

MAT Economic & Business Environment Sample Paper - 17

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) was developed by which organization to facilitate inter-bank peer-to-peer and person-to-merchant transactions in India?

- (A) Reserve Bank of India (RBI)
- (B) Securities and Exchange Board of India (SEBI)
- (C) National Payments Corporation of India (NPCI)
- (D) NITI Aayog

Q3. In April 2024, which country formally took over the Presidency of the G20 from India, carrying forward the developmental agenda for the Global South?



- (A) South Africa
- (B) Brazil
- (C) Italy
- (D) Indonesia

Q4. Consider the following statements regarding the dynamic concept of 'Core Inflation':

- (A) It measures the price consumer pays for a fixed basket of goods including food and energy.
- (B) It isolates the price shocks caused by highly volatile commodities like food and fuel.
- (C) It is calculated by adding the WPI and CPI indices together and taking their geometric mean.
- (D) It reflects only the structural policy changes made by the Ministry of Commerce.

Q5. The prestigious Booker Prize for Fiction in 2024 was awarded to Samantha Harvey for her acclaimed novel titled:

- (A) Prophet Song
- (B) Orbital
- (C) The Bee Sting
- (D) Western Lane

Q6. Who among the following is the current Managing Director of the International Monetary Fund (IMF), serving her second consecutive five-year term?

- (A) Kristalina Georgieva
- (B) Gita Gopinath
- (C) Christine Lagarde
- (D) Ngozi Okonjo-Iweala



- Q7.** In the Union Budget 2024-25, the government announced an increase in the limit of the Mudra Loan under the 'Tarun' category from ₹ 10 lakh to how much for entrepreneurs who have successfully repaid previous loans?
- (A) ₹ 15 Lakh
 - (B) ₹ 20 Lakh
 - (C) ₹ 25 Lakh
 - (D) ₹ 50 Lakh
- Q8.** In the corporate landscape, the consumer goods major Unilever announced the complete spin-off of which of its historically dominant operational segments to increase its agility and margins?
- (A) Personal Care
 - (B) Ice Cream Division
 - (C) Home Care
 - (D) Nutrition and Foods
- Q9.** India's first indigenous reusable launch vehicle technology demonstrator, which successfully completed consecutive autonomous landing missions, is named:
- (A) Vikram-S
 - (B) Pushpak
 - (C) Gaganyaan-1
 - (D) Aditya-L1
- Q10.** The Headquarters of the New Development Bank (NDB), formerly referred to as the BRICS Development Bank, is located in which city?
- (A) Beijing, China
 - (B) Shanghai, China
 - (C) New Delhi, India
 - (D) Johannesburg, South Africa



- Q11.** Which premium automotive brand uses the iconic marketing slogan “The Ultimate Driving Machine”?
- (A) Mercedes-Benz
 - (B) Audi
 - (C) BMW
 - (D) Porsche
- Q12.** Under the Banking Regulation Act, what is the maximum limit of capital that a commercial bank can lend to a single borrower company, expressed as a percentage of its Tier-1 capital?
- (A) 15%
 - (B) 25%
 - (C) 10%
 - (D) 40%
- Q13.** The 2024 ICC Men’s T20 World Cup tournament was jointly hosted by which two cricketing nations?
- (A) Australia and New Zealand
 - (B) England and Wales
 - (C) West Indies and the United States
 - (D) India and Sri Lanka
- Q14.** In Indian history, the famous “Deepavali Declaration” issued by Viceroy Lord Irwin in October 1929 was explicitly concerned with:
- (A) Granting immediate complete independence (Poorna Swaraj) to India.
 - (B) The proposal of a Round Table Conference and a vague promise of Dominion Status.
 - (C) The partition of Bengal based on administrative convenience.
 - (D) The reservation of seats for depressed classes in communal electorates.



- Q15.** The 'Global Economic Prospects' report, which tracks global growth trajectories and financial market conditions, is released bi-annually by which institution?
- (A) World Economic Forum (WEF)
 - (B) International Monetary Fund (IMF)
 - (C) World Bank Group
 - (D) World Trade Organization (WTO)
- Q16.** India's deep-tech startup ecosystem achieved a major milestone with the deployment of "PARAM Rudra" supercomputers. These supercomputers were developed indigenously under which national framework?
- (A) Digital India Programme
 - (B) National Supercomputing Mission (NSM)
 - (C) Atal Innovation Mission
 - (D) Quantum India Initiative
- Q17.** Which of the following schedules of the Constitution of India contains provisions regarding the allocation of seats in the Rajya Sabha (Council of States)?
- (A) Third Schedule
 - (B) Fourth Schedule
 - (C) Fifth Schedule
 - (D) Sixth Schedule
- Q18.** In the Indian fiscal architecture, the fiscal deficit is defined fundamentally as:
- (A) Total Expenditure minus Revenue Receipts
 - (B) Total Expenditure minus Total Receipts excluding Borrowings
 - (C) Capital Expenditure minus Revenue Surplus
 - (D) Budgetary Deficit minus Interest Payments
- Q19.** India's ambitious mega-merger of corporate media assets involving Reliance Industries Limited (RIL), Viacom18, and The Walt Disney Company created



an entertainment behemoth valued at approximately \$8.5 billion. Who was appointed as the Chairperson of this merged entity?

- (A) Nita Ambani
- (B) Uday Shankar
- (C) K. Madhavan
- (D) Bodhi Tree Systems

Q20. The concept of “Regulatory Sandbox,” frequently utilized by the Reserve Bank of India (RBI), refers primarily to:

- (A) A strict penalties framework for non-compliant Non-Banking Financial Companies (NBFCs).
- (B) A live, testing environment where fintech firms can pilot innovative products with relaxed regulatory oversight.
- (C) A sovereign wealth fund designed to cushion fiscal shocks from external trade deficits.
- (D) A secondary market trading desk meant strictly for retail participation in government securities.

