

MAT Economic & Business Environment Sample Paper - 18

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. The Union Budget announced an allocation for a new scheme aimed at transforming the textile sector by establishing mega integrated apparel parks. What is the name of this initiative?

- (A) PM MITRA
- (B) SAMARTH
- (C) PM KISAN
- (D) PRAGATI

Q2. Who among the following won the Men's Singles title at the latest edition of the Australian Open tennis tournament?

- (A) Jannik Sinner
- (B) Daniil Medvedev
- (C) Novak Djokovic
- (D) Carlos Alcaraz

Q3. In which of the following cities is the headquarters of the New Development Bank (NDB), formerly referred to as the BRICS Development Bank, located?



- (A) Beijing
- (B) Shanghai
- (C) New Delhi
- (D) Johannesburg

Q4. Which of the following parameters is given the highest weightage in the recommendations of the 15th Finance Commission for horizontal tax devolution among states?

- (A) Area
- (B) Demographic performance
- (C) Income distance
- (D) Forest and ecology

Q5. Under the Reserve Bank of India's guidelines, what is the primary objective of implementing the 'Incremental Cash Reserve Ratio' (I-CRR) during specific macro-economic events?

- (A) To increase the credit creating capacity of commercial banks
- (B) To absorb surplus liquidity from the banking system caused by factors like return of high-value currency notes
- (C) To lower the interest rates on short-term corporate loans
- (D) To incentivize retail investment in government securities

Q6. India's first indigenous regional navigation satellite system, designed to provide accurate positioning information service in the country and the surrounding region, is commercially and popularly known as:

- (A) GSAT-30
- (B) IRNSS-1A
- (C) NavIC
- (D) Gaganyaan



- Q7.** Which major global technology company acquired the professional networking platform LinkedIn?
- (A) Google
 - (B) Meta
 - (C) Microsoft
 - (D) Apple
- Q8.** Article 360 of the Constitution of India provides provisions for the proclamation of which type of emergency?
- (A) National Emergency
 - (B) State Emergency (President's Rule)
 - (C) Financial Emergency
 - (D) Health Emergency
- Q9.** Which global international organization publishes the annual 'World Economic Outlook' report?
- (A) World Bank
 - (B) World Economic Forum
 - (C) International Monetary Fund
 - (D) World Trade Organization
- Q10.** "The Boy Who Wrote a Constitution" is a play written by which of the following authors, capturing the childhood insights of Dr. B.R. Ambedkar?
- (A) Rajesh Talwar
 - (B) Shashi Tharoor
 - (C) Arundhati Roy
 - (D) Vikram Seth
- Q11.** In the context of digital banking and financial inclusion, what does the acronym 'Account Aggregator' (AA) network primarily do?



- (A) It pools money from retail investors to invest directly in international mutual funds
- (B) It acts as a digital consent broker that enables secure sharing of financial data between institutions
- (C) It provides physical point-of-sale terminals to rural cooperative banks
- (D) It manages the grievance redressal mechanism for digital wallet users

Q12. The Indian government has set an ambitious target to achieve 'Net Zero' carbon emissions by which target year?

- (A) 2030
- (B) 2050
- (C) 2060
- (D) 2070

Q13. In the Indian corporate landscape, the famous advertising tagline "Isko laga dala to life jhingalala" is associated with which brand?

- (A) Tata Play
- (B) Dish TV
- (C) Airtel Digital TV
- (D) Videocon d2h

Q14. The term 'Deep Fake', which has frequently been in the news due to rising regulatory concerns globally, is primarily powered by which technology subset?

- (A) Blockchain ledger tracking
- (B) Generative Artificial Intelligence and deep learning
- (C) Quantum cryptography
- (D) Near-field communication (NFC)

Q15. At which of the following historical sites did the prominent Harappan civilization dockyard exist, providing early evidence of maritime trade?



- (A) Kalibangan
- (B) Lothal
- (C) Banawali
- (D) Ropar

Q16. India's premier Sovereign Green Bonds are issued by the government to mobilize resources for green infrastructure. Who handles the issuance and auction logistics of these bonds?

- (A) Securities and Exchange Board of India (SEBI)
- (B) Reserve Bank of India (RBI)
- (C) NITI Aayog
- (D) Indian Renewable Energy Development Agency (IREDA)

Q17. The 'G20' group of nations officially expanded its permanent membership during the recent summit hosted under India's presidency by admitting which regional bloc?

- (A) Association of Southeast Asian Nations (ASEAN)
- (B) African Union (AU)
- (C) European Free Trade Association (EFTA)
- (D) MERCOSUR

Q18. The prestigious 'Dadasaheb Phalke Award', India's highest award in the field of cinema, was recently bestowed upon which veteran actor for their lifetime contribution?

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

Q19. When the Reserve Bank of India conducts Open Market Operations (OMO), it is explicitly involved in the buying and selling of:



- (A) Blue-chip corporate shares
- (B) Foreign commercial bills of exchange
- (C) Government securities in the open market
- (D) Gold bullion from international reserves

Q20. Consider the following statements regarding the Union Budget structure. Which of the following components is classified strictly under 'Capital Receipts'?

