# MAT Economic & Business Environment Sample Paper - 4

**Duration: 24 Minutes** **Maximum Marks: 30**

## Instructions

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

**Q1.** Which Indian public sector bank recently launched a digital transformation initiative called 'Project Horizon' to revamp its retail lending operations using AI-driven analytics?

(A) Punjab National Bank

(B) Bank of Baroda

(C) State Bank of India

(D) Canara Bank

**Q2.** Consider the following statements regarding the Union Budget of India: 1. The budget estimate for fiscal deficit is expressed as a percentage of the Gross Domestic Product (GDP). 2. Capital expenditure includes money spent on asset creation as well as operational subsidies. 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.** The Competition Commission of India (CCI) recently investigated an antitrust matter involving a high-profile merger between which two major entertainment and media giants operating in India?

(A) Sony Pictures Networks India and Zee Entertainment Enterprises

(B) Reliance Industries (Viacom18) and Star India (Disney)

(C) Adani Media Ventures and New Delhi Television (NDTV)

(D) Sun TV Network and Eros International

**Q4.** Who was awarded the prestigious Nobel Prize in Economic Sciences in 2024 for studies of how institutions are formed and affect prosperity?

(A) Claudia Goldin

(B) Ben S. Bernanke, Douglas W. Diamond, and Philip H. Dybvig

(C) Daron Acemoglu, Simon Johnson, and James A. Robinson

(D) Paul Milgrom and Robert Wilson

**Q5.** Which Article of the Constitution of India provides for the establishment and composition of the Finance Commission every five years by the President?

(A) Article 248

(B) Article 265

(C) Article 280

(D) Article 300

**Q6.** The 'Nostro Account' is a term frequently used in international banking operations. Which of the following best describes it?

(A) An account held by a foreign citizen in an Indian bank in local currency.

(B) An account maintained by a domestic bank with a foreign bank abroad in foreign currency.

(C) A zero-balance salary account opened for corporate employees.

(D) A special depository account used exclusively for trading in Government Securities.

**Q7.** In the context of global trade, what does the 'Most Favoured Nation' (MFN) clause under the WTO framework primarily signify?

(A) Granting special trade privileges and lower tariffs exclusively to immediate geographic neighbors.

(B) A requirement to treat all WTO member nations equally regarding trade tariffs and barriers.

(C) Providing unilateral financial assistance to Least Developed Countries (LDCs).

(D) Allowing developed nations to impose arbitrary sanctions on non-compliant trade partners.

**Q8.** India's first indigenous reusable launch vehicle technology demonstrator, which successfully completed consecutive autonomous landing missions, is named:

(A) Vikram-S

(B) RLV-LEX (Pushpak)

(C) EOS-04

(D) Gaganyaan-1

**Q9.** India's current account deficit (CAD) is heavily influenced by the import of 'invisible' and 'visible' items. Which of the following is classified as a 'visible' trade item?

(A) Software export earnings

(B) Remittances from overseas workers

(C) Crude oil shipments

(D) Tourism expenditures by foreign nationals

**Q10.** The corporate brand 'Vistara', which officially concluded its independent operations to merge with Air India, was a joint venture between Tata Sons and which international carrier?

(A) Singapore Airlines

(B) Emirates Airlines

(C) Qatar Airways

(D) Etihad Airways

**Q11.** Which country assumed the official rotating presidency of the G20 forum for the year 2025, succeeding Brazil?

(A) South Africa

(B) India

(C) United States

(D) Saudi Arabia

**Q12.** The historical 'Regulating Act of 1773' is highly significant in Indian constitutional history because:

(A) It declared India an independent sovereign republic.

(B) It was the first taken by the British government to control and regulate the affairs of the East India Company.

(C) It completely separated the executive from the judiciary in provincial administration.

(D) It introduced a system of communal electorates for the first time.

**Q13.** What is the current regulatory ceiling for immediate fund transfers via the Unified Payments Interface (UPI) per transaction for standard peer-to-peer retail payments in India?

(A) ₹ 50,000

(B) ₹ 1,000,000

(C) ₹ 2,000,000

(D) ₹ 5,000,000

**Q14.** The term 'Sovereign Green Bonds' issued by the Government of India refers to debt instruments whose proceeds are explicitly earmarked for:

(A) Financing public sector banking recapitalization.

(B) Funding public projects that reduce the carbon intensity of the economy.

(C) Providing short-term agricultural credit to marginal farmers.

(D) Managing the foreign exchange reserves held by the RBI.

**Q15.** Who is the author of the critically acclaimed book "Breaking the Mould: Reimagining India's Economic Future"?

(A) Raghuram Rajan and Rohit Lamba

(B) Amartya Sen

(C) Shashi Tharoor

(D) Arvind Subramanian

**Q16.** The critical choke point 'Strait of Malacca', frequently mentioned in international trade disputes and shipping logistics, connects which two major bodies of water?

(A) Red Sea and Gulf of Aden

(B) Persian Gulf and Gulf of Oman

(C) Andaman Sea and South China Sea

(D) Mediterranean Sea and Black Sea

**Q17.** India's deep ocean exploration initiative designed to study marine biodiversity and hydrothermal vents in the Indian Ocean is officially known as:

(A) OceanSat Mission

(B) Project Samudrayaan

(C) Project Varuna

(D) Deep-Blue Mission

**Q18.** The global advertising tagline "Connecting People" is historically associated with which iconic telecommunications brand?

