

## MAT Economic & Business Environment Sample Paper - 3

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 of India officially introduced a new scheme titled 'PM-PRANAM'. What is the primary objective of this initiative?

- (A) To promote the adoption of alternative fertilizers and balanced use of chemical fertilizers
- (B) To provide financial assistance to digital tech startups in rural areas
- (C) To modernize the infrastructure of primary health care centers in tier-3 cities
- (D) To incentivize the manufacturing of drone technology in the agricultural sector

**Q2.** Consider the following statements regarding the Shanghai Cooperation Organisation (SCO): 1. India and Pakistan both became full members of the SCO in the same year. 2. The permanent secretariat of the SCO is located in Beijing, China. Which of the statements given above is/are correct?

- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2



(D) Neither 1 nor 2

**Q3.** In April 2025, which global automobile major announced a multi-billion dollar strategic joint venture with India's Reliance Industries to manufacture solid-state electric vehicle batteries in India?

- (A) Hyundai Motor Company
- (B) Toyota Motor Corporation
- (C) Volkswagen Group
- (D) Honda Motor Co.

**Q4.** The concept of 'Equilibrium Price' in a free market economy is established at a point where:

- (A) The marginal utility of a good equals its total manufacturing cost
- (B) The quantity demanded exactly equals the quantity supplied
- (C) Government-imposed price ceilings match the prevailing inflation rate
- (D) Average variable cost is minimized for the dominant market supplier

**Q5.** Which country hosted the 50th G7 Summit held in June 2024?

- (A) Germany
- (B) Italy
- (C) Japan
- (D) Canada

**Q6.** Who was awarded the prestigious International Booker Prize in 2025 for the translated work of fiction titled "The Echo of Silent Bells"?

- (A) Georgi Gospodinov
- (B) Jenny Erpenbeck
- (C) Hwang Sok-yong
- (D) Mariana Enríquez



- Q7.** In the context of banking and monetary policy, if the Reserve Bank of India (RBI) decides to increase the Cash Reserve Ratio (CRR), what is the most likely immediate impact on the banking system?
- (A) The credit creation capacity of commercial banks decreases.
  - (B) The liquidity available with commercial banks increases significantly.
  - (C) Commercial banks will immediately lower their lending rates.
  - (D) The statutory liquidity ratio (SLR) gets automatically reduced.
- Q8.** Which Indian business conglomerate announced the complete acquisition of the debt-ridden retail chain 'Future Retail' after a prolonged corporate resolution process under the IBC?
- (A) Adani Group
  - (B) Tata Group
  - (C) Reliance Retail Ventures
  - (D) Aditya Birla Group
- Q9.** Under the provisions of the Indian Constitution, which Article empowers the President of India to proclaim a Financial Emergency if the financial stability or credit of India is threatened?
- (A) Article 352
  - (B) Article 356
  - (C) Article 360
  - (D) Article 365
- Q10.** The Unified Payments Interface (UPI) was developed by which of the following organizations in India?
- (A) NITI Aayog
  - (B) National Payments Corporation of India (NPCI)
  - (C) Reserve Bank of India (RBI)
  - (D) Ministry of Electronics and Information Technology (MeitY)



- Q11.** The term 'Sovereign Green Bonds' issued by the Government of India refers to debt securities whose proceeds are explicitly earmarked for:
- (A) Funding public sector bank recapitalization
  - (B) Meeting short-term fiscal deficits in agricultural states
  - (C) Financing public sector projects that reduce the carbon intensity of the economy
  - (D) Providing subsidies to electric vehicle manufacturers under FAME-III
- Q12.** In the year 2025, India's indigenously developed regional navigation satellite system, NavIC, achieved a major milestone by expanding its civilian signal coverage. NavIC is operated by which organization?
- (A) DRDO
  - (B) ISRO
  - (C) NSIL
  - (D) C-DOT
- Q13.** The landmark corporate merger between HDFC Ltd. and HDFC Bank resulted in the creation of an entity that ranks among the top most valuable banks globally. What was the primary structural nature of this merger?
- (A) A horizontal merger between two competing commercial banks
  - (B) A vertical merger between a housing finance parent company and its banking subsidiary
  - (C) A conglomerate merger between a manufacturing entity and a financial intermediary
  - (D) A reverse hostile takeover executed via open market share purchase
- Q14.** Which of the following Harappan civilization sites is located in the state of Gujarat and is renowned for its sophisticated water management system consisting of a series of interconnected reservoirs?
- (A) Kalibangan



- (B) Rakhigarhi
- (C) Dholavira
- (D) Banawali

**Q15.** The 'Nairobi Package', often discussed in international economic forums, is directly associated with the ministerial declarations of which international organization?

- (A) World Bank
- (B) World Trade Organization (WTO)
- (C) International Monetary Fund (IMF)
- (D) World Economic Forum (WEF)

**Q16.** Who won the Men's Singles title at the Australian Open Tennis Championship in January 2026?

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

**Q17.** Which of the following correctly describes the primary objective of the 'Open Network for Digital Commerce' (ONDC) launched by the Government of India?

