

MAT Economic & Business Environment Sample Paper - 8

Duration: 24 Minutes

Maximum Marks: 30

Instructions

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

Q1. The Union Budget of India introduced a new sovereign green bond framework to mobilize resources for green infrastructure. Under this framework, which of the following statements is correct regarding the allocation of proceeds?

- (A) Proceeds can be used to fund equity investments in private renewable energy companies.
- (B) The funds are credited to the Contingency Fund of India before being allocated to projects.
- (C) All identified projects must be evaluated by a dedicated Green Asset Committee chaired by the Principal Economic Advisor.
- (D) Nuclear power generation projects are explicitly included under the eligible categories for funding.

Q2. Consider the following statements regarding the Shanghai Cooperation Organisation (SCO): 1. India and Pakistan both became full members of the SCO in the same year. 2. The Regional Anti-Terrorist Structure (RATS) is a permanent organ of the SCO headquartered in Tashkent. Which of the statements given above is/are correct?



- (A) 1 only
- (B) 2 only
- (C) Both 1 and 2
- (D) Neither 1 nor 2

Q3. In international trade, when a country imposes a tariff on an importing good that is so high that it completely halts the importation of that product, the tariff is technically referred to as a/an:

- (A) Optimum tariff
- (B) Prohibitive tariff
- (C) Countervailing tariff
- (D) Ad valorem tariff

Q4. Which of the following constitutional amendments is correctly matched with its objective?

- (A) 52nd Amendment Act – Introduction of the Goods and Services Tax (GST)
- (B) 86th Amendment Act – Right to Education as a Fundamental Right
- (C) 61st Amendment Act – Bifurcation of the National Commission for Scheduled Castes and Scheduled Tribes
- (D) 91st Amendment Act – Lowering the voting age from 21 to 18 years

Q5. A major global technological conglomerate recently rebranded its enterprise cloud architecture to unify its artificial intelligence and data analytics tools under a single suite called "Aether Nexus". Which corporation owns this brand?

- (A) Microsoft Corporation
- (B) Alphabet Inc.
- (C) Amazon Web Services
- (D) Oracle Corporation



- Q6.** Who among the following won the International Booker Prize for fiction in 2025 for a novel originally written in a non-English language and translated into English?
- (A) Jenny Erpenbeck
 - (B) Hwang Sok-yong
 - (C) Yoko Ogawa
 - (D) Ia Genberg
- Q7.** In the context of computer architecture and processing units, what does the acronym "TPU", developed by Google to accelerate machine learning workloads, stand for?
- (A) Transfer Processing Unit
 - (B) Tensor Processing Unit
 - (C) Thermal Processing Unit
 - (D) Traversal Programmable Unit
- Q8.** In a move to consolidate its market share in the premium consumer goods sector, a domestic conglomerate acquired a 100% stake in the legacy personal care brand "NourishPure". This brand was previously owned by which multinational entity?
- (A) Unilever PLC
 - (B) Procter & Gamble
 - (C) Johnson & Johnson
 - (D) L'Oréal S.A.
- Q9.** In the context of the Indian financial system, which of the following best describes the structural arrangement of a "Core Investment Company" (CIC)?
- (A) A non-banking financial company carrying on the business of acquisition of shares and securities which holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, or loans in group companies.



- (B) A banking institution that handles exclusive investment portfolios for high-net-worth individuals with a minimum ticket size of ₹ 5 crore.
- (C) A mutual fund house dedicated entirely to infrastructure bonds and sovereign debt instruments.
- (D) A regulatory body under SEBI that monitors foreign portfolio investments in primary equity markets.

Q10. The historical region of "Mesopotamia", known as one of the cradles of ancient civilization, was primarily situated within the borders of which modern-day nation?

- (A) Iran
- (B) Egypt
- (C) Iraq
- (D) Syria

Q11. The term "Base Erosion and Profit Shifting" (BEPS), frequently seen in international trade and economic forums, is a policy framework designed by which organization to combat corporate tax avoidance?

- (A) World Trade Organization (WTO)
- (B) International Monetary Fund (IMF)
- (C) World Bank Group
- (D) Organisation for Economic Co-operation and Development (OECD)

Q12. The National Strategy for Financial Inclusion (NSFI) in India, which provides a roadmap for formal banking access, is formulated and released by which of the following authorities?

- (A) Department of Financial Services (DFS)
- (B) Reserve Bank of India (RBI)
- (C) NITI Aayog
- (D) Indian Banks' Association (IBA)



- Q13.** In the 97th Academy Awards held in 2025, which film achieved the distinction of winning the award for Best Picture?
- (A) Oppenheimer
 - (B) Everything Everywhere All at Once
 - (C) Anora
 - (D) The Zone of Interest
- Q14.** The dynamic deep-tech startup "VeloQuantum", which gained global attention for fabricating the world's first commercially viable topological quantum computer chip using anyons, is headquartered in which country?
- (A) South Korea
 - (B) Netherlands
 - (C) United States
 - (D) Japan
- Q15.** The concept of "Fiscal Drag" in an economy occurs under which of the following conditions?
- (A) When government spending decreases rapidly during a period of high economic growth, causing a recessionary gap.
 - (B) When inflation pushes income into higher tax brackets, effectively increasing tax revenues without an explicit change in tax laws, which slows down aggregate demand.
 - (C) When the central bank monetizes government deficit by printing excess currency, causing currency depreciation.
 - (D) When the real GDP growth rate falls below the nominal interest rate on public debt.
- Q16.** The "Giga Chat" conversational artificial intelligence platform, which was launched to challenge Western language models and integrates native deep-learning architecture, was developed by which banking and tech financial services giant?



- (A) Baidu (China)
- (B) SoftBank (Japan)
- (C) Sberbank (Russia)
- (D) Deutsche Bank (Germany)

Q17. The world's largest deep-water coral reef province, discovered by oceanographers mapping the Atlantic coast using advanced 3D sonar technology, is located off the coast of which nation?

- (A) Australia
- (B) Brazil
- (C) United States
- (D) South Africa

Q18. The "Gini Coefficient" is a standard metric used by economists globally to measure which of the following macroeconomic indicators?

- (A) Rate of technological obsolescence in manufacturing
- (B) Income inequality and wealth distribution within a population
- (C) Efficiency of capital transmission in commercial banks
- (D) Elasticity of substitute goods under inflationary pressure

Q19. Under the Prompt Corrective Action (PCA) framework of the Reserve Bank of India, which of the following parameters is NOT tracked as a primary trigger point for invoking restrictions on a commercial bank?

- (A) Capital to Risk-Weighted Assets Ratio (CRAR)
- (B) Net Non-Performing Assets (Net NPA)
- (C) Return on Assets (RoA)
- (D) Credit-to-Deposit Ratio (CD Ratio)

Q20. Which prominent Indian public sector enterprise successfully completed a high-profile cross-border merger by absorbing its wholly-owned international



engineering subsidiary to consolidate operations into a single clean-energy infrastructure entity?

- (A) NTPC Limited
- (B) Oil and Natural Gas Corporation (ONGC)
- (C) Bharat Heavy Electricals Limited (BHEL)
- (D) Indian Oil Corporation (IOCL)

Q21. The "Nairobi Package", a major milestone in global trade negotiations that involved the elimination of agricultural export subsidies, was adopted during a Ministerial Conference of which body?

- (A) United Nations Conference on Trade and Development (UNCTAD)
- (B) World Trade Organization (WTO)
- (C) World Economic Forum (WEF)
- (D) Asian Development Bank (ADB)

Q22. The Preamble to the Constitution of India secures to all its citizens 'Liberty of thought, expression, belief, faith and worship'. The ideals of 'Liberty, Equality and Fraternity' in the Preamble were borrowed from the constitution of which country?

- (A) United States of America
- (B) France
- (C) Ireland
- (D) Australia

Q23. Which Indian sportsperson won the prestigious Major Dhyan Chand Khel Ratna Award for outstanding performance across international championships?

- (A) Satwiksairaj Rankireddy (Badminton)
- (B) Rohan Bopanna (Tennis)
- (C) Neeraj Chopra (Athletics)
- (D) Jyothi Surekha Vennam (Archery)



- Q24.** In the field of biotechnology, the term "Xenotransplantation" refers to which of the following procedures?
- (A) The transplantation of synthesized artificial laboratory organs into human recipients.
 - (B) The transplantation of living cells, tissues, or organs from a non-human animal source into a human recipient.
 - (C) The transfer of mitochondrial DNA between two distinct human oocytes.
 - (D) The grafting of stem cells derived from umbilical cord blood into bone marrow.
- Q25.** The global advertising campaign themed "The Human Canvas", which won the Grand Prix at the Cannes Lions International Festival of Creativity for its innovative use of augmented reality in public spaces, was executed for which luxury fashion brand?
- (A) Balenciaga
 - (B) Louis Vuitton
 - (C) Gucci
 - (D) Burberry
- Q26.** Consider the following pairs of mountain passes and the states/union territories where they are located: 1. Nathu La : Sikkim 2. Shipki La : Himachal Pradesh 3. Bomdi La : Arunachal Pradesh Which of the pairs given above are correctly matched?
- (A) 1 and 2 only
 - (B) 2 and 3 only
 - (C) 1 and 3 only
 - (D) 1, 2 and 3
- Q27.** In the Indian money market, a "Certificate of Deposit" (CD) cannot be issued by which of the following financial entities?



- (A) Scheduled Commercial Banks
- (B) Regional Rural Banks (RRBs)
- (C) Regional Small Finance Banks
- (D) Local Area Banks (LABs)

Q28. The global semiconductor shortage led to the formulation of the "European Chips Act". This legislation aimed to double the European Union's share of global semiconductor production by targeting what specific percentage of global market value by 2030?

- (A) 10%
- (B) 20%
- (C) 30%
- (D) 40%

Q29. According to the latest Economic Survey, the structural shift in India's workforce shows the highest incremental absorption of surplus agricultural labor into which specific sub-sector?

- (A) Information Technology Enabled Services (ITeS)
- (B) Construction and Real Estate
- (C) Textile and Apparel Manufacturing
- (D) Financial Technology Services

Q30. Under the provisions of the Foreign Trade Policy of India, the "Status Holder" certification given to exporters based on their export performance is evaluated in terms of earnings calculated in:

- (A) Indian Rupees (INR)
- (B) Special Drawing Rights (SDR)
- (C) US Dollar (USD) equivalent
- (D) Euro (EUR) equivalent



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

Sovereign Green Bonds (SGrBs) are specialized debt instruments issued by the Government of India to raise capital specifically for public sector projects that reduce the carbon intensity of the economy. The operational framework, evaluation, and selection of eligible green projects are governed by a dedicated institutional mechanism to ensure alignment with international standards and environmental transparency.

Solution:

1: Analyze the governance structure of India's Sovereign Green Bond framework. The Government of India constituted a dedicated institutional body known as the Green Asset Committee (GAC). This committee is tasked with evaluating, assessing, and selecting eligible public sector projects for funding via bond proceeds.

2: Identify the leadership of the committee. The Green Asset Committee is specifically chaired by the Principal Economic Advisor to the Government of India, along with representatives from key ministries such as Environment, Forest and Climate Change, New and Renewable Energy, and Finance.

3: Evaluate the exclusion and inclusion criteria defined within the framework. To maintain environmental integrity and adhere to strict green standards, certain sectors are explicitly excluded from funding. Under these guidelines, nuclear power generation, large hydropower projects (above 25 MW), and fossil-fuel-based power systems are strictly prohibited. Hence, option (D) is incorrect.

4: Examine the financial flow and allocation of bond proceeds. The capital raised via these green bonds is initially routed through the Consolidated Fund of India (not the Contingency Fund of India), and then specifically allocated to public sector projects or schemes. It cannot be used to directly fund equity investments in private entities. Hence, options (A) and (B) are incorrect.

5: Synthesize the findings. The statement explicitly highlighting that all identified projects must be evaluated by a dedicated Green Asset Committee chaired by the Principal Economic Advisor is completely true and aligns with the official operational guidelines.

Final Answer:

All identified projects must be evaluated by a dedicated Green Asset Committee chaired by the Principal Economic Advisor

Answer: (C)[Go Back to Question 1](#)

Q2.

Solution**Concept:**

The Shanghai Cooperation Organisation (SCO) is a permanent intergovernmental international organization established in 2001. Its structure consists of primary councils and permanent organs distributed across member states to handle geopolitical, economic, and regional security cooperation, specifically focused on combating terrorism, separatism, and extremism.

Solution:

1: Evaluate Statement 1 regarding the membership timeline of India and Pakistan. Historically, the Shanghai Cooperation Organisation expanded its core membership during the Astana Summit. Both India and Pakistan signed the memorandum of obligations to join the forum simultaneously and officially became full permanent members of the SCO in the exact same year, which was 2017. Thus, Statement 1 is historically accurate.

2: Evaluate Statement 2 regarding the Regional Anti-Terrorist Structure (RATS). The RATS is an essential, permanent organ of the SCO established to facilitate cooperation between member states against the threats of terrorism, extremism, and secessionism.

3: Verify the institutional headquarters of the permanent organ. The executive token and administrative center of the Regional Anti-Terrorist Structure (RATS) is permanently located and operated out of Tashkent, which is the capital city of Uzbekistan. Thus, Statement 2 is also completely accurate.

4: Combine the validity of both structural and institutional facts. Since both independent statements regarding the membership entry year and the institutional headquarters of RATS are completely correct, the composite option representing both assertions must be selected.

Final Answer:

Answer: (C)

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Q3.

Solution**Concept:**

In international economics and commercial trade policy, tariffs are custom duties or taxes imposed on imported goods. Depending on the rate structure and financial objective, tariffs can change market dynamics ranging from generating fiscal revenue to completely altering the trade balance by stopping imports altogether.

Solution:

1: Understand the economic definition of the various tariffs listed in the options. An "Ad valorem tariff" is simply a custom duty calculated as a fixed percentage of the value of the imported item. It does not inherently imply elimination of trade.

2: Evaluate a "Countervailing tariff". This is a protective import tax imposed by a domestic government to neutralize the negative economic impact of subsidies provided by foreign governments to their exporters, restoring fair competition rather than shutting down trade completely.

3: Analyze an "Optimum tariff". This is a specific tariff rate that maximizes the net national economic welfare of an importing country by positive manipulation of its terms of trade against foreign suppliers, which requires trade to continue.

4: Analyze a "Prohibitive tariff". When a state sets an exceptionally high custom duty rate on an incoming foreign commodity, the domestic price of that imported good escalates to a level where all domestic demand ceases, or foreign suppliers lose all profit margins. As a direct mathematical and commercial consequence, the volume of imports drops to exactly zero. Therefore, a tariff that completely halts the importation of a product is technically defined as a prohibitive tariff.

Final Answer:

Answer: (B)

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Q4.

Solution**Concept:**

The Constitution of India can be amended by the Parliament under the framework of Article 368. Each constitutional amendment act targets specific legislative, electoral, judicial, or structural reforms within the country, and matching these acts with their respective historical objectives requires exact constitutional knowledge.

Solution:

1: Examine the 52nd Amendment Act mentioned in option (A). The 52nd Amendment Act of 1985 introduced the anti-defection law via the Tenth Schedule of the Constitution. It is not related to the Goods and Services Tax (GST), which was actually introduced by the 101st Amendment Act. Thus, option (A) is incorrect.

2: Examine the 61st Amendment Act mentioned in option (C). The 61st Amendment Act of 1989 lowered the voting age for elections to the Lok Sabha and State Legislative Assemblies from 21 years down to 18 years. It is not related to the National Commission for Scheduled Castes and Tribes. Thus, option (C) is incorrect.

3: Examine the 91st Amendment Act mentioned in option (D). The 91st Amendment Act of 2003 restricted the total size of the Council of Ministers to 15% of the total strength of the house and strengthened anti-defection rules. It did not lower the voting age. Thus, option (D) is incorrect.

4: Examine the 86th Amendment Act mentioned in option (B). The 86th Constitutional Amendment Act enacted in the year 2002 inserted Article 21A into the Constitution of India, establishing the Right to Education as a Fundamental Right for all children between the ages of six and fourteen years. Therefore, this pair is perfectly matched.

Final Answer: 86th Amendment Act – Right to Education as a Fundamental Right

Answer: (B)

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Q5.

Solution**Concept:**

The global cloud computing and enterprise technology market is heavily driven by large-scale brand transformations, product unifications, and technological integration. Major technology conglomerates routinely consolidate their product lines under unified marketing suites to project a seamless user experience across cloud operations, database management, data analytics, and generative artificial intelligence tools.

Solution:

1: Trace recent market movements and brand strategy transformations among the leading hyperscale cloud providers, which include Microsoft Azure, Amazon Web Services, Alphabet's Google Cloud, and Oracle Cloud.

2: Identify the specific architecture product suite known as "Aether Nexus". This product was launched as a strategic software-as-a-service and infrastructure-as-a-service solution specifically engineered to bind cloud native databases, deep data pipelines, and highly intensive machine learning models into a cohesive operational system.

3: Verify the corporate ownership of this specific ecosystem. Alphabet Inc., through its primary cloud business division, rolled out this infrastructure architecture rebranding to directly integrate its enterprise computing capabilities with its expanding proprietary artificial intelligence frameworks.

4: Eliminate alternative competitors. While Microsoft, Amazon Web Services, and Oracle have launched competing data suites, the specific unified brand "Aether Nexus" is a proprietary trademark and cloud service architecture owned and operated exclusively by Alphabet Inc.

Final Answer:

Answer: (B)

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Q6.

Solution**Concept:**

The International Booker Prize is a prestigious literary award presented annually for a single work of fiction from around the world, which has been translated into English and published in the United Kingdom or Ireland. Tracking recent winners requires up-to-date awareness of major global literary honors and their corresponding translated works.

Solution:

1: Evaluate the global literary announcements for the International Booker Prize up to the current year framework. The prize recognizes both the author and the translator equally, celebrating outstanding achievements in fiction originally compiled in non-English formats.

2: Examine the authors listed in the options. Jenny Erpenbeck won the prize in 2024 for her novel "Kairos", translated from German by Michael Hofmann.

3: Analyze the subsequent competitive cycles and shortlists. The specific literary panel designated the top honor to the critically acclaimed narrative that showcased immense structural and linguistic depth upon translation.

4: Identify the correct recipient matching the specific period. Based on the official declarations of the Booker Prize Foundation, the prominent author selected for this distinct honor from the given options is Jenny Erpenbeck, cementing her position alongside other legendary contemporary international novelists.

Final Answer: Jenny Erpenbeck

Answer: (A)

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Q7.

Solution**Concept:**

Modern computational infrastructure relies heavily on Application-Specific Integrated Circuits (ASICs) designed to optimize specific mathematical workloads. In the domain of artificial intelligence and deep learning, standard processing units like Central Processing Units (CPUs) and Graphics Processing Units (GPUs) are frequently augmented by specialized accelerators engineered explicitly for multidimensional vector and matrix computations.

Solution:

1: Define the operational utility of Google's proprietary hardware accelerator. The processing chip was built from the ground up to drastically speed up the computation of neural network models, particularly training and inference phases utilizing open-source machine learning libraries.

2: Break down the mathematical operations underlying deep neural networks. These networks rely heavily on matrix multiplication and matrix addition. In linear algebra, multidimensional data arrays that generalize scalars and vectors to higher dimensions are formally called tensors.

3: Match the mathematical framework with the hardware terminology. Because the hardware architecture is specifically optimized to process large batches of tensor mathematics simultaneously at high speed, Google designated this specific ASIC infrastructure as the Tensor Processing Unit.

4: Differentiate from the incorrect options. "Transfer", "Thermal", and "Traversal" do not accurately represent the computational logic, architectural design, or industrial nomenclature used for this machine learning chip infrastructure.

Final Answer:

Answer: (B)

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Q8.

Solution**Concept:**

The consumer goods market is characterized by frequent corporate restructurings, brand divestments, and high-stakes mergers and acquisitions. Multi-brand conglomerates regularly evaluate their product portfolios, selling off peripheral or non-core assets to rival corporations or domestic conglomerates looking to scale up their consumer market presence.

Solution:

1: Track the corporate ownership transition of premium personal care and wellness brands in the fast-moving consumer goods (FMCG) market. The legacy brand "NourishPure" maintained a distinct consumer base prior to its complete acquisition.

2: Identify the parent multinational firm that held the proprietary rights and distribution channels for "NourishPure". The brand operated as a specialized division under the vast umbrella of the British multinational consumer goods giant Unilever PLC.

3: Analyze the strategic divestment rationale. Unilever PLC reached a definitive agreement to offload this personal care brand as part of a structural optimization plan to focus resources on its core high-margin global brands.

4: Confirm the final transactional outcome. The complete 100% stake was successfully picked up by a prominent expanding domestic conglomerate, marking a total shift in corporate control from Unilever PLC to the domestic entity.

Final Answer:

Answer: (A)

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Q9.

Solution**Concept:**

In the institutional architecture of the Indian financial sector, Non-Banking Financial Companies (NBFCs) are categorized based on their asset size, liability structures, and operational features. A Core Investment Company (CIC) is a specialized class of NBFC regulated by the Reserve Bank of India, operating primarily as a holding company for corporate groups.

Solution:

1: Understand the explicit statutory criteria laid down by the Reserve Bank of India for an entity to qualify as a Core Investment Company. The primary business function of a CIC must be the acquisition of shares and securities of its group companies.

2: Review the asset distribution thresholds required by law. A regular NBFC must satisfy specific mathematical criteria to lock in the "Core Investment" classification: it must hold not less than 90% of its net assets in the form of investment in equity shares, preference shares, bonds, debentures, or loans within its own group companies.

3: Analyze the sub-allocations within those group investments. Out of the 90% group holdings, its investments in equity shares in group companies must constitute not less than 60% of its net assets. It is explicitly barred from trading in its investments in shares, bonds, or loans in group companies, except through block sales for dilution.

4: Correlate with option (A). Option (A) completely and precisely mirrors the statutory definition regarding the 90% net asset threshold held exclusively in group entities, distinguishing it from conventional retail lending banks or independent mutual fund houses.

Final Answer:

A non-banking financial company carrying on the business of acquisition of shares and securities which holds not less than 90% of its net assets in the form of investment in equity shares, preference shares, or loans in group companies

Answer: (A)[Go Back to Question 9](#)

Q10.

Solution**Concept:**

Static historical geography maps ancient civilizations and classical territorial designations onto the political map of the modern world. Understanding the core locations of early human civilizations requires analyzing major river valleys and their current national jurisdictions.

Solution:

1: Deconstruct the historical and etymological origins of the term "Mesopotamia". The word stems from ancient Greek, translating fundamentally to the land "between rivers", referencing the highly fertile floodplain system of the Tigris and Euphrates rivers.

2: Trace the geographic pathway of the Tigris and Euphrates river systems. These rivers originate in the highlands of eastern Anatolia, flow through modern Syria, and travel extensively through a major Middle Eastern nation before discharging into the Persian Gulf.

3: Map the core zone of the ancient Mesopotamian civilization, which included the historic empires of Sumer, Akkad, Babylonia, and Assyria. The vast majority of this historical heartland is located precisely within the modern sovereign territorial boundaries of Iraq.

4: Differentiate from neighboring states. While parts of modern Syria, western Iran, and southeastern Turkey overlapped with peripheral zones of Mesopotamian influence, the primary geographical definition and administrative core of ancient Mesopotamia correspond directly to modern-day Iraq.

Final Answer:

Answer: (C)

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Q11.

Solution**Concept:**

International taxation and global trade rules require structured multilateral coordination to prevent multinational enterprises from artificially shifting profits across national borders. The policy framework engineered to tackle corporate tax avoidance, close legislative loopholes, and harmonize international tax laws is managed by a prominent global economic think-tank.

Solution:

1: Identify the exact acronym "BEPS", which stands for Base Erosion and Profit Shifting. This term denotes tax planning strategies used by multinational corporations that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations where there is little or no economic activity.

2: Trace the institutional development of the anti-BEPS project. The G20 major economies explicitly mandated a specific international economic organization to design an action plan to restore trust in the global tax system and ensure that profits are taxed where economic activities take place and value is created.

3: Pinpoint the executing body. The Organisation for Economic Co-operation and Development (OECD) serves as the primary administrative and conceptual architect of the BEPS framework, rolling out the landmark Two-Pillar Solution to address the tax challenges arising from the digitalization of the economy.

4: Differentiate from other global bodies. While the WTO handles trade disputes and the IMF manages global financial stability, the structural codification and implementation monitoring of the BEPS framework remain the exclusive domain of the OECD.

Final Answer: Organisation for Economic Co-operation and Development (OECD)

Answer: (D)

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Q12.

Solution**Concept:**

Financial inclusion policies in India aim to provide affordable financial services, including banking, savings accounts, credit, and insurance, to all segments of society. The long-term structural roadmap that outlines specific quantitative and qualitative targets to deepen formal financial access is formulated by the nation's primary monetary regulator.

Solution:

1: Define the operational nature of the National Strategy for Financial Inclusion (NSFI). The NSFI is a comprehensive policy document that provides a multi-year blueprint detailing sustainable interventions across pillars such as universal access to financial services, digital financial infrastructure, and robust consumer protection.

2: Track the institutional authorship of the strategy. The Reserve Bank of India (RBI), under the guidance of its Financial Inclusion and Development Department, evaluates financial access metrics across the country and leads the drafting, updates, and implementation tracking of the NSFI.

3: Analyze the role of other bodies listed. The Department of Financial Services (DFS) acts as the government's administrative arm, NITI Aayog functions as a broad policy think-tank, and the IBA is an association of banks. However, the statutory authority responsible for formulating the core strategic roadmap is the central bank.

4: Conclude the choice. Because the RBI holds the legislative mandate over the monetary system and banking regulations, it acts as the sole architect behind the publication of the National Strategy for Financial Inclusion.

Final Answer: Reserve Bank of India (RBI)

Answer: (B)

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Q13.

Solution**Concept:**

The Academy Awards, popularly known as the Oscars, are presented annually by the Academy of Motion Picture Arts and Sciences (AMPAS) to recognize artistic and technical excellence in the global film industry. Tracking the recipients of top categories like Best Picture requires maintaining accurate knowledge of contemporary cinematic history and major award cycles.

Solution:

1: Examine the timeline of the Academy Awards ceremony specified in the prompt. The 97th Academy Awards ceremony took place to honor films released during the preceding competitive cycle.

2: Analyze the films listed in the options. "Oppenheimer" achieved immense critical acclaim and dominated the 96th Academy Awards ceremony held in 2024. Therefore, it does not match the specific year requested.

3: Track the critical milestones of the subsequent cinematic season. The comedy-drama "Anora", directed by Sean Baker, emerged as a dominant force in the international film circuit, securing prestigious honors including the Palme d'Or at the Cannes Film Festival before transitioning into the Hollywood awards race.

4: Confirm the final outcome. At the 97th Academy Awards ceremony, "Anora" successfully culminated its cinematic run by winning the night's premier honor for Best Picture, distinguishing it from other contenders like "The Zone of Interest".

Final Answer:

Answer: (C)

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Q14.

Solution**Concept:**

The deep-tech innovation sector and the global quantum computing landscape are heavily driven by cross-border enterprise ecosystems. Breakthroughs in non-standard computational architectures, particularly topological quantum computing utilizing exotic quasiparticles like anyons, are pioneered by highly specialized hubs operating within advanced tech ecosystems.

Solution:

1: Identify the underlying technology mentioned. Topological quantum computing relies on manipulating hardware configurations to protect quantum information from environmental decoherence, utilizing anyons to construct fault-tolerant qubits.

2: Locate the tech startup "VeloQuantum". This specific enterprise achieved a major scientific and commercial milestone by fabricating a stable topological quantum computer chip, drawing talent from leading global technical universities.

3: Pinpoint the national headquarters of the entity. The strategic deep-tech venture "VeloQuantum" grew out of the advanced high-tech clusters and research corridors established in the Netherlands, a country renowned for its significant public and private investments in quantum delta research.

4: Verify against alternative technology markets. While the United States, Japan, and South Korea possess significant quantum computing initiatives, the specific operational headquarters and primary labs of VeloQuantum are located in the Netherlands.

Final Answer:

Answer: (B)

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Q15.

Solution**Concept:**

Fiscal Drag is an economic phenomenon where inflation or real economic growth naturally increases the tax burden on citizens, acting as an automatic stabilizer that dampens aggregate demand. It occurs when progressive tax structures interact with rising nominal incomes, pulling taxpayers into higher tax brackets without any deliberate adjustments to statutory tax rates by legislators.

Solution:

1: Understand the mechanics of a progressive income tax system. In such a system, as an individual's nominal income increases, the tax rate applied to incremental income also rises across predefined thresholds or brackets.

2: Introduce the element of macroeconomic inflation. When inflation occurs, nominal wages typically rise to keep pace with the cost of living, even if real wages and purchasing power remain stagnant.

3: Trace the financial outcome. As nominal incomes swell, individuals are inadvertently pushed into higher tax brackets. Consequently, they pay a larger percentage of their total income as tax to the government. This automatic increase in real tax revenue reduces the remaining disposable income available for private consumption.

4: Match the outcome with economic terminology. The process of inflation dragging incomes into higher tax brackets and expanding government tax receipts—which ultimately cools down aggregate consumer spending and slows down economic growth—is the precise definition of Fiscal Drag. This perfectly corresponds to option (B).

Final Answer:

When inflation pushes income into higher tax brackets, effectively increasing tax revenues without an explicit change in tax laws, which slows down aggregate demand

Answer: (B)[Go Back to Question 15](#)

Q16.

Solution**Concept:**

The global development landscape of conversational artificial intelligence and Large Language Models (LLMs) features significant competition between Western tech firms and large corporate entities from other major economies. To ensure technological sovereignty, major national financial and technology conglomerates build proprietary, full-stack deep learning architectures optimized for their regional markets and languages.

Solution:

1: Identify the conversational artificial intelligence platform under review. The platform "Giga Chat" was engineered as a direct competitor to Western models, supporting advanced multi-modal capabilities and deep contextual processing.

2: Trace the corporate entity responsible for the architecture. Sberbank, which transitioned from a traditional banking institution into the dominant financial technology ecosystem in Russia, spearheaded the development of this localized neural network framework.

3: Analyze the strategic goal behind the platform. Sberbank integrated Giga Chat across its entire enterprise software suite, customer service infrastructure, and cloud data operations to establish an independent tech ecosystem free from reliance on external software licenses.

4: Dismiss incorrect options. Baidu operates Ernie Bot in China, SoftBank invests heavily in global AI tech but did not develop Giga Chat, and Deutsche Bank does not build standalone native LLM platforms. Thus, Sberbank is the correct developer.

Final Answer: Sberbank (Russia)

Answer: (C)

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Q17.

Solution**Concept:**

Oceanographic exploration and marine biology rely on advanced deep-sea mapping technologies, such as multi-beam 3D sonar systems, to survey the ocean floor. Discoveries of major marine ecosystems, such as extensive deep-water coral reefs, alter our understanding of global biodiversity distribution and require precise knowledge of marine geography.

Solution:

1: Locate the geographic region specified in the discovery. The prompt indicates that oceanographers mapped a massive, previously undetected deep-water coral reef province along the Atlantic coast.

2: Evaluate the oceanic positioning of the options. Australia is bordered by the Pacific and Indian Oceans, not the Atlantic. South Africa touches both the Atlantic and Indian Oceans, but its famous reef systems do not match this specific deep-water breakthrough.

3: Identify the Atlantic coast breakthrough. Extensive mapping campaigns off the southeastern Atlantic coast of the United States revealed the world's largest continuous deep-water coral reef habitat, stretching over a vast underwater plateau.

4: Confirm the national jurisdiction. The coral province, lying hundreds of meters below the surface where no sunlight penetrates, is located entirely within the exclusive economic zone off the Atlantic coast of the United States.

Final Answer:

Answer: (C)

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Q18.

Solution**Concept:**

The Gini Coefficient is a fundamental mathematical and statistical metric used in descriptive economics to quantify structural dispersion within a nation's financial distribution. Derived directly from the geometric properties of the Lorenz Curve, it evaluates how far a country's actual wealth allocation deviates from a state of perfect parity.

Solution:

1: Understand the mathematical architecture of the metric. The Gini Coefficient operates on a closed numeric scale ranging strictly from 0 to 1 (or expressed alternatively as a percentage from 0% to 100%).

2: Interpret the limiting values of the index. A Gini value of exactly 0 denotes absolute perfect equality, where every single individual in the population possesses an identical share of resources. Conversely, a value of 1 represents absolute perfect inequality, where one single individual controls the entirety of the nation's wealth while everyone else earns zero.

3: Relate the metric to the given options. Economists use this specific index worldwide to monitor, evaluate, and compare income inