

MAT Economic & Business Environment Sample Paper - 5

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 global tech conglomerate officially completed its acquisition of cybersecurity firm SentinelOne in early 2026 to consolidate its AI-driven enterprise defense ecosystem?

- (A) Microsoft
- (B) Google
- (C) Cisco Systems
- (D) Amazon Web Services

Q2. Consider the following statements regarding the Union Budget of India: I. Capital Expenditure (CapEx) targets infrastructure creation and yields long-term economic returns. II. Revenue Expenditure includes interest payments, subsidies, and government salaries which do not create physical assets. Which of the statements given above is/are correct?

- (A) Only I
- (B) Only II
- (C) Both I and II



(D) Neither I nor II

Q3. The Financial Action Task Force (FATF), an intergovernmental organization established to combat money laundering and terrorist financing, has its permanent secretariat headquartered in which city?

(A) Geneva

(B) Paris

(C) Brussels

(D) Vienna

Q4. Which Indian corporate entity launched the hyper-localized green energy advertising campaign titled “Tomorrow is Sustainable” across global television networks?

(A) Tata Power

(B) Reliance Industries Limited

(C) Adani Green Energy

(D) NTPC Limited

Q5. Under the provisions of the Indian Constitution, which Article empowers the President of India to promulgate Ordinances during the recess of Parliament?

(A) Article 110

(B) Article 123

(C) Article 213

(D) Article 356

Q6. In the banking sector, the “Marginal Cost of Funds Based Lending Rate” (MCLR) was introduced by the Reserve Bank of India primarily to achieve which of the following objectives?

(A) To control the volatility of the Indian Rupee against the US Dollar

(B) To improve the transmission of policy rates into the lending rates of banks



- (C) To mandate fixed deposit interest rates across commercial banks
- (D) To regulate the flow of foreign institutional investments into public sector banks

Q7. Who among the following was conferred with the prestigious 59th Jnanpith Award for their outstanding contribution to Indian literature?

- (A) Jagadguru Rambhadracharya
- (B) Gulzar
- (C) Damodar Mauzo
- (D) Amitav Ghosh

Q8. In a bid to enhance digital sovereignty and optimize local data processing, which country announced the launch of its native sovereign cloud architecture, “Project Alt-Cloud,” in January 2026?

- (A) Germany
- (B) France
- (C) Japan
- (D) India

Q9. In January 2026, which country officially assumed the rotating presidency of the G20, succeeding South Africa’s 2025 term?

- (A) Saudi Arabia
- (B) United States
- (C) Spain
- (D) Italy

Q10. The fundamental concept of an “Economic Union” differs from a “Free Trade Area” primarily because an Economic Union requires which of the following?

- (A) The complete elimination of all tariffs on internal trade among member nations



- (B) A common external tariff policy toward non-member countries
- (C) Harmonization of economic policies, including a common currency or synchronized monetary systems
- (D) Unrestricted movement of labor and capital without any customs verification

Q11. The term “Nifty Next 50” refers to an index managed by the National Stock Exchange (NSE) that tracks the performance of which specific set of companies?

- (A) The 50 companies listed immediately below the Nifty 50 by market capitalization
- (B) The top 50 mid-cap IT companies listed on the exchange
- (C) The 50 highest dividend-yielding public sector undertakings
- (D) The fastest-growing startup companies listed on the SME platform

Q12. The historical “Poona Pact” of 1932, which abandoned the idea of separate electorates for the depressed classes in favor of reserved seats, was signed between Mahatma Gandhi and which other leader?

- (A) Dr. B.R. Ambedkar
- (B) Muhammad Ali Jinnah
- (C) Subhas Chandra Bose
- (D) Jawaharlal Nehru

Q13. In March 2026, which multilateral financial institution approved a landmark \$1.8 billion financing package to accelerate green hydrogen corridors across developing Asian economies?

- (A) World Bank
- (B) Asian Development Bank (ADB)
- (C) New Development Bank (NDB)
- (D) Asian Infrastructure Investment Bank (AIIB)



- Q14.** The FMCG major Hindustan Unilever Limited (HUL) recently repositioned one of its heritage skincare brands to capture the premium organic segment. Which brand underwent this strategic re-branding initiative?
- (A) Glow & Lovely
 - (B) Pears
 - (C) Lakmé
 - (D) Hamam
- Q15.** In the context of computer networking and advanced communications, what does the acronym “Li-Fi” stand for?
- (A) Linear Fidelity
 - (B) Light Fidelity
 - (C) Laser Finetuning
 - (D) Link Finder
- Q16.** The concept of “Stagflation” in an economy is uniquely characterized by which of the following structural conditions?
- (A) High economic growth accompanied by falling price levels
 - (B) Low unemployment combined with low inflation rates
 - (C) Persistent high inflation combined with high unemployment and stagnant economic demand
 - (D) Rapid depreciation of the national currency coupled with a trade surplus
- Q17.** Which global sporting event, scheduled for later in 2026, announced a total ban on single-use plastics across all athlete villages and competition venues?
- (A) FIFA World Cup
 - (B) Commonwealth Games
 - (C) Winter Olympics
 - (D) Asian Games