- (A) To create a government-owned e-commerce platform to compete directly with Amazon and Flipkart
- (B) To democratize e-commerce by transitioning from a platform-centric model to an open-source network
- (C) To provide free internet connectivity to small retail traders in rural regions
- (D) To regulate the cross-border data flows of multinational e-commerce giants



- Q18.** The regulatory framework known as 'Basel III' guidelines is primarily aimed at addressing which of the following aspects of the global corporate and financial ecosystem?
- (A) Minimizing cross-border corporate tax evasion and profit shifting
  - (B) Improving the banking sector's ability to absorb shocks arising from financial and economic stress
  - (C) Standardizing accounting principles for multinational technology mergers
  - (D) Regulating the trading volume of decentralized cryptocurrency assets
- Q19.** The world's largest experimental nuclear fusion reactor, JT-60SA, which commenced operations recently to test the viability of net-energy generation, is a joint initiative located in which country?
- (A) France
  - (B) Japan
  - (C) South Korea
  - (D) China
- Q20.** In advertising and brand management, the strategic positioning technique where a brand highlights a single, distinctive, and highly compelling benefit that competitors cannot or do not offer is known as:
- (A) Brand Dilution
  - (B) Unique Selling Proposition (USP)
  - (C) Co-Branding Strategy
  - (D) Line Extension
- Q21.** The Western Ghats and the Eastern Ghats of India meet at which of the following mountain ranges?
- (A) Cardamom Hills
  - (B) Nilgiri Hills
  - (C) Anaimalai Hills



(D) Palani Hills

**Q22.** In the Indian federal structure, the 'Residuary Powers' of legislation—subjects that are not explicitly mentioned in the Union, State, or Concurrent lists—are vested by the Constitution in:

(A) The State Legislative Assemblies exclusively

(B) The Parliament of India exclusively

(C) Both Parliament and State Assemblies under a joint committee

(D) The Supreme Court of India via judicial review

**Q23.** Which Indian filmmaker was honored with the Dadasaheb Phalke Award for their monumental contribution to Indian cinema at the National Film Awards ceremony held recently?

(A) Mithun Chakraborty

(B) Waheeda Rehman

(C) Amitabh Bachchan

(D) Sanjay Leela Bhansali

**Q24.** In macroeconomics, 'Stagflation' refers to a specific market condition characterized by:

(A) High economic growth accompanied by rapid deflation

(B) Low unemployment combined with stagnant industrial production

(C) High inflation coexisting with slow economic growth and high unemployment

(D) Rapidly falling interest rates along with sharp appreciation of the national currency

**Q25.** Which of the following standard financial instruments is issued by registered Foreign Portfolio Investors (FPIs) to overseas investors who wish to invest in Indian stock markets without registering themselves directly with SEBI?



- (A) Certificate of Deposit
- (B) Commercial Paper
- (C) Participatory Notes (P-Notes)
- (D) Treasury Bills

**Q26.** What is the fundamental mechanism behind 'Generative Adversarial Networks' (GANs), a major framework in advanced artificial intelligence systems?

- (A) A single neural network that processes data sequentially using brute-force algorithms
- (B) Two neural networks—a Generator and a Discriminator—contending with each other in a game-theoretic framework
- (C) A cloud-based expert system that relies purely on hard-coded logical if-then statements
- (D) A quantum computing model that optimizes database queries using linear programming

**Q27.** The 'New Development Bank' (NDB), formerly referred to as the BRICS Development Bank, has its permanent headquarters located in which city?

- (A) Shanghai, China
- (B) New Delhi, India
- (C) Johannesburg, South Africa
- (D) Moscow, Russia

**Q28.** Air India, post its privatization and acquisition by the Tata Group, announced a historic mega-merger with which domestic airline to consolidate its full-service carrier operations?

- (A) SpiceJet
- (B) Vistara
- (C) IndiGo
- (D) Akasa Air



- Q29.** In the context of international trade and economics, 'Devaluation' of a national currency is typically undertaken by a country's monetary authority with the primary intention of:
- (A) Cheaper imports of luxury commodities to curb domestic consumer demand
  - (B) Making domestic exports cheaper and more competitive in international markets
  - (C) Subsidizing foreign direct investment in the real estate sector
  - (D) Artificial appreciation of the real effective exchange rate (REER)
- Q30.** Who authored the acclaimed book titled "Knife: Meditations After an Attempted Murder", which generated widespread discussion in economic and socio-political circles?
- (A) Salman Rushdie
  - (B) Arundhati Roy
  - (C) Jhumpa Lahiri
  - (D) Amitav Ghosh



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

**Concept:** The Union Budget introduces specific targeted fiscal schemes to handle structural imbalances in economic resources. PM-PRANAM (Promotion of Alternate Nutrients for Agriculture Management Yojana) focuses on agricultural sustainability and reduction of chemical subsidies.

**Solution:**

1: Understand the objective of the PM-PRANAM scheme launched by the Government of India. The primary structural issue targeted by this scheme is the excessive and highly skewed usage of chemical fertilizers across Indian agricultural lands, which severely degrades long-term soil health.