Q21. The Nobel Prize in Economic Sciences 2024 was awarded to Daron Acemoglu, Simon Johnson, and James A. Robinson for their groundbreaking empirical research on:

- (A) The integration of climate change constraints into long-run macroeconomic analysis.
- (B) How institutions are formed and how they affect long-term economic prosperity across nations.
- (C) The behavioral anomalies observed in individual investment practices during hyperinflation.
- (D) The design of optimal auction formats for complex public goods distribution.

Q22. The Strait of Malacca, a critical maritime choke point for global oil and commercial trade, connects which two major water bodies?



- (A) Red Sea and the Gulf of Aden
- (B) Andaman Sea and the South China Sea
- (C) Persian Gulf and the Gulf of Oman
- (D) East China Sea and the Sea of Japan

Q23. In the Indian banking system, if the Reserve Bank of India (RBI) decides to increase the Cash Reserve Ratio (CRR), it will lead directly to which consequence?

- (A) Increase in the loanable funds available with commercial banks.
- (B) Decrease in the liquidity within the banking system, tightening credit.
- (C) A structural drop in the interest rates charged on retail loans.
- (D) An immediate increase in the foreign direct investment inflows.

Q24. Which of the following entities is the Parent Company of the quick-commerce delivery platform 'Blinkit', which saw dramatic valuation expansion recently?

- (A) Swiggy
- (B) Zepto
- (C) Zomato
- (D) Flipkart

Q25. The standard metric "Fiscal Drag" refers to an economic situation where:

- (A) Government spending slows down due to bureaucratic delays in budget clearance.
- (B) Inflation pushes taxpayers into higher tax brackets, effectively increasing tax revenue and slowing aggregate demand.
- (C) High interest rates reduce private sector investments in infrastructure.
- (D) The external debt of a nation exceeds its nominal Gross Domestic Product (GDP).



- Q26.** The World Economic Forum (WEF) annual meeting 2025, which gathered global leaders to deliberate on structural fragmentation and geopolitical headwinds, took place in which city?
- (A) Geneva
 - (B) Davos
 - (C) Zurich
 - (D) Vienna
- Q27.** The Academy Award (Oscar) for Best Picture at the 96th Academy Awards presented in 2024 went to which cinematic masterpiece?
- (A) Poor Things
 - (B) Oppenheimer
 - (C) Anatomy of a Fall
 - (D) Killers of the Flower Moon
- Q28.** India's retail inflation in India is officially calculated using which specific index?
- (A) Wholesale Price Index (WPI) - Primary Articles
 - (B) Consumer Price Index (CPI) - Combined
 - (C) GDP Deflator
 - (D) Index of Industrial Production (IIP)
- Q29.** In a significant administrative update, who took charge as the new Foreign Secretary of India, steering the nation's bilateral policies amidst complex global conflicts?
- (A) Vinay Mohan Kwatra
 - (B) Vikram Misri
 - (C) Subrahmanyam Jaishankar
 - (D) Taranjit Singh Sandhu



- Q30.** Under the Insolvency and Bankruptcy Code (IBC) of India, what is the maximum statutory time limit, including extensions allowed, for completing the Corporate Insolvency Resolution Process (CIRP)?
- (A) 180 Days
 - (B) 270 Days
 - (C) 330 Days
 - (D) 450 Days



Detailed Solutions**Q1.****Solution****Concept:**

The Constitution of India provides a specific mechanism for altering state boundaries, creating new states, or changing names of existing states under Part I, which defines the Union and its territory. This power is exclusively vested in the Parliament of India to maintain geopolitical and administrative flexibility while ensuring the territorial integrity of the federation is managed democratically.

Solution:

1: Analyze the scope of Article 2. Article 2 of the Constitution relates strictly to the admission or establishment of new states that are not currently part of the Union of India (e.g., acquisition of foreign territories).

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

3: Analyze the scope of Article 4. Article 4 contains supplemental, incidental, and consequential provisions to clarify that laws made under Articles 2 and 3 are not to be deemed as formal amendments to the Constitution under Article 368.

4: Analyze Article 368. This article deals with the general power and formal procedure of the Parliament to amend the Constitution, requiring special majorities, which does not apply to routine re-organization of states.

5: Match the requirements. The question specifies forming a new State by separating or uniting existing territories, which falls precisely within the constitutional bounds of Article 3.

Final Answer:

Answer: (B)

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Q2.

Solution**Concept:**

Retail payment architectures in India are governed and innovated primarily under specialized umbrella entities created by the banking regulator and banking associations to migrate the economy toward digital, instantaneous, and highly interoperable transaction infrastructures.

Solution:

1: Identify the nature of the Unified Payments Interface (UPI). UPI is an instant real-time payment system that merges multiple banking features, seamless fund routing, and merchant payments into a single mobile application.

2: Evaluate the role of the Reserve Bank of India (RBI). The RBI acts as the apex monetary regulator and provided the foundational framework, but it does not directly build or operate commercial retail application software systems like UPI.

3: Evaluate the role of the Securities and Exchange Board of India (SEBI). SEBI regulates the securities and capital markets, which completely excludes retail bank-to-bank settlement systems.

4: Evaluate the role of the National Payments Corporation of India (NPCI). The NPCI is an umbrella organization for operating retail payments and settlement systems in India. It was set up as a non-profit company under the guidance of RBI and the Indian Banks' Association (IBA). It is the actual technical architect and developer of UPI.

5: Evaluate NITI Aayog. This is a policy think-tank for economic development and does not engage in technical operational infrastructure creation. Therefore, NPCI is the correct organization.

Final Answer: National Payments Corporation of India (NPCI)

Answer: (C)

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Q3.

Solution**Concept:**

The Presidency of the Group of Twenty (G20) operates on an annual rotational basis among its member nations, grouped by regional balance. The country holding the presidency is responsible for driving the global economic agenda, hosting working groups, and organizing the annual Leaders' Summit.

Solution:

1: Recall the chronological sequence of the G20 Presidencies. India held the highly publicized G20 Presidency for the year 2023, culminating in the New Delhi Leaders' Summit in September 2023.

2: Identify the immediate successor. Following India's tenure, the official gavel and presidency duties were handed over to the next member nation to guide the forum for the year 2024.

3: Match the specific country handover. Brazil took over the official G20 Presidency from India, commencing its term to prioritize global inequality reduction, sustainable development, and global governance reform.

4: Verify the timeline. The formal transition of responsibilities and working mechanisms continued dynamically into 2024 under the leadership of the Brazilian administration, focusing heavily on the needs of developing nations.

5: Assess other options. South Africa is scheduled for the subsequent period, while Indonesia held it prior to India, and Italy hosted it in 2021. Thus, Brazil is the precise country.

Final Answer:

Answer: (B)

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Q4.

Solution**Concept:**

Inflation metrics are bifurcated into various types to assist central banks in drafting monetary policy. While headline inflation captures total inflation including all items, policymakers isolate specific metrics to capture the long-term, underlying, and persistent inflationary trends within an economy.

Solution:

1: Define Core Inflation. Core Inflation is a measure of inflation that excludes certain items that face volatile price movements, which can cause temporary noise in economic data.

2: Examine volatile components. The two most volatile components in any consumer basket are food items (due to seasonal or weather-related agricultural shocks) and energy/fuel products (due to geopolitical shocks and international crude oil market supply changes).

3: Analyze Statement (A). This statement describes Headline Inflation, which counts everything in the consumer basket, rather than Core Inflation.

4: Analyze Statement (B). This statement correctly emphasizes that Core Inflation isolates and strips away the temporary price shocks caused by highly volatile commodities like food and fuel, giving a clearer view of underlying demand-supply dynamics.

5: Evaluate Statements (C) and (D). These state incorrect mathematical combinations of indices and erroneous institutional roles. Thus, Statement (B) represents the accurate dynamic concept of Core Inflation.

Final Answer:

It isolates the price shocks caused by highly volatile commodities like food and fuel

Answer: (B)

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Q5.

Solution**Concept:**

The Booker Prize is one of the world's leading literary awards conferred annually for the best sustained work of long-form fiction written in English and published in the United Kingdom or Ireland. Keeping track of high-profile literary achievements is standard for evaluating contemporary cultural knowledge.

Solution:

1: Review the recent winners of the Booker Prize. In late 2023, the prize was won by Paul Lynch for his dystopian novel titled 'Prophet Song'.

2: Track the 2024 literary cycle. The 2024 Booker Prize shortlist included authors like Samantha Harvey, Percival Everett, and Rachel Kushner.

3: Identify the winning author and book. Samantha Harvey won the prestigious 2024 Booker Prize for her compact and deeply philosophical novel titled 'Orbital'.

4: Analyze the premise of the winning book. 'Orbital' takes place over a single day in the lives of six astronauts aboard the International Space Station, reflecting on human vulnerability and the beauty of Earth.

5: Correlate options. 'Prophet Song' belongs to the previous year, while 'Western Lane' and 'The Bee Sting' were past shortlisted items. Therefore, 'Orbital' is the correct answer.

Final Answer:

Answer: (B)

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Q6.

Solution**Concept:**

The International Monetary Fund (IMF) is steered by a Managing Director, who acts as the chief of the operating staff and Chairman of the Executive Board. Tracking the leadership of global financial institutions is a key aspect of understanding international economic governance.

Solution:

1: Identify the role of the Managing Director at the IMF. The position is traditionally held by a European national, while the World Bank is typically headed by a citizen of the United States.

2: Evaluate Kristalina Georgieva's tenure. Kristalina Georgieva, a Bulgarian economist, assumed office as the Managing Director of the IMF in 2019. In early 2024, she was selected by consensus for a second consecutive five-year term, officially beginning her new tenure on October 1, 2024.

3: Evaluate Gita Gopinath. Gita Gopinath is an eminent Indian-American economist who served as the Chief Economist of the IMF and currently serves as its First Deputy Managing Director, which is the second-highest position, not the chief position.

4: Evaluate Christine Lagarde. Christine Lagarde served as the Managing Director of the IMF prior to Georgieva, and subsequently left the post to head the European Central Bank (ECB).

5: Evaluate Ngozi Okonjo-Iweala. She is the Director-General of the World Trade Organization (WTO). Therefore, Kristalina Georgieva is the correct individual holding the position.

Final Answer:

Answer: (A)

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Q7.

Solution**Concept:**

The Pradhan Mantri Mudra Yojana (PMMY) is a flagship scheme aimed at providing micro-loans to non-corporate, non-farm small and micro enterprises. The loans are categorized into Shishu, Kishor, and Tarun to reflect the developmental stage and financial needs of the beneficiary enterprise.

Solution:

1: Understand the traditional limits of Mudra loans. The original framework categorized loans up to ₹ 50,000 as 'Shishu', loans from ₹ 50,001 to ₹ 5 lakh as 'Kishor', and loans from ₹ 5 lakh up to ₹ 10 lakh as 'Tarun'.

2: Identify the policy update in the Union Budget 2024-25. To foster entrepreneurship and support small business scale-ups, the Finance Minister announced a strategic structural revision to the maximum limits.

3: Pinpoint the change in the Tarun category. For entrepreneurs who have successfully repaid their previous loans under the scheme, the borrowing ceiling under the 'Tarun Plus' or updated Tarun category was doubled.

4: Determine the new numerical cap. The maximum limit was raised from the existing ₹ 10 lakh to ₹ 20 lakh.

5: Validate options. Options indicating ₹ 15 lakh, ₹ 25 lakh, or ₹ 50 lakh do not correspond to the official budgetary policy adjustment. Thus, ₹ 20 lakh is the exact limit.

Final Answer: ₹ 20 Lakh

Answer: (B)

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Q8.

Solution**Concept:**

Corporate restructuring, mergers, acquisitions, and spin-offs are common strategies utilized by multinational Fast-Moving Consumer Goods (FMCG) conglomerates to divest low-margin or slow-growth businesses and concentrate resources on high-margin core operational portfolios.

Solution:

1: Identify the corporate decision made by Unilever. The consumer goods giant announced a significant structural overhaul to drive growth and productivity.

2: Examine the targeted division. Unilever decided to separate its ice cream operations, which include prominent global brands such as Ben & Jerry's and Wall's.

3: Analyze the rationale behind the spin-off. The ice cream sector has a fundamentally different supply chain (requiring a continuous cold chain network), distinct seasonal sales patterns, and lower margin profiles compared to Unilever's core personal care and home care portfolios.

4: Determine the operational output. By spinning off the ice cream division into a standalone business entity, Unilever aims to optimize its operational performance, simplify its business model, and improve its long-term financial agility.

5: Compare options. Personal Care, Home Care, and Nutrition remain deeply integrated within Unilever's core strategy, making the Ice Cream Division the correct answer.

Final Answer: Ice Cream Division

Answer: (B)

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Q9.

Solution**Concept:**

Space technology innovations in India involve developing cost-effective, reusable launch systems to reduce payload delivery costs. The Indian Space Research Organisation (ISRO) runs dedicated technology demonstration projects to test aerodynamic, autonomous landing capabilities under challenging planetary parameters.

Solution:

- 1: Understand the objective of ISRO's RLV-TD program. The goal is to perfect the technologies needed for a fully reusable launch vehicle to cut down launch expenditures significantly.
- 2: Track recent operational milestones. ISRO executed successful autonomous landing missions (Lex experiments) using a technology demonstrator vehicle winged craft.
- 3: Identify the specific programmatic name given to this craft. The winged technology demonstrator vehicle is named 'Pushpak', inspired by the mythological flying chariot.
- 4: Evaluate alternative choices. 'Vikram-S' is India's first privately developed suborbital rocket by Skyroot Aerospace. 'Gaganyaan-1' refers to the human spaceflight mission module framework. 'Aditya-L1' is a dedicated space-based observatory studying the Sun.
- 5: Conclude the correct terminology. The autonomous landing system test craft is explicitly designated as 'Pushpak'.

Final Answer: Pushpak

Answer: (B)

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Q10.

Solution**Concept:**

International financial institutions established by emerging market groupings are strategically placed across major geopolitical centers to balance economic influence. The New Development Bank (NDB) was created by the BRICS states (Brazil, Russia, India, China, and South Africa) to mobilize resources for infrastructure and sustainable development.

Solution:

1: Recall the origins of the New Development Bank. The agreement to establish the bank was signed during the sixth BRICS Summit in Fortaleza, Brazil, in 2014, and it officially began operations shortly thereafter.

2: Identify the political consensus regarding geographic allocation. During negotiations, it was agreed that the first presidency would be awarded to India, the first regional office would be in South Africa, and the permanent central headquarters would be established in China.

3: Pinpoint the specific city location. The central headquarters of the New Development Bank is located in Shanghai, China.

4: Distinguish between Beijing and Shanghai. Beijing houses the Asian Infrastructure Investment Bank (AIIB), whereas Shanghai is the designated host city for the NDB.

5: Conclude the location selection. New Delhi and Johannesburg do not serve as central headquarters for this entity, establishing Shanghai as the accurate location.

Final Answer: Shanghai, China

Answer: (B)

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Q11.

Solution**Concept:**

Brand management and marketing strategy rely on corporate taglines or slogans to establish brand identity, communicate core product values, and differentiate luxury products within competitive international market landscapes.

Solution:

1: Analyze the marketing slogan in question. The slogan “The Ultimate Driving Machine” emphasizes high performance, precise engineering, and driver-centric vehicle mechanics.

2: Evaluate the brand positioning of Mercedes-Benz. Mercedes-Benz historically utilizes slogans such as “The Best or Nothing” to project luxury, prestige, and unmatched automotive perfection.

3: Evaluate the brand positioning of Audi. Audi uses the famous German tagline “Vorsprung durch Technik,” which translates to “Progress through Technology,” emphasizing technical innovation.

4: Evaluate the brand positioning of BMW. Bayerische Motoren Werke (BMW) introduced “The Ultimate Driving Machine” campaign in the 1970s to directly target car enthusiasts by positioning their vehicles as sports sedans offering an elite driving experience.

5: Compare alternative luxury sports brands. Porsche focuses heavily on direct heritage and sports car performance but does not own this specific signature slogan. Thus, BMW is the correct corporation.

Final Answer:

Answer:

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Q12.