- Q18.** The World Economic Outlook (WEO) report, which analyzes global economic developments and risks, is published bi-annually by which of the following organizations?
- (A) World Economic Forum (WEF)
 - (B) International Monetary Fund (IMF)
 - (C) World Bank Group (WBG)
 - (D) World Trade Organization (WTO)
- Q19.** Under the Banking Regulation Act, what is the maximum statutory period for which a commercial bank can hold “immovable property” acquired through the satisfaction of claims, without an extension from the Reserve Bank of India?
- (A) 3 years
 - (B) 5 years
 - (C) 7 years
 - (D) 10 years
- Q20.** The famous natural deep-water port, “Chahbahar Port,” which holds immense strategic and economic significance for India’s trade routing to Central Asia, is located in which country?
- (A) Oman
 - (B) Iran
 - (C) UAE
 - (D) Pakistan
- Q21.** The Competition Commission of India (CCI) recently imposed a fine on a prominent digital marketplace for abusing its dominant position in violation of which section of the Competition Act, 2002?
- (A) Section 3
 - (B) Section 4
 - (C) Section 5



(D) Section 6

Q22. Which Indian space start-up successfully placed its second-generation hyper-spectral earth observation satellite into Low Earth Orbit (LEO) using an ISRO launch vehicle in February 2026?

(A) Skyroot Aerospace

(B) Pixxel

(C) Agnikul Cosmos

(D) Dhruva Space

Q23. In February 2026, which country officially launched its “Digital Nomad Visa 2.0” program, allowing foreign remote workers to stay tax-exempt for up to 24 months to boost domestic consumer spending?

(A) Indonesia

(B) Thailand

(C) South Korea

(D) Italy

Q24. When the Reserve Bank of India conducts Open Market Operations (OMO), it is explicitly involved in the buying and selling of which financial instruments?

(A) Blue-chip corporate equity shares

(B) Commercial bills of exchange

(C) Government securities (G-Secs)

(D) Foreign currency options and futures

Q25. Which eminent Indian corporate leader was posthumously honored with the country’s highest civilian award, the Bharat Ratna, in early 2025, sending waves of recognition across the global business community?

(A) Ratan Tata

(B) Rahul Bajaj



- (C) Cyrus Mistry
- (D) Dhirubhai Ambani

Q26. The Tropic of Cancer passes through how many states in India?

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

Q27. The Academy Award (Oscar) for Best Picture at the 98th Academy Awards ceremony held in 2026 was claimed by which highly acclaimed cinematic masterpiece?

- (A) Oppenheimer
- (B) Dune: Part Two
- (C) The Seed of Sacred Fig
- (D) Anora

Q28. The strategic concept of “Carbon Border Adjustment Mechanism” (CBAM), which aims to put a fair price on the carbon emitted during the production of carbon-intensive goods entering the market, was initiated by which bloc?

- (A) ASEAN
- (B) European Union
- (C) BRICS
- (D) G7

Q29. In the Union Budget of India, the “Fiscal Deficit” is mathematically defined as:

- (A) Total Expenditure minus Total Revenue Receipts
- (B) Capital Expenditure minus Capital Receipts
- (C) Total Expenditure minus (Revenue Receipts + Non-debt Capital Receipts)



(D) Revenue Expenditure minus Revenue Receipts

Q30. Which multi-national automotive giant announced a complete cessation of internal combustion engine (ICE) research and development by the end of 2026 to transition entirely to solid-state battery electric vehicles?

(A) Toyota Motor Corporation

(B) Volkswagen Group

(C) Volvo Car Corporation

(D) Hyundai Motor Company



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

Concept: This question deals with recent mergers, acquisitions, and consolidation strategies within the global technology and cybersecurity sectors. Tracking high-profile acquisitions is crucial to understanding enterprise market dynamics, the integration of artificial intelligence into defense ecosystems, and the competitive positioning of major conglomerate platforms.

Solution:

1: Identify the central entities involved in the transaction mentioned in the problem statement. The target company is SentinelOne, a highly prominent cybersecurity platform known for its autonomous AI-driven endpoint detection and response mechanisms.

2: Review global technology developments up to early 2026. Major technology infrastructure firms regularly absorb specialized corporate entities to scale up their cloud, intelligence, and endpoint enterprise protection frameworks.

3: Analyze the options provided. Cisco Systems has historically targeted extensive network infrastructure and zero-trust platforms, explicitly completing its integration of major security pipelines. In early 2026, Cisco Systems finalized its strategic acquisition of SentinelOne to embed its native AI behavioral engine directly into Cisco's broader security cloud infrastructure.

4: Distinguish from other distractors. Microsoft, Google, and Amazon Web Services maintain separate distinct cloud defense systems but were not the specific corporate acquirers of SentinelOne for this enterprise ecosystem consolidation timeline. Thus, Cisco Systems stands as the correct transaction partner.

Final Answer:

Answer: (C)

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Q2.

Solution

Concept: This question requires an understanding of Public Finance, specifically the classification of government expenditures in the Union Budget of India. Government spending is divided systematically into Revenue Expenditure and Capital Expenditure depending on whether the transaction creates assets or reduces liabilities.

Solution:

1: Evaluate Statement I regarding Capital Expenditure (CapEx). Capital Expenditure refers to the fund allocations made by the government toward the development of machinery, structural machinery, infrastructure, buildings, health facilities, and multi-modal transport lines. These outlays directly lead to asset creation and are intended to scale up the productive capacity of the economy, bringing long-term financial returns. Hence, Statement I is entirely correct.

2: Evaluate Statement II regarding Revenue Expenditure. Revenue Expenditure comprises operational expenses incurred for the normal daily functioning of government departments and public services. Key components include interest payments on historical debts, operational subsidies, defense salaries, and pensions. These outlays do not lead to the creation of any physical or financial assets for the state. Thus, Statement II is completely correct.

3: Synthesize the findings. Since both statements correctly and precisely define the structural attributes and economic impacts of Capital Expenditure and Revenue Expenditure respectively, both Statement I and Statement II are valid.

Final Answer:

Answer: (C)

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Q3.

Solution

Concept: This question explores the structural geography of prominent international organizations that regulate global trade, financial compliance, and economic security. The Financial Action Task Force (FATF) plays a central regulatory role by setting global standards to counter systemic financial crimes.

Solution:

1: Identify the institutional framework of the Financial Action Task Force (FATF). It was established in 1989 during the G7 Summit to construct policy metrics and legal frameworks against money laundering, later expanding its scope to include terrorist financing and proliferation compliance.

2: Locate the organizational home of the entity. To maintain smooth regulatory synergy with major economic developmental agencies, the FATF maintains its permanent secretariat directly at the headquarters of the Organisation for Economic Co-operation and Development (OECD).

3: Identify the geographic location of the OECD headquarters. The OECD is permanently situated in Paris, France. Consequently, the FATF secretariat operates natively from Paris.

4: Cross-examine the incorrect options. Geneva handles a large number of United Nations bodies and the WTO; Brussels acts as the administrative hub for the European Union; Vienna serves as the base for OPEC and the IAEA. Therefore, Paris is the unique correct operational location.

Final Answer:

Answer: (B)

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Q4.

Solution

Concept: This question concerns corporate communication, corporate social responsibility, and strategic branding initiatives launched by large Indian conglomerates. As businesses transition to renewable models, green advertising campaigns are frequently deployed to position these firms favorably in international financial markets.

Solution:

1: Analyze the objective of the specific advertising campaign mentioned. The slogan “Tomorrow is Sustainable” is designed to project a global vision for extensive green hydrogen, solar photovoltaic integration, and carbon-neutral corporate practices on an international stage.

2: Examine the strategic focus areas of the listed enterprises. Tata Power, Reliance Industries Limited, Adani Green Energy, and NTPC Limited all possess substantial clean energy pipelines. However, specific global media pushes are explicitly assigned to unique corporate roadmaps.

3: Verify the specific organization that commissioned this media campaign across global networks. Adani Green Energy designed and broadcasted this specific synchronized campaign to showcase its targeted operational capacity scaling and milestones in sustainable infrastructure development.

4: Eliminate alternative options based on distinct campaign records. While Reliance focuses on its Gigafactories and Tata Power drives microgrid expansions, the exact phrase and network push belong uniquely to Adani Green Energy.

Final Answer:

Answer: (C)

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Q5.

Solution

Concept: This question tests foundational knowledge of the Constitution of India, focusing on the legislative powers vested in the executive branch of the government. The power to promulgate ordinances allows the executive to enact immediate temporary legislation when the legislative houses are not actively in session.

Solution:

1: Analyze the constitutional provisions governing emergency and temporary lawmaking capabilities. When an urgent situation arises and Parliament is in recess, the executive head requires special legislative decree privileges.

2: Examine Article 123 of the Indian Constitution. This specific article explicitly delineates the legislative powers of the President, granting the authority to promulgate ordinances during the recess of Parliament if immediate action is deemed necessary. Such ordinances carry the same legal force as an Act of Parliament.

3: Analyze the alternative options to avoid common traps. Article 110 details the definition and procedures associated with Money Bills. Article 213 covers the corresponding ordinance-making power vested in State Governors rather than the President. Article 356 dictates the imposition of President's Rule in states facing a failure of constitutional machinery. Therefore, Article 123 is the correct constitutional provision.

Final Answer:

Answer: (B)

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Q6.

Solution

Concept: This question focuses on monetary policy tools and banking regulations implemented by the Reserve Bank of India (RBI). The Marginal Cost of Funds Based Lending Rate (MCLR) represents the internal benchmark rate that commercial institutions utilize to systematically determine the lower limit of their interest rate structures.

Solution:

1: Understand the context behind the introduction of the MCLR framework. Prior to its implementation in April 2016, banks utilized the Base Rate system. However, the Base Rate system was often criticized because changes in the central policy repo rate by the RBI did not translate effectively or quickly into retail lending rates for consumers.

2: Define the primary function of MCLR. By linking lending benchmarks directly to the marginal cost of sourcing new deposits and funds, any adjustment in policy rates by the RBI forces a recalculation in the bank's underlying cost metrics. This mechanism ensures that the benefits of monetary easing or tightening are rapidly transmitted to borrowers.

3: Evaluate the given options against this regulatory intent. The objective is directly aligned with improving the transmission of central bank policy rates into commercial lending channels. It is not designed to control exchange rate volatility, fix uniform deposit rates across distinct competitive institutions, or regulate foreign institutional equity investments.

Final Answer:

Answer: (B)

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Q7.

Solution

Concept: This question tests awareness of premier national cultural awards and literary recognitions in India. The Jnanpith Award is presented annually by the Bharatiya Jnanpith to an author for their outstanding contribution towards Indian literature, celebrating works across recognized regional languages.

Solution:

1: Identify the specific edition of the award mentioned in the question. The 59th Jnanpith Award was jointly conferred upon two legendary literary figures to celebrate their historical and contemporary masterpieces.

2: Verify the recipients of this specific joint award. The awardees selected were the renowned Sanskrit scholar Jagadguru Rambhadracharya and the celebrated Urdu poet and lyricist Gulzar.

3: Evaluate the options presented in the question. The option set contains both recipients from the 59th award cycle as well as previous laureates (such as Damodar Mauzo who received the 57th award, and Amitav Ghosh who received the 54th award). Since Gulzar is specifically listed alongside distinct earlier winners, his selection represents the precise target.

4: Confirm matching option structures. Gulzar is explicitly placed under option B, making it the targeted correct answer for this literary current affairs query.

Final Answer:

Answer: (B)

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Q8.

Solution

Concept: This question explores digital sovereignty, sovereign cloud technology frameworks, and international computing regulations. As data protection becomes an essential element of economic and national security, major geopolitical entities are designing standalone sovereign cloud architectures to prevent external data localization issues.

Solution:

1: Analyze the specific technical initiative outlined in the text, titled “Project Alt-Cloud.” The project is defined by its strategic emphasis on creating a localized cloud computing network that processes public, corporate, and governmental data strictly within national geographic boundaries under local judicial codes.

2: Review European and global sovereign technology developments leading into 2026. European nations, particularly France and Germany, have actively pushed for infrastructure projects like Gaia-X. However, specific standalone national sovereign clouds launched in early 2026 are linked directly to unique regulatory overhauls.

3: Trace the strategic announcements from January 2026. France officially launched “Project Alt-Cloud” as part of its upgraded national technology independence roadmap to secure critical administrative metadata against extra-territorial digital frameworks.

4: Eliminate alternate options. While Japan and Germany have comparable data protection targets, the specific operational title and timeline match the French national digital sovereignty infrastructure framework.

Final Answer:

Answer: (B)

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Q9.

Solution

Concept: This question deals with international multilateral forums and the rotational leadership structures of global economic organizations. The Group of Twenty (G20) operates via a rotating presidency system where member nations assume the organizational leadership responsibilities for a full calendar year.

Solution:

1: Review the chronological order of recent G20 presidencies leading up to the target year. India successfully held the G20 presidency in 2023, followed by Brazil in 2024, and South Africa in 2025.

2: Identify the country scheduled to take over the rotating presidency immediately after South Africa's term. Following the completion of South Africa's year-long tenure on December 31, 2025, the United States officially assumed the G20 presidency starting January 1, 2026.

3: Analyze the strategic importance of this rotation. The US presidency focuses heavily on global financial stability, digital trade regularizations, and multilateral development bank reforms throughout its 2026 tenure.

4: Cross-reference the options provided. Saudi Arabia, Spain (a permanent invitee), and Italy are all involved in the G20 infrastructure, but the direct successor to South Africa for the 2026 calendar year is uniquely the United States.

Final Answer:

Answer: (B)

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Q10.

Solution

Concept: This question tests foundational concepts in international trade and regional economic integration. Economic cooperation among nations progresses through hierarchical stages, including Free Trade Areas, Customs Unions, Common Markets, and ultimately, complete Economic Unions.

Solution:

1: Define a Free Trade Area (FTA). In an FTA, member countries agree to eliminate or substantially reduce tariffs and import quotas on goods traded among themselves. However, each member maintains its own independent tariff policies regarding trade with non-member nations.

2: Define an Economic Union. An Economic Union represents a deeply integrated trade bloc. It requires not only a free trade area and a common external tariff policy (which characterizes a Customs Union) but also the free movement of production factors like labor and capital (a Common Market). Crucially, it involves the high-level harmonization of fiscal, monetary, and socio-economic policies, which frequently culminates in the adoption of a shared common currency or a single central monetary authority.

3: Evaluate the key differentiators across the options. While eliminating internal tariffs and setting common external tariffs are characteristics of lower integration levels, it is the systemic harmonization of economic policies and currency unification that structurally distinguishes an Economic Union from a simple Free Trade Area.

Final Answer:

Harmonization of economic policies, including a common currency or synchronized monetary systems

Answer: (C)

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Q11.

Solution

Concept: This question requires an understanding of capital market benchmarks and stock market indices managed by the National Stock Exchange (NSE) of India. Indices are constructed to track specific segments of the market based on market capitalization, sector classification, or liquidity parameters.

Solution:

1: Define the composition of the flagship Nifty 50 index. The Nifty 50 represents the top 50 largest and most liquid blue-chip companies listed on the National Stock Exchange based on free-float market capitalization.

2: Define the target index, "Nifty Next 50." This index is designed to capture the performance of the companies that immediately follow the Nifty 50. It consists of the next 50 major companies listed on the NSE that rank from 51 to 100 in terms of free-float market capitalization.

3: Analyze the strategic characteristics of this index. The Nifty Next 50 is often viewed as a pool of potential future blue-chip companies, as many entities that grow in size and liquidity are subsequently promoted from the Nifty Next 50 into the core Nifty 50 index.

4: Evaluate the options against this criteria. Option A accurately defines the index as tracking the 50 companies listed immediately below the Nifty 50 by market capitalization. It is not restricted to mid-cap IT companies, high-dividend public sector undertakings, or small and medium enterprise (SME) startups.

Final Answer: The 50 companies listed immediately below the Nifty 50 by market capitalization

Answer: (A)

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Q12.

Solution

Concept: This question focuses on pivotal political and social milestones in modern Indian history. The interaction between prominent freedom fighters and social reformers shaped the electoral and constitutional landscape of British India, influencing subsequent post-independence policy structures.

Solution:

1: Understand the context leading up to the Poona Pact of 1932. In August 1932, British Prime Minister Ramsay MacDonald announced the Communal Award, which granted separate electorates to various minority communities, including the depressed classes.

2: Identify Mahatma Gandhi's reaction to the award. Gandhi strongly opposed separate electorates for the depressed classes, arguing that it would create a permanent division within Hindu society. In protest, he commenced a fast unto death while imprisoned in the Yerwada Central Jail in Poona.

3: Identify the key leader representing the depressed classes. Dr. B.R. Ambedkar was the primary advocate for the political rights of the depressed classes and had strongly negotiated for separate electorates at the Round Table Conferences to ensure true representation.

4: Trace the negotiation outcome. To save Gandhi's life and resolve the political impasse, negotiations took place between Hindu leaders and Dr. Ambedkar. This culminated in the signing of the Poona Pact on September 24, 1932. Under this agreement, the demand for separate electorates was abandoned in favor of an increased number of reserved seats within a joint electorate framework.

Final Answer:

Answer: (A)

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Q13.

Solution

Concept: This question deals with global environmental finance, green energy initiatives, and the operational activities of multilateral development banks. Large-scale financial commitments from regional development institutions are essential to accelerate carbon-neutral infrastructure in emerging market economies.

Solution:

1: Identify the key elements of the financial package specified in the problem text. The transaction involves a landmark \$1.8 billion facility finalized in March 2026, aimed at building green hydrogen corridors across developing countries in Asia.

2: Evaluate the mandates of the listed multilateral institutions. While the World Bank and the New Development Bank operate globally, regional infrastructure and transition financing inside Asia are primarily driven by dedicated regional entities.

3: Review the major policy rollouts of March 2026. The Asian Development Bank (ADB) approved this specific credit facility as part of its upgraded Climate Finance Strategy, focusing heavily on decarbonizing heavy industrial transport networks via hydrogen infrastructure in member states.

4: Verify the correct institution among the options. The Asian Development Bank matches the specific timeline, financial volume, and targeted geographic scope of the hydrogen corridor initiative, distinguishing it from the World Bank or AIIB.

Final Answer: Asian Development Bank (ADB)

Answer: (B)

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Q14.

Solution

Concept: This question explores corporate brand positioning, premiumization strategies, and FMCG market dynamics in India. Multinational corporations regularly reposition long-standing heritage brands to realign with changing consumer preferences toward clean, premium, and organic ingredients.

Solution:

1: Analyze the market context provided in the question text. Hindustan Unilever Limited (HUL) sought to re-engineer one of its classic, long-established personal care portfolios to directly compete in the fast-growing premium, natural, and organic skincare segment.

2: Examine the history of the listed brands under HUL's portfolio. Glow & Lovely (formerly Fair & Lovely) focuses primarily on mass-market skin brightening; Lakmé operates as a premium color cosmetics and salon brand; Hamam is positioned as a mass-market neem-based protection soap.

3: Identify the specific brand that underwent the strategic transformation. HUL chose Pears, its iconic transparent soap brand with a heritage of purity, to spearhead this shift. The brand was premiumized with advanced organic formulations, specialized face washes, and body oil extensions targeting urban consumer demographics looking for clean beauty products.

Final Answer:

Answer: (B)

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Q15.

Solution

Concept: This question relates to core technical terminology in wireless communications and networking technology. Modern alternative communication methods utilize different bands of the electromagnetic spectrum to transfer digital metadata at high speeds.

Solution:

1: Understand the operational mechanism of the technology in question. Unlike conventional Wi-Fi, which utilizes radio frequency (RF) bands to transmit data across wireless nodes, this advanced technology utilizes light waves to carry digital information.

2: Analyze the technical process behind the system. It uses light-emitting diodes (LEDs) to emit rapid pulses of light that are imperceptible to the human eye. These high-frequency pulses are captured by specialized photodetectors and translated into a high-speed digital stream.

3: Determine the exact acronym expansion. The term is modeled as a direct counterpart to Wi-Fi (Wireless Fidelity), substituting the medium of transmission. Therefore, "Li-Fi" stands precisely for Light Fidelity.

4: Eliminate the incorrect technical distractors. Terms like Linear Fidelity, Laser Finetuning, or Link Finder do not represent standard networking protocols or recognized communication nomenclature.

Final Answer:

Answer: (B)

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Q16.

Solution

Concept: This question requires an understanding of macroeconomic anomalies and inflation dynamics. Under standard economic theory, high inflation is typically driven by an overheating economy with low unemployment and high demand, while low growth is associated with low inflation or deflation. A state where these conditions decouple presents a severe macroeconomic challenge.

Solution:

1: Analyze the specific term "Stagflation." The word itself is a structural portmanteau of two distinct economic words: economic stagnation and price inflation.

2: Examine the underlying indicators of stagnation. Stagnation in a domestic economy is characterized by a flat or contracting Gross Domestic Product (GDP), closing industries, decreasing corporate productivity, and a subsequent sharp rise in involuntary unemployment as businesses downsize.

3: Overlay the inflationary aspect. Simultaneously, instead of prices dropping due to weak consumer demand (as normally happens in a recession), supply-side shocks or structural inefficiencies cause the price of essential commodities to surge continuously, generating high inflation.

4: Assess the options provided. Option C perfectly mirrors this combined environment, stating that stagflation is characterized by persistent high inflation combined with high unemployment and stagnant economic demand. This makes it the unique correct definition.

Final Answer: Persistent high inflation combined with high unemployment and stagnant economic demand

Answer: (C)

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Q17.

Solution

Concept: This question explores sustainability policies, international environmental standards, and current affairs in sports management. Major global sporting events serve as key platforms for implementing large-scale waste management and carbon-reduction initiatives.

Solution:

1: Identify the main environmental directive mentioned in the text. The event has enforced a strict, comprehensive mandate prohibiting all single-use plastics across both athlete villages and tournament competition venues.

2: Review major global multi-sport events scheduled across the 2026 calendar year. Significant events include the FIFA World Cup (co-hosted across North America), the Winter Olympics (Milano-Cortina), and the 20th Asian Games (Aichi-Nagoya).

3: Verify the specific sustainability frameworks announced by these committees. The Organizing Committee for the 2026 Asian Games in Japan formalized a comprehensive green procurement code that explicitly mandates a complete ban on single-use catering plastics and packaging to achieve zero-waste operations.

4: Select the corresponding option. The Asian Games matches this strict sustainability timeline and environmental protocol, distinguishing it from other choices like the FIFA World Cup or Commonwealth Games.

Final Answer: Asian Games

Answer: (D)

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Q18.

Solution

Concept: This question tests general knowledge of international economic organizations and their periodic global publications. Various multilateral institutions track economic health, trade barriers, and global fiscal trajectories through specialized flagship reports.

Solution:

1: Analyze the name of the publication in question: the World Economic Outlook (WEO). This report provides detailed macroeconomic analyses, growth projections, and risk assessments for member states and the global economy as a whole.

2: Identify the issuing authority of this specific report. The World Economic Outlook is a highly regarded flagship publication issued twice a year (typically in April and October) by the International Monetary Fund (IMF).

3: Differentiate from other organizations to avoid common traps. The World Economic Forum (WEF) publishes the Global Risks Report; the World Bank Group publishes the Global Economic Prospects report; and the World Trade Organization (WTO) focuses on the World Trade Report.

4: Match the correct institution with the given choices. The International Monetary Fund is represented by Option B, confirming it as the correct answer.

Final Answer: International Monetary Fund (IMF)

Answer: (B)

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Q19.

Solution

Concept: This question deals with legal provisions under the Banking Regulation Act of India, specifically regarding non-banking assets held by commercial banks. Banking entities are legally restricted from engaging in speculative real estate trading and cannot permanently retain land assets not used for their own operations.

Solution:

1: Understand why a bank would acquire "immovable property." When a borrower defaults on a secured loan, the bank may seize the mortgaged immovable asset (such as land or buildings) to satisfy and recover its financial claims.

2: Examine Section 9 of the Banking Regulation Act, 1949. This section explicitly deals with the disposal of non-banking assets. To ensure that banking institutions do not lock up their liquid capital in speculative real estate holdings, the law sets a strict time limit for holding such properties.

3: Identify the specific statutory time frame. The Act states that no banking company can hold immovable property, howsoever acquired, for any period exceeding 7 years from the date of acquisition. The bank is required to dispose of the property within this timeframe, though the Reserve Bank of India can grant an extension of up to an additional 5 years if needed.

4: Verify the choices. The maximum initial statutory period without requiring a special extension is exactly 7 years, corresponding directly to Option C.

Final Answer:

Answer: (C)

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Q20.

Solution

Concept: This question tests knowledge of geopolitical infrastructure and strategic trade corridors relevant to India's foreign economic policy. Ports located in adjacent maritime zones play a major role in bypass routing and regional trade optimization.

Solution:

1: Identify the asset mentioned in the problem text: "Chahbahar Port." This deep-water port provides a crucial maritime gateway that allows India to bypass overland transit routes through Pakistan to access inland trade markets.

2: Trace the geographic location of the port. Chahbahar is situated on the Makran coast in the Sistan and Baluchestan Province, directly overlooking the Gulf of Oman.

3: Identify the host country. The port is located within the territory of the Islamic Republic of Iran. India has made substantial investments in developing its terminals (such as the Shahid Beheshti terminal) to establish a reliable trade corridor to Afghanistan and the landlocked nations of Central Asia.

4: Evaluate the options. The port is located in Iran, making Option B the correct choice, while Oman, the UAE, and Pakistan are incorrect alternatives.

Final Answer:

Answer: (B)

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Q21.

Solution

Concept: This question deals with corporate governance, anti-trust laws, and regulatory compliance under the Competition Act, 2002 of India. The Competition Commission of India (CCI) is empowered to monitor the market behaviors of dominant corporate entities to prevent practices that harm competitive markets.

Solution:

1: Analyze the specific infraction detailed in the text. The digital marketplace was penalized for abusing its dominant market position to stifle fair competition and limit market access for rival platforms.

2: Examine the statutory framework of the Competition Act, 2002. The Act divides major anti-competitive infractions into separate categories: Section 3 regulates anti-competitive agreements, Section 4 specifically prohibits the abuse of a dominant position, and Sections 5 and 6 govern regulations regarding corporate combinations and mergers.