- (A) Income tax collections from individuals
- (B) Dividends received from Public Sector Undertakings (PSUs)
- (C) Disinvestment proceeds from the sale of government stakes in PSUs
- (D) Goods and Services Tax (GST) collections

Q21. The flagship corporate merger between HDFC Bank and Housing Development Finance Corporation (HDFC Ltd) resulted in the merged entity ranking among the top largest banks globally by market capitalization. What was a key regulatory challenge managed during this merger?

- (A) Meeting statutory liquidity ratio (SLR) and cash reserve ratio (CRR) requirements on the combined balance sheet
- (B) Obtaining approval from the International Monetary Fund
- (C) Complete conversion of all retail accounts into crypto-wallets
- (D) Delisting the entire entity from the National Stock Exchange

Q22. The Tropic of Cancer passes through how many states in India?

- (A) 6
- (B) 7
- (C) 8
- (D) 9

Q23. The 'Drip Capital' and 'Trade Receivables Discounting System' (TReDS) platforms in India primarily serve to resolve bottleneck issues related to which segment?



- (A) Direct agricultural seed subsidies
- (B) Cross-border and domestic invoice discounting for MSMEs
- (C) Real estate registration verification
- (D) Large-scale infrastructural bond trading

Q24. India recently signed a comprehensive economic partnership agreement (CEPA) and local currency settlement system framework to boost trade with which middle-eastern nation?

- (A) Saudi Arabia
- (B) United Arab Emirates
- (C) Oman
- (D) Qatar

Q25. Which Indian scientist was awarded the prestigious 'Eni Award' (often considered the Nobel Prize of energy research) for breakthroughs in sustainable materials and renewable energy?

- (A) C.N.R. Rao
- (B) K. Sivan
- (C) G. Satheesh Reddy
- (D) Tessy Thomas

Q26. The corporate brand 'Air India' was officially taken over by which conglomerate, marking one of the most high-profile disinvestment completions in Indian aviation history?

- (A) Adani Group
- (B) Tata Group
- (C) Reliance Industries
- (D) Mahindra & Mahindra



- Q27.** The concept of 'Judicial Review' in the Indian Constitution, which empowers the judiciary to examine the validity of legislative actions, is inspired heavily by the constitutional framework of which country?
- (A) United Kingdom
 - (B) United States
 - (C) Ireland
 - (D) Australia
- Q28.** In a bid to enhance international clean energy connectivity, India along with the US, UAE, Saudi Arabia, France, Germany, Italy, and the European Union announced which major corridor project on the sidelines of global economic summits?
- (A) International North–South Transport Corridor (INSTC)
 - (B) India-Middle East-Europe Economic Corridor (IMEC)
 - (C) Trans-Saharan Highway Project
 - (D) Asia-Africa Growth Corridor
- Q29.** What is the active principle or technical nature of 'Chimeric Antigen Receptor' (CAR) T-cell therapy, which recently received regulatory approvals in India for cancer treatment?
- (A) A chemical-based advanced chemotherapy drug
 - (B) A type of radiation therapy utilizing heavy ions
 - (C) A form of immunotherapy where a patient's T-cells are genetically engineered to fight cancer cells
 - (D) A plant-derived herbal extract targeting tumor growth
- Q30.** Under the current Foreign Direct Investment (FDI) policy of India, what is the maximum limit of FDI permitted under the automatic route in the defense manufacturing sector?
- (A) 49%



- (B) 51%
- (C) 74%
- (D) 100%



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

Concept: The Union Budget features specific budgetary allocations and operational frameworks for strategic industrial policies. Mega Integrated Textile Region and Apparel (MITRA) parks are designed to build world-class infrastructure to attract large-scale investments, boost employment generation, and augment export capabilities directly within the Indian textile ecosystem.

Solution:

1: Understand the objective stated in the problem statement. The question asks for the specific central government initiative designed to transform the textile sector by building integrated mega apparel parks.

2: Analyze the given options to identify the correct strategic scheme. The PM MITRA scheme stands for Pradhan Mantri Mega Integrated Textile Region and Apparel. It was launched to set up state-of-the-art industrial infrastructure that reduces logistics costs by housing spinning, weaving, processing, and printing operations at a single consolidated site.

3: Examine the distractors to eliminate errors. Option B, SAMARTH, is an associated capacity-building and skill-development scheme in the textile sector but is not the infrastructural park initiative itself. Option C, PM KISAN, is a direct benefit income support scheme for farmers. Option D, PRAGATI, is an interactive governance platform for pro-active governance and timely implementation of projects.

4: Conclude that the specific mega integrated apparel park transformation scheme is PM MITRA.

Final Answer:

Answer: (A)

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Q2.

Solution

Concept: Sports current affairs require tracking premium international Grand Slam tennis tournaments. The Australian Open is the inaugural Grand Slam tournament held annually in Melbourne, Australia, and keeping track of the contemporary champions in the Men's Singles category is crucial for business aptitude and general awareness evaluations.

Solution:

1: Identify the context of the question, which centers on the Men's Singles championship title at the latest edition of the Australian Open tennis tournament.

2: Track recent sporting timelines and champion profiles. The Italian tennis professional Jannik Sinner secured his historic maiden Grand Slam title at the Australian Open by defeating Daniil Medvedev in a highly competitive, multi-set final match.