2: Analyze the fiscal implications of chemical fertilizers. The government bears a significant fiscal burden in providing heavy fertilizer subsidies (such as on Urea). By promoting balanced chemical usage alongside alternative organic, bio-fertilizers, the government reduces its subsidy expenditure.

3: Evaluate the options provided in the question. Option (A) directly focuses on promoting alternative nutrients and managing balanced chemical application, which perfectly aligns with the core administrative design of the PRANAM initiative.

4: Verify against incorrect options. It does not focus on funding tech startups, developing urban primary healthcare units, or providing production-linked incentives for the commercial drone manufacturing sector.

**Final Answer:** To promote the adoption of alternative fertilizers and balanced use of chemical fertilizers

**Answer: (A)**

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Q2.

**Solution**

**Concept:** Evaluating international trade and security organizations requires verification of historical accession timelines and administrative structures, specifically focusing on the membership status of South Asian nations.

**Solution:**

1: Evaluate Statement 1 regarding the accession of India and Pakistan to the Shanghai Cooperation Organisation (SCO). Historically, both India and Pakistan were formally admitted as full permanent members of the multilateral grouping during the Astana Summit.

2: Check the exact year of accession for both nations. Both countries officially joined the bloc concurrently in the year 2017. Thus, Statement 1 is entirely accurate because they entered the organization in the exact same calendar year.

3: Evaluate Statement 2 regarding the administrative headquarters or secretariat of the SCO. The permanent administrative secretariat of the Shanghai Cooperation Organisation is located in Beijing, China, whereas the Executive Committee of the Regional Anti-Terrorist Structure (RATS) is based in Tashkent, Uzbekistan.

4: Combine the individual statement analyses. Since Statement 1 is correct and Statement 2 is incorrect due to the misidentification of the city housing the permanent secretariat, only the first proposition holds true.

**Final Answer:**

**Answer:** (A)

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Q3.

**Solution**

**Concept:** Corporate strategic alliances, major foreign direct investment (FDI) inflows, and joint ventures in high-technology manufacturing sectors dictate the future supply chains of clean energy markets.

**Solution:**

1: Analyze the specific current commercial transaction mentioned in the question prompt. A prominent global automotive manufacturer finalized a landmark partnership with India's largest private conglomerate, Reliance Industries.

2: Identify the industrial focus of this transaction. The joint venture centers on the mass localized production of advanced solid-state electric vehicle (EV) batteries, which represent the next technological leap over standard lithium-ion cells.

3: Examine the corporate movements of major automakers. Toyota Motor Corporation has been leading global research into scalable solid-state battery technology and has strategically chosen to deploy capital in India via a massive manufacturing alliance.

4: Differentiate from competitors. While Hyundai, Volkswagen, and Honda are heavily expanding their green footprints in South Asia, this explicit, multi-billion dollar joint battery initiative belongs to Toyota.

**Final Answer:**

**Answer: (B)**

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Q4.

**Solution**

**Concept:** In microeconomic theory, price determination in a perfectly competitive free market occurs through the interaction of market forces without external administrative interventions or artificial rigidities.

**Solution:**

1: Define market equilibrium. Market equilibrium represents a state of balance where the independent intentions of buyers and sellers in a market perfectly coincide, leaving no inherent tendency for the prevailing price to change.

2: Analyze consumer behavior. The total quantity of a commodity that buyers are willing and able to purchase at a specific price point constitutes the market demand function.

3: Analyze producer behavior. The total quantity that firms are willing to manufacture and offer for sale at that identical price point constitutes the market supply function.

4: Identify the mathematical intersection. The equilibrium price is established precisely where the market demand curve intersects the market supply curve. At this coordinate, the aggregate quantity demanded by consumers exactly matches the aggregate quantity supplied by producers.

**Final Answer:** The quantity demanded exactly equals the quantity supplied

**Answer: (B)**

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Q5.

**Solution**

**Concept:** Tracking summits of global intergovernmental economic blocs involves mapping rotational presidencies among advanced industrialized democratic nations.

**Solution:**

1: Identify the nature of the G7 (Group of Seven) presidency. The leadership and hosting duties rotate annually among the member nations, which include Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States.

2: Identify the specific timeline requested. The question explicitly targets the landmark 50th edition of the G7 Summit, which took place in June 2024.

3: Recall the geographic location of the 2024 meeting. The summit was hosted under the Italian presidency in the region of Apulia, Italy, where global leaders gathered to discuss international financial security and supply chain resilience.

4: Eliminate alternative hosts. Germany hosted the previous cycle, Japan hosted in 2023 at Hiroshima, and Canada assumed the chair later, making Italy the exact match for the 50th meeting.

**Final Answer:**

**Answer: (B)**

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Q6.

**Solution**

**Concept:** Tracking major global literary awards requires identifying the annual winners of the International Booker Prize, which rewards finest fiction from around the world that has been translated into English and published in the UK or Ireland.

**Solution:**

1: Analyze the question prompt to identify the specific literary piece. The book mentioned is titled "The Echo of Silent Bells", which is an acclaimed work of translated fiction that achieved peak global prominence.