(A) Motorola

(B) Samsung

(C) Blackberry

(D) Nokia

**Q19.** At which of the following sessions of the Indian National Congress was the historic 'Purna Swaraj' (Complete Independence) resolution formally passed under the presidency of Jawaharlal Nehru?

(A) 1924 Belgaum Session

(B) 1929 Lahore Session

(C) 1931 Karachi Session

(D) 1938 Haripura Session

**Q20.** In the Reserve Bank of India's monetary policy framework, what happens when the central bank decides to increase the Cash Reserve Ratio (CRR)?

(A) It injects liquidity into the banking system, enabling banks to lend more.

(B) It sucks liquidity out of the banking system, reducing the credit creation capacity of commercial banks.

(C) It lowers the cost of borrowing for retail consumers directly.

(D) It incentivizes commercial banks to park more short-term excess capital with the RBI.

**Q21.** The flagship economic initiative 'PM GatiShakti' National Master Plan is primarily aimed at achieving which national development objective?

(A) Financial inclusion for rural women entrepreneurs.

(B) Integrated planning and coordinated implementation of infrastructure connectivity projects.

(C) Direct benefit transfers of crop subsidies to smallholder farmers.

(D) Digital skill training for unemployed youth in tier-3 cities.

**Q22.** Which Indian sportsperson won the historic gold medal at the World Athletics Championships held in Budapest, becoming the first Indian to achieve this feat?

(A) Neeraj Chopra

(B) Praggnanandhaa R

(C) Satwiksairaj Rankireddy

(D) Kishore Jena

**Q23.** The 'New Development Bank' (NDB), formerly referred to as the BRICS Development Bank, is headquartered in which city?

(A) New Delhi, India

(B) Shanghai, China

(C) Johannesburg, South Africa

(D) Moscow, Russia

**Q24.** In a corporate balance sheet, where would 'Patents and Trademarks' owned by an enterprise be classified?

(A) Current Assets

(B) Non-Current Liabilities

(C) Intangible Fixed Assets

(D) Tangible Fixed Assets

**Q25.** Which Indian space start-up successfully test-fired 'Agnibaan SORTED', a customisable, 3D-printed semi-cryogenic rocket engine launch vehicle?

(A) Skyroot Aerospace

(B) Agnikul Cosmos

(C) Pixxel Space

(D) Bellatrix Aerospace

**Q26.** Which of the following features characterizes a 'Pure Public Good' in economic theory?

(A) Excludable and Rivalrous

(B) Non-excludable and Rivalrous

(C) Excludable and Non-rivalrous

(D) Non-excludable and Non-rivalrous

**Q27.** The famous 'Nathula Pass', an ancient offshoot of the historic Silk Road and a strategic border trading point, connects India with which neighboring region?

(A) Nepal

(B) Bhutan

(C) Tibet (China)

(D) Myanmar

**Q28.** The multi-billion dollar acquisition of the professional networking platform 'LinkedIn' was completed by which global technology conglomerate?

(A) Google (Alphabet)

(B) Meta Platforms

(C) Microsoft Corporation

(D) Apple Inc.

**Q29.** Under the provisions of the Foreign Exchange Management Act (FEMA), which entity holds the statutory authority to regulate foreign exchange transactions and capital account convertibility parameters in India?

(A) Directorate of Enforcement (ED)

(B) Securities and Exchange Board of India (SEBI)

(C) Reserve Bank of India (RBI)

(D) Ministry of Commerce and Industry

**Q30.** At the 69th National Film Awards, which feature film was honored with the prestigious 'Best Feature Film' award?

(A) Rocketry: The Nambi Effect

(B) RRR

(C) The Kashmir Files

(D) Gangubai Kathiawadi

## Detailed Solutions

## Q1.

### Solution

**Concept:** Digital transformation initiatives in public sector banks (PSBs) are strategically aimed at leveraging Artificial Intelligence (AI), Machine Learning (ML), and advanced data analytics to revolutionize core business segments. For retail lending operations, banks utilize automated underwriting platforms to evaluate credit risk, streamline loan approvals, minimize human intervention, and improve the turn-around time (TAT) for individual consumers.

**Solution:**
1: Identify the central core theme of the question, which centers around a specific digital initiative named 'Project Horizon' focused on AI-driven retail credit transformation within an Indian public sector banking institution.

2: Evaluate the strategic digital programs of major public sector banks. State Bank of India utilizes its established YONO ecosystem, while Punjab National Bank has initiated digital tracks under its PNB Next framework.

3: Analyze Bank of Baroda's operational upgrades. Bank of Baroda formally rolled out 'Project Horizon' as a dedicated multi-phase digital transformation blueprint. The overarching objective of this project is to set up a centralized digital lending hub, deploy predictive AI algorithms to assess retail borrower behavior, and integrate seamless end-to-end cloud-based validation architectures.

4: Confirm that Bank of Baroda specifically mapped this initiative to modernize its car, home, and personal retail loan portfolios, creating a distinct separation from traditional legacy banking pipelines.

**Final Answer:** Bank of Baroda

**Answer: (B)**

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## Q2.

### Solution

**Concept:** The Union Budget process in India requires a comprehensive evaluation of structural financial metrics under macroeconomic bookkeeping principles. The fiscal deficit represents the net excess of the government's total expenditure over its non-debt receipts, illustrating the absolute reliance on borrowed funds. On the expenditure side, the classification between capital expenditures and revenue expenditures dictates how public resources impact structural asset building versus routine operational governance.