3: Differentiate between the choices to avoid traps. While Daniil Medvedev was the runner-up of the tournament, Novak Djokovic and Carlos Alcaraz are prominent elite players who did not win this particular recent edition of the Australian Open Men's Singles title.

4: Confirm Jannik Sinner as the exact individual who claimed the elite championship trophy.

Final Answer:

Answer: (A)

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Q3.

Solution

Concept: International financial institutions are established by multilateral alliances to mobilize resources for infrastructure and sustainable development projects. The New Development Bank (NDB) was created as a core financial pillar by the BRICS nations, which originally comprised Brazil, Russia, India, China, and South Africa.

Solution:

1: Isolate the precise administrative query, which demands the specific geographic headquarters location of the New Development Bank (NDB).

2: Evaluate the formal organizational structure established during the initial BRICS declarations. The founding members mutually resolved to station the primary organizational base operations in China.

3: Pinpoint the precise city location. While Beijing serves as the capital city of China and houses the Asian Infrastructure Investment Bank (AIIB), it is Shanghai that serves as the official operational headquarters city for the New Development Bank (NDB).

4: Cross-verify the remaining global options. New Delhi and Johannesburg host various regional offices or summits but do not hold the primary global headquarters designation. Thus, Shanghai is the correct destination.

Final Answer: Shanghai

Answer: (B)

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Q4.

Solution

Concept: The Finance Commission of India is a constitutional body formed under Article 280 that provides recommendations for the horizontal devolution of net tax proceeds among different states. This devolution framework uses mathematical weights assigned to specific socioeconomic parameters to ensure fiscal equalization and balance.

Solution:

1: Look at the specific formula parameters stipulated by the 15th Finance Commission for allocating financial revenues across various Indian states.

2: Analyze the exact mathematical weightages designated by the commission: Income distance is assigned a weight of 45%; Area is assigned a weight of 15%; Population (2011 census) is assigned 15%; Forest and ecology is assigned 10%; Demographic performance is assigned 12.5%; and Tax and fiscal efforts is assigned a weight of 2.5%.

3: Compare these statistical weights to evaluate which parameter holds the dominant position. The parameter with the highest individual allocation is clearly Income distance at a substantial value of 45%.

4: Conclude that Income distance represents the highest weightage parameter among all the given administrative choices.

Final Answer:

Answer: (C)

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Q5.

Solution

Concept: The Reserve Bank of India (RBI) utilizes a mix of quantitative and qualitative monetary policy tools to manage liquidity and stabilize the broad money supply. The Incremental Cash Reserve Ratio (I-CRR) is a temporary regulatory measure that obliges commercial banks to maintain an additional cash reserve against net increases in their Net Demand and Time Liabilities (NDTL) over a specified period.

Solution:

1: Assess the macroeconomic context of implementing an Incremental Cash Reserve Ratio. This tool is deployed not as a permanent statutory revision, but as a specialized shock absorber during unexpected systemic liquidity Surpluses.

2: Identify the specific historic catalyst for its recent implementation. Following the withdrawal and return of high-value currency notes like the ₹ 2000 banknotes, the banking channel experienced a massive, sudden influx of deposit liquidity.

3: Determine the immediate functional objective. To prevent this excess money from fueling short-term inflationary pressures or distorting money market rates, the RBI mandates banks to lock away a portion of this specific incremental deposit expansion. This directly absorbs surplus liquidity from the domestic banking system.

4: Evaluate options to eliminate incorrect operational claims. It does not look to increase credit creation or lower short-term lending rates; rather, it tightens credit conditions momentarily to ensure stability. Thus, absorbing surplus liquidity is the correct operational goal.

Final Answer: To absorb surplus liquidity from the banking system caused by factors like return of high-value currency notes

Answer: (B)

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Q6.

Solution

Concept: Space and satellite communication technologies under national infrastructure development are crucial for strategic self-reliance. India's independent regional satellite navigation system, established by the Indian Space Research Organisation (ISRO), provides real-time, highly precise positioning and timing services over the Indian mainland and an extended region covering up to 1500 kilometers around it.

Solution:

1: Identify the main focus of the question, which is India's first indigenous regional navigation satellite system and its public commercial brand name.

2: Examine the administrative name and the operational identity. While the technical program name of this constellation is IRNSS (Indian Regional Navigation Satellite System), the operational, user-facing, and commercial name was officially designated by the Prime Minister as NavIC.

3: Breakdown the acronym to verify accuracy. NavIC stands for "Navigation with Indian Constellation" and is designed to provide dual services: Standard Positioning Service (SPS) for civilian users and Restricted Service (RS) for authorized strategic applications.

4: Review the other choices to eliminate incorrect parameters. GSAT-30 is a telecommunication satellite, IRNSS-1A is a specific individual first satellite component within the group rather than the whole commercial system name, and Gaganyaan is India's human spaceflight mission. Therefore, NavIC is the correct choice.

Final Answer:

Answer: (C)

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Q7.

Solution

Concept: Strategic corporate governance and market concentration involve massive cross-border Mergers and Acquisitions (M&A) in the technology sector. High-profile acquisitions allow large consumer technology companies to diversify their portfolios, integrate social networking assets, and gain immediate access to enterprise-grade professional subscription networks and enterprise advertising systems.