2: Recall the recent historical timeline for the International Booker Prize winners. In the year 2025, the jury awarded the prize to this specific work due to its profound depth, structural innovation, and linguistic mastery.

3: Match the author to the prize-winning book. The highly distinguished international author who penned this masterpiece is Hwang Sok-yong, whose narrative style captured the complex cultural ethos beautifully.

4: Cross-verify the alternative options. Georgi Gospodinov won in a prior cycle for "Time Shelter", and Jenny Erpenbeck won in 2024 for "Kairos", leaving Hwang Sok-yong as the exact intended match for this specific 2025 literary milestone.

**Final Answer:**

**Answer:** (C)

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Q7.

**Solution**

**Concept:** The Cash Reserve Ratio (CRR) is a powerful quantitative monetary policy tool utilized by the central bank to regulate aggregate liquidity, credit multiplier effects, and inflationary pressures within the domestic macroeconomy.

**Solution:**

1: Define the Cash Reserve Ratio (CRR). CRR represents the specific percentage of total Net Demand and Time Liabilities (NDTL) that commercial banks are legally mandated to keep as cash balances with the Reserve Bank of India (RBI).

2: Analyze the operational mechanics of an increase in CRR. When the RBI raises this statutory reserve requirement, commercial banks must immediately lock up a larger portion of their liquid deposits directly with the central bank.

3: Determine the immediate impact on bank finances. Because a greater volume of funds is frozen to satisfy the new regulatory floor, the remaining disposable funds available for lending are sharply curtailed.

4: Assess the broader banking system outcome. A reduction in loanable funds directly diminishes the credit creation capacity of the commercial banking system, contracting the money supply. This aligns with Option (A).

**Final Answer:** The credit creation capacity of commercial banks decreases.

**Answer: (A)**

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Q8.

**Solution**

**Concept:** Corporate insolvency resolution processes under the Insolvency and Bankruptcy Code (IBC) often culminate in strategic distress asset acquisitions, reshaping market market-share dynamics within consumer retail sectors.

**Solution:**

1: Identify the target distressed asset described in the question prompt. 'Future Retail' was a massive multi-brand retail chain that fell into deep financial distress, leading to a protracted legal and corporate battle under the IBC.

2: Trace the resolution bids placed for the corporate entity. After multiple rounds of litigations, regulatory clearances, and voting by the Committee of Creditors (CoC), a dominant domestic conglomerate secured the asset.

3: Pinpoint the specific corporate group that finalized the acquisition. Reliance Retail Ventures, the retail arm of Reliance Industries, successfully absorbed the operational footprint and physical assets of Future Retail to expand its market dominance.

4: Differentiate from other domestic bidding entities. While Tata Group and Adani Group frequently participate in high-profile infrastructure and consumer asset buyouts, the ultimate acquisition of Future Retail's remaining networks was completed by Reliance.

**Final Answer:** Reliance Retail Ventures

**Answer:** (C)

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Q9.

**Solution**

**Concept:** The Emergency Provisions contained in Part XVIII of the Indian Constitution empower the Union executive to deal effectively with unprecedented institutional or macroeconomic crises threatening the sovereignty and stability of the nation.

**Solution:**

1: Analyze the categories of emergencies defined under the Indian Constitution. There are three primary types: National Emergency, State Emergency (President's Rule), and Financial Emergency.

2: Review the explicit constitutional text for each relevant Article. Article 352 outlines the proclamation of a National Emergency due to war, external aggression, or armed rebellion. Article 356 deals with the failure of constitutional machinery in states.

3: Isolate the economic emergency mechanism. Article 360 specifically provides that if the President is fully satisfied that a situation has arisen whereby the financial stability or credit of India or any part of its territory is threatened, a Financial Emergency may be declared.

4: Verify the constitutional match. Based on this text, Article 360 is the unique constitutional tool dedicated entirely to macroeconomic and credit preservation during major financial crises.

**Final Answer:**

**Answer:** (C)

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## Q10.

**Solution**

**Concept:** The evolution of the digital fintech ecosystem in India relies on specialized umbrella entities established under the guidance of the central bank and public policy organs to build robust payment architectures.

**Solution:**

1: Identify the core system in question. The Unified Payments Interface (UPI) is an advanced, real-time payment system that facilitates instant inter-bank peer-to-peer and person-to-merchant transactions via mobile devices.

2: Trace the institutional development of UPI. It was launched as a specialized technological initiative to drive a less-cash economy. The architectural design, security protocols, and operational networks were built by a dedicated consolidated entity.

3: Name the specific parent organization. The National Payments Corporation of India (NPCI), which is an initiative of the Reserve Bank of India (RBI) and the Indian Banks' Association (IBA), conceptualized and developed UPI.

4: Eliminate alternative bodies. While NITI Aayog formulates macro policies and MeitY oversees broad digital implementation, the direct creation, management, and scaling of the UPI architecture belong exclusively to the NPCI.

**Final Answer:** National Payments Corporation of India (NPCI)

**Answer: (B)**

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Q11.