Solution**Concept:**

To mitigate systemic financial risk and prevent asset concentration, central banks enforce strict large exposure frameworks under standard banking regulations. These limits restrict how much capital a commercial bank can expose to a single counterparty group relative to its tier-1 capital base.

Solution:

1: Define the Large Exposure Framework (LEF). The LEF is designed to align domestic prudential banking regulations with international Basel III standards, preventing a bank from failing due to the abrupt default of a single major corporate client.

2: Identify the statutory baseline limit. Under standard prudential regulations, a bank's exposure to a single, disconnected counterparty company is restricted to a precise percentage of its available capital.

3: Determine the exact single-borrower regulatory percentage. The single counterparty exposure limit is legally capped at 25% of the commercial bank's Tier-1 capital.

4: Contrast with historical or group limits. Previously, the single borrower limit was lower (around 15%), but it was synchronized to a rigid 25% standard under aligned global frameworks, while group exposures can incorporate separate criteria.

5: Conclude the calculation parameter. The correct answer choice representing this specific banking safety standard is exactly 25%.

Final Answer:

Answer:

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Q13.

Solution**Concept:**

Global sporting tournaments require extensive logistics, often leading international governing bodies to select multiple countries as co-hosts. This strategy helps spread financial investments and broadens the regional popularity of the sport.

Solution:

1: Identify the tournament in question. The 2024 ICC Men's T20 World Cup was the ninth edition of this premier Twenty20 international cricket championship.

2: Verify the host venues chosen by the International Cricket Council (ICC). The tournament was strategically scheduled to expand cricket's presence in non-traditional markets while capitalizing on established venues.

3: Match the host nations. The tournament was co-hosted by the West Indies (a consortium of Caribbean island nations) and the United States of America (USA).

4: Confirm historical significance. This marked the first time an ICC World Cup tournament featured official matches played within the United States, utilizing newly constructed modular stadiums alongside classic West Indian cricket grounds.

5: Check other pairs. Australia, New Zealand, England, India, and Sri Lanka hosted alternative editions or different cricket formats during other fiscal cycles. Therefore, West Indies and the United States is the correct answer.

Final Answer:

Answer:

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Q14.

Solution**Concept:**

Constitutional developments during the Indian national movement were shaped by official declarations issued by British administrators. These statements were often intended to address rising political dissent or clarify Britain's long-term policy on Indian self-governance.

Solution:

1: Locate the historical event. In October 1929, Viceroy Lord Irwin issued a strategic public statement known colloquially as the "Deepavali Declaration."

2: Analyze the political context. The declaration came amidst intense political pressure from the Indian National Congress and growing debate over the upcoming Simon Commission report.

3: Evaluate the explicit contents of the declaration. Lord Irwin stated that it was implicit in the political declaration of 1917 that the natural constitutional progression of India's development was the attainment of Dominion Status.

4: Assess the secondary proposals. It also proposed holding a Round Table Conference in London after the Simon Commission submitted its findings, allowing British authorities to meet delegates from both British India and the Princely States.

5: Eliminate incorrect distractors. The statement did not grant complete independence (Poorna Swaraj), partition Bengal (1905), or implement communal electorates for depressed classes (1932 Communal Award). Thus, it concerned a vague promise of Dominion Status and the Round Table Conference.

Final Answer:

The proposal of a Round Table Conference and a vague promise of Dominion Status.

Answer: (B)

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Q15.

Solution**Concept:**

Global economic trends, macro-fiscal forecasts, and developmental metrics are tracked through signature flagship publications compiled by multinational development organizations. Distinguishing between these reports is essential for understanding global economic surveillance.

Solution:

1: Identify the report mentioned. The 'Global Economic Prospects' report analyzes global economic developments, focusing particularly on emerging markets and developing economies.

2: Check the World Economic Forum (WEF). The WEF is known for publishing reports like the 'Global Risks Report' and the 'Global Competitiveness Report'.

3: Check the International Monetary Fund (IMF). The IMF publishes the 'World Economic Outlook' (WEO) and the 'Global Financial Stability Report'.

4: Check the World Bank Group. The World Bank explicitly compiles and publishes the 'Global Economic Prospects' bi-annually (in January and June), using it to deliver deep insights into global growth, poverty reduction, and fiscal health.

5: Check the World Trade Organization (WTO). The WTO focuses purely on international trade statistical profiles and trade policy monitoring. Thus, the World Bank Group is the correct institution.

Final Answer:

Answer: (C)

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Q16.

Solution**Concept:**

National technology frameworks are designed by governments to achieve self-reliance in high-performance computing (HPC) systems. These frameworks consolidate academic, industrial, and administrative processing requirements under unified technology development programs.

Solution:

1: Identify the technology asset. The “PARAM Rudra” is a series of state-of-the-art supercomputers deployed across prominent research institutions in India to power advanced scientific computations, climate modeling, and molecular biology research.

2: Examine the Digital India Programme. While Digital India acts as an overall umbrella initiative for digital empowerment and public infrastructure services, it does not directly manage specialized supercomputing hardware fabrication frameworks.

3: Analyze the National Supercomputing Mission (NSM). The NSM is a joint initiative steered by the Department of Science and Technology (DST) and the Ministry of Electronics and Information Technology (MeitY), implemented by the Centre for Development of Advanced Computing (C-DAC) and the Indian Institute of Science (IISc). This mission explicitly funds, designs, and installs the PARAM series of indigenous supercomputers.

4: Evaluate alternative frameworks. The Atal Innovation Mission focuses on incubation centers and school-level tinkered electronics (Atal Tinkering Labs), whereas the Quantum India Initiative focuses on quantum cryptography and subatomic state processing.

5: Match the system with its mission. The deployment of “PARAM Rudra” fits precisely under the structural milestones of the National Supercomputing Mission.

Final Answer: National Supercomputing Mission (NSM)

Answer: (B)

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Q17.

Solution**Concept:**

The Constitution of India contains structural appendices, known as Schedules, which categorize and organize constitutional provisions for clear governance. Memorizing the precise domains of these twelve schedules is a fundamental requirement of national polity knowledge.

Solution:

1: Define the function of the Rajya Sabha. The Rajya Sabha, or Council of States, represents the political interests of the states and union territories within India's bicameral federal legislature.

2: Review the Third Schedule. The Third Schedule contains the official text forms of oaths and affirmations for central ministers, members of parliament, and judiciary officials.

3: Review the Fourth Schedule. The Fourth Schedule deals explicitly with the allocation of legislative seats to each State and Union Territory in the Rajya Sabha, calculated primarily on a proportional population basis.

4: Review the Fifth and Sixth Schedules. The Fifth Schedule governs the administration and control of Scheduled Areas and Scheduled Tribes, while the Sixth Schedule details the administration of autonomous tribal areas in the northeastern states of Assam, Meghalaya, Tripura, and Mizoram.

5: Choose the correct schedule. The allocation of Rajya Sabha seats is uniquely contained within the provisions of the Fourth Schedule.

Final Answer:

Answer: (B)

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Q18.

Solution**Concept:**

Fiscal metrics evaluate a government's economic health by analyzing structural imbalances between spending and receipts. The fiscal deficit indicates how reliant a government is on borrowing to balance its annual budget.

Solution:

1: Understand total government expenditure. A government's total expenditure includes both revenue expenditure (salaries, interest, subsidies) and capital expenditure (infrastructure development, asset creation).

2: Define government receipts. Receipts include revenue receipts (taxes, dividends) and non-capital receipts (disinvestments, loan recoveries). It excludes fresh public market borrowings because borrowing is what fills the deficit gap.

3: Evaluate Statement (A). Total expenditure minus revenue receipts ignores capital receipts entirely, leading to a mathematically incorrect calculation of total deficit.

4: Evaluate Statement (B). The standard macroeconomic definition of Fiscal Deficit is the excess of total expenditure over total receipts, excluding any fresh market borrowings. This accurately measures the total debt the government must take on during the fiscal cycle.

5: Verify remaining definitions. Capital expenditure minus revenue surplus represents alternative structural accounting metrics. Therefore, Statement (B) represents the accurate fiscal definition.

Final Answer: $\text{Total Expenditure minus Total Receipts excluding Borrowings}$

Answer: (B)

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Q19.

Solution**Concept:**

Corporate mergers and acquisitions in the entertainment and media industry create concentrated corporate networks. Keeping track of high-profile executive appointments and board configurations is essential for understanding the corporate landscape.

Solution:

1: Review the media transaction details. The high-profile multi-billion-dollar joint venture brought together Reliance Industries' Viacom18 assets and Star India assets owned by The Walt Disney Company.

2: Identify the leadership structure. To maintain strategic alignment across the massive digital streaming and satellite television platform, an executive head was selected to lead the consolidated board.

3: Pinpoint the appointed Chairperson. Nita Ambani, who serves on the board of Reliance Industries and leads several corporate initiatives, was designated as the official Chairperson of the newly formed merged corporate entity.

4: Examine other corporate profiles. Uday Shankar, a prominent media veteran, was appointed as the Vice Chairperson to provide operational guidance, while Bodhi Tree Systems is the strategic investment vehicle supporting the deal.

5: Match the exact role. The title of Chairperson was explicitly granted to Nita Ambani under the formal merger framework.

Final Answer:

Answer: (A)

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Q20.

Solution**Concept:**

Financial technology (fintech) innovations require flexible oversight frameworks from regulators to prevent security risks. Regulatory tools allow financial innovators to test their systems in controlled real-world conditions without facing the full cost of standard compliance.

Solution:

1: Demystify the term Regulatory Sandbox. A regulatory sandbox is an administrative mechanism used by financial regulators like the Reserve Bank of India (RBI).

2: Determine its core purpose. The framework allows fintech firms, banks, and technology startups to conduct live testing of innovative financial products, payment instruments, or credit models with real consumers on a limited scale.

3: Identify the regulatory incentives. During this phase, the regulator relaxes specific licensing or compliance requirements, enabling developers to assess the commercial viability and risk profile of their products without incurring high initial regulatory penalties.

4: Evaluate the alternatives. A sandbox is not a sovereign wealth fund, a penalty framework for non-compliant NBFCs, or a secondary trading desk for retail government bonds.

5: Select the definition. It is a live, controlled testing environment with relaxed regulatory oversight designed to foster safe financial innovation.

Final Answer:

A live, testing environment where fintech firms can pilot innovative products with relaxed regulatory oversight

Answer: (B)[Go Back to Question 20](#)

Q21.

Solution**Concept:**

The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel recognizes groundbreaking institutional research that explains global inequality and differences in wealth creation across different nations.

Solution:

1: Identify the laureates of the 2024 Economic Sciences Prize. The prize was jointly awarded to Daron Acemoglu, Simon Johnson, and James A. Robinson.

2: Understand their core research contribution. These researchers demonstrated the importance of societal institutions for a country's prosperity. Their empirical work explains why societies with a poor rule of law and institutions that exploit the population do not generate growth or change for the better.

3: Analyze the distinction between inclusive and extractive institutions. Inclusive institutions protect property rights, encourage investment, and foster innovation, leading to long-term economic development. Extractive institutions concentrate power and wealth in the hands of a few, hindering sustainable economic expansion.

4: Check alternative options. Climate change macroeconomic analysis, behavioral anomalies during hyperinflation, and optimal auction designs refer to Nobel prizes from other years.

5: Select the matching option. The prize was explicitly awarded for their research on how institutions are formed and how they affect long-term economic prosperity across nations.

Final Answer:

How institutions are formed and how they affect long-term economic prosperity across nations

Answer: (B)

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Q22.

Solution**Concept:**

Maritime geography requires an understanding of strategic global choke points, shipping lanes, and water bodies that facilitate international maritime trade and the transit of energy resources between continents.

Solution:

1: Locate the Strait of Malacca. The Strait of Malacca is a narrow stretch of water, approximately 580 miles long, located between the Indonesian island of Sumatra and the Malay Peninsula.

2: Determine its role in international shipping. As the main shipping channel between the Indian Ocean and the Pacific Ocean, it is one of the busiest and most vital commercial corridors in the world.

3: Track the specific water bodies it links. On its northwestern side, the strait connects to the Andaman Sea, which is an integral part of the northern Indian Ocean. On its southeastern side, it connects directly to the South China Sea, which forms part of the Pacific Ocean.

4: Eliminate alternative maritime pairs. The Red Sea and the Gulf of Aden are linked by the Bab-el-Mandeb strait. The Persian Gulf and the Gulf of Oman are connected by the Strait of Hormuz.

5: Choose the correct geographical connection. The Strait of Malacca directly links the Andaman Sea and the South China Sea.

Final Answer:

Answer: (B)

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Q23.

Solution**Concept:**

Monetary policy instruments are deployed by central banks to manage liquidity, control inflation, and influence credit availability across commercial banking channels. The Cash Reserve Ratio (CRR) is a key quantitative instrument.

Solution:

1: Define Cash Reserve Ratio (CRR). CRR is the mandatory percentage of a commercial bank's total Net Demand and Time Liabilities (NDTL) that it must maintain as cash reserves with the Reserve Bank of India (RBI). No interest is paid on these reserves.

2: Analyze an increase in CRR. When the RBI raises the CRR, commercial banks are legally required to lock away a larger portion of their deposits with the central bank.

3: Evaluate the impact on loanable funds. Because a higher percentage of funds is held in reserve, the volume of surplus cash available with banks to offer as loans to businesses and retail customers decreases.

4: Determine the broader macroeconomic effect. This contraction in the money supply reduces overall liquidity in the banking system, which pushes up interest rates and acts as an anti-inflationary measure by cooling demand.

5: Match the consequences. An increase in CRR directly leads to a decrease in liquidity within the banking system, tightening credit conditions.

Final Answer: Decrease in liquidity within the banking system, tightening credit

Answer: (B)

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Q24.

Solution**Concept:**

The quick-commerce and corporate delivery ecosystem features intricate ownership patterns, with major food-tech and e-commerce aggregators scaling up by acquiring smaller logistics and rapid-delivery startups.

Solution:

1: Identify the platform. Blinkit, formerly known as Grofers, is a leading player in India's rapid-delivery quick-commerce sector, specializing in delivering groceries and daily essentials within minutes.

2: Review historical corporate restructuring events. In 2022, the board of a major food delivery aggregator approved a definitive transaction to acquire the remaining shares of Blinkit in an all-stock deal.

3: Identify the acquiring parent entity. Zomato Limited successfully acquired Blinkit, integrating it into its broader ecosystem to capture the growing hyper-local quick-commerce market alongside its core food delivery operations.

4: Differentiate from competitors. Swiggy operates its own competing quick-commerce brand called 'Instamart'. Zepto is an independent startup competing in the same space. Flipkart operates its own rapid delivery channels like 'Flipkart Minutes'.

5: Conclude the parent company ownership. Zomato is the official parent entity operating Blinkit.

Final Answer:

Answer: (C)

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Q25.

Solution**Concept:**

Fiscal drag is an economic phenomenon where a government's structural tax framework acts as an unintended brake on consumer demand, often driven by changes in the broader macroeconomic environment.

Solution:

1: Define Fiscal Drag. Fiscal Drag occurs when inflation or income growth pushes taxpayers into higher progressive income tax brackets. This process is also known as bracket creep.

2: Trace the macroeconomic mechanism. As nominal incomes rise with inflation, individuals owe a larger share of their income in taxes, even if their real purchasing power has not increased.

3: Analyze the effect on aggregate demand. This increase in the effective tax burden reduces real disposable income, lowering consumer spending and cooling aggregate demand, which can slow down an overheating economy.

4: Disprove incorrect choices. Fiscal drag does not refer to administrative delays in government infrastructure projects, high interest rates reducing investment, or a nation's total external debt exceeding its GDP.

5: Select the correct economic definition. It refers to a situation where inflation pushes taxpayers into higher tax brackets, increasing tax revenue and slowing aggregate demand.

Final Answer:

Inflation pushes taxpayers into higher tax brackets, effectively increasing tax revenue and slowing aggregate demand

Answer: (B)

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Q26.

Solution**Concept:**

The World Economic Forum (WEF) is an international non-governmental organization that hosts an annual winter meeting. This high-profile summit serves as a platform for global political, business, and academic leaders to discuss pressing global challenges and economic strategies.

Solution:

1: Identify the organization. The World Economic Forum is globally renowned for its flagship annual meeting, which brings together thousands of delegates to address complex geopolitical and economic issues.