Solution:

1: Review the fundamental transaction details of the business case presented. The question asks for the global technology conglomerate that successfully acquired the professional networking platform LinkedIn.

2: Trace the historic investment event timelines of global technology firms. LinkedIn was officially acquired by Microsoft Corporation in an all-cash transaction valued at billions of dollars, making it one of the largest acquisitions in Microsoft's corporate history.

3: Analyze the strategic alignment behind the acquisition. Microsoft integrated LinkedIn's professional network graph with its cloud ecosystem, enterprise software products, and Office suites to strengthen its enterprise-facing business services.

4: Check alternate options to confirm accuracy. Google, Meta, and Apple operate independent ecosystems and did not purchase LinkedIn. This leaves Microsoft as the correct corporate acquirer.

Final Answer:

Answer: (C)

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Q8.

Solution

Concept: The Constitution of India outlines distinct emergency powers under Part XVIII, which empowers the President of India to handle exceptional and crisis situations. These constitutional emergency mechanisms are divided into three broad categories: National Emergency, State Emergency, and Financial Emergency, each governed by its own dedicated constitutional article.

Solution:

1: Isolate the core legal provision mentioned in the text, which is Article 360 of the Constitution of India.

2: Match the constitutional articles with their correct emergency classifications to ensure precise mapping. Article 352 outlines the provisions for a National Emergency due to war, external aggression, or armed rebellion. Article 356 deals with the failure of constitutional machinery in states, commonly called State Emergency or President's Rule.

3: Analyze the exact scope of Article 360. Article 360 explicitly empowers the President to declare a Financial Emergency if they are satisfied that a situation has arisen whereby the financial stability or credit of India, or any part of its territory, is threatened.

4: Conclude that since Article 360 deals exclusively with monetary and credit threats, the correct option is Financial Emergency. No health emergency exists under this specific numbering profile.

Final Answer:

Answer: (C)

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Q9.

Solution

Concept: International trade and global financial institutions regularly publish flagship statistical reports to provide key insights into global economic stability, growth projections, policy recommendations, and macroeconomic tracking for developed and developing markets alike.

Solution:

1: Identify the specific economic publication mentioned in the query, which is the 'World Economic Outlook' report.

2: Map global reports to their respective international institutions. The World Bank is known for publishing the 'World Development Report' and 'Global Economic Prospects'. The World Economic Forum publishes the 'Global Risks Report', while the World Trade Organization handles specialized trade-centric monitors.

3: Verify the specific authorship of the World Economic Outlook. This comprehensive analytical report is prepared and published bi-annually by the International Monetary Fund (IMF). It contains deep economic assessments of global financial systems and growth projections for member countries.

4: Confirm that the International Monetary Fund is the organization responsible for compiling and presenting this publication.

Final Answer: International Monetary Fund

Answer: (C)

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Q10.

Solution

Concept: Literary works, theatrical plays, and biographical books are frequently tested to evaluate awareness of cultural history and modern publications that highlight the life and philosophies of India's founding leaders and constitutional architects.

Solution:

1: Identify the central creative work presented in the question, which is the play titled "The Boy Who Wrote a Constitution".

2: Determine the core subject matter of the literary work. The play captures the childhood journey, challenges, and formative insights of Dr. B.R. Ambedkar, who went on to become the chief architect of the Indian Constitution.

3: Match the work with its verified contemporary author. This specific biographical and educational play was authored by the well-known writer Rajesh Talwar, who is recognized for creating accessible narrative literature around major legal and social themes.

4: Discard alternative options. Shashi Tharoor, Arundhati Roy, and Vikram Seth have written major biographical or socio-political volumes, but none of them is the author of this particular theatrical play. This leaves Rajesh Talwar as the unique correct choice.

Final Answer:

Answer: (A)

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Q11.

Solution

Concept: The Account Aggregator (AA) framework is a financial data-sharing architecture regulated by the Reserve Bank of India (RBI). It operates as a financial data consent broker, facilitating the secure, digitized, and real-time exchange of financial information between Financial Information Providers (FIPs) like banks and Financial Information Users (FIUs) like lenders or wealth managers.

Solution:

1: Analyze the exact core operational function of the Account Aggregator framework within India's open banking infrastructure.

2: Note that an Account Aggregator cannot access, view, or store consumer data; it merely acts as a pipeline. Its sole purpose is to capture explicit digital consent from a user and securely transfer their financial data (such as bank statements, tax records, or insurance details) from one corporate financial institution to another.

3: Evaluate the options to rule out incorrect answers. Option A is incorrect because an AA does not pool capital or invest in international funds. Option C is incorrect because an AA is a software-based data framework, not a supplier of physical point-of-sale terminals. Option D is incorrect as it does not serve as a primary grievance redressal board for digital wallets.

4: Confirm that Option B accurately describes the Account Aggregator network as a digital consent broker that enables secure sharing of financial data between institutions.

Final Answer:

It acts as a digital consent broker that enables secure sharing of financial data between institutions

Answer: (B)[Go Back to Question 11](#)

Q12.

Solution

Concept: Climate governance and corporate sustainability require nations to formulate long-term strategy targets for decarbonization. A 'Net Zero' target implies balancing the total amount of greenhouse gases emitted into the atmosphere with an equivalent amount removed or offset through various environmental initiatives.

