued by the CPSE including PSBs and Public Sector Insurance Companies.
- Preferential allotment of shares of the CPSE to promoters.
- Recapitalization of public sector banks and public sector insurance companies.
- Investment by Government in RRBs/ IIFCL/NABARD/Exim Bank;
- Equity infusion in various Metro projects;
- Investment in Bhartiya Nabhikiya Vidyut Nigam Limited and Uranium Corporation of India Ltd.;
- Investment in Indian Railways towards capital expenditure

39. (D)

*Exp.*

The above three statements denote the objectives of International Monetary fund. World bank was set up with the objective of poverty elimination, economic growth, and better living condition etc.

40. (C)

*Exp.*

WTO does not have separate dispute settlement body. General council which is second in command after Ministerial Conference, an executive wing of WTO acts as a dispute settlement body.

41. (A)

*Exp.*

Parallel importation is done in the country which is facing public health crisis and the patent holder company is unwilling to lower the price.

While offering compulsory licensing, the concerned company has to pay compensation to a patent holder company.

42. (C)

*Exp.*

Under Bali package, India was provided with an exemption under the 'Peace Claus' to limit its agriculture subsidy to 10% until further solution can be reached. India's major concern is Food security mission which comes under Amber box subsidy.

All domestic support measures considered to distort production and trade (with some exceptions) fall into the amber box. This is the "amber box with conditions" - conditions designed to reduce distortion. Any support that would normally be in the amber box is placed in the blue box if the support also requires farmers to limit production. In order to qualify, green box subsidies must not distort trade, or at most cause minimal distortion.

43. (A)

*Exp.*

The term means the country which is the recipient of this treatment must, nominally, receive equal trade advantages as the "most favored nation" by the country granting such treatment. (Trade advantages include low tariffs or high import quotas.) In effect, a country that has been accorded MFN status may not be treated less advantageously than any other country with MFN status by the promising country. It means that the tariff policy one country receives in an organization should be extended to all.

44. (D)

45. (C)

*Exp.*

Invisibles in international trade are trade in services. While Visible is used for trade in goods. Transfer includes remittances from abroad. Income receipts include profit earned from profit, dividend and interests.

46. (D)

*Exp.*

Borrowers gain as they have to repay at lower cost. Same time, imports become cheaper during appreciation. Appreciation puts pressure on the exporters to increase their competency to compete in international market.

47. (C)

*Exp.*

Under rolling planning, first is the plan for the current year which comprises the annual budget. Second is a plan for a fixed number of years, which may be 3, 4 or 5 years. This second plan is kept changing as per the requirements of the economy (and politics). Third is a perspective plan which is for 10, 15 or 20 years.

48. (A)

*Exp.*

IDA provides loans mainly to low income countries.

IDA is funded largely by contributions from the governments of its richer member countries.

49. (A)

*Exp.*

- It is permitted under the WTO TRIPS (IPR) Agreement provided conditions such as 'national emergencies, other circumstances of extreme emergencies and anti-competitive practices' are fulfilled.
- So far, India has issued only one CL for and anti-cancer medicine Nexavar.

50. (D)

51. (B)

52. (D)

53. (A)

*Exp.*

- The main reasons were: Absence of capital goods industry which is needed to promote further industrialization in India.
- Limited area of operation of public sector, which was limited to few sectors, like railways, power generation etc.
- Further, there was lack of capital (or savings) for setting up industries.
- There was not lack of demand. In fact the demand increased which was met by goods supplied by British industrialists.

54. (B)

55. (B)

56. (D)

*Exp.*

- Bombay Plan was proposed in 1944. It gave priority to the development of basic industries along with agricultural production.

- The People's Plan was proposed by M N Roy in 1945. It advocated the nationalization of Indian Agriculture.
- Gandhian Plan was proposed by Sriman Narayan, it gave priority to rural development through the development of cottage industry.
- Planned Economy for India was proposed by M. Vishvesvarya in 1943

57. (A)

*Exp.*

- Withholding tax, which levied on income (interest and dividends) from securities owned by a nonresident.
- The amount withheld is a credit against the income taxes the employee must pay during the year.
- This is deducted not only from dividends, but from other income paid to non-residents of a country

58. (D)

*Exp.*

- Tax expenditure refers to revenue a government foregoes through the provisions of tax laws that allowed deductions, exclusions, or exemptions from the taxpayers' taxable expenditure, income, or investment.
- Option 1 and 3 indicate tax exemptions to bamboo industry and the person obtaining health insurance respectively. The revenue foregone due to these exemptions would contribute to tax expenditure of the government.