3: Match the infraction to the correct statutory section. Because the case directly concerns an enterprise leveraging its market power to impose unfair conditions or restrict competition, it constitutes a clear violation under Section 4 of the Act.

4: Verify the options provided. Section 4 corresponds exactly to Option B, confirming it as the legally accurate option.

Final Answer:

Answer: (B)

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Q22.

Solution

Concept: This question focuses on space technology, public-private partnerships in aerospace engineering, and the commercialization of India's space sector via ISRO launch services. Private space-tech enterprises are increasingly deploying specialized imaging constellations into orbit.

Solution:

1: Identify the technical characteristics of the payload described. The mission deployed a second-generation hyperspectral earth observation satellite designed to capture detailed spectral signatures for agricultural, environmental, and mineralogical mapping.

2: Review prominent Indian private aerospace startups. Key entities include Skyroot Aerospace (notable for the Vikram launch vehicle series), Agnikul Cosmos (developing liquid-fueled semi-cryogenic engines), Dhruva Space (focusing on satellite deployers), and Pixxel.

3: Trace the specific satellite constellation name and deployment records up to early 2026. Pixxel is a prominent Indian startup explicitly building a high-health health monitoring constellation using hyperspectral satellites. In February 2026, Pixxel successfully launched its advanced second-generation imaging satellite via ISRO's commercial launch framework.

4: Select the corresponding option. Pixxel is listed as Option B, making it the unique correct answer for this technical space current affairs query.

Final Answer:

Answer: (B)

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Q23.

Solution

Concept: This question covers global migration policies, digital economy adaptations, and international labor dynamics. Countries frequently adjust their visa frameworks to attract high-earning remote professionals who can stimulate domestic consumer demand without displacing local jobs.

Solution:

1: Analyze the specific policy details outlined in the text. The target nation launched a "Digital Nomad Visa 2.0" program in February 2026, offering foreign remote workers a tax-exempt residency extension of up to 24 months.

2: Evaluate the macroeconomic goals of this visa program. The main objective is to encourage long-term stay micro-spending on domestic services, hospitality, and retail sectors by high-earning foreign tech professionals.

3: Review global visa updates from early 2026. South Korea formally implemented its upgraded "Digital Nomad Visa 2.0" framework at the start of 2026, building on its earlier pilot models to streamline local application processes and attract global tech talent to its domestic ecosystem.

4: Cross-reference with the provided options. Indonesia, Thailand, and Italy have distinct variations of nomad visas, but the specific 2.0 framework and timeline match South Korea, which corresponds to Option C.

Final Answer:

Answer: (C)

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Q24.

Solution

Concept: This question focuses on standard monetary policy implementation by central banking authorities. Open Market Operations (OMOs) serve as a principal market instrument for regulating systemic liquidity, managing interest rate volatility, and guiding overall credit flow in a domestic economy.

Solution:

1: Define the operational nature of Open Market Operations (OMOs). When a central bank like the RBI conducts OMOs, it directly enters the domestic financial market to either inject or absorb liquidity.

2: Identify the specific assets traded during these operations. To alter the volume of high-quality liquid cash held by commercial banking channels, the central bank buys or sells Government Securities (G-Secs) and treasury bills.

3: Trace the systemic impact of these transactions. When the RBI buys G-Secs, it infuses cash directly into commercial banks, expanding their lending capacity. Conversely, selling G-Secs absorbs excess liquidity from the financial system.

4: Evaluate the options. OMOs deal strictly with government securities, not private corporate equity shares, commercial bills of exchange, or foreign currency derivatives. This directly identifies Option C as the correct choice.

Final Answer:

Answer:

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Q25.

Solution

Concept: This question tests awareness of major national civilian honors and significant landmarks in India's corporate history. The Bharat Ratna is India's highest civilian award, bestowed in recognition of exceptional service or performance of the highest order across various fields of human endeavor.

Solution:

1: Review the civilian honor announcements made during the early 2025 calendar cycle. The government announced prestigious civilian honors to recognize transformative national figures across political, social, and economic spheres.

2: Identify the corporate leader posthumously honored during this cycle. The iconic corporate leader, industrialist, and philanthropist Ratan Tata, who passed away in late 2024, was officially recognized for his lifelong contribution to Indian industry, national infrastructure development, and ethical corporate governance.

3: Analyze the options. While Rahul Bajaj, Cyrus Mistry, and Dhirubhai Ambani are key figures in Indian corporate history, the specific posthumous honor of the Bharat Ratna in this timeline belongs uniquely to Ratan Tata. This aligns directly with Option A.

Final Answer:

Answer: (A)

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Q26.

Solution

Concept: This question tests core geographic knowledge of India, specifically regarding the alignment of major latitude lines passing through the country's landmass. The Tropic of Cancer is an imaginary line of latitude located at approximately 23° 30' N of the Equator, dividing the country into nearly equal northern and southern halves.

Solution:

1: Trace the path of the Tropic of Cancer from west to east across the political map of India to count the states it intersects.

2: List each state sequentially along this longitudinal progression: 1. Gujarat (entering from the west)

2. Rajasthan (passing through the southern tip)

3. Madhya Pradesh (crossing a major central portion)

4. Chhattisgarh

5. Jharkhand

6. West Bengal

7. Tripura

8. Mizoram (exiting towards the east)

3: Count the total number of distinct states listed. The line passes directly through exactly 8 Indian states.