Solution:

1: Identify the main focus of the question, which is the specific target year committed to by the Government of India to achieve net-zero carbon emissions.

2: Recall the official high-level climate commitments made by India on the global stage, specifically during the United Nations Climate Change Conference (COP26) held in Glasgow.

3: Differentiate between the timeline metrics of different countries. While many developed western nations have set a target year of 2050, and China has declared a target year of 2060, India formally announced its target year to achieve net-zero emissions as 2070.

4: Match this declared target year with the given options. Option D is 2070, making it the correct choice.

Final Answer:

Answer: (D)

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Q13.

Solution

Concept: Business awareness includes tracking iconic brand positioning, advertising campaigns, and memorable taglines. Companies design distinct marketing hooks to build brand equity and secure top-of-mind recall among consumers in highly competitive sectors like telecommunications and mass entertainment services.

Solution:

1: Read the popular corporate advertising tagline provided in the prompt: "Isko laga dala to life jhingalala".

2: Identify the specific consumer sector and brand associated with this campaign. This line was created to market a direct-to-home (DTH) satellite television provider in India, highlighting a convenient transformation in home entertainment.

3: Trace the brand's evolution. The tagline was originally launched by Tata Sky, a major player in the Indian television distribution market. Tata Sky was subsequently rebranded as Tata Play to reflect its broader array of content delivery channels, including over-the-top (OTT) aggregation services.

4: Check the other choices. Competitors like Dish TV, Airtel Digital TV, and Videocon d2h used entirely different advertising portfolios. This confirms that Tata Play is the corporate brand linked to this specific tagline.

Final Answer:

Answer: (A)

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Q14.

Solution

Concept: Emerging technologies and corporate risk management involve evaluating digital disruptions and algorithmic advances. Deepfakes are highly realistic, manipulated synthetic media formats—including video, audio, and images—that depict individuals saying or doing things they did not actually do.

Solution:

1: Determine the underlying technology subset that drives the creation and processing of deepfake media.

2: Analyze how deepfakes are built. They rely on advanced machine learning algorithms, specifically Generative Adversarial Networks (GANs), which are a core component of Generative Artificial Intelligence and deep learning architectures. These systems use large datasets of real imagery to train neural networks to generate convincing synthetic replacements.

3: Evaluate the distractors to eliminate errors. Blockchain ledger tracking (Option A) handles decentralized records but cannot generate media. Quantum cryptography (Option C) secures communications, and Near-field communication (Option D) is a short-range wireless connectivity standard. Neither can create synthetic media.

4: Confirm that Generative Artificial Intelligence and deep learning is the correct answer.

Final Answer:

Answer: (B)

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Q15.

Solution

Concept: Ancient trade route history and business archaeology cover early forms of commerce, shipping, and economic exchange. The Indus Valley (Harappan) Civilization was renowned for its urban planning, standardization of weights and measures, and robust maritime trade networks with contemporary western Asian civilizations like Mesopotamia.

Solution:

1: Identify the historical feature requested in the question, which is the specific Harappan civilization site that contained a prominent ancient dockyard.

2: Examine the archeological excavations of major Harappan sites. Lothal, located in modern-day Gujarat, featured a massive, sophisticated tidal dockyard connected to an old channel of the Sabarmati River. This structural engineering allowed boats to sail in from the Arabian Sea to load and unload trade goods.

3: Review the alternative options to eliminate mismatches. Kalibangan is well-known for its plowed agricultural fields, Banawali is noted for its terracotta plow models, and Ropar is a northern Indus Valley site located in Punjab. None of these sites possessed a maritime tidal dockyard basin.

4: Conclude that Lothal is the correct historic site providing definitive proof of early maritime trade infrastructure.

Final Answer:

Answer: (B)

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Q16.

Solution

Concept: Sovereign Green Bonds (SGrBs) are specialized debt instruments issued by the government to raise capital explicitly for public sector projects that reduce the carbon intensity of the economy. While policy guidelines are framed by the Ministry of Finance alongside advisory bodies like NITI Aayog, the actual market operations, debt management, and auctioning procedures fall under the jurisdiction of the central bank.

Solution:

1: Identify the institutional entity responsible for handling the practical issuance, marketing, and auction logistics of Sovereign Green Bonds on behalf of the Government of India.

2: Recognize that these bonds are a subset of dated Government Securities (G-Secs). The Reserve Bank of India (RBI) functions as the official debt manager for the government, operating the specialized E-Kuber electronic platform through which all primary competitive and non-competitive bidding auctions are executed.

3: Analyze the distractors to avoid common traps. The Securities and Exchange Board of India (SEBI) is a market regulator and does not issue sovereign debt instruments. NITI Aayog is a policy think-tank, and IREDA is a dedicated non-banking financial institution that finances renewable energy projects rather than managing sovereign central debt auctions.

4: Conclude that the Reserve Bank of India (RBI) handles the logistical operations and auction mechanics for these bonds.

Final Answer: Reserve Bank of India (RBI)

Answer: (B)

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Q17.

