

MAT Economic & Business Environment Sample Paper - 10

Duration: 24 Minutes

Maximum Marks: 30

Instructions

- This paper contains **30** Multiple Choice Questions from the **Economic & Business Environment** section of MAT.
- Each correct answer carries **+1 mark**. Incorrect answer: **-0.25** marks. Only **one** correct option.
- There is **no** negative marking for unattempted questions.
- Suggested time for this section in the full MAT is approximately **24 minutes**.
- Use of mobile phones, smartwatches, calculators, or any electronic gadgets is strictly prohibited.

Q1. Which of the following constitutional provisions empowers the Parliament of India to form a new State by separation of territory from any State or by uniting two or more States?

- (A) Article 2
- (B) Article 3
- (C) Article 4
- (D) Article 368

Q2. The Unified Payments Interface (UPI) system in India was developed and is managed by which of the following organizations?

- (A) Reserve Bank of India (RBI)
- (B) Securities and Exchange Board of India (SEBI)
- (C) National Payments Corporation of India (NPCI)
- (D) Ministry of Electronics and Information Technology (MeitY)

Q3. Consider the following statements regarding the European Union's Carbon Border Adjustment Mechanism (CBAM) which started its transitional phase:



- (A) It applies a tariff on services imported into the EU based on the financial turnover of the exporting firm.
- (B) It aims to prevent carbon leakage by ensuring intensive goods imported into the EU face a carbon price equivalent to domestic production.
- (C) It is entirely exempted for all developing nations under the WTO special provisions.
- (D) It replaces the existing EU Emissions Trading System (ETS) completely for domestic industries.

Q4. The prestigious Booker Prize for Fiction is awarded annually to a full-length novel written in English and published in the UK or Ireland. Who among the following authors won the Booker Prize 2024 for the novel *Orbital*?

- (A) Samantha Harvey
- (B) Percival Everett
- (C) Rachel Kushner
- (D) Paul Lynch

Q5. In the context of global corporate restructuring, which massive acquisition deal was finalized involving the global luxury fashion house Tapestry, Inc. seeking to acquire the parent company of brands like Michael Kors and Jimmy Choo?

- (A) LVMH
- (B) Kering
- (C) Capri Holdings
- (D) Farfetch

Q6. In the Union Budget, the fiscal deficit is defined mathematically as which of the following expressions?

- (A) Total Expenditure – Total Receipts
- (B) Revenue Expenditure – Revenue Receipts
- (C) Capital Expenditure – Capital Receipts



(D) Total Expenditure – (Revenue Receipts + Non-debt Capital Receipts)

Q7. The 'Deep Ocean Mission' launched by India, which includes the development of a manned submersible vehicle named *Matsya 6000*, is primarily under the nodal administration of which Union Ministry?

(A) Ministry of Science and Technology

(B) Ministry of Earth Sciences

(C) Ministry of Defence

(D) Ministry of Environment, Forest and Climate Change

Q8. Which Indian commercial bank launched the digital transformation project 'Project Kuber' to set up dedicated hubs to facilitate various banking requirements of institutional customers?

(A) HDFC Bank

(B) ICICI Bank

(C) State Bank of India

(D) Axis Bank

Q9. The G20 configuration expanded to G21 during the summit held under India's presidency. Which of the following entities was formally admitted as a permanent member?

(A) Association of Southeast Asian Nations (ASEAN)

(B) African Union

(C) European Union

(D) New Development Bank

Q10. The famous slogan "Connecting People" is historically associated with which of the following iconic telecommunication global brands?

(A) Motorola

(B) BlackBerry



- (C) Nokia
- (D) Samsung

Q11. Who was honored with the Dadasaheb Phalke Award, India's highest recognition in the field of cinema, at the 70th National Film Awards ceremony?

- (A) Waheeda Rehman
- (B) Mithun Chakraborty
- (C) Asha Parekh
- (D) Amitabh Bachchan

Q12. What is the standard term used in banking when a commercial bank sells its non-performing assets (NPAs) to a specialized financial institution that aggregates and resolves bad debts?

- (A) Factoring House
- (B) Asset Reconstruction Company (ARC)
- (C) Investment Bank
- (D) Venture Capital Fund

Q13. In geography, the 'Roaring Forties', 'Furious Fifties', and 'Shrieking Sixties' are terms used to describe which of the following phenomena?

- (A) Ocean currents in the Atlantic Ocean
- (B) Strong westerly winds found in the Southern Hemisphere
- (C) Cyclonic storms in the Bay of Bengal
- (D) Deep underwater trenches in the Pacific Ocean

Q14. The Competition Commission of India (CCI) cleared the merger between the media assets of Reliance Industries Limited (RIL) and which entertainment giant's Indian operations to create an entertainment behemoth?

- (A) Sony Pictures Networks India
- (B) Zee Entertainment Enterprises



- (C) The Walt Disney Company
- (D) Warner Bros. Discovery

Q15. Under the Goods and Services Tax (GST) architectural framework in India, which constitutional body is responsible for making recommendations to the Union and the States on issues like tax rates, exemptions, and thresholds?

- (A) Finance Commission
- (B) GST Council
- (C) NITI Aayog
- (D) Central Board of Indirect Taxes and Customs (CBIC)

Q16. The First Five-Year Plan (1951–1956) of India was structurally based on which of the following economic development models?

- (A) Mahalanobis Model
- (B) Harrod-Domar Model
- (C) Rao-Manmohan Model
- (D) Bombay Plan

Q17. The Artemis Accords, a non-binding bilateral arrangement focused on civil space exploration and the sustainable utilization of the Moon and Mars, saw India join as a signatory. Which space agency led the drafting of these Accords?

- (A) European Space Agency (ESA)
- (B) Japan Aerospace Exploration Agency (JAXA)
- (C) National Aeronautics and Space Administration (NASA)
- (D) Roscosmos

Q18. The international treaty known as the 'Marrakesh Agreement' is historically significant because it directly resulted in the establishment of which global organization?



- (A) International Monetary Fund (IMF)
- (B) United Nations Conference on Trade and Development (UNCTAD)
- (C) World Trade Organization (WTO)
- (D) World Bank Group

Q19. At the 2024 Paris Olympic Games, who became the first athlete from independent India to win two individual Olympic medals in a single edition of the Games?

- (A) Neeraj Chopra
- (B) Manu Bhaker
- (C) PV Sindhu
- (D) Aman Sehrawat

Q20. In the terminology of financial markets, a 'Green shoe option' is a clause that is most commonly incorporated into which of the following corporate processes?

- (A) Corporate bond redemption before maturity
- (B) An Initial Public Offering (IPO) underwriting agreement
- (C) A hostile corporate takeover defense mechanism
- (D) Foreign direct investment regulatory approval

Q21. The flagship corporate brand 'Jaguar Land Rover' (JLR) is wholly owned as a subsidiary by which prominent Indian multinational conglomerate?

- (A) Mahindra & Mahindra
- (B) Tata Motors
- (C) Reliance Industries
- (D) Bajaj Auto

Q22. India's fastest and first indigenously developed multi-petaflop supercomputer named 'Param Siddhi-AI' was established under the National Supercomputing Mission at which institution?

- (A) IISc Bangalore



- (B) IIT Bombay
- (C) C-DAC Pune
- (D) IIT Delhi

Q23. Which of the following represents an 'Indirect Instrument' of monetary policy utilized by the Reserve Bank of India (RBI) to manage systemic liquidity conditions?

- (A) Cash Reserve Ratio (CRR)
- (B) Statutory Liquidity Ratio (SLR)
- (C) Open Market Operations (OMO)
- (D) Direct Credit Allocation Limits

Q24. India has signed a landmark 10-year contract to operate and develop the strategic Chabahar Port. This port is geographically situated in which country?

- (A) Oman
- (B) Iran
- (C) UAE
- (D) Sri Lanka

Q25. In the context of Indian polity, which of the following schedules of the Constitution of India contains provisions regarding the disqualification of members of Parliament and State Legislatures on the grounds of defection?

- (A) Seventh Schedule
- (B) Eighth Schedule
- (C) Ninth Schedule
- (D) Tenth Schedule

Q26. Which country hosted the 16th BRICS Summit where member states discussed expansion, alternative payment architectures, and adopted the Kazan Declaration?



- (A) Brazil
- (B) South Africa
- (C) Russia
- (D) China

Q27. The concept of 'Microfinance' and the institutionalization of Self-Help Groups (SHGs) bank linkage program in India was structurally spearheaded by which apex development financial institution?

- (A) SIDBI
- (B) NABARD
- (C) EXIM Bank
- (D) NHB

Q28. The corporate tagline "The Power of Dreams" is the official global brand slogan of which automobile manufacturer?

- (A) Hyundai Motor Company
- (B) Honda Motor Company
- (C) Toyota Motor Corporation
- (D) Nissan Motor Corporation

Q29. The Global Innovation Index (GII) is published annually to rank countries based on their innovation ecosystem capacities. Which global organization publishes this report?

- (A) World Economic Forum (WEF)
- (B) World Intellectual Property Organization (WIPO)
- (C) World Bank
- (D) United Nations Development Programme (UNDP)

Q30. The critical defense technology project named 'Project Kusha', which aims to equip India with a long-range air defense system capable of intercepting stealth fighters and cruise missiles, is being developed by:



- (A) Hindustan Aeronautics Limited (HAL)
- (B) Bharat Electronics Limited (BEL)
- (C) Defence Research and Development Organisation (DRDO)
- (D) Mazagon Dock Shipbuilders



Detailed Solutions**Q1.****Solution**

Concept: The Constitution of India provides a dual polity with a clear division of powers between the Union and the States. However, it contains strong unitary features that give the Parliament of India supreme authority regarding the restructuring, creation, alteration, and dissolution of states within the territory of India. Article 2 and Article 3 of the Constitution handle different aspects of statehood, where Article 3 specifically deals with the internal reorganization of the existing states of the Indian Union.

Solution:

1: Analyze the scope of Article 2 of the Constitution of India. Article 2 relates to the admission or establishment of new states that are not currently part of the Union of India, such as foreign territories acquired by India.

2: Analyze the scope of Article 3 of the Constitution of India. Article 3 explicitly authorizes the Parliament to form a new State by separation of territory from any State, by uniting two or more States or parts of States, increasing or diminishing the area of any State, or altering the boundaries or the name of any existing State.

3: Analyze Article 4 and Article 368. Article 4 states that laws made under Article 2 and Article 3 are not to be considered as amendments to the Constitution under Article 368, meaning they can be passed by a simple majority. Article 368 deals with the general formal power and procedure of constitutional amendments.