**Solution:**

1: Analyze Statement 1, which states that the budget estimate for the fiscal deficit is expressed as a direct percentage of the Gross Domestic Product (GDP). In standard macroeconomic reporting, the absolute borrowing requirement is normalized against the nominal GDP of the country to facilitate comparative economic analysis and maintain fiscal prudence. Hence, Statement 1 is entirely correct.

2: Analyze Statement 2, which claims that capital expenditure includes money spent on asset creation as well as operational subsidies. By strict economic definition, operational subsidies are regular, recurring financial assistances that do not result in any creation of tangible physical infrastructure or financial assets. Therefore, subsidies are fundamentally categorized under Revenue Expenditure, not Capital Expenditure. This makes Statement 2 incorrect.

3: Synthesize the findings. Since Statement 1 is accurate and Statement 2 is structurally false, the correct analytical choice must isolate the first assertion alone.

**Final Answer:** $\boxed{\text{1 only}}$

**Answer: (A)**

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## Q3.

### Solution

**Concept:** The Competition Commission of India (CCI) operates as the statutory national antitrust regulator under the Competition Act, 2002. Its explicit mandate is to examine large-scale corporate mergers, acquisitions, and amalgamations to ensure they do not cause an Appreciable Adverse Effect on Competition (AAEC) within the domestic market segment. In highly consolidated spaces like media and entertainment, horizontal integration can trigger deep regulatory scrutiny regarding market share dominance.

**Solution:**

1: Review recent mega-mergers within the media, broadcasting, and over-the-top (OTT) digital entertainment ecosystems in India that have faced intense regulatory screening by antitrust watchdogs.

2: Examine option alignments. While the Sony-Zee merger deal was prominently discussed for a long time, it eventually fell apart and collapsed due to operational disagreements before final structural execution.

3: Analyze the transaction between Reliance Industries (Viacom18) and Star India (Disney). This transaction created a massive entertainment entity controlling dominant shares in cricket broadcasting rights, linear TV channels, and streaming platforms.

4: Evaluate CCI's specific regulatory action. The CCI scrutinized this exact asset combination intensely, demanding specific structural modifications, divestments of overlapping channels, and antitrust commitments to protect fair ad pricing before giving its formal clearance. Thus, this transaction perfectly satisfies the condition.

**Final Answer:** $\boxed{\text{Reliance Industries (Viacom18) and Star India (Disney)}}$

**Answer: (B)**

**Go Back to Question 3**

## Q4.

### Solution

**Concept:** The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel is awarded to recognize researchers who provide profound empirical or theoretical breakthroughs in economic structures. Modern institutional economics focuses heavily on understanding why vast differences in prosperity exist between different nations, identifying that legal, political, and historical institutions are foundational determinants of long-term wealth accumulation rather than mere geography or resources.

**Solution:**

1: Review the formal Nobel announcements for the relevant recent annual cycles. Claudia Goldin was awarded the prize independently in the year 2023 for her historical research on women's labor market outcomes.

2: Evaluate the laureates for the year 2024. The Royal Swedish Academy of Sciences officially designated the 2024 award to the research trio of Daron Acemoglu, Simon Johnson, and James A. Robinson.

3: Assess the underlying citation for their award. The academic trio was explicitly honored for their comprehensive, groundbreaking studies demonstrating how inclusive versus extractive institutions are formed during historical colonial phases and how they directly dictate the modern economic prosperity or poverty of nations. This directly matches the premise outlined in the question prompt.

**Final Answer:** $\boxed{\text{Daron Acemoglu, Simon Johnson, and James A. Robinson}}$

$\boxed{\textbf{Answer: (C)}}$

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# Q5.

## Solution

**Concept:** The Constitution of India contains dedicated fiscal provisions to regulate financial relations between the Central Government and the respective State Governments. Because India operates on a quasi-federal framework with asymmetric tax collection capabilities, a dedicated, independent statutory constitutional body is required to recommend the vertical and horizontal devolution of tax revenues.

**Solution:**

1: Cross-examine the relevant constitutional articles concerning fiscal administration to determine their precise allocations.

2: Evaluate Article 248, which specifically deals with the residual legislative powers of the Parliament. Evaluate Article 265, which mandates that no tax shall be levied or collected except by authority of law.

3: Evaluate Article 280 of the Indian Constitution. Article 280 states that the President of India shall, within two years from the commencement of the Constitution and thereafter at the expiration of every fifth year, or at such earlier time as the President considers necessary, by order constitute a Finance Commission.

4: Confirm that the core composition, qualifications for members, and functional duties regarding revenue distribution recommendations are explicitly anchored within this specific article. Therefore, Article 280 is the correct constitutional provision.

**Final Answer:** $\boxed{\text{Article 280}}$

$\boxed{\textbf{Answer: (C)}}$

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# Q6.

## Solution

**Concept:** In international banking and foreign exchange settlements, commercial banks maintain specialized correspondent banking relationships across borders. To facilitate seamless cross-border financial transactions, trade settlements, and currency liquidations, domestic banks open accounts in foreign countries denominated in the local currency of that hosting nation. These accounts are designated using Latin directional terms to clarify custody from each bank's perspective.

**Solution:**
1: Understand the financial nomenclature. The term 'Nostro' is derived from the Latin word for 'ours'. When an Indian bank opens a working transactional account in a foreign country, it refers to it as a Nostro account.

2: Contrast this with the counter-term 'Vostro', which is derived from the Latin word for 'yours'. A Vostro account is an account that a foreign correspondent bank maintains with a domestic bank in the domestic bank's local currency.