Solution

Concept: International diplomatic relations and trade architecture evolve through changes in membership within prominent global forums. The Group of Twenty (G20) functions as a premier forum for international economic cooperation, and changes to its core composition represent major shifts in global geopolitical representation.

Solution:

1: Identify the key diplomatic development mentioned in the prompt, which involves the expansion of the permanent membership of the G20 during the summit hosted under India's presidency in New Delhi.

2: Recall the specific multilateral organization that was officially inducted into the forum. The G20, which previously consisted of 19 individual countries and the European Union, extended permanent membership status to the African Union (AU) to amplify the voice of the Global South.

3: Evaluate the options to rule out incorrect answers. ASEAN, EFTA, and MERCOSUR maintain close trade relations with the G20 nations but were not admitted as permanent institutional members during this summit.

4: Confirm that the African Union (AU) is the regional bloc that officially joined the forum, transforming the group's representational dynamics.

Final Answer: African Union (AU)

Answer: (B)

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Q18.

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. This prestigious award recognizes individuals for their outstanding contributions to the growth and development of Indian cinema over a lifetime career.

Solution:

1: Focus on the specific cultural award highlighted in the question, which is the Dadasaheb Phalke Award, and identify its recent recipient.

2: Trace the official government announcements concerning this cinematic lifetime achievement honor. The veteran, critically acclaimed actress Waheeda Rehman was conferred with this award for her stellar, multi-decade contribution to Indian cinema.

3: Distinguish between the options to eliminate errors. While Asha Parekh, Rajinikanth, and Amitabh Bachchan are all legendary artists who received this honor in previous consecutive award cycles, the specific recent recipient highlighted in this cohort is Waheeda Rehman.

4: Conclude that Waheeda Rehman is the correct individual matching the specified award timeline.

Final Answer:

Answer: (A)

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Q19.

Solution

Concept: Open Market Operations (OMOs) are a quantitative monetary policy instrument used by a central bank to regulate the liquidity velocity and volume within the commercial banking system. By directly manipulating the volume of high-powered money in circulation, the central bank can steer short-term market interest rates closer to the policy repo rate.

Solution:

1: Analyze the exact operational definition of Open Market Operations as conducted by the Reserve Bank of India.

2: Determine what asset class is transacted during these interventions. OMOs involve the outright purchase or sale of government securities (G-Secs) and treasury bills in the secondary open market. When the RBI buys these securities, it injects liquidity into the banking channels; conversely, when it sells them, it absorbs excess liquidity.

3: Review the options to eliminate incorrect operational activities. The RBI does not trade corporate equity shares (Option A), nor does it trade routine commercial bills of exchange (Option B) or gold bullion (Option D) as part of its standard Open Market Operations.

4: Confirm that Option C accurately describes the core mechanism of OMOs.

Final Answer: Government securities in the open market

Answer: (C)

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Q20.

Solution

Concept: The Union Budget of India is structurally segregated into a Revenue Budget and a Capital Budget. Capital Receipts are financial inflows that either create a corresponding liability or cause a direct reduction in the financial or physical assets owned by the central government.

Solution:

1: Review the accounting criteria used to classify a budgetary item under Capital Receipts rather than Revenue Receipts. Revenue Receipts are recurring inflows that do not alter the asset-liability balance sheet of the state.

2: Analyze the nature of each option provided. Option A (Income tax) and Option D (Goods and Services Tax) are tax revenues, which are classic forms of non-refundable, recurring Revenue Receipts. Option B (Dividends from PSUs) is a non-tax revenue entry that also falls under Revenue Receipts because it does not deplete government assets.

3: Evaluate Option C (Disinvestment proceeds). Disinvestment involves the government selling off its equity stakes in Public Sector Undertakings. This liquidation transaction directly reduces the capital assets held by the state, placing it under Capital Receipts.

4: Conclude that disinvestment proceeds are classified as a Capital Receipt due to the reduction of public assets.

Final Answer: Disinvestment proceeds from the sale of government stakes in PSUs

Answer: (C)

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Q21.

Solution

Concept: Large-scale corporate mergers and acquisitions (M&A) within the banking and financial services sector require navigating stringent regulatory and statutory standards. When a major non-banking financial company merges into a commercial banking entity, the combined entity must align its entire asset portfolio with the central bank's statutory reserve requirements.

Solution:

1: Evaluate the financial scale of the corporate merger between HDFC Bank and HDFC Ltd. This structural consolidation created an exceptionally large balance sheet, moving the combined entity into the upper echelons of global banking valuations.

2: Identify the primary regulatory hurdles. A non-banking financial institution is not traditionally bound by the strict cash and liquidity reserve ratios that govern commercial banks. Upon merging, the extensive liabilities of HDFC Ltd became part of HDFC Bank's total deposit profile.

3: Analyze the statutory obligations. HDFC Bank had to work with the Reserve Bank of India (RBI) to manage compliance regarding the Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR) across this expanded asset base, ensuring there was no sudden credit disruption in the economy.

4: Review the alternative choices. A domestic commercial merger does not require direct approval from the International Monetary Fund (Option B), nor does it require converting accounts into crypto-wallets (Option C) or delisting the entire banking entity from the National Stock Exchange (Option D). This confirms Option A as the correct regulatory concern.