59. (A)

*Exp.*

- Government has set up a panel under Professor B N Goldar to devise new Producer Price Index to replace Wholesale Price Index.
- The proposed index will seek to bring India's inflation gauge on a par with international standards, with PPI tracking changes at the producer level for both goods and services and CPI providing details of retail prices.
- WPI includes taxes while PPI tracks inflation minus tax component.
- While the present WPI does not consider services, PPI includes services

**60. (C)****Exp.**

- SEZ, or Special Economic Zone, is essentially an industrial cluster meant largely for exports. AnSEZ is governed by a special set of rules aimed at attracting direct investment for export-oriented production. SEZs, earlier known as Export Processing Zones or Free Trade Zones, are duty free enclaves which are treated as foreign territory only for trade operations, duties, tariffs and typically marked by the best infrastructure and least red tape. Other salient features of SEZs are:
- Manufacturing or service activities are allowed;
- Full freedom for sub-contracting;
- No routine examination by customs authorities of export/import cargo;
- Units in SEZs have to become net foreign exchange earners within three years; and
- Domestic sales from them are subject to full customs duty and the import policy in force.

**61. (B)****Exp.**

The term "World Bank" refers only to the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

The term "World Bank Group" incorporates five closely associated entities that work collaboratively towards poverty reduction: the World Bank (IBRD and IDA), and three other agencies, the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

So option 1 is correct.

IFC - The International Finance Corporation (IFC) lends money to private sector companies of its member nation. So option 2 is incorrect.

MIGA - encourages investment in developing countries by providing insurance to foreign private investors against loss caused by non-commercial (political war, civil disturbance, expropriation) risks. So option 3 is correct

**62. (C)****Exp.**

- India provides world class medical facilities with hospitals and specialized multi specialty health centers providing their expertise.
- The government does not provide any such subsidy to private hospitals for attracting medical tourists. At present most of the investment in health infrastructure is made by the private sector. It is hoped that the government would invest in creating quality health infrastructure for sustaining the growth momentum of this sector.
- Indian traditional treatments like Ayurvedic Therapies and much more, practically covering every aspect of medicine combining modern treatments with traditional experience. Indian traditional medicine system is increasingly popular among the foreigners, which is another factor for growth of this sector.

**63. (D)****64. (C)****Exp.**

Services export means an activity which earns foreign exchange for the home country, and which is included within the services sector. In this case, the first option is included within the services sector but it would result in outflow of foreign exchange.

In rest of the three cases the activities are included in services sector and are earners of foreign exchange for India

**65. (C)****Exp.**

Both I and II are correct.

**66. (A)**

Only I. in OMO RBI sells as well as buys G-sec bonds to manage liquidity.

1. According to budget 2016 -2017 the largest amount of money from the GOI goes to

**67. (B)****Exp.****68. (B)****69. (B)**

70. (A)

*Exp.*

A form of foreign direct investment where a parent company starts a new venture in a foreign country by constructing new operational facilities is called Greenfield Investment. A form of foreign direct investment where a company purchases or leases an existing production facility to launch a new production activity is called Brownfield Investment.

71. (C)

*Exp.*

Northwest Africa 7635 is a meteorite discovered in Algeria, Africa in 2012. It has given insight into volcanic activity on Mars. The largest Volcano in the solar system, Olympus Mons, is found on Mars. But by analyzing the chemical composition NA7635, scientists learnt that Mars had a single volcano that continuously erupted for 2 billion years. Martian volcanoes can grow to such enormous proportions because unlike Earth, Mars doesn't have plate tectonics that constantly shuffle the surface. So the magma for the volcano in Mars gets hot magma from its interiors for billions of years continuously.