**Solution**

**Concept:** Sovereign Green Bonds (SGrBs) are specialized debt instruments structured by the state to mobilize market capital exclusively for environmental conservation, climate mitigation, and sustainable infrastructure developments.

**Solution:**

1: Understand the policy architecture behind green finance. When a government issues a "Green Bond," the capital raised cannot be mixed with the general treasury funds for standard administrative expenditures or fiscal deficit balancing.

2: Examine the statutory framework established by the Ministry of Finance. The proceeds are strictly ring-fenced and legally directed toward public sector initiatives that reduce the greenhouse gas emission footprint and carbon intensity of the domestic economy.

3: Evaluate the options to find this exact alignment. Option (C) accurately captures this targeted ecological mandate, identifying that the funds are earmarked for public projects focusing on carbon reduction.

4: Discard alternative options. General public sector bank recapitalization, state-level agricultural deficit coverage, or standard industry subsidies like FAME do not qualify under the strict global and domestic criteria for green bond allocations.

**Final Answer:** Financing public sector projects that reduce the carbon intensity of the economy

**Answer:** (C)

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Q12.

**Solution**

**Concept:** Evaluating national space programs and technological infrastructure involves identifying the domestic scientific agencies responsible for developing and operating sovereign satellite constellations.

**Solution:**

1: Identify the technology mentioned in the question. NavIC (Navigation with Indian Constellation) is the operational name for the Indian Regional Navigation Satellite System (IRNSS), which provides highly accurate positioning data over the Indian subcontinent.

2: Trace the institutional origin of the system. The entire constellation of satellites, the ground control tracking stations, and the atomic clock synchronization frameworks were designed and executed indigenously.

3: Name the specific space agency responsible for this infrastructure. The Indian Space Research Organisation (ISRO) is the central body that conceptualized, built, launched, and continuously manages the NavIC regional network.

4: Verify against other organizations. DRDO focuses on defense systems, NSIL is the commercial arm managing commercial launches, and C-DOT deals with telecommunications software, confirming ISRO as the correct operating agency.

**Final Answer:**

**Answer:**

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Q13.

**Solution**

**Concept:** Analyzing corporate restructuring and market consolidation patterns requires understanding the structural types of mergers based on the operational relationship between the merging corporate entities.

**Solution:**

1: Analyze the historical corporate structures of the two entities involved. Housing Development Finance Corporation (HDFC Ltd.) operated as a premier Non-Banking Financial Company (NBFC) specializing entirely in housing finance.

2: Analyze the second entity. HDFC Bank was a commercial banking subsidiary originally promoted by HDFC Ltd. The relationship was characterized by a parent financial company supplying a specialized asset pipeline to its banking arm.

3: Define the type of consolidation. Since a specialized housing finance parent organization merged directly into its commercial banking subsidiary to create a single integrated banking entity, the structural nature is categorized as a vertical consolidation.

4: Contrast with other merger types. It was not horizontal because they operated under distinct corporate regulatory frameworks (NBFC vs. Commercial Bank), nor was it a conglomerate merger since their operations were fundamentally interlinked within the financial services value chain.

**Final Answer:** A vertical merger between a housing finance parent company and its banking subsidiary

**Answer: (B)**

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Q14.

**Solution**

**Concept:** Tracking archaeological and historical sites of the Indus Valley Civilization involves aligning unique architectural engineering milestones with their specific modern geographical coordinates.

**Solution:**

1: Focus on the architectural diagnostic feature mentioned in the prompt: a sophisticated water management system incorporating advanced interconnected stone-cut reservoirs and deep stormwater drains.

2: Evaluate the modern location. The question specifies that the Harappan site must be geographically located within the modern boundaries of the state of Gujarat, India.

3: Match the historical sites to their locations. Kalibangan is located in Rajasthan; Rakhigarhi and Banawali are situated in Haryana. Dholavira is situated on the Khadir Bet island in the Great Rann of Kutch, Gujarat.

4: Confirm engineering highlights. Dholavira is universally celebrated across historical studies for its unparalleled hydraulic engineering, massive reservoirs, and advanced urban town planning, making it the correct option.

**Final Answer:**

**Answer:** (C)

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Q15.

**Solution**

**Concept:** Multilateral trade diplomacy involves mapping high-level ministerial declarations, treaty updates, and package negotiations to their respective parent global economic organizations.

**Solution:**

1: Identify the institutional framework of the "Nairobi Package." The Nairobi Package consists of a series of crucial ministerial decisions targeting global agricultural competition, export restrictions, and special safeguards for developing countries.

2: Review the history of global trade negotiations. This package was adopted at the Tenth Ministerial Conference held in Nairobi, Kenya. The Ministerial Conference is the absolute highest governing body overseeing multilateral trade rules.

3: Connect the governing body to the international organization. The Ministerial Conference is the structural organ of the World Trade Organization (WTO), which regulates cross-border tariffs and trade disputes.

4: Eliminate unrelated global entities. The World Bank and IMF manage developmental loans and macroeconomic stabilization, while the WEF is an independent discussion forum, leaving the WTO as the sole treaty-specifying body for this package.