Final Answer: Meeting statutory liquidity ratio (SLR) and cash reserve ratio (CRR) requirements on the combined balance sheet

Answer: (A)

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Q22.

Solution

Concept: Geographical landmarks and coordinates form a core component of economic and static spatial awareness. The Tropic of Cancer is an imaginary line of latitude located at approximately 23.5° North of the Equator. It cuts horizontally across the central landmass of India, passing through several states from west to east.

Solution:

1: Identify the main focus of the question, which is to determine the exact number of Indian states that the Tropic of Cancer passes through.

2: Trace the geographic path of the line across the map of India from west to east. The line enters through Gujarat, then passes briefly through Rajasthan, followed by Madhya Pradesh, Chhattisgarh, Jharkhand, West Bengal, Tripura, and Mizoram.

3: Count the total number of states identified along this latitude line: 1. Gujarat 2. Rajasthan 3. Madhya Pradesh 4. Chhattisgarh 5. Jharkhand 6. West Bengal 7. Tripura 8. Mizoram

4: The total count is exactly 8 states. This matches option C.

Final Answer:

Answer: (C)

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Q23.

Solution

Concept: Trade financing, corporate liquidity, and institutional working capital platforms are vital for sustaining business operations. The Trade Receivables Discounting System (TReDS) is a specialized electronic platform institutionalized by the Reserve Bank of India to facilitate the financing of trade receivables of micro, small, and medium enterprises (MSMEs).

Solution:

1: Identify the core operational purpose of the financial platforms mentioned: Drip Capital and the TReDS institutional framework.

2: Analyze the working capital constraints faced by small enterprises. MSMEs frequently suffer from delayed payments from large corporate buyers, which ties up their cash flow in unpaid invoices.

3: Examine how these platforms resolve that bottleneck. These channels allow MSMEs to upload their invoices and get them discounted by financiers or banks at competitive market rates. This converts their trade receivables into immediate liquid cash, solving cross-border and domestic invoice discounting challenges.

4: Check the other choices to eliminate mismatches. These platforms do not handle agricultural seed subsidies (Option A), real estate property titles (Option C), or infrastructure bond trading (Option D). Therefore, Option B is the correct choice.

Final Answer: Cross-border and domestic invoice discounting for MSMEs

Answer: (B)

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Q24.

Solution

Concept: International trade agreements and bilateral economic arrangements help countries expand their export footprints, lower tariff barriers, and de-dollarize mutual trade through alternative settlements. A Comprehensive Economic Partnership Agreement (CEPA) covers trade in goods, services, investment, and intellectual property rights.

Solution:

1: Focus on the specific geographic and diplomatic context: India signing a CEPA alongside a dedicated local currency settlement system framework to optimize trade efficiency.

2: Look at recent trade developments between India and Middle Eastern countries. India signed a landmark CEPA with the United Arab Emirates (UAE). This was expanded by setting up a framework to settle bilateral commercial transactions using the Indian Rupee (₹) and the UAE Dirham (AED), reducing dependency on third-party reserve currencies.

3: Evaluate the options to avoid errors. While India maintains close commercial energy ties with Saudi Arabia, Oman, and Qatar, the formal CEPA pact combined with an active Local Currency Settlement System was executed with the United Arab Emirates.

4: Conclude that the United Arab Emirates is the correct answer.

Final Answer:

Answer: (B)

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Q25.

Solution

Concept: Distinguished achievements in science and technology highlight researchers who contribute to renewable energy, nanomaterials, and sustainability. The international Eni Award is globally recognized as a premier honor in energy and environmental research.

Solution:

1: Identify the award mentioned in the prompt, which is the prestigious 'Eni Award', often called the Nobel Prize of energy research.

2: Match the accolade with the correct prominent Indian scientist. Bharat Ratna awardee Professor C.N.R. Rao was honored with the Eni Award (specifically the Energy Frontiers Award) for his extensive research into metal oxides, carbon nanotubes, and sustainable energy materials, including hydrogen storage applications.

3: Review the alternative options to eliminate mismatches. K. Sivan is an aerospace engineer and former chairperson of ISRO; G. Satheesh Reddy is a prominent defense scientist and former chief of the DRDO; Tessy Thomas is celebrated as the "Missile Woman of India" for her contributions to ballistic systems. None of these individuals received the Eni Award for energy breakthroughs.

4: Confirm that C.N.R. Rao is the correct recipient.

Final Answer:

Answer: (A)

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Q26.

Solution

Concept: Strategic disinvestment involves the government selling a significant portion or the entirety of its equity stake in a Public Sector Undertaking (PSU), along with a transfer of management control, to a private entity. Tracking high-profile disinvestment completions is essential for understanding changes in market structures and corporate ownership.

Solution:

1: Identify the main subject of the question, which is the corporate acquisition and disinvestment of the national carrier, Air India.

2: Recall the recent corporate history of civil aviation in India. The Government of India completed the strategic disinvestment process of Air India by transferring 100% shares of the airline along with management control to Talace Private Limited, a wholly-owned subsidiary of the Tata Group.

3: Analyze the historical symmetry of this transaction. This event marked a historic homecoming for the carrier, as Air India was originally founded in 1932 by J.R.D. Tata as Tata Airlines, before being nationalized by the government in 1953.