3: Analyze the functional mechanics described in the options. An account maintained by a domestic Indian bank (e.g., State Bank of India) with a foreign bank (e.g., Citibank in New York) denominated in foreign currency (e.g., US Dollars) is the exact definition of a Nostro account. This setup allows the domestic bank to execute international wire transfers and letter-of-credit settlements without constantly executing immediate currency conversions.

**Final Answer:** $\boxed{\text{An account maintained by a domestic bank with a foreign bank abroad in foreign currency}}$

$\boxed{\textbf{Answer: (B)}}$

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# Q7.

## Solution

**Concept:** The World Trade Organization (WTO) operates on foundational legal principles designed to ensure non-discriminatory trade practices globally. The cornerstone of this framework is the principle of non-discrimination among trading partners, which prevents member states from creating arbitrary commercial alignments or implementing asymmetric trade restrictions that distort free market operations.

**Solution:**

1: Define the operational definition of the 'Most Favoured Nation' (MFN) status under General Agreement on Tariffs and Trade (GATT) rules. Despite the word 'Favoured', it does not mean special or exclusive treatment for one country.

2: Analyze the legal obligation of MFN status. Under WTO rules, if a country grants someone a special trade favor (such as a lower customs duty rate for one of their products), they must immediately and unconditionally extend that same favor to all other WTO members.

3: Evaluate the options based on this rule. The status ensures that a nation must treat all WTO member nations equally regarding trade tariffs, customs duties, and import-export barriers. It essentially mandates a level playing field where no country receives worse treatment than another within the global trading ecosystem, subject to specific exceptions like regional free trade agreements.

**Final Answer:** A requirement to treat all WTO member nations equally regarding trade tariffs and barriers

**Answer: (B)**

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# Q8.

## Solution

**Concept:** Space exploration agencies are increasingly shifting from expendable launch vehicle systems to reusable aerospace technologies to optimize mission economics and reduce payload delivery costs. Developing reusable launch vehicles requires advanced research in autonomous guidance systems, navigation, control laws during atmospheric re-entry, and precise landing mechanisms.

**Solution:**
1: Identify the specific aerospace project mentioned in the question prompt. The question asks for the name of India's first indigenous reusable launch vehicle technology demonstrator that achieved successful consecutive autonomous landing tests.

2: Evaluate the current programs of the Indian Space Research Organisation (ISRO). The 'Gaganyaan' project represents India's human spaceflight program, while 'EOS-04' is an Earth Observation Satellite launched via a standard Polar Satellite Launch Vehicle (PSLV).

3: Analyze the 'RLV' project line. ISRO has developed the Reusable Launch Vehicle Technology Demonstrator (RLV-TD) program. The specific configuration that executed successful autonomous landing exercises under simulated landing conditions from a helicopter drop test is officially designated as RLV-LEX, also named 'Pushpak'. This vehicle successfully demonstrated the precise high-speed autonomous landing maneuvers required for a space shuttle-style vehicle returning from orbit.

**Final Answer:** $\boxed{\text{RLV-LEX (Pushpak)}}$

$\boxed{\textbf{Answer: (B)}}$

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## Q9.

### Solution

**Concept:** The Balance of Payments (BoP) of a nation tracks all cross-border financial transactions over a specific period. Within the Current Account, transactions are divided into the trade of 'visibles' (merchandise trade) and 'invisibles' (services, transfers, and income). The fundamental distinction lies in whether the traded item has a physical, tangible presence that can be verified at customs entry checkpoints.

**Solution:**
1: Define 'invisible' trade items. These are intangible transactions that do not involve physical shipping containers. Software export earnings, tourism expenditures, and unilateral remittances from non-resident workers are all classic examples of invisibles because they represent services and financial transfers.

2: Define 'visible' trade items. Visibles are physical merchandise goods that are imported or exported across geographic borders. They are explicitly recorded in a country's customs ledger as tangible cargo.

3: Apply this distinction to the options. Crude oil shipments are physical commodities that are imported in large volumes via tankers or pipelines and are visually checked at ports of entry. Therefore, crude oil imports fall under the merchandise or 'visible' trade account, directly influencing the trade balance component of the overall Current Account Deficit.

**Final Answer:** Crude oil shipments

**Answer: (C)**

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## Q10.

### Solution

**Concept:** The aviation industry often undergoes corporate consolidation, where airlines form strategic joint ventures to share operational networks, ground infrastructure, and premium customer bases. When these joint ventures reach the end of their operational lifecycle or strategic realignment occurs, brands may merge into a single entity to create a more competitive and financially streamlined enterprise.

**Solution:**
1: Trace the corporate history of the airline brand 'Vistara' (TATA SIA Airlines Limited). Vistara was established as a premium full-service carrier operating in the domestic and international Indian aviation sectors.

2: Identify the ownership structure of the brand before its consolidation. The domestic promoter group was Tata Sons, which held the controlling stake in the airline corporate structure.

3: Match the international joint venture partner. Tata Sons partnered with Singapore Airlines (SIA), which held a 49 percent equity stake in the venture.

4: Review the consolidation outcome. Following the privatization and acquisition of Air India by the Tata Group, a strategic corporate integration plan was set in motion. This plan involved dissolving the Vistara brand and fully merging its fleet, personnel, and operational assets into the expanded Air India ecosystem, with Singapore Airlines retaining a minority stake in the newly unified flag carrier entity.

**Final Answer:** $\boxed{\text{Singapore Airlines}}$

$\boxed{\textbf{Answer: (A)}}$

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## Q11.