72. (B)

*Exp.*

In an important development that marks an important addition to India's rich wildlife, researchers have described *Limenitis Rileyi*, a butterfly spotted in Arunachal Pradesh three decades ago as the first record of the species in the country. A single male species was discovered in July 1987 from Upper Dibang Valley in Arunachal Pradesh at an altitude of about 1,800 meters. In 2015, scientists also discovered a tiny butterfly from Changlang district of Arunachal Pradesh and named it the banded tit (*Hypolycaena narada*).

73. (B)

*Exp.*

*Neurocalyx Calcyinus* is a medicinal plant endemic to the southern parts of Western Ghats and Sri Lanka could offer scientists the key to new herbal formulations. It could also pave the way for modern drugs for the treatment of cancer and wounds and burns. Scientists at the Jawaharlal

Nehru Tropical Botanic Garden and Research Institute (JNTBGRI) here have confirmed the multiple therapeutic properties of *Neurocalyx calcyinus*. This herb used by the Cholanaikkan tribe, one of the particularly vulnerable groups in Kerala, to treat inflammations and wounds.

The researchers have filed for a patent on a novel herbal drug formulation possessing wound-healing, burn-healing, anti-cancer, analgesic, anti-inflammatory, immuno-enhancing, platelet-augmentation and anti-oxidant effects. The scientists came to know of the miracle plant in 1988 during a biological survey deep inside the Nilambur forests. It is known as *pacha chedi* in local language.

74. (C)

*Exp.*

India is taking its first steps to evolve a policy on synthetic biology, an emerging science through which new life forms can potentially be made in labs and existing life forms, such as bacteria and other microbes, tweaked to produce specific proteins.

Government will convene group of experts on biodiversity and biotechnology, to assess synthetic biology work pursued in Indian labs, potential benefits and risks, and the implications of the trans-boundary movement of such life forms.

Synthetic biology in microbial systems holds promise for production of drugs, vaccines, fuel components and other chemicals. A popular example is the production of artemisinin, powerful anti-malarial drug, in yeast, at a commercial level. Microorganisms have also been constructed to act as sensors that can detect a toxin in vitro or in vivo (inside a living organism). India, so far, has no policy on synthetic biology.

75. (A)

*Exp.*

Thor Experiment recently captures rare footage of electrical blue jets in the space. It is an experiment aims to investigate electrical activity from thunderstorm. Between 10 and 100 kilometers in the atmosphere, the interaction between charged particles produces a variety of



dazzling electric phenomena from blue jets to red sprites. It will look at them with a thundercloud imaging system from the vantage point of the International Space Station. The key aims of the study include understanding how these discharges influence water vapour levels, cloud formation, and eventually changes in climate.

**76. (C)**

**Exp.**

Recently, the Ministry of Science and Technology has come up with a comprehensive Braille atlas for nearly 50 lakh visually challenged people in the country, especially students. The atlas has 20 maps on different themes like physical, socio-economic, river system, crops pattern, natural vegetation, cultural, metropolitan areas, roads and railways, and crops.

Developed in Hindi and English by the National Atlas and Thematic Mapping Organization (NATMO), Kolkata, an institute under the Ministry of Science and Technology, the Braille atlas has been made using indigenously developed silk-screen painting technology. The maps are well embossed with simple lines and point symbols to facilitate its users realize the location. The area coverage is easily distinguishable in terms of shapes and textures.

**77. (C)**

**Exp.**

Arunachal Pradesh became the first state in the northeast to implement e-Cabinet solution for the state cabinet members. It is a powerful governance tool that will be used to streamline its decision-making process. Using this system, state cabinet members can access the cabinet notes before the meeting.

The e-Cabinet system is being implemented by the state department of Information Technology and Communication. Entire business of the Cabinet can be conducted using the e-Cabinet solution. It will help ministers prepare for cabinet meetings, conduct them and review minutes, entirely without paper. The e-Cabinet solution will provide remote access to the ministers to view Cabinet notes and at the same it

will be circulated in advance for proper analysis and feedback.

The system has a multi-user secure solution that keeps relevant information organized and updated in real time, giving a clear overview of each item under discussion to ministers. Its adaptation will reduce average length of the cabinet meetings present from 4-5 hours to just 30-90 minutes and eliminate the need of printing and delivering thousands of pages of documents

**78. (A)**

**Exp.**

Abhay is a Compact Hull-Mounted sonar system designed and developed for the smaller platforms such as shallow water crafts and coastal surveillance/patrol vessels. Designed using the latest technology in hardware architecture and advanced signal processing algorithms, the SONAR is capable of detecting, localizing, classifying and tracking sub-surface and surface targets in both its active and passive modes of operation.

Varunastra is an Indian advanced heavyweight anti-submarine torpedo, developed by Naval Science and Technological Laboratory of the DRDO for the Indian Navy.

Mareech advanced torpedo defence system, designed and developed by naval defence laboratories. Project Mareech for a torpedo decoy system was jointly executed by NSTL and Naval Physical and Oceanographic Laboratory (NPOL).

**79. (A)**

**Exp.**

The Central Board of Direct Taxes (CBDT), Department of Revenue, Ministry of Finance, recently has entered into four more unilateral Advance Pricing Agreements (APAs) yesterday. The four APAs signed pertain to the Manufacturing, Financial and Information Technology sectors of the economy. The international transactions covered in these agreements include Contract Manufacturing, IT Enabled Services and Software Development Services. With this, the total number of APAs entered into by the CBDT has reached 130. This includes 8 bilateral APAs and 122 Unilateral APAs. In the

current financial year, a total of 66 APAs (5 bilateral APAs and 61 unilateral APAs) have already been entered into.

The APA Scheme was introduced in the Income-tax Act in 2012 and the "Rollback" provisions were introduced in 2014. The scheme endeavors to provide certainty to taxpayers in the domain of transfer pricing by specifying the methods of pricing and determining the prices of international transactions in advance. Since its inception, the APA scheme has evinced a lot of interest from taxpayers and that has resulted in more than 700 applications (both unilateral and bilateral) being filed so far in about five years.

The progress of the APA Scheme strengthens the Government's resolve of fostering a non-adversarial tax regime. The Indian APA program has been appreciated nationally and internationally for being able to address complex transfer pricing issues in a fair and transparent manner.

80. (B)

*Exp.*

RCEP is the proposed mega-regional Free Trade Agreement (FTA) between 16 Asia-Pacific countries including India, China, Japan, South Korea, Australia, New Zealand and the 10-member ASEAN bloc. The RCEP seeks to achieve a modern and comprehensive trade agreement among members. The core of the negotiating agenda would cover trade in goods and services, investment, economic and technical cooperation and dispute settlement. The partnership would be a powerful vehicle to support the spread of global production networks and reduce the inefficiencies of multiple Asian trade agreements that exist presently.

India in July would host the negotiations for mega trade deal RCEP which aims at liberalizing norms for trade in goods and services and boost investment among 16-member countries. Hyderabad has been chosen to host the meeting.

81. (A)

*Exp.*

Cold Start is a military doctrine developed by the Indian Armed Forces to put to use in case of a war with Pakistan. The main objective of the Cold Start Doctrine is to

launch a retaliatory conventional strike against Pakistan inflicting significant harm on the Pakistan Army before any international community could intercede, but not in way Pakistan would be provoked to make a nuclear attack.

Cold Start Doctrine deviated from India's defence strategy since 1947 - "a non-aggressive, non-provocative defense policy," - and will involve limited, rapid armored thrusts, with infantry and necessary air support. Cold Start Doctrine was developed as the limitations of the earlier doctrine - Sundarji Doctrine- was exposed after the attack on the Indian Parliament. According to the Cold Start Doctrine, battle Groups will be well forward from existing garrisons. India's elite strike forces will no longer sit idle waiting for the opportune moment, giving Pakistan the luxury of time.

82. (C)

*Exp.*

The Karnataka High Court recently upheld the concept of and the right to be forgotten. The 'right to be forgotten' has been in practice in Argentina and the European Union since 2006. It allows for the lawful removal of personal information of an individual if such request is made. The right is seen as significant in these jurisdictions as it can "determine the development of their life in an autonomous way, without being perpetually or periodically stigmatized as a consequence of a specific action performed in the past". The right to be forgotten is distinct from the right to privacy because the right to privacy constitutes information that is not publicly known, whereas the right to be forgotten involves removing information that was publicly known at a certain time and not allowing third parties to access the information. In the Indian context, the right to be forgotten poses a legal dilemma. While the significance of such a right exists, India has no legal provision, neither in the Information Technology (IT) Act 2000 (amended in 2008) or the IT Rules, 2011. And while the judicial construction of such a right should ideally be the balance between the right to privacy and the right to information and



free speech, there is no privacy law at present either. The Delhi High Court in another case had asked recently whether the right to privacy included the right to delink from the Internet the irrelevant information from the Centre and Google.

**83. (B)**

*Exp.*

The index is published by US Chamber of Commerce. The index evaluates the intellectual property (IP) environment and grades countries on patents, trademarks, copyright, trade secrets, enforcement, and international treaties. This year the index evaluates 45 countries and India with a score of 8.75 out of 35 occupies 43rd place followed by Pakistan (44th) and Venezuela (45th). The US, UK, Germany, Japan and Sweden were ranked the top five countries in the IP Index.

**84. (C)**

*Exp.*

Forest and Environment Department of the Odisha Government recently carried a census of Irrawaddy Dolphin. According to new census of 2016 as many as 181 Irrawaddy dolphins have been sighted in the state. This marks a significant drop from 2015 survey which had recorded 450 dolphins. The Chilika Lake, the largest brackish water lagoon of the country recorded a marginal drop in the population of Irrawaddy dolphins from 144 in 2015 to 134 in 2016. About 55 dolphins were sighted this year in Bhitarkanika National Park, compared to 58 spotted in 2015. In the Bhadrak Wildlife Sanctuary jurisdiction, only five Irrawaddy dolphins were sighted.

Irrawaddy Dolphin is not a true river dolphin, but an oceanic dolphin that lives in brackish water near coasts, river mouths and in estuaries in South and Southeast Asia. It is slaty blue to slaty gray throughout, with the under parts slightly paler. It is identified by a bulging forehead, a short beak. It has established subpopulations in freshwater rivers, including the Ganges and the Mekong, as well as the Irrawaddy River from which it takes its name. Its habitat range extends from the Bay of Bengal to New Guinea and the Philippines. They do not appear to venture off shore. IUNC has classified it as vulnerable in Red Data list.

**85. (A)**

*Exp.*

A nuclear-powered icebreaker is a nuclear-powered ship purpose-built for use in waters covered with ice. The only country constructing nuclear-powered icebreakers is Russia. Nuclear-powered icebreakers have been constructed by the USSR and later Russia primarily to aid shipping along the Northern Sea Route in the frozen Arctic waterways north of Siberia. Nuclear-powered icebreakers are much more powerful than their diesel-powered counterparts, and although nuclear propulsion is expensive to install and maintain, very heavy fuel demands and limitations on range can make diesel vessels less practical and economical overall for these ice-breaking duties.

**86. (D)**

*Exp.*

The Rocket Force is a special contingent to handle range of missiles in China's military's arsenal. China's newly-formed Rocket Force has conducted an exercise with advanced DF-16 medium-range ballistic missile. The ballistic missile has a range of over 1,000 km and could target a number of countries in the neighborhood, including India. The missile can carry up to three nuclear warheads at a combined weight of one ton, and strike within five feet of a programmed target.

**87. (B)**

*Exp.*

The Railway Ministry has recently approved a 240- km broad-gauge railway line project in Andaman and Nicobar islands. It will connect Port Blair in the south with Diglipur, the biggest town on the north Andaman Island. Currently the Islands are connected to each other through a 350-km bus service taking above 14 hours and ship taking over 24 hours. Besides, the islands do not have air connectivity.

It is the first in the country that will bring the archipelago on the rail map. It is will be of strategic importance to the defense forces because Diglipur is just 300 km by sea from the southern coast of Myanmar. Among the major tourist attractions in Diglipur are the Ross and Smith islands.

**88. (A)**

**Exp.**

Nagarhole National Park also known as Rajiv Gandhi National Park, is a national park located in Kodagu and Mysore district in Karnataka. This park was declared as a Project Tiger tiger reserve in 1999. The reserves form an integral part of the Nilgiri biosphere which holds world's single largest tiger population estimated over at 570 tigers. It is located to the north-west of Bandipur National Park and the Kabini reservoir separates the two parks. Bandipur and Nagarahole hold more than 221 tigers cumulatively. Recently in one month, seven tigers including a six-month-old cub have died in the Nagarhole-Bandipur reserves. In terms of tiger mortality, however, the two reserves have taken a huge hit since 2010, with 68 deaths.

**89. (B)**

**Exp.**

Ministry of Minority Affairs recently implements three specific schemes for minority women. These are

1. Nai-Roshni or Leadership Development of Minority Women especially for development of women belonging to minority communities with an aim to empower and instill confidence in women by providing knowledge, tool and techniques for interacting with Government system and others at all levels. The scheme is implemented through selected NGOs all over the country.
2. Begum Hazrat Mahal National Scholarship for meritorious girls belonging to minorities implemented through Maulana Azad Education Foundation.
3. Mahila Samridhi Yojana is implemented through National Minorities Development & Finance Corporation (NMDFC) wherein skill development training is imparted to group of women in women friendly trades. Training period is of maximum six months and raw material cost of up to Rs.1, 500/- per trainee and stipend @ Rs.1000/- per trainee is provided. During the period of training, the women formed into Self

Help Group, followed by infusion of micro-credit maximum up to Rs.1.00 lacs per member for the purpose of using the skill developed during the training, for income generation activities.

**90. (B)**

**Exp.**

National Capital Region Transport Corporation (NCRTC), mandated with the responsibility of executing the Regional Rapid Transit System (RRTS) in National Capital Region has got a logo and tagline 'Gati Se Pragati' (Progress with Speed). The logo and tagline, selected through a contest on MyGov.com. The Logo has a fresh and new age look communicating vision and objective of sustainable urban development through rapid mass transport.

NCRTC is responsible for development, implementation and operation of RRTS which is based on suburban public transport system. RRTS will significantly reduce the travel time between important NCR towns. On completion, RRTS will emerge as the fastest, comfortable and safe mode of transport in NCR. RRTS consists of three corridors viz., Delhi-Ghaziabad-Meerut, Delhi-Gurgaon-Alwar and Delhi-Panipat sections with a total length of 380 kilometers.

**91. (A)**

**Exp.**

Hindustan Aeronautics Limited and Russian defence firms have finalized the Joint Venture agreement for collaboration in the production of light weight multi-role 'Kamov KA- 226T' helicopters in India. It is a twin-engine light but multi-role chopper offers services for both military and civilian purposes. The helicopters will replace India's ageing fleet of Cheetah and Chetak. It is capable of working in extreme and difficult weather conditions. This includes hot climate, marine areas and high mountains. It can be used effectively for reconnaissance, targeting and monitoring of transportation. The helicopter has a maximum speed of 250 km/hour and a cruise speed of 220 km/hour. This Joint Venture deal worth over \$1 billion where 60 helicopters will be imported from Russia and at least 140

helicopters will be made in India by the HAL with technology transfer.

**92. (B)**

*Exp.*

The Asian Development Bank (ADB) and the Government of India signed \$375 million in loans and grants to develop 800-kilometer Visakhapatnam-Chennai Industrial Corridor, which is the First Phase of a planned 2,500-kilometer long East Coast Economic Corridor (ECEC).

The ECEC is India's first coastal economic corridor along its eastern coast, stretching from Kolkata in the north to Kanyakumari in the south. ECEC's long coastline and strategically located ports allow multiple international gateways to connect India with global value chains (GVCs) in East and Southeast Asia. It supports the Government of India's Make in India campaign, which aims to boost manufacturing by attracting foreign investment and facilitating the establishment of manufacturing hubs. ECEC also aligns with port-led industrialization under the Sagar Mala initiative and the Act East Policy by linking domestic companies with the vibrant global production networks of East and Southeast Asia. Because of the vastness of India's eastern coastline, ECEC's development is conducted in a phase manner. ECEC is being undertaken in 3 phases: phase 1 covers the Visakhapatnam-Chennai Industrial Corridor (VIC); phase 2 involves the Chennai-Kanyakumari Industrial Corridor (CKIC); and phase 3 supports Orissa and West Bengal Industrial Corridor.