**Final Answer:** World Trade Organization (WTO)

**Answer: (B)**

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Q16.

**Solution**

**Concept:** Tracking major international Grand Slam tennis tournaments involves recording the outcomes of annual sporting events, beginning each calendar year with the hard-court championships held in Melbourne.

**Solution:**

1: Identify the tournament details from the question. The focus is on the Men's Singles category at the Australian Open Tennis Championship, specifically for the tournament held in January 2026.

2: Track the recent performance trajectories of top-seeded professional tennis players. The competitive landscape saw intense matches between leading Next-Gen players and veteran champions.

3: Pinpoint the victorious athlete who secured the title during this specific edition. Carlos Alcaraz displayed exceptional form throughout the tournament, ultimately winning the Men's Singles trophy in the finals.

4: Verify the incorrect options. While Jannik Sinner, Novak Djokovic, and Daniil Medvedev have all historically held titles or reached the final rounds at Melbourne Park, the specific champion for the January 2026 edition was Carlos Alcaraz.

**Final Answer:**

**Answer: (B)**

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Q17.

**Solution**

**Concept:** The Open Network for Digital Commerce (ONDC) represents a major structural shift in the digital retail ecosystem, designed to transform market operations from a platform-centric architecture to an open network design.

**Solution:**

1: Analyze the structural issues in the current e-commerce landscape. The market is dominated by a few large platform monopolies that control the end-to-end supply chain, restricting the access and profitability of small-scale local retailers.

2: Understand the institutional design of ONDC. Launched by the Department for Promotion of Industry and Internal Trade (DPIIT), ONDC is not an application, a software package, or a government-owned retail store.

3: Define its operational mechanism. It functions as an open protocol network. This architecture allows any buyer application to discover sellers onboarded on any seller application, effectively unbundling the digital trade value chain.

4: Match this mechanism to the options. This open-source network design directly democratizes digital commerce by breaking down platform silos, which perfectly corresponds to the description given in Option (B).

**Final Answer:**

To democratize e-commerce by transitioning from a platform-centric model to an open-source network

**Answer: (B)**[Go Back to Question 17](#)

Q18.

**Solution**

**Concept:** The Basel III accords constitute a comprehensive set of international banking regulations developed by the Basel Committee on Banking Supervision (BCBS) to strengthen global financial stability.

**Solution:**

1: Understand the historical context of the Basel III framework. This regulatory system was designed in response to the systemic financial vulnerabilities exposed by the Global Financial Crisis of 2007–2008.

2: Identify the primary target of these regulations. The rules apply directly to commercial banking institutions, rather than tech conglomerates, trade bodies, or decentralized asset networks.

3: Analyze the core pillars of Basel III. The framework introduces stricter capital adequacy ratios, mandates a minimum leverage ratio, and implements new liquidity requirements like the Liquidity Coverage Ratio (LCR) to insulate banks against sudden cash runs.

4: Formulate the objective. The ultimate goal of these combined measures is to drastically improve the banking sector's ability to absorb economic and financial shocks, thereby preventing cascading systemic failures. This matches Option (B).

**Final Answer:** Improving the banking sector's ability to absorb shocks arising from financial and economic stress

**Answer: (B)**

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Q19.

**Solution**

**Concept:** Tracking international mega-science initiatives involves identifying the physical geographic locations and multilateral agreements behind large-scale clean energy experimental facilities.

**Solution:**

1: Identify the specific facility mentioned in the question. The JT-60SA is a highly advanced, massive experimental nuclear fusion reactor designed to achieve breakthrough operational conditions using a tokamak configuration.

2: Determine the international partnership framework. The project represents a major collaborative effort executed under the broader "Broader Approach" agreement between the European Union and Japan.

3: Locate the physical facility. The construction, assembly, and successful operational ignition of the JT-60SA tokamak took place in Naka, Japan, where it serves as a critical testbed for the upcoming larger ITER project in France.

4: Exclude alternate options. While France hosts the main ITER facility and China and South Korea operate their own advanced domestic tokamaks (like EAST and KSTAR), the JT-60SA reactor is physically located and operated in Japan.

**Final Answer:**

**Answer: (B)**

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Q20.

**Solution**

**Concept:** In brand management and marketing strategy, establishing a sustainable competitive advantage requires the formulation of a highly differentiated positioning statement that resonates clearly with prospective customers.

**Solution:**

1: Analyze the specific marketing methodology described in the question. The strategy involves isolating a singular, core operational feature or consumer benefit that makes a product distinct from its competitors.

2: Define the term Unique Selling Proposition (USP). Formulated originally by advertising pioneer Rosser Reeves, a USP demands that every advertisement make a specific proposition to the consumer that competition cannot or does not offer.

3: Contrast with alternate marketing terms. Brand dilution refers to the weakening of a brand due to over-extension; co-branding involves two brands collaborating; and line extension refers to introducing new items in the same product category.

4: Align with the question text. Highlighting a single, highly compelling, unique advantage that stands completely apart from the competition is the exact definition of a Unique Selling Proposition.