4: Match the specific functional requirement given in the problem statement—forming a new State by separating territory or uniting states—with the constitutional provisions. This matches the exact statutory definition and scope of Article 3.

Final Answer:

Answer: (B)

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Q2.

Solution

Concept: The payment system architecture in India is governed by specialized bodies operating under the oversight of the central bank. To integrate various retail payment systems across the nation and build a robust digital public infrastructure, an umbrella organization was established under the provisions of the Payment and Settlement Systems Act, 2007. This body acts as the core driver for innovation in retail banking transaction platforms.

Solution:

1: Identify the nature of the Unified Payments Interface (UPI). UPI is an instant real-time payment system that facilitates inter-bank peer-to-peer and person-to-merchant transactions through mobile devices.

2: Evaluate the role of the Reserve Bank of India (RBI). While the RBI is the regulatory and supervisory authority for the entire financial and banking system in India, it does not directly develop or manage retail product applications like UPI.

3: Evaluate the role of the National Payments Corporation of India (NPCI). The NPCI is an initiative set up by the RBI and the Indian Banks' Association (IBA) to manage retail payments and settlement systems. The NPCI specifically designed, launched, and currently operates the UPI infrastructure.

4: Evaluate SEBI and MeitY. SEBI regulates securities and capital markets, whereas MeitY handles policy formulation for electronics and IT, neither of which owns or operates retail payment products. Thus, NPCI is the correct managing entity.

Final Answer: National Payments Corporation of India (NPCI)

Answer: (C)

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Q3.

Solution

Concept: The Carbon Border Adjustment Mechanism (CBAM) is a landmark environmental policy instrument introduced to align international trade with climate action standards. It acts as a regulatory tool to level the playing field between domestic industries that are subject to strict carbon pricing policies and foreign exporters whose home countries may have weaker environmental regulations. This prevents companies from moving production to regions with relaxed carbon limits.

Solution:

1: Examine option (A). CBAM is fundamentally designed for carbon-intensive goods and materials imported into the region, such as cement, iron, steel, aluminum, fertilizers, electricity, and hydrogen, rather than a broad tariff on general services based on financial turnover.

2: Examine option (B). The main objective of CBAM is to mitigate the risk of 'carbon leakage'. It ensures that the carbon price of imports matches the carbon price paid by domestic producers under the domestic Emissions Trading System, preserving global environmental integrity.

3: Examine option (C). The mechanism is designed to be fully compliant with World Trade Organization rules and does not provide an absolute blanket exemption for all developing countries, as doing so would undermine its core environmental purpose.

4: Examine option (D). CBAM does not replace the domestic Emissions Trading System; instead, it functions as a complementary measure that operates alongside it to account for embedded emissions in imported goods. Therefore, statement (B) is accurate.

Final Answer:

It aims to prevent carbon leakage by ensuring intensive goods imported into the EU face a carbon price equivalent to domestic production.

Answer: (B)[Go Back to Question 3](#)

Q4.

Solution

Concept: The Booker Prize is one of the world's most prestigious literary awards, presented annually for the best sustained work of fiction written in English and published in the United Kingdom or Ireland. Tracking recent prize winners is essential for understanding contemporary global literary trends and high-profile cultural achievements.

Solution:

1: Review the finalists and winner of the Booker Prize 2024. The selection committee evaluates novels based on depth, narrative power, and stylistic execution.

2: Analyze the nominated work *Orbital*. This space-themed novel tracks a single day in the lives of six astronauts and cosmonauts aboard an international space station as they witness multiple sunrises, sunsets, and changing weather systems across the Earth.

3: Match the author to the winning novel *Orbital*. The novel was written by the English author Samantha Harvey, who was officially declared the winner of the Booker Prize 2024.

4: Cross-verify the remaining choices. Percival Everett was shortlisted for *James*, Rachel Kushner was shortlisted for *Creation Lake*, and Paul Lynch was the winner of the previous year's prize (2023) for *Prophet Song*. Hence, Samantha Harvey is the correct choice.

Final Answer:

Answer: (A)

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Q5.

Solution

Concept: Global mergers, acquisitions, and corporate takeovers within the luxury retail industry frequently reshape market shares, distribution channels, and brand portfolios. Understanding parent company identities and tracking massive cross-border consolidation deals provides insight into international corporate strategy and market valuation dynamics.

Solution:

1: Identify the targeted corporate group mentioned in the problem statement. The target company owns a portfolio of iconic luxury brands, including Michael Kors, Jimmy Choo, and Versace. This corporate entity is Capri Holdings Limited.

2: Identify the acquiring multinational company. Tapestry, Inc., which owns premium global brands such as Coach, Kate Spade, and Stuart Weitzman, sought to execute a definitive agreement to acquire Capri Holdings to form a massive American luxury fashion conglomerate.

3: Analyze the options provided. LVMH and Kering are massive European luxury groups that already possess their own independent brand stables and were not the acquirers in this specific transaction. Farfetch is an online luxury retail platform.

4: Conclude that Capri Holdings represents the exact parent company containing the Michael Kors and Jimmy Choo brands that was involved in this major corporate consolidation process with Tapestry, Inc.

Final Answer:

Answer: (C)

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Q6.

Solution

Concept: The Union Budget of India divides government accounts into revenue accounts and capital accounts. To evaluate the overall financial health and structural imbalance of the government, macroeconomic indicators are calculated using the differences between receipts and expenditures. The fiscal deficit indicates the total borrowing requirements of the government from all sources during a financial year.

Solution:

1: Understand the composition of total government expenditure. Total expenditure is the sum of revenue expenditure and capital expenditure.

2: Understand the composition of total government receipts. Total receipts include revenue receipts and capital receipts. Capital receipts are further sub-classified into debt-creating capital receipts (borrowings) and non-debt capital receipts (like recovery of loans and disinvestment proceeds).

3: Define fiscal deficit conceptually. Fiscal deficit is the excess of total expenditure over total receipts, excluding borrowings. This means it reflects only those receipts that do not create future repayment liabilities for the state.

4: Formulate the mathematical equation. By excluding debt capital receipts from total receipts, the formula becomes: Total Expenditure – (Revenue Receipts + Non-debt Capital Receipts). This perfectly matches the expression given in option (D).

Final Answer: $\text{Total Expenditure} - (\text{Revenue Receipts} + \text{Non-debt Capital Receipts})$

Answer: (D)

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Q7.

Solution

Concept: The Government of India launches flagship scientific missions to explore economic zones and deep-sea resources, aligned with the concepts of the Blue Economy. Administering these technology-intensive oceanic programs requires specialized scientific frameworks, and a specific nodal ministry handles oceanography, marine geology, and meteorological research.

Solution:

1: Identify the mission mentioned in the text. The 'Deep Ocean Mission' is a high-budget central sector scheme aimed at exploring the deep ocean for resources like polymetallic nodules and developing marine technologies.

2: Identify the specific vehicle involved. The vehicle *Matsya 6000* is a manned submersible designed to carry personnel to a depth of 6,000 meters in the ocean for scientific exploration.

3: Evaluate the administrative jurisdiction. While the Ministry of Science and Technology handles general scientific development, and the Ministry of Environment handles conservation, oceanographic research and specialized maritime technology development fall directly under the Ministry of Earth Sciences (MoES).

4: Conclude that the Ministry of Earth Sciences acts as the nodal agency executing all components of the Deep Ocean Mission.

Final Answer: Ministry of Earth Sciences

Answer: (B)

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Q8.

Solution

Concept: Commercial banks implement strategic business transformation programs and tech-driven models to capture specialized institutional market segments, handle high-value transactions, and streamline institutional cash management processes. Tracking bank-specific projects provides insights into modern corporate banking strategies.

Solution:

1: Identify the core objective of 'Project Kuber'. The project aims to set up dedicated transaction banking hubs that act as a single point of service for large corporate and institutional clients, processing bulk payments, salary accounts, and cash management.

2: Analyze the regional launch details. This specific project was structurally rolled out by the bank across major financial centers, including Bengaluru, to optimize transaction banking services.

3: Match the project to the commercial bank. 'Project Kuber' is an internal strategic initiative conceptualized and executed by the State Bank of India (SBI).

4: Verify the options. Private lenders like HDFC Bank, ICICI Bank, and Axis Bank have their own platforms, but 'Project Kuber' specifically belongs to the public sector banking giant, SBI.

Final Answer:

Answer: (C)

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Q9.

Solution

Concept: International multi-lateral economic forums periodically alter their institutional structure by admitting new regional bodies to enhance global representation and make decision-making frameworks more inclusive toward emerging and developing economies.

Solution:

1: Review the historic developments of the 18th G20 Summit held in New Delhi, India. The theme of the presidency focused heavily on integrating the Global South into multilateral systems.

2: Identify the candidate bloc added to the group. To give a larger structural voice to the continent of Africa, the 55-member regional bloc representing African nations was proposed for permanent inclusion.

3: Confirm the formal admission. The African Union was officially accepted as a permanent member, structurally shifting the forum configuration from the Group of 20 (G20) to the Group of 21 (G21).

4: Differentiate from other options. The European Union was already a permanent member prior to this summit, while ASEAN holds guest status, and the New Development Bank is a financial institution rather than a sovereign regional political bloc.

Final Answer: African Union

Answer: (B)

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Q10.

Solution

Concept: Brand management and corporate identity systems rely on memorable taglines and slogans to communicate core values, build consumer emotional equity, and position products distinctively in global fast-moving consumer markets.

Solution:

1: Examine the historical market positioning of the global mobile handset industry from the late 1990s through the 2000s.

2: Analyze the slogan “Connecting People”. This line emphasizes human communication, network accessibility, and structural peer-to-peer connection through mobile technology.

3: Match the tagline to its corporate owner. This iconic slogan was the defining global corporate brand line for the Finnish telecommunications giant Nokia during its period of market dominance.

4: Cross-reference other brands. Motorola utilized lines like “Hello Moto”, Samsung focuses on “Imagine the Possibilities” or “Do What You Can’t”, and BlackBerry targeted enterprise productivity, confirming Nokia as the source.

Final Answer:

Answer: (C)

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Q11.

Solution

Concept: The Dadasaheb Phalke Award is India's highest award in cinema, presented annually at the National Film Awards ceremony by the Directorate of Film Festivals. It honors personalities for their outstanding contribution to the growth and development of Indian cinema. Tracking these lifetime achievements is essential for institutional film history and cultural general knowledge.

Solution:

1: Understand the context of the 70th National Film Awards. These awards honor the cinematic achievements of a specific calendar year and recognize veteran artists for their lifelong impact on the industry.

2: Identify the recipient selected by the Ministry of Information and Broadcasting. The selection committee nominated a veteran versatile actor, producer, and writer who has made extensive contributions to Hindi and regional cinema over several decades.

3: Match the name with the recipient of the 70th National Film Awards ceremony. Veteran actor Mithun Chakraborty was named the recipient of this prestigious honor.

4: Check the other options. Waheeda Rehman was honored at the 69th National Film Awards, and Asha Parekh received it at the 68th ceremony, which confirms that Mithun Chakraborty is the correct answer for the 70th edition.

Final Answer:

Answer: (B)

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Q12.

Solution

Concept: Financial and banking sector restructuring involves specialized entities created to manage systemic bad debts. When commercial banks experience an increase in non-performing assets (NPAs) that weigh down their balance sheets, they offload these distressed accounts to clear their financial positions and focus on standard lending operations.

Solution:

1: Analyze the process of handling bad debts. When a commercial bank sells its bad loans, it transfers the underlying security and recovery rights to a specialized financial intermediary.

2: Define the role of an Asset Reconstruction Company (ARC). An ARC is a specialized financial institution that buys the NPAs or bad assets from banks and financial institutions at a mutually agreed value, helping banks clean up their balance sheets.

3: Analyze the alternative financial institutions listed. Factoring houses handle short-term trade receivables management; investment banks manage capital raises and corporate advisory; venture capital funds provide equity capital to startups.

4: Match the institutional definition. The specialized financial institution that aggregates and resolves bad debts is specifically called an Asset Reconstruction Company (ARC).

Final Answer: Asset Reconstruction Company (ARC)

Answer: (B)

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Q13.

Solution

Concept: Global climatology and physical geography examine the behavior of planetary wind systems. The uneven heating of the Earth combined with its rotation creates strong, consistent atmospheric circulation cells. In areas with vast expanses of open water and minimal landmass to disrupt airflow, these wind belts blow continuously and with great intensity.

Solution:

1: Identify the geographical latitude zones mentioned in the terms. 'Forties', 'Fifties', and 'Sixties' correspond to the 40°, 50°, and 60° latitude lines.

2: Analyze the wind systems in these latitudes. In the Southern Hemisphere, the absence of large continental landmasses allows the strong westerly winds to blow unimpeded over wide stretches of ocean.

3: Match the descriptive nautical terms to the winds. Early sailors named these regions the 'Roaring Forties', 'Furious Fifties', and 'Shrieking Sixties' due to the loud, stormy, and powerful nature of these persistent westerly winds.

4: Differentiate from other choices. They are atmospheric wind patterns rather than deep-sea ocean currents, localized cyclonic storms in the Indian Ocean, or tectonic Pacific trenches.

Final Answer: Strong westerly winds found in the Southern Hemisphere

Answer: (B)

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Q14.

Solution

Concept: Corporate governance and market concentration are regulated by antitrust regulators like the Competition Commission of India (CCI). Major mergers and acquisitions, especially in large media and entertainment markets, require regulatory approval to ensure they do not create a monopoly or adversely affect competition.

Solution:

1: Identify the primary entities involved in this multi-billion dollar domestic media deal. Reliance Industries Limited (RIL) sought to merge its extensive digital and television broadcast assets (Viacom18) with a global media group's domestic operations.

2: Identify the global partner company. The transaction involved the Indian business unit of Star India, which is owned by The Walt Disney Company.

3: Evaluate the regulatory outcome. The CCI evaluated the market share impact on cricket broadcasting and general entertainment, eventually clearing the merger with specific voluntary modifications to form a dominant joint venture.

4: Conclude that The Walt Disney Company is the entertainment giant whose Indian operations were approved for consolidation with Reliance.

Final Answer:

Answer:

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Q15.

Solution

Concept: The introducing of indirect tax reforms in India led to a specialized cooperative federalism framework. To ensure both central and state governments have a joint platform for decision-making on domestic consumption taxes, a dedicated constitutional body was created under Article 279A of the Constitution of India.

Solution:

1: Identify the constitutional framework established under the 101st Constitutional Amendment Act. This amendment introduced the unified Goods and Services Tax (GST) across India.

2: Define the roles of the institutions listed. The Finance Commission handles vertical and horizontal distribution of central taxes. NITI Aayog is a policy think-tank. CBIC is an administrative executing agency under the Department of Revenue.

3: Identify the specific cooperative decision-making body. The GST Council, chaired by the Union Finance Minister and comprising finance ministers from all states, is the constitutional body mandated to make recommendations on tax rates, exemptions, thresholds, and dispute resolutions.

4: Conclude that the GST Council is the accurate authority responsible for these regulatory and policy recommendations.

Final Answer:

Answer: (B)

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Q16.

Solution

Concept: The economic history of post-independence India is defined by a series of centralized economic strategies known as Five-Year Plans. These plans were designed to prioritize different sectors of the economy based on immediate structural needs, using specific macroeconomic growth models developed by contemporary economists to guide capital allocation.

Solution:

1: Analyze the timeline and immediate requirements of the First Five-Year Plan (1951–1956). Following independence and partition, the country faced severe food shortages, high inflation, and an influx of refugees, making agricultural rehabilitation the top priority.