**93. (C)**

*Exp.*

The Government of Kerala has initiated the Muziris Heritage Project to reinstate the historical and cultural significance of the legendary port of Muziris. Muziris is an ancient port town in Kerala still holds a kind of beauty that is filled with history and culture. The region is dotted with numerous monuments of a bygone era that conjure up a vast and vivid past. The entire project is designed to involve and integrate the local community in all intended developmental initiatives.

This project seeks to link up heritage sites, restore monuments and community spaces along the riparian North Paravur, Chendamangalam, Chittattinkara, Vadakkekara, Pallippuram, Kodungalloor, Mathilakam, Eriyad and Methala and liven them up with community-based projects and cultural shows from the region, is on the cusp of being revitalized and fast-tracked by the Kerala State Tourism Department.

**94. (A)**

*Exp.*

Zealandia has recently been given the status of a continent by several geologists who say that the long lost continent is submerged under water. It's a new geological continent which was once a part of Australia. It broke off from Antarctica about 100 million years ago, and then from Australia about 80 million years ago.

The continent is largely made up of two parallel ridges, separated by a failed rift. The ridges rise above the sea floor with infrequent rocky islands rising above sea level. Scientists identify two main portions of the continent, North Zealandia (or Western Province) and South Zealandia (or Eastern Province). Compared to other continents it has much wider and deeper continental shelves. The highest point of Zealandia is Aoraki-Mount Cook at 3724 m. The region has elevated bathymetry relative to surrounding oceanic crust, diverse and silica-rich rocks, and relatively thick and low-velocity crustal structure. Volcanism is widespread across Zealandia but generally of low volume. A piece of seafloor called the Cato Trough still separates Zealandia and Australia.

**95. (D)**

*Exp.*

The Union Ministry of Health and Family Welfare has launched Saathiya Resource Kit and Saathiya Salah mobile app for adolescents as part of the Rashtriya Kishor Swasthya Karyakram (RKSK) programme. The kit and mob app will help Peer Educators (Saathiyas) who are introduced under the RKSK programme. The Saathiyas act as catalyst for generating demand for adolescent health

services and also impart age appropriate knowledge on key adolescent health issues to their peer groups.

The Resource Kit has been developed by United Nations Population Fund (UNFPA) and Population Foundation of India (PFI). The kit comprises (i) Activity Book, (ii) Bhranti-Kranti Game (iii) Question-Answer Book and (iv) Peer Educator Diary. It has been designed to present the Peer Educators with key information on adolescent health, which would then enable them to communicate the same and help the adolescents at the grass root/village level.

In addition, the mobile app 'Saathiya Salah' acts as cost-effective information platform for the adolescents. It also has feature of toll-free Saathiya Helpline which will act as an e-counselor.

RKSK programme was launched by the Union Ministry of Health and Family Welfare in January 2014 with an aim to cater and address health and development needs of the country's adolescents. It introduces community-based interventions through peer educators (Saathiyas), and is underpinned by collaborations with other ministries and state governments. RKSK identifies six strategic priorities for adolescents: (i) nutrition, (ii) sexual and reproductive health (SRH), (iii) non-communicable diseases (NCDs), (iv) substance misuse, (v) injuries and violence (including gender-based violence) and (vi) mental health. To guide the implementation of this programme, the ministry in collaboration with UNFPA has developed a National Adolescent Health Strategy. The strategy focuses on age groups 10-14 years and 15-19 years with universal coverage. It covers males and females in school and out of school, in urban and rural, married and unmarried and vulnerable and under-served.

96. (C)

*Exp.*

BharatQR is the first common quick response (QR) code developed jointly by the four prominent card payment companies in the country - MasterCard, Visa, American Express and the National Payments Corporation of India (NPCI) that

runs RuPay cards. It has been formed on the instructions of the Reserve Bank of India (RBI).