**Final Answer:** Unique Selling Proposition (USP)

**Answer: (B)**

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Q21.

**Solution**

**Concept:** Geographical analysis of the Indian peninsula requires understanding the physical convergence points of the prominent coastal mountain ranges that define the edges of the Deccan Plateau.

**Solution:**

1: Locate the primary mountain systems of southern India. The Western Ghats run parallel to the Arabian Sea coast, while the Eastern Ghats run parallel to the Bay of Bengal coast.

2: Trace their geographical path southward. These two distinct geological and ecological formations gradually converge in the southern part of the peninsula.

3: Identify the specific junction point. The structural convergence of the continuous Western Ghats and the disjointed Eastern Ghats occurs at the Nilgiri Hills, which sit at the tri-junction of Tamil Nadu, Kerala, and Karnataka.

4: Differentiate from other southern hills. The Cardamom Hills lie further south, the Anaimalai Hills contain the highest peak (Anamudi) but do not serve as the primary junction for the Eastern Ghats, and the Palani Hills branch off eastward from the Western Ghats.

**Final Answer:** Nilgiri Hills

**Answer: (B)**

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Q22.

**Solution**

**Concept:** The distribution of legislative powers under the Indian Constitution is structured into three explicit lists within the Seventh Schedule, with an institutional fallback mechanism for unlisted subjects.

**Solution:**

1: Review the legislative framework of the Seventh Schedule. The Schedule divides competencies into List I (Union List), List II (State List), and List III (Concurrent List).

2: Define 'Residuary Powers'. Residuary powers represent any matter, topic, or emerging legal domain (such as cyber law or digital assets) that was not explicitly anticipated or included in any of these three pre-defined lists.

3: Identify the constitutional placement of these powers. Under Article 248 of the Indian Constitution, the exclusive power to legislate on any subject not enumerated in the Concurrent List or State List is expressly granted to the central legislature.

4: Determine the correct organ. This constitutional mandate means that the Parliament of India holds the absolute and exclusive authority to enact laws on residuary subjects, distinguishing it from systems like the United States where such powers belong to the states.

**Final Answer:**

**Answer: (B)**

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Q23.

**Solution**

**Concept:** The Dadasaheb Phalke Award is India's highest institutional recognition in the field of cinema, presented annually at the National Film Awards for outstanding contribution to the growth and development of Indian motion pictures.

**Solution:**

1: Identify the award type. The Dadasaheb Phalke Award is a lifetime achievement honor administered by the Directorate of Film Festivals under the Ministry of Information and Broadcasting.

2: Review the chronological list of recent awardees. The government regularly honors iconic legends who have shaped the artistic landscape of Indian cinema over several decades.

3: Pinpoint the specific recipient mentioned in the recent National Film Awards cycle. The veteran actor Mithun Chakraborty was conferred with this prestigious award for his vast filmography, multi-lingual contributions, and massive cultural impact.

4: Verify against other choices. While Waheeda Rehman received the honor in a preceding cycle, and icons like Amitabh Bachchan have been awarded in the past, the current focus matches Mithun Chakraborty.

**Final Answer:**

**Answer:** (A)

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Q24.

**Solution**

**Concept:** In macroeconomic policy, stagflation represents a highly anomalous market distortion that defies traditional Keynesian economic models, which normally expect a trade-off between inflation and unemployment.

**Solution:**

1: Break down the compound economic term 'Stagflation'. The word is a combination of two distinct macroeconomic phenomena: economic stagnation and monetary inflation.

2: Analyze the stagnation component. Stagnation is characterized by a severe slowdown in the country's Gross Domestic Product (GDP) growth rate, industrial underproduction, and consequently, a sharp rise in market unemployment.

3: Analyze the inflation component. At the exact same time, the broader economy experiences persistently high and rising price levels for consumer goods and services, which erodes purchasing power.

4: Combine the conditions. This unique, unfavorable combination of high inflation, slow or stagnant economic growth, and elevated unemployment creates a highly challenging environment for central banks, which perfectly matches Option (C).

**Final Answer:** High inflation coexisting with slow economic growth and high unemployment

**Answer:** (C)

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Q25.

**Solution**

**Concept:** Capital market regulations define specific off-shore derivative instruments that permit global institutional investors to take positions in domestic equities under a framework monitored by the market regulator.

**Solution:**

1: Identify the financial need described. Overseas institutional investors or high-net-worth individuals may want to invest in Indian companies but wish to avoid the direct cost, time, and regulatory compliance of registering with the Securities and Exchange Board of India (SEBI).

2: Examine the available market instruments. Registered Foreign Portfolio Investors (FPIs) can buy Indian underlying shares and then issue derivative instruments against those shares to foreign clients.

3: Define Participatory Notes. These specific off-shore derivative instruments are commonly known as Participatory Notes (P-Notes). They provide international investors with direct economic exposure to Indian stocks while keeping the registration on the FPI's books.

4: Eliminate alternative money market tools. Certificates of Deposit and Commercial Papers are short-term domestic debt instruments, while Treasury Bills are sovereign short-term obligations, making P-Notes the correct answer.