2: Trace the traditional venue of the summit. Except for rare administrative disruptions or emergency relocations, the WEF has historically held its annual winter meeting in a specific alpine town in Switzerland.

3: Confirm the venue for the 2025 meeting. The WEF annual meeting was hosted in Davos, Switzerland. This iteration focused extensively on navigating structural economic fragmentation and building systemic resilience against geopolitical headwinds.

4: Differentiate from other Swiss cities. While Geneva houses the permanent administrative headquarters of the WEF, the actual annual summit is hosted in the mountain resort town of Davos. Zurich and Vienna do not serve as hosts for this regular summit.

5: Conclude the geographic answer. The correct city where the global leaders gathered is Davos.

Final Answer:

Answer: (B)

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Q27.

Solution**Concept:**

The Academy Awards, popularly known as the Oscars, are prestigious artistic accolades presented annually by the Academy of Motion Picture Arts and Sciences (AMPAS). Tracking major cinematic achievements is an integral component of cultural and media awareness sections in competitive exams.

Solution:

1: Identify the event. The 96th Academy Awards ceremony took place in early 2024 to honor films released during the 2023 calendar year.

2: Review the top contenders in the Best Picture category. The prominent nominees included critical and commercial heavyweights such as 'Oppenheimer', 'Poor Things', 'Anatomy of a Fall', and 'Killers of the Flower Moon'.

3: Pinpoint the principal winner. The historical biographical drama 'Oppenheimer', directed by Christopher Nolan, dominated the ceremony by securing seven Oscars in total, including the night's most prestigious prize for Best Picture.

4: Verify the film's significance. The movie chronicles the life of theoretical physicist J. Robert Oppenheimer and his role in leading the Manhattan Project during World War II, achieving widespread critical acclaim.

5: Match with the provided options. While 'Poor Things' and 'Anatomy of a Fall' won in separate technical and screenplay categories, 'Oppenheimer' was the official recipient of the Best Picture award.

Final Answer:

Answer: (B)

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Q28.

Solution**Concept:**

Macroeconomic indicators track inflation across different levels of the supply chain. In India, policy frameworks rely on specific indices compiled by central statistics offices to measure price changes from the perspective of the final consumer.

Solution:

1: Define retail inflation. Retail inflation represents the shifting cost of goods and services directly purchased by final household consumers, rather than wholesalers or industrial factories.

2: Analyze the Wholesale Price Index (WPI). The WPI tracks price adjustments at the bulk transaction stage (factory gate level) and ignores the service sector, making it unrepresentative of retail-level cost structures.

3: Analyze the Consumer Price Index (CPI). The CPI calculates the price movements of a basket of commodities and services consumed by the population. The National Statistical Office (NSO) compiles CPI (Rural), CPI (Urban), and a consolidated metric known as CPI (Combined).

4: Identify the official monetary policy anchor. The Reserve Bank of India (RBI) officially utilizes the CPI - Combined index as its primary anchor to measure retail inflation and guide interest rate changes under its flexible inflation targeting framework.

5: Differentiate alternative options. The GDP Deflator measures inflation across the entire domestic output but is only calculated quarterly, while the Index of Industrial Production (IIP) measures production volumes rather than prices. Thus, CPI - Combined is the correct index.

Final Answer: Consumer Price Index (CPI) - Combined

Answer: (B)

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Q29.

Solution**Concept:**

The Foreign Secretary of India is the administrative head of the Ministry of External Affairs (MEA) and plays a key role in drafting foreign policy, managing diplomatic missions, and executing bilateral strategies.

Solution:

1: Trace recent administrative changes in the Ministry of External Affairs. The position of Foreign Secretary is a high-level bureaucratic appointment within the Indian Civil Services.

2: Review the tenure of the previous official. Vinay Mohan Kwatra served as the Foreign Secretary before transitioning to his next diplomatic assignment as India's Ambassador to the United States.

3: Identify the successor. In July 2024, senior diplomat Vikram Misri formally took charge as India's new Foreign Secretary.

4: Evaluate Vikram Misri's background. Misri is a highly experienced officer who previously served as India's Deputy National Security Advisor (NSA) and held critical ambassadorships in key countries, including China.

5: Disprove alternative options. Subrahmanyam Jaishankar is the political head of the ministry serving as the Union Minister of External Affairs, not the civil service Foreign Secretary. Therefore, Vikram Misri is the correct administrative head.

Final Answer: Vikram Misri

Answer: (B)

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Q30.

Solution**Concept:**

The Insolvency and Bankruptcy Code (IBC) provides a time-bound legal framework for resolving corporate insolvency. This system aims to maximize the value of assets, encourage entrepreneurship, and balance the interests of all stakeholders.

Solution:

1: Understand the baseline timeframes of the Corporate Insolvency Resolution Process (CIRP). The original IBC framework mandated that a CIRP should ideally be completed within a period of 180 days from the date of admission.

2: Examine the provisions for extensions. The code allows a one-time extension of up to 90 days if the committee of creditors approves it, bringing the standard extended timeframe to 270 days.

3: Analyze the subsequent structural amendment. To curb prolonged litigation and delays in bankruptcy tribunals, the government introduced a strict legal amendment to set an absolute maximum cap.

4: Identify the final statutory limitation. The amendment specifies that the corporate insolvency resolution process must be completed within an absolute outer limit of 330 days. This 330-day cap is strictly inclusive of all extensions, legal challenges, and litigation times in tribunals.

5: Validate the target choice. Options indicating 180, 270, or 450 days do not represent the absolute outer statutory limit mandated by the amended code. Thus, 330 days is the correct answer.

Final Answer: 330 Days

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