2: Examine the underlying economic model used. The plan adopted a framework that focused on increasing the savings rate and capital accumulation to drive output growth, assuming a fixed capital-to-output ratio. This framework is known as the Harrod-Domar growth model.

3: Distinguish this from the alternative options. The Mahalanobis Model formed the basis of the Second Five-Year Plan (1956–1961), which prioritized rapid industrialization and heavy capital goods. The Rao-Manmohan Model guided the 1991 economic liberalization, and the Bombay Plan was a 1944 private industry proposal.

4: Conclude that the First Five-Year Plan was structurally based on the Harrod-Domar Model.

Final Answer: Harrod-Domar Model

Answer: (B)

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Q17.

Solution

Concept: International space governance relies on frameworks and bilateral agreements to establish norms for civil exploration, data sharing, and resource management beyond Earth's atmosphere. Countries collaborating on deep-space initiatives enter into specific agreements led by pioneering national space agencies to ensure safety, sustainability, and transparency.

Solution:

1: Identify the international framework mentioned. The Artemis Accords are an international agreement establishing a practical set of principles to guide space exploration cooperation among nations participating in 21st-century lunar exploration programs.

2: Identify the lead space agency. The Accords were drafted and co-launched in 2020 by the National Aeronautics and Space Administration (NASA) of the United States, working alongside the US Department of State and other founding member nations.

3: Analyze India's involvement. India officially signed the Artemis Accords in 2023, joining a global coalition to advance lunar and deep-space exploration while ensuring peaceful operations.

4: Evaluate the options. While ESA, JAXA, and Roscosmos are major participants or partners in international space missions, the Artemis program and its governing accords are an initiative led specifically by NASA.

Final Answer: National Aeronautics and Space Administration (NASA)

Answer: (C)

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Q18.

Solution

Concept: The global trade architecture shifted from temporary provisional frameworks to a permanent international regulatory body during the late 20th century. Multilateral trade negotiations culminated in landmark international treaties that established a binding legal and institutional foundation for international commerce and tariff resolution.

Solution:

1: Trace the historical background of international trade rules. From 1948 until 1994, global trade was loosely governed by the General Agreement on Tariffs and Trade (GATT).

2: Identify the final round of negotiations. The eighth GATT round, known as the Uruguay Round, took place from 1986 to 1994 and concluded with a ministerial meeting in Morocco.

3: Analyze the outcome of the meeting. In April 1994, trade ministers signed the 'Marrakesh Agreement'. This international treaty replaced GATT with a permanent, legally binding institutional body called the World Trade Organization (WTO), which officially commenced operations on January 1, 1995.

4: Differentiate from other options. The Bretton Woods Conference created the IMF and World Bank in 1944, while UNCTAD was established by the UN General Assembly in 1964. Thus, the Marrakesh Agreement applies exclusively to the creation of the WTO.

Final Answer: World Trade Organization (WTO)

Answer: (C)

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Q19.

Solution

Concept: Tracking individual and multi-medal sporting achievements at major global sports events, like the Olympic Games, is a standard component of institutional general knowledge. It records breakthrough athletic performances that mark historical milestones for a country's sporting history.

Solution:

1: Review India's performance at the 2024 Paris Olympic Games. India finished the event with multiple podium placements across different disciplines, including shooting, athletics, and hockey.

2: Identify the specific historic milestone. The milestone requires an athlete from independent India to win two distinct individual medals during a single edition of the Olympic Games.

3: Evaluate individual performances. Indian shooter Manu Bhaker won a bronze medal in the women's 10m air pistol event, and subsequently won a second bronze medal in the mixed team 10m air pistol event alongside Sarabjot Singh.

4: Check the other choices. Neeraj Chopra won a single silver medal in Paris, PV Sindhu has won medals across different editions (2016 and 2021) but did not medal in Paris, and Aman Sehrawat won one bronze medal. This confirms Manu Bhaker achieved the unique single-edition double-medal milestone.

Final Answer:

Answer: (B)

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Q20.

Solution

Concept: Investment banking and corporate finance utilize specialized contractual mechanisms to manage stock price volatility and balance supply and demand during the launch of corporate equities on public exchanges. These mechanisms protect underwriting syndicates and issuing companies from rapid price drops immediately following public listing.

Solution:

1: Define a 'Green shoe option' conceptually. Technically known as an over-allotment option, it is a contractual clause that allows the underwriters of a public stock offering to sell more shares to investors than originally planned by the issuing company.

2: Determine its functional application. This option is used when there is high investor demand for shares during an Initial Public Offering (IPO). The underwriters buy back shares from the secondary market if the price falls below the offering price, helping to stabilize the stock.

3: Evaluate the options provided. It does not apply to corporate bond redemptions, corporate takeover defenses (such as poison pills), or foreign direct investment regulatory approvals.

4: Conclude that the Green shoe option is an underwriting mechanism used exclusively during an Initial Public Offering (IPO).

Final Answer: An Initial Public Offering (IPO) underwriting agreement

Answer: (B)

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Q21.

Solution

Concept: Global automotive industry dynamics often involve the acquisition of historic premium international brands by rising multinational corporations from emerging markets. Tracking parent company ownership and cross-border corporate integration provides critical insights into strategic corporate management and global brand management.

Solution:

1: Identify the corporate brands mentioned. Jaguar and Land Rover are iconic British luxury automotive brands that were previously owned by Ford Motor Company.