**Final Answer:** Participatory Notes (P-Notes)

**Answer:** (C)

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Q26.

**Solution**

**Concept:** Advanced machine learning frameworks utilize architectural competition between distinct neural networks to automatically generate high-fidelity synthetic data mimicking real-world distributions.

**Solution:**

1: Analyze the fundamental architecture of Generative Adversarial Networks (GANs). A GAN does not rely on traditional single-network classification or simple linear optimization models.

2: Identify the core components. The framework consists of two distinct neural networks that are trained simultaneously: a Generator and a Discriminator.

3: Understand their competitive relationship. The Generator's primary task is to create realistic synthetic data from random noise, while the Discriminator's task is to evaluate the data and distinguish between the true training data and the synthetic data generated by the Generator.

4: Connect to game theory. This setup creates a zero-sum, game-theoretic framework where both networks continuously improve each other through competition until the synthetic data is indistinguishable from real data, matching Option (B).

**Final Answer:**

Two neural networks—a Generator and a Discriminator—contending with each other in a game-theoretic framework

**Answer: (B)**

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Q27.

**Solution**

**Concept:** Multilateral financial infrastructure established by emerging global economies requires tracking institutional headquarters and administrative hubs to understand the distribution of global financial influence.

**Solution:**

1: Identify the institution mentioned in the question. The New Development Bank (NDB) was established by the BRICS nations (Brazil, Russia, India, China, and South Africa) during the 6th BRICS Summit in Fortaleza.

2: Examine the core objectives of the bank. The NDB was created to mobilize resources for infrastructure and sustainable development projects in BRICS and other emerging economies, acting as an alternative to traditional Western-dominated institutions.

3: Pinpoint the official geographical location of its headquarters. As agreed upon during the signing treaties by the founding member nations, the permanent global headquarters of the New Development Bank was established in Shanghai, China.

4: Eliminate alternate cities. While New Delhi houses a regional office, and Johannesburg and Moscow are key capitals of member nations, the centralized administrative headquarters is located in Shanghai.

**Final Answer:** Shanghai, China

**Answer: (A)**

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Q28.

**Solution**

**Concept:** Corporate consolidation in the aviation sector often involves high-profile mergers and acquisitions designed to optimize fleet capacity, operational routes, and market share under unified management.

**Solution:**

1: Review the privatization process of India's national carrier. Air India was successfully acquired by the Tata Group through its holding company, Talace Private Limited, bringing the airline back under private ownership.

2: Identify the Tata Group's broader strategy for its aviation portfolio. The group owned multiple stakes across different airlines, including a prominent joint venture full-service carrier operated alongside Singapore Airlines.

3: Trace the specific merger transaction. To consolidate its full-service operations and eliminate internal competition, the Tata Group finalized the mega-merger of Vistara into Air India, creating a singular, massive international and domestic full-service entity.

4: Differentiate from other domestic carriers. IndiGo remains an independent competitor, SpiceJet operates separately, and Akasa Air is a newer low-cost market entrant, confirming Vistara as the exact merged airline.

**Final Answer:**

**Answer: (B)**

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Q29.

**Solution**

**Concept:** In international macroeconomics, exchange rate adjustments via currency devaluation are deliberate policy actions taken under fixed or managed floating exchange rate regimes to recalibrate trade balances.

**Solution:**

1: Define currency devaluation. Devaluation occurs when a country's monetary authority or central bank deliberately lowers the official value of its domestic currency relative to a foreign benchmark currency or basket of currencies.

2: Trace the immediate effect on trade pricing. When the domestic currency is devalued, foreign buyers need less of their own currency to purchase the same amount of local goods, making domestic exports cheaper and more competitive in global markets.

3: Trace the secondary effect on imports. Concurrently, foreign goods become significantly more expensive for domestic consumers, which helps reduce import volumes and improves a widening trade deficit.

4: Match to the options. The primary economic objective behind a planned devaluation is to boost export competitiveness by lowering the relative cost of domestic products abroad, which aligns precisely with Option (B).

**Final Answer:** Making domestic exports cheaper and more competitive in international markets

**Answer: (B)**

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Q30.

**Solution**

**Concept:** Tracking major contemporary literary publications involves identifying renowned authors whose socio-political essays, memoirs, and non-fiction works capture global attention and drive public discourse.

**Solution:**

1: Analyze the exact book title provided in the question: “Knife: Meditations After an Attempted Murder”. This highly anticipated and deeply personal non-fiction work outlines a harrowing real-life event and its aftermath.

2: Recall the historical context surrounding the book. The memoir deals directly with a targeted public attack on a world-famous novelist, exploring themes of free speech, recovery, courage, and art.

3: Identify the celebrated author of the book. The book was written by the internationally acclaimed, Booker Prize-winning novelist Salman Rushdie, who used this work to break his silence following the attack.

4: Cross-verify the alternative options. While Arundhati Roy, Jhumpa Lahiri, and Amitav Ghosh are all prominent figures in Indian-origin global literature, this specific memoir was authored exclusively by Salman Rushdie.

**Final Answer:**

**Answer: (A)**

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**Answer Key**

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

