



Prelims Practice Questions 04-03-2019

1) "Negative Spread" sometimes seen in the news recently, occurs

- a. when growth of a company/economy distributed across all sectors equally
- b. when growth of a company/economy distributed across all sectors unequally
- c. when interest rates charged on amounts lent are higher than interest rates paid on borrowed sums
- d. when interest rates charged on amounts lent are lower than interest rates paid on borrowed sums

Answer : d

- Negative spread refers to the negative difference between the interest rate paid by a bank and the agreed upon basic interest rate.
- **A negative spread occurs when interest rates charged on amounts lent are lower than interest rates paid on borrowed sums.**
- A forensic audit report of IL&FS has found serious lapses in the manner in which huge loans were extended to certain entities even after internal risk assessment clearly showed that the borrowers were under financial stress.
- Further, various instances have been found wherein the committee of directors of the infrastructure financing company extended loans at a **negative spread** to borrowers facing liquidity issues.

2) Consider the following statements

1. 124th constitutional amendment act provides 10% reservation for economically weaker sections (EWS).
2. The 10% reservation for economically weaker sections (EWS) does not apply to Jammu and Kashmir.

Which of the statement(s) given above is/are correct?

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

Answer : d

- President Ram Nath Kovind has recently issued an order extending the benefits of reservation to economically backward sections in Jammu and Kashmir.
- With this, the 10 per cent reservation for economically weaker sections **has been made applicable in Jammu and Kashmir also.**
- Ten per cent reservation to economically weaker sections was introduced in the rest of the country through the **103rd** Constitutional Amendment **Act** in January 2019.

3) Global Innovation Index is released by which of the following organisations?

- a. INSEAD
- b. World Economic Forum

- c. World Intellectual Property Organisation
- d. Jointly by A and C

Answer : d

- **Global Innovation Index** is the result of collaboration between **Cornell University, INSEAD, and the World Intellectual Property Organization (WIPO)**.
- India is at 57th position in Global Innovation Index 2018 from 81 in 2014.

4) Consider the following statements

1. India is the second-largest consumer and the largest importer of gold.
2. India's consumer demand for gold dipped in 2018 compared to 2013.

Which of the statement(s) given above is/are correct?

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

Answer : c

- Data from World Gold Council highlighted that the **demand for gold has been dropping in India**.
- However, the Reserve Bank has recently increased the gold holdings in its reserves.
- The last time it added substantially to its holdings was in 2009.
- India's **consumer demand for gold dipped by 21% in 2018 compared to 2013**.
- Since 2015, there has been a downward trend following government measures to promote transparency.

5) Consider the following statements with respect to International Coral Reef Initiative (ICRI)

1. It is an informal partnership among governments, International Organisations, and NGO's.
2. India is a member country to ICRI.

Which of the statement(s) given above is/are correct?

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

Answer : c

- The International Coral Reef Initiative (ICRI) is an **informal partnership** between Nations and organizations which strives to preserve coral reefs and related ecosystems around the world.
- ICRI's decisions are not binding on its members.
- It was founded in 1994 by eight governments: Australia, France, Japan, Jamaica, the Philippines, Sweden, the United Kingdom, and the United States of America.
- It was announced at the First Conference of the Parties of the Convention on Biological Diversity in December 1994, and at the high level segment of the Intersessional Meeting of the U.N. Commission on Sustainable Development in April 1995.
- ICRI now counts more than 60 members **including India** (Ministry of Environment and Forests).

6) *Global Electric Vehicle Outlook* was published by which of the following organisations?

- a. NITI Aayog
- b. World Economic Forum

- c. International Energy Agency
- d. Department of heavy industries

Answer : c

7) *Key Resolve* and *Foal Eagle* are the joint military exercise between which of the following two countries?

- a. Russia and N.Korea
- b. USA and S.Korea
- c. Russia and China
- d. India and USA

Answer : b

- **United States** and **South Korea** has recently announced that they will end their annual large-scale joint military exercises as Washington pursues efforts to improve ties with North Korea.
- They have decided to conclude the **Key Resolve and Foal Eagle** series of the exercises.

8) Which of the following factor(s) hinders the success of electric vehicles in India?

1. Cost of Lithium-ion batteries
2. Charging speed
3. Charging Infrastructure

Select the correct answer using the code given below

- a. All except 1
- b. All except 2
- c. All except 1 and 3
- d. All of the above

Answer : d

9) *Theyyam* is a popular ritualistic festival, celebrated in which of the following states?

- a. Andhra Pradesh
- b. Kerala
- c. Telangana
- d. Tamilnadu

Answer : b

10) *Regenerative braking system* used in electric vehicles is based on which of the following principle?

- a. Energy can neither be created nor be destroyed
- b. Apparent loss of weight is equal to the weight of liquid displaced
- c. To every action there is equal and opposite reaction
- d. Force is equal to mass multiplied by acceleration

Answer : a

- Regenerative braking system works based on the principle of physics: The **law of conservation of energy** which states that energy cannot be created or destroyed, but only changed from one form into another or transferred from one object to another.
- Moving vehicles have a lot of kinetic energy, and when brakes are applied to slow a vehicle, all of that kinetic energy has been converted into wasted heat in order to decelerate a car. All of that energy was simply lost to the environment.
- Regenerative braking allows **running the motors in reverse**, storing energy back into the battery pack while decelerating.