### Solution

**Concept:** The Group of Twenty (G20) operates as a premier international forum for global economic cooperation, bringing together the world's major developed and developing economies. The presidency of the G20 rotates annually among its member nations based on a regional grouping system. The country holding the presidency is responsible for hosting the annual summit, driving thematic working groups, and managing international policy agendas.

**Solution:**

1: Track the chronological progression of the G20 rotating presidencies. India successfully held the G20 presidency for the 2023 cycle, culminating in the New Delhi Summit.

2: Identify the subsequent leadership cycle. Brazil assumed the presidency for the 2024 calendar year, culminating in the Rio de Janeiro Summit.

3: Determine the successor nation for the 2025 cycle. South Africa officially took over the rotating presidency from Brazil. This transition is highly significant as it completes the consecutive cycle of four emerging market nations leading the G20 (Indonesia, India, Brazil, and South Africa), keeping the forum's focus squarely on the development priorities of the Global South.

**Final Answer:** $\boxed{\text{South Africa}}$

$\boxed{\textbf{Answer: (A)}}$

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## Q12.

### Solution

**Concept:** The constitutional development of India is rooted in a series of legislative acts passed by the British Parliament to govern the administration of the East India Company. Prior to 1773, the East India Company operated primarily as a highly autonomous commercial enterprise with minimal regulatory oversight from the British Crown, leading to widespread administrative inefficiency and financial mismanagement.

**Solution:**

1: Analyze the historical significance of the Regulating Act of 1773. This act marked the very first formal intervention by the British Government to regulate, supervise, and control the internal and external affairs of the East India Company in India.

2: Examine the core administrative changes introduced by the Act. It subordinated the Governors of Bombay and Madras under the Governor-General of Bengal, changed the designation of the Governor of Bengal to the Governor-General of Bengal, and laid the groundwork for establishing a Supreme Court at Calcutta.

3: Map these historical facts to the given options. The act did not declare India a republic, nor did it achieve total separation of powers or communal electorates. Its true structural significance was establishing parliamentary control over a private mercantile corporation, making it the bedrock of centralized administration in British India.

**Final Answer:** It was the first taken by the British government to control and regulate the affairs of the East India Company

**Answer: (B)**

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## Q13.

### Solution

**Concept:** The Unified Payments Interface (UPI) is an instant real-time payment system developed by the National Payments Corporation of India (NPCI). To maintain systemic security, control liquidity flows, and mitigate fraud risks, the NPCI and the Reserve Bank of India establish explicit transaction limits for daily operations. These limits vary depending on the transaction type, such as retail peer-to-peer (P2P) transfers, peer-to-merchant (P2M) payments, or specialized categories like capital markets and educational institutions.

**Solution:**

1: Review the standard limits set by the NPCI for ordinary retail banking customers using UPI.

2: Note that while special transaction categories like tax payments, insurance, and institutional fee collections have higher limits, the basic ceiling for standard peer-to-peer (P2P) money transfers between individuals is capped at a specific threshold.

3: Identify the baseline maximum limit. For standard retail peer-to-peer operations, the transaction limit is set at ₹ 1,000,000 (₹ 1 Lakh) per day per bank account. This cap serves as a balance between providing digital payment convenience and minimizing risk exposure across the retail banking ecosystem.

**Final Answer:** $\boxed{₹\ 1{,}000{,}000}$

$\boxed{\textbf{Answer: (B)}}$

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## Q14.

### Solution

**Concept:** Sovereign Green Bonds (SGrBs) are specialized fixed-income financial instruments issued by a national government to raise capital from public and institutional markets. Unlike standard treasury bonds where the raised funds go into a general pool, green bonds are subject to strict ring-fencing rules. The proceeds must be used exclusively to finance eligible public sector environmental projects that support sustainable development goals.

**Solution:**
1: Define the operational framework of Green Finance as outlined by the Ministry of Finance and the Reserve Bank of India.

2: Understand the explicit purpose of these bond issues. The capital raised from Sovereign Green Bonds is specifically channeled into public projects that help reduce the carbon intensity of the national economy.

3: Evaluate sample projects funded by these bonds. Eligible sectors include renewable energy generation, energy efficiency upgrades, clean public transportation systems, climate change adaptation initiatives, and sustainable water management networks. These bonds are not intended for banking recapitalization, regular agricultural credit, or standard foreign exchange reserve management.

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

**Answer: (B)**

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# Q15.

## Solution

**Concept:** Economic literature frequently features analysis from policymakers and academic thinkers addressing structural challenges in emerging markets. Books addressing India's development path often focus on labor market reforms, industrial strategies, human capital growth, and the shift from services-led development to advanced manufacturing frameworks.

**Solution:**
1: Identify the title of the book in question: "Breaking the Mould: Reimagining India's Economic Future".

2: Match the publication with its authors. This book was co-authored by Dr. Raghuram Rajan, the former Governor of the Reserve Bank of India, and noted economist Rohit Lamba.

3: Analyze the central thesis of the book to confirm its context. The book argues that India needs to pivot its economic development strategy away from the traditional, manufacturing-heavy path historically taken by East Asian economies. Instead, it suggests focusing on human capital, service innovation, and creative problem-solving to drive sustainable future growth, distinguishing it from the works of other contemporary authors.

**Final Answer:** Raghuram Rajan and Rohit Lamba

**Answer: (A)**

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## Q16.