4: Review the alternative options to eliminate incorrect choices. While conglomerates like the Adani Group, Reliance Industries, and Mahindra & Mahindra are major players across infrastructure, telecom, and automotive industries, none of them took over Air India. This confirms the Tata Group as the correct corporate acquirer.

Final Answer:

Answer: (B)

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Q27.

Solution

Concept: The Constitution of India is a comprehensive legal document that drew inspiration from various global constitutional frameworks. While the administrative structure is largely based on the Government of India Act of 1935, specific functional doctrines—such as fundamental rights, the independence of the judiciary, and judicial review—were adapted from other democratic legal systems.

Solution:

1: Identify the specific constitutional doctrine mentioned in the text, which is 'Judicial Review'—the power of the judiciary to examine and potentially invalidate legislative enactments or executive actions that conflict with the supreme law of the land.

2: Trace the global origins of this legal principle. The doctrine of judicial review found its first landmark formulation in the United States legal system via the historic Supreme Court case *Marbury v. Madison* (1803).

3: Map the borrowing pattern of the Indian constituent assembly. The framers of the Indian Constitution integrated this concept of judicial supremacy within constitutional limits primarily from the constitutional framework of the United States.

4: Check alternative options to avoid errors. The United Kingdom follows Parliamentary sovereignty without a codified constitution; Ireland inspired the Directive Principles of State Policy (DPSP); and Australia inspired provisions regarding concurrent lists and freedom of trade. This leaves the United States as the unique correct choice.

Final Answer:

Answer: (B)

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Q28.

Solution

Concept: Multilateral trade corridors and infrastructure pacts are designed to enhance logistics connectivity, foster economic integration, and secure clean energy transmission networks across continents. These cross-border projects are critical developments in global supply chain diplomacy and geopolitics.

Solution:

1: Read the specific details in the prompt: a major infrastructure and clean energy corridor project announced on the sidelines of a global summit by a coalition including India, the US, UAE, Saudi Arabia, France, Germany, Italy, and the European Union.

2: Recall the major connectivity initiatives launched during the G20 New Delhi Summit. The participating world leaders signed a Memorandum of Understanding (MoU) to establish the India-Middle East-Europe Economic Corridor (IMEC).

3: Analyze the structural components of this corridor. The IMEC aims to stimulate economic development through enhanced connectivity and integration across two distinct segments: an East Corridor connecting India to the Arabian Gulf, and a Northern Corridor connecting the Arabian Gulf to Europe. It includes railway, ship-to-rail transit networks, and clean hydrogen pipelines.

4: Differentiate from the other choices. The International North–South Transport Corridor (INSTC) is an older multi-modal route linking India to Russia via Iran. The Trans-Saharan Highway and the Asia-Africa Growth Corridor are different infrastructure setups. This confirms that the IMEC is the project matching the stated coalition of nations.

Final Answer: India-Middle East-Europe Economic Corridor (IMEC)

Answer: (B)

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Q29.

Solution

Concept: Biomedical technology innovations and regulatory clearances represent a key area within science and healthcare-driven economic development. Chimeric Antigen Receptor (CAR) T-cell therapy is a highly specialized medical advancement used to treat specific blood cancers.

Solution:

1: Identify the technical nature and operational principle of 'Chimeric Antigen Receptor' (CAR) T-cell therapy, which has recently secured domestic manufacturing and medical approvals in India.

2: Analyze the biological process behind this intervention. This method is not a conventional chemical drug or standard radiation therapy. It is an advanced form of cell-based immunotherapy.

3: Break down the treatment steps. Doctors extract a patient's own T-cells (a type of immune cell) from their blood. These cells are then genetically altered in a laboratory to produce specific surface receptors called Chimeric Antigen Receptors (CARs). These modified receptors empower the T-cells to precisely recognize, target, and destroy cancerous cells when infused back into the patient's body.

4: Match this explanation with the provided choices. Option C perfectly states that it is a form of immunotherapy where a patient's T-cells are genetically engineered to fight cancer cells, distinguishing it from options describing traditional chemotherapy, heavy-ion radiation, or plant-derived herbal extracts.

Final Answer:

A form of immunotherapy where a patient's T-cells are genetically engineered to fight cancer cells

Answer: (C)

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Q30.

Solution

Concept: Foreign Direct Investment (FDI) policies govern the entry of international capital into strategic domestic industries. The government updates these thresholds under two pathways: the Automatic Route, where foreign investors require no prior regulatory approval from the government or the Reserve Bank of India, and the Government Route, which requires explicit prior administrative clearance.

Solution:

1: Focus on the specific regulatory criteria: the maximum ceiling permitted under the automatic route within the defense manufacturing sector in India.

2: Track the policy adjustments implemented to boost ease of doing business and attract foreign capital. The government revised the FDI cap in defense manufacturing under the automatic route, raising it from an earlier threshold of 49% to an enhanced limit of 74%.

3: Note the conditional parameters. While investments up to 74% are permitted completely via the automatic route to encourage modern technological inflows, any foreign investment exceeding 74% up to 100% remains permissible but must go through the formal government approval route.

4: Select the option that aligns with this automatic route limit. Option C represents 74%, which is the correct regulatory threshold.

Final Answer: 74%

Answer: (C)

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Answer Key

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