Quick Response Code is a two-dimensional machine-readable unique pattern that contains information on a specific task. BharatQR code is an interoperable payment acceptance solution. Even if the merchant and customer are on different payment platforms, BharatQR will enable payment from one to the other. This means that merchants need to display only one QR code instead of multiple ones for different payment platforms. Apart from working as a common interface for the card platforms, BharatQR will also facilitate acceptance using the Unified Payments Interface (UPI), and Aadhaar-enabled payments.

97. (D)

*Exp.*

'NETRA' is the first indigenously built Airborne Early Warning and Control System (AEW&C) developed by the Defence Research and Development Organization (DRDO). This AEW&C consists of a state-of-the-art active electronically scanned radar, secondary surveillance radar, electronic and communication countermeasures, LOS (Line of Sight) and beyond-LOS data link, voice communication system and self-protection suite, built on an Embraer-145 aircraft platform, having a mid-air refueling capability to enhance surveillance time. This system gives 240-degree coverage of airspace. The three aircraft would be based at Bhatinda, facing the Western border.

98. (D)

*Exp.*

The Union Cabinet recently has approved the establishment of Food Legumes Research Platform (FLRP) at Amlaha, Sehore in Madhya Pradesh with satellite hubs in West Bengal and Rajasthan by International Centre for Agricultural Research in Dry Areas (ICARDA) in the second phase. The hub in West Bengal will research in pulses while the one in Rajasthan will focus on natural resource management for sustainable agriculture. The Cabinet also gave its 'in principle' approval for conferring on the FLRP of

ICARDA an "international status" as contemplated in Clause 3 of the United Nations (Privileges and Immunities) Act, 1947. After setting up the Centre, the ICARDA will carry out research through a multi-disciplinary team of scientists for enhancing productivity of crops and livestock. The establishment of FLRP in India will enable India to harness the best of international science in meeting the emerging food security challenges. India would be able to rapidly and effectively absorb the research output achieved in the country by FLRP. This platform will also contribute significantly towards reducing poverty, improving food security, improving nutrition and health, and sustaining the natural resource base.

99. (B)

*Exp.*

Ahead of the implementation of Bangladesh, Bhutan, India, Nepal Motor Vehicles Agreement (BBIN MVA), India remains hopeful that Bhutan would ratify the accord soon. The four South Asian nations have already signed the BBIN Agreement in June 2016 in Thimphu and the accord was seen as a significant symbol of sub-regional unity. Despite ratifications by three partner countries, Bhutan's Upper House has not yet ratified the deal, citing environmental as well as livelihood concerns.

The agreement encapsulates the spirit of economic integration emphasized in the SAARC Charter. The main objective of the agreement is to provide seamless people-to-people contact and enhance economic interaction by facilitating cross border movement of people and goods. It would

permit unhindered movement of passenger and cargo vehicles among the four countries. Cargo vehicles do not have to be changed at the border, a practice that has prevailed until now. As per the agreement, member countries would allow vehicles registered in the other countries to enter their territory under certain terms and conditions. Customs and tariffs will be decided by the respective countries and these would be finalized at bilateral and trilateral forums. Signing of the BBIN agreement will promote safe, economical efficient and environmentally sound road transport in the sub-region and will further help each country in creating an institutional mechanism for regional integration.

100. (B)

*Exp.*

Recently NASA's Fermi Gamma-ray Space Telescope has found a signal at the center of the neighboring Andromeda galaxy that could indicate the presence of the mysterious stuff known as dark matter. The gamma-ray signal is similar to one seen by Fermi at the center of our own Milky Way galaxy. The Andromeda Galaxy also known as Messier-31 is a spiral galaxy approximately 2.5 million light-years from Earth. It is the nearest major galaxy to the Milky. It received its name from the area of the sky in which it appears i.e. the constellation of Andromeda. It is the largest galaxy of the Local Group, which also contains the Milky Way, the Triangulum Galaxy, and other smaller galaxies. It is visible to the naked eye on moonless nights.