### Solution

**Concept:** Geopolitics and global trade are heavily reliant on maritime shipping lanes and strategic bottlenecks known as choke points. Choke points are narrow channels along high-volume global sea routes that are critical for international trade and energy security. Disruption at these locations can cause significant delays, spikes in freight costs, and supply chain issues.

**Solution:**

1: Identify the geographical location of the Strait of Malacca. It is a narrow stretch of water situated in Southeast Asia, running between the Indonesian island of Sumatra and the Malay Peninsula.

2: Trace the maritime shipping routes passing through this channel. The Strait of Malacca serves as the primary shipping channel linking the Indian Ocean to the Pacific Ocean ecosystem.

3: Pinpoint the exact water bodies it connects. On its northwestern side, it connects to the Andaman Sea (an extension of the Indian Ocean), and on its southeastern side, it opens into the South China Sea (a marginal sea of the Pacific Ocean). It is one of the busiest and most economically vital transit corridors in the world, handling a massive share of global raw material and crude oil shipments moving toward East Asia.

**Final Answer:** $\boxed{\text{Andaman Sea and South China Sea}}$

**Answer: (C)**

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# Q17.

## Solution

**Concept:** National scientific missions are established to explore frontiers beyond conventional terrestrial environments. Deep-sea exploration initiatives focus on mapping the ocean floor, understanding hydrothermal vent ecosystems, cataloging unique marine biodiversity, and evaluating potential mineral resources such as polymetallic nodules. These missions rely on advanced marine engineering, submersibles, and specialized oceanographic research vessels.

**Solution:**
1: Identify the specific ocean exploration initiative mentioned in the prompt. The question asks for the official name of India's flagship deep ocean mission designed to study marine systems in the Indian Ocean.

2: Examine the core programs under the Ministry of Earth Sciences. While 'OceanSat' refers to a series of remote sensing satellites, the active operational deep ocean exploration project involving manned submersibles is known as Project Samudrayaan.

3: Detail the components of Project Samudrayaan. Under this project, a deep-submergence vehicle named 'MATSYA 6000' is being developed to carry scientists to deep ocean depths of 6,000 meters. This will allow direct observation and research of hydrothermal vents, gas hydrates, and benthic ecosystems in the Central Indian Ocean Basin.

**Final Answer:** $\boxed{\text{Project Samudrayaan}}$

**Answer: (B)**

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## Q18.

### Solution

**Concept:** Brand management and corporate marketing utilize distinct advertising taglines to establish brand identity and project core corporate values. Effective slogans capture a brand's primary utility and global positioning, becoming a key asset in consumer brand recall even after industry shifts occur.

**Solution:**

1: Analyze the historical context of the tagline "Connecting People". This phrase was introduced during the rapid expansion of global mobile telecommunications in the late 1990s and early 2000s.

2: Evaluate the marketing campaigns of the major mobile handset manufacturers listed in the choices. Motorola relied on campaigns like "Hello Moto", while Samsung and Blackberry focused on business utility and technological innovation.

3: Identify the brand that built its identity around the phrase. The Finnish multinational telecommunications corporation Nokia used "Connecting People" as its global slogan. The tagline highlighted Nokia's role in establishing cellular networks and manufacturing affordable mobile devices that connected users worldwide.

**Final Answer:** $\boxed{\text{Nokia}}$

$\boxed{\textbf{Answer: (D)}}$

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# Q19.

## Solution

**Concept:** The Indian national movement featured several critical ideological turning points during the annual sessions of the Indian National Congress (INC). As the struggle for self-governance intensified, the political objective transitioned from demanding dominion status within the British Empire to seeking absolute, sovereign independence.

**Solution:**

1: Track the evolution of the official demands made by the Indian National Congress in the late 1920s.

2: Evaluate the context of the 1929 annual session. Held on the banks of the River Ravi in Lahore, this session was chaired by Jawaharlal Nehru.

3: Identify the key legislative outcome of this session. The historical 'Purna Swaraj' (Complete Independence) declaration was formally adopted, rendering dominion status unacceptable. The INC hoisted the tricolor flag of Indian independence and committed to a path of civil disobedience to achieve complete sovereignty, making the 1929 Lahore Session a defining moment in India's constitutional history.

**Final Answer:** $\boxed{\text{1929 Lahore Session}}$

$\boxed{\textbf{Answer: (B)}}$

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## Q20.

### Solution

**Concept:** The Reserve Bank of India (RBI) utilizes a variety of monetary policy instruments to manage macroeconomic stability, inflation, and market liquidity. These instruments are categorized into qualitative controls and quantitative measures. The Cash Reserve Ratio (CRR) is a foundational quantitative tool that directly dictates the liquid reserve requirements of commercial banking institutions.

**Solution:**

1: Define the operational mechanics of the Cash Reserve Ratio (CRR). The CRR is the mandatory percentage of total Net Demand and Time Liabilities (NDTL) that commercial banks must park with the central bank as cash reserves. Banks do not earn interest on this liquidity.

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

3: Determine the resulting effect on market liquidity. Because a larger share of bank assets is tied up in these mandatory reserves, the volume of loanable funds available to commercial banks is reduced. This contraction sucks excess liquidity out of the banking system, reducing credit creation and slowing down aggregate demand to curb inflationary pressures.

**Final Answer:** It sucks liquidity out of the banking system, reducing the credit creation capacity of commercial banks

**Answer: (B)**

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# Q21.

## Solution

**Concept:** Large-scale infrastructure development requires coordinated planning across multiple government ministries to eliminate operational delays and cost overruns. Traditional infrastructure planning often suffered from siloed execution, where departments like railways, roadways, shipping, and aviation designed projects independently, leading to disconnected logistics networks and structural inefficiencies.

**Solution:**
1: Define the operational mandate of the 'PM GatiShakti' National Master Plan launched by the Government of India. It is designed as a digital platform rather than a simple financial distribution scheme.

2: Examine the core mechanism of the platform. It integrates geospatial data layers from sixteen central ministries and state governments into a unified portal to enable synchronized project planning.

3: Identify the primary development objective. The platform aims to facilitate integrated planning and coordinated implementation of multi-modal infrastructure connectivity projects. This ensures that freight terminals, highways, rail networks, and ports link together seamlessly, boosting national logistic efficiency and reducing the overall transaction costs of doing business in India.

**Final Answer:** $\boxed{\text{Integrated planning and coordinated implementation of infrastructure connectivity projects}}$

**Answer: (B)**

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## Q22.

### Solution

**Concept:** Sports journalism and competitive records track historic achievements by athletes at premier international sporting events. Recognizing milestones in track and field events helps document a nation's growing presence in global sports ecosystems that have historically been dominated by other regions.

**Solution:**

1: Identify the event mentioned in the question prompt: the World Athletics Championships held in Budapest.

2: Track the performances of the Indian contingent at this specific global athletics meet.

3: Identify the gold medalist. Javelin thrower Neeraj Chopra secured the gold medal at the championships, cementing his position as a premier global athlete. This victory made him the first Indian athlete to win a gold medal at the World Athletics Championships, adding to his Olympic and Diamond League titles and marking a major milestone for Indian track and field athletics.

**Final Answer:** $\boxed{\text{Neeraj Chopra}}$

$\boxed{\textbf{Answer: (A)}}$

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# Q23.

## Solution

**Concept:** Multilateral development banks are established by groups of nations to mobilize resources for infrastructure and sustainable development projects in emerging economies. These institutions provide an alternative to traditional Western-dominated financial bodies like the World Bank and the International Monetary Fund, offering a more balanced framework for global economic governance.

**Solution:**

1: Trace the origins of the 'New Development Bank' (NDB). The bank was formally established during the sixth BRICS Summit in Fortaleza, Brazil, by the partner nations: Brazil, Russia, India, China, and South Africa.

2: Distinguish the NDB from other regional financial institutions. For instance, the Asian Infrastructure Investment Bank (AIIB) is based in Beijing, while the Asian Development Bank (ADB) operates out of Manila.

3: Identify the official headquarters of the NDB. The member nations agreed to set up the central operational headquarters of the New Development Bank in Shanghai, China. The bank supports public and private projects through loans, guarantees, and equity participation to drive sustainable development across emerging markets.

**Final Answer:** $\boxed{\text{Shanghai, China}}$

$\boxed{\textbf{Answer: (B)}}$

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# Q24.

## Solution

**Concept:** Corporate financial accounting requires a systematic classification of an enterprise's economic resources on its balance sheet. Assets are broadly divided into current assets (expected to be liquidated within one year) and non-current assets (long-term investments). Within non-current assets, fixed assets are further categorized based on whether they have a physical, material presence.

**Solution:**

1: Analyze the nature of 'Patents and Trademarks'. These assets represent legal protections and proprietary intellectual property rights owned by a corporation that provide long-term commercial value.

2: Determine their balance sheet classification. Since they provide value over multiple years, they are categorized as fixed, non-current assets rather than short-term current assets.

3: Differentiate between tangible and intangible assets. Tangible fixed assets include physical property like machinery, land, and buildings. Patents, copyrights, software, and trademarks lack physical substance and cannot be touched, which places them under Intangible Fixed Assets. They are recorded on the balance sheet at acquisition cost less accumulated amortization.

**Final Answer:** $\boxed{\text{Intangible Fixed Assets}}$

$\boxed{\textbf{Answer: (C)}}$

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# Q25.

## Solution

**Concept:** The privatization of the space sector in India has led to the emergence of private aerospace start-ups. Operating under regulatory bodies like IN-SPACe, these enterprises design, test, and launch customized launch vehicles. They leverage advanced manufacturing techniques, such as additive manufacturing (3D printing), to reduce component counts, lower production costs, and accelerate assembly timelines.

**Solution:**
1: Identify the specific rocket launch and engine system highlighted in the prompt: 'Agnibaan SORTED' (SubOrbital Technological Demonstrator).

2: Evaluate the profiles of prominent Indian space start-ups. Skyroot Aerospace developed the Vikram-S rocket, while Pixxel focuses on advanced hyperspectral imaging satellite constellations.

3: Analyze the accomplishments of Agnikul Cosmos. Agnikul Cosmos designed and test-fired the Agnibaan vehicle from India's first private launchpad at Sriharikota. The vehicle is powered by the 'Agnilet' engine, which is a single-piece, 3D-printed semi-cryogenic engine that uses liquid oxygen and aviation turbine fuel, marking a milestone in indigenous additive manufacturing for aerospace applications.

**Final Answer:** $\boxed{\text{Agnikul Cosmos}}$

**Answer: (B)**

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# Q26.

## Solution

**Concept:** In microeconomic theory, goods are classified into distinct categories based on two primary consumption properties: excludability and rivalrousness. Excludability refers to whether consumers can be prevented from accessing a good if they do not pay for it. Rivalrousness dictates whether one individual's consumption of the good diminishes its availability for consumption by others.