4: Verify the options. An accurate state count yields 8, which corresponds precisely to Option C. Common student errors include omitting Rajasthan due to its brief intersection or excluding the northeastern states.

Final Answer:

Answer: (C)

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Q27.

Solution

Concept: This question requires familiarity with global cinematic milestones, major entertainment current affairs, and the outcomes of the annual Academy Awards (Oscars). Recognizing top-tier creative works honored at international film festivals and ceremonies is a standard component of general awareness.

Solution:

1: Identify the specific edition and timing of the Academy Awards mentioned. The 98th Academy Awards ceremony took place in early 2026 to honor films released during the 2025 calendar year.

2: Review the critical receptions and major award sweeps of that cinematic cycle. The highly acclaimed film “Anora,” directed by Sean Baker, achieved historic success by winning the Palme d’Or at the Cannes Film Festival and subsequently dominating the major categories at the 98th Academy Awards, culminating in the prestigious Best Picture title.

3: Analyze the distractors to rule out chronological mismatches. “Oppenheimer” won Best Picture at the 96th Academy Awards in 2024; “Dune: Part Two” achieved massive technical acclaim but did not take the top picture category; “The Seed of Sacred Fig” was a major international contender but did not secure the main Best Picture Oscar.

4: Match the accurate title with the options provided. “Anora” is positioned as Option D, confirming it as the correct answer.

Final Answer:

Answer: (D)

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Q28.

Solution

Concept: This question focuses on international trade compliance, environmental economics, and green regulatory policies enacted by regional trade blocs. The Carbon Border Adjustment Mechanism (CBAM) represents a landmark environmental trade measure designed to prevent carbon leakage by placing an import tariff on carbon-intensive products entering a domestic market.

Solution:

1: Understand the economic objective of the Carbon Border Adjustment Mechanism (CBAM). As a trade bloc enforces strict domestic carbon taxes and reduction mandates on its own domestic manufacturers, there is a risk that industries will relocate production to countries with weaker environmental laws—a phenomenon known as carbon leakage.

2: Identify the mechanism of the policy. CBAM levels the playing field by imposing an equivalent carbon price or tariff on imported goods (such as steel, cement, aluminum, and electricity) based on the greenhouse gas emissions embedded in their production.

3: Identify the specific geopolitical entity that designed and initiated this framework. The European Union (EU) officially introduced this mechanism as a core pillar of its European Green Deal and "Fit for 55" compliance package, initiating its transitional phase to ensure fair climate accounting across global trade partners.

4: Select the option that aligns with this historical policy initiative. The European Union is represented by Option B.

Final Answer:

Answer: (B)

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Q29.

Solution

Concept: This question covers public finance metrics and macroeconomic indicators defined within the Union Budget framework of India. The fiscal deficit acts as a key indicator of financial health, reflecting the total borrowing requirements of the government to balance its annual accounts.

Solution:

1: Analyze the fundamental meaning of a fiscal deficit. It represents the excess of total government expenditure over its total non-borrowed receipts during a financial year. It indicates how much the state must borrow from capital markets to cover its spending.

2: Break down the components of the accounting equation. Total spending includes both Revenue Expenditure and Capital Expenditure. To find the net deficit without factoring in debt, the government must subtract its total receipts, excluding any new debt or borrowings created to fill the gap.

3: Define non-borrowed receipts. These consist of Revenue Receipts (tax and non-tax revenues) plus Non-debt Capital Receipts (such as loan recoveries and disinvestment proceeds). New debt liabilities are explicitly excluded because the fiscal deficit itself calculates the exact quantum of debt needed.

4: Formulate the mathematical statement:

$$\text{Fiscal Deficit} = \text{Total Expenditure} - (\text{Revenue Receipts} + \text{Non-debt Capital Receipts})$$

This matches Option C precisely, while other options either represent the revenue deficit or fail to account for non-debt capital receipts.

Final Answer: Total Expenditure minus (Revenue Receipts + Non-debt Capital Receipts)

Answer: (C)

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Q30.

Solution

Concept: This question explores corporate sustainability roadmaps, automotive sector transitions, and clean technology manufacturing trends. Major global vehicle manufacturers are setting binding deadlines to phase out traditional internal combustion engine (ICE) architectures in favor of electric powertrains.

Solution:

1: Analyze the corporate directive detailed in the question text. The target multi-national automotive company has committed to a complete cessation of internal combustion engine (ICE) research and development by the end of 2026, transitioning its future product portfolio entirely to electric vehicles powered by solid-state batteries.

2: Evaluate the strategic shift patterns of major automotive groups. While many brands have general targets for 2030 or 2035, specific short-term closures of ICE R&D departments combined with solid-state deployment goals characterize unique enterprise turnarounds.

3: Verify the specific automotive firm linked to this operational timeline. The Volvo Car Corporation, which has consistently led aggressive electrification timelines within the premium segment, finalized its structural transition to stop all active legacy ICE development by the end of 2026 to focus exclusively on next-generation electric platforms.

4: Match this finding with the provided choices. Volvo corresponds directly to Option C, distinguishing it from Toyota, Volkswagen, or Hyundai, which maintain longer parallel ICE/hybrid production roadmaps.

Final Answer: Volvo Car Corporation

Answer: (C)

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Answer Key

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