2: Trace the landmark acquisition history. In 2008, during a period of restructuring in the global auto industry, Ford sold its Jaguar Land Rover operations. An Indian multinational conglomerate acquired the businesses and established a unified subsidiary named Jaguar Land Rover Automotive PLC.

3: Identify the specific Indian parent company. This major cross-border acquisition was executed by Tata Motors, a key subsidiary of the Tata Group conglomerate.

4: Check alternative options. Mahindra & Mahindra, Reliance Industries, and Bajaj Auto are large domestic corporate groups, but they were not involved in the ownership or corporate management of JLR. This confirms Tata Motors as the correct parent company.

Final Answer:

Answer: (B)

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Q22.

Solution

Concept: The development of high-performance computing infrastructure in India is managed through coordinated state scientific frameworks like the National Supercomputing Mission (NSM). This initiative is jointly steered by the Department of Science and Technology (DST) and the Ministry of Electronics and Information Technology (MeitY) to establish advanced computing facilities at premier research and development institutes across the country.

Solution:

1: Identify the supercomputer model specified. 'Param Siddhi-AI' is a high-performance, artificial-intelligence-integrated supercomputer designed to accelerate advanced scientific research, healthcare solutions, and machine learning research.

2: Trace the developmental organization. This supercomputer architecture was indigenously conceptualized and deployed under Phase-II of the National Supercomputing Mission by a premier autonomous scientific society of the Ministry of Electronics and Information Technology.

3: Match the institutional location. The system was established and hosted at the primary campus of the Centre for Development of Advanced Computing (C-DAC) located in Pune.

4: Distinguish from other institutions. While IISc Bangalore, IIT Bombay, and IIT Delhi host various other advanced supercomputing nodes under the NSM framework, Param Siddhi-AI was specifically deployed at C-DAC Pune.

Final Answer:

Answer: (C)

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Q23.

Solution

Concept: Monetary policy execution by the Reserve Bank of India (RBI) utilizes two primary classifications of policy instruments: direct instruments and indirect instruments. Direct instruments typically target volumes or quantitative credit allocations directly through regulatory administrative mandates, whereas indirect instruments manage systemic liquidity and interest rates through market-oriented, price-based mechanisms.

Solution:

1: Analyze direct monetary policy instruments. Direct instruments historically include quantitative measures like the Cash Reserve Ratio (CRR), the Statutory Liquidity Ratio (SLR), and targeted credit ceilings, where the central bank sets precise administrative percentages or regulatory requirements that commercial banks must maintain.

2: Analyze indirect monetary policy instruments. Indirect instruments operate by altering market liquidity conditions and interest rate structures through voluntary, market-based transactions between the central bank and commercial banking entities.

3: Evaluate Open Market Operations (OMO). OMO involves the outright purchase or sale of government securities by the RBI in the open market. This directly injects or absorbs liquidity from the commercial banking system through market transactions, serving as a classic indirect policy instrument.

4: Conclude that among the provided options, Open Market Operations (OMO) represents the indirect instrument of monetary policy.

Final Answer:

Answer:

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Q24.

Solution

Concept: International maritime trade and geopolitics involve the strategic development of deep-water ports to secure alternative trade corridors, bypass traditional transport bottlenecks, and establish trade routes connecting regional economies across South and Central Asia.

Solution:

1: Identify the maritime facility mentioned. The Chabahar Port is a strategic deep-water port located on the Makran coast, providing a vital maritime gateway that links the Indian Ocean directly to Central Asian landlocked markets.

2: Analyze India's strategic interest. India entered into a landmark long-term bilateral contract to operate and manage the Shahid Beheshti terminal at the Chabahar Port to bypass overland transit restrictions through Pakistan and connect with the International North-South Transport Corridor (INSTC).

3: Determine the geographical jurisdiction. The Chabahar Port is located in the Sistan and Baluchestan Province on the southern coast of Iran.

4: Differentiate from alternative locations. Oman, the UAE, and Sri Lanka host other major commercial ports (like Port of Salalah, Jebel Ali, and Hambantota), but Chabahar is situated exclusively within Iran.

Final Answer:

Answer: (B)

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Q25.

Solution

Concept: The constitutional framework of Indian polity includes specialized appendices known as Schedules, which detail specific administrative provisions, list official languages, handle allocation of legislative seats, and outline regulations concerning political stability and ethics within legislative bodies.

Solution:

1: Review the role of the anti-defection law. The law was enacted to prevent political defections driven by opportunism, which could destabilize democratically elected governments in parliament and state assemblies.

2: Trace the constitutional amendment history. The anti-defection provisions were formally incorporated into the Constitution of India via the 52nd Constitutional Amendment Act, 1985.

3: Identify the specific schedule added by this amendment. The amendment added a new schedule that outlines the grounds, criteria, and judicial overview for disqualifying elected representatives who defect from their political parties. This is the Tenth Schedule.

4: Cross-verify the remaining schedules. The Seventh Schedule divides legislative powers into three lists; the Eighth Schedule lists official regional languages; the Ninth Schedule contains validated laws protected from immediate judicial review. Thus, the Tenth Schedule is the correct choice.

Final Answer:

Answer: (D)

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Q26.

Solution

Concept: Multilateral geopolitical groups like BRICS periodically hold summits to discuss economic cooperation, trade architecture, financial integration, and criteria for admitting new member states. Tracking the rotating presidency and host nations of these international summits is essential for understanding global diplomatic developments.

Solution:

1: Identify the summit mentioned. The 16th BRICS Summit was a high-level diplomatic gathering that brought together both core member states and newly admitted nations to focus on financial decentralization and alternative payment systems.

2: Identify the host nation and location. The 16th edition of the summit was hosted under the presidency of the Russian Federation and took place in the city of Kazan.

3: Analyze the key outcomes. The summit concluded with the adoption of the Kazan Declaration, which summarized the group's positions on global governance, economic cooperation, and international security frameworks.

4: Check alternative options. While Brazil, South Africa, and China are core members of the BRICS configuration and have hosted previous or subsequent editions, Russia was the specific host nation for the 16th summit.

Final Answer:

Answer: (C)

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Q27.

Solution

Concept: The rural credit delivery system in India relies on apex development financial institutions to design, fund, and scale microfinance initiatives. These frameworks link informal rural self-help networks with the formal commercial banking sector to improve financial inclusion among underserved communities.

Solution:

1: Understand the origins of the Self-Help Group (SHG) Bank Linkage Project. Launched in the early 1990s, this pilot project aimed to improve the creditworthiness of rural women by organizing them into savings groups and linking them with commercial banks.

2: Identify the apex institution responsible for rural finance. The National Bank for Agriculture and Rural Development (NABARD) is the statutory apex institution mandated to oversee policy, planning, and operations for rural credit and agricultural development.

3: Match the institution to the initiative. NABARD structurally conceptualized, funded, and scaled the SHG-Bank Linkage Program, which grew into one of the largest microfinance initiatives in the world.

4: Evaluate alternative institutions. SIDBI focuses on small-scale industrial enterprises; EXIM Bank manages international trade finance; NHB oversees housing finance. This confirms NABARD is the correct developmental institution.

Final Answer:

Answer: (B)

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Q28.

Solution

Concept: Global automotive corporations use branding systems, taglines, and corporate slogans to convey their core engineering philosophies, connect emotionally with consumers, and position their products across international markets.

Solution:

1: Analyze the corporate tagline “The Power of Dreams”. This slogan emphasizes innovation, mobility research, and the pursuit of advanced engineering concepts across mobility sectors.

2: Trace the corporate history. The phrase reflects the foundational philosophy of its founder, Soichiro Honda, who emphasized original engineering and pursuing visionary concepts despite resource constraints.

3: Match the tagline to its corporate owner. This iconic slogan is the official global brand tagline for the Japanese automotive and motorcycle manufacturer, Honda Motor Company.

4: Cross-reference other manufacturers. Hyundai often utilizes “Progress for Humanity”, Toyota uses “Let’s Go Places” or “Move Ahead”, and Nissan focuses on “Innovation that Excites”, confirming Honda as the correct option.

Final Answer:

Answer: (B)

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Q29.

Solution

Concept: Global benchmarking indices evaluate nations based on their innovation capabilities, institutional frameworks, human capital, and market sophistication. Tracking the specialized international agencies that compile and publish these annual performance reports is a standard component of business environment studies.

Solution:

1: Define the scope of the Global Innovation Index (GII). The GII provides detailed metrics on the innovation performance of over 130 economies, tracking indicators across political environment, education, infrastructure, and business sophistication.

2: Identify the publishing agency. The index is compiled and released annually by the World Intellectual Property Organization (WIPO), a specialized agency of the United Nations, in collaboration with various academic and corporate partners.

3: Evaluate alternative options. The World Economic Forum (WEF) publishes the Global Competitiveness Report; the World Bank publishes the World Development Report; the UNDP publishes the Human Development Index.

4: Conclude that the World Intellectual Property Organization (WIPO) is the exclusive publisher of the Global Innovation Index.

Final Answer: World Intellectual Property Organization (WIPO)

Answer: (B)

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Q30.

Solution

Concept: National security and defense modernization require indigenous research and development programs to build advanced air defense architectures. These multi-layered systems are designed to protect strategic assets from aerial threats, including long-range cruise missiles, drones, and stealth aircraft.

Solution:

1: Identify the initiative mentioned. 'Project Kusha' is a high-priority national defense program tasked with developing an indigenous Long-Range Surface-to-Air Missile (L-SAM) system, often compared to the capabilities of global systems like the S-400.

2: Identify the primary research organization. The Defence Research and Development Organisation (DRDO) is the premier agency under the Ministry of Defence responsible for the design, prototyping, and technological integration of indigenous military systems.

3: Analyze the institutional division of labor. While production partners like Bharat Electronics Limited (BEL) and private vendors handle component manufacturing, the core technological design and development are led by DRDO laboratories.

4: Conclude that DRDO is the primary organization developing Project Kusha, making option (C) the correct choice.

Final Answer: Defence Research and Development Organisation (DRDO)

Answer: (C)

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Answer Key

Q	Ans	Q	Ans	Q	Ans	Q	Ans	Q	Ans
1	B	2	C	3	B	4	A	5	C
6	D	7	B	8	C	9	B	10	C
11	B	12	B	13	B	14	C	15	B
16	B	17	C	18	C	19	B	20	B
21	B	22	C	23	C	24	B	25	D
26	C	27	B	28	B	29	B	30	C