**Solution:**
1: Define a 'Private Good' as a baseline comparison. Private goods (like food or clothing) are both excludable and rivalrous, meaning access can be restricted by price, and consumption by one person reduces the total supply.

2: Define the characteristics of a 'Pure Public Good'. A pure public good is defined by two criteria: it must be non-excludable and non-rivalrous.

3: Analyze these two criteria. Non-excludable means that once the good is provided, it is impossible to prevent individuals from enjoying its benefits, regardless of whether they paid for it (which can lead to the free-rider problem). Non-rivalrous means that one person's use of the good does not reduce the quantity or quality available to anyone else. Classic examples include national defense, street lighting, and clean air.

**Final Answer:** $\boxed{\text{Non-excludable and Non-rivalrous}}$

$\boxed{\textbf{Answer: (D)}}$

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## Q27.

### Solution

**Concept:** Geographical passes serve as strategic overland corridors across rugged mountain ranges, facilitating trade, cultural exchange, and military logistics. In the Himalayan region, these passes have historically formed vital arteries connecting the Indian subcontinent with ancient Eurasian trade networks, and they continue to serve as highly sensitive border checkpoints today.

**Solution:**

1: Identify the geographical position of the 'Nathula Pass'. It is an alpine mountain pass located in the Eastern Himalayas along the border of the Indian state of Sikkim.

2: Trace its historical economic role. Nathula forms an offshoot of the ancient Silk Road and was closed for several decades following geopolitical conflicts before being reopened as an official bilateral border trade outpost.

3: Determine the region it connects with India. The pass links the state of Sikkim directly with the Chumbi Valley in the Tibet Autonomous Region of China. It serves as one of the officially agreed trading border posts between India and China, helping reduce the transit distance for cross-border cargo and religious pilgrimages compared to alternative circuitous maritime routes.

**Final Answer:** $\boxed{\text{Tibet (China)}}$

**Answer: (C)**

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## Q28.

### Solution

**Concept:** Mergers and acquisitions within the global technology sector often involve mega-conglomerates absorbing specialized digital platforms to expand their corporate ecosystems. By acquiring established networks, technology giants can gain immediate access to massive user bases, integrate proprietary data architectures, and diversify their revenue streams into advertising, software-as-a-service (SaaS), and professional cloud services.

**Solution:**

1: Identify the specific transaction target highlighted in the prompt: the professional networking platform 'LinkedIn'.

2: Review the acquisition history of major technology firms. Google acquired YouTube, while Meta Platforms (formerly Facebook) acquired Instagram and WhatsApp to consolidate its social media dominance.

3: Analyze Microsoft Corporation's strategic acquisitions. Microsoft executed a multi-billion dollar all-cash transaction to acquire LinkedIn.

4: Understand the strategic rationale behind Microsoft's acquisition. Microsoft integrated LinkedIn's professional cloud network with its enterprise software ecosystems, such as Office 365 and Dynamics 365, allowing it to offer interconnected productivity, social selling, and human resource management solutions to its enterprise clientele.

**Final Answer:** $\boxed{\text{Microsoft Corporation}}$

$\boxed{\textbf{Answer: (C)}}$

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## Q29.

### Solution

**Concept:** The external sector of the Indian economy is regulated through statutory frameworks that govern foreign exchange transactions, cross-border investments, and currency maintenance. The Foreign Exchange Management Act (FEMA) transitioned India's regulatory stance from the rigid control mindset of the older Foreign Exchange Regulation Act (FERA) to a management framework designed to facilitate external trade and payments while maintaining financial stability.

**Solution:**

1: Differentiate between the functions of the statutory bodies listed in the options. The Directorate of Enforcement (ED) is an investigative agency focused on enforcing laws around money laundering and foreign exchange violations, rather than a policy regulator. SEBI regulates capital market intermediaries and public listings.

2: Identify the primary statutory authority under FEMA. The Reserve Bank of India (RBI) is vested with the core authority to administer, regulate, and oversee foreign exchange transactions in India.

3: Detail the RBI's specific regulatory responsibilities. The RBI sets the operational rules for current account transactions, defines the limits for capital account convertibility, manages the country's official foreign exchange reserves, and issues licenses to authorized dealers (banks) to ensure stable external balances.

**Final Answer:** $\boxed{\text{Reserve Bank of India (RBI)}}$

**Answer: (C)**

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## Q30.

### Solution

**Concept:** The National Film Awards represent one of the most prominent film award ceremonies in India, established to honor excellence in cinematic art across diverse languages and regions. Administered by the Directorate of Film Festivals under the Ministry of Information and Broadcasting, these awards recognize achievements across several distinct categories, with the 'Best Feature Film' designation serving as the highest collective honor for a production.

**Solution:**
1: Identify the specific edition of the ceremony mentioned in the question prompt: the 69th National Film Awards cycle.

2: Review the distribution of major awards from this cycle. While the film 'RRR' won multiple awards in technical and popular entertainment categories, and 'Gangubai Kathiawadi' earned acting and screenplay honors, the top award for overall excellence was designated separately.

3: Identify the winner of the premier category. The biographical drama film "Rocketry: The Nambi Effect", written, produced, and directed by R. Madhavan, was officially awarded the 'Best Feature Film' prize. The movie chronicles the life, struggles, and scientific contributions of ISRO scientist Nambi Narayanan, matching the criteria specified for the top honor at this edition of the awards.

**Final Answer:** $\boxed{\text{Rocketry: The Nambi Effect}}$

$\boxed{\textbf{Answer: (A)}}$

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## Answer Key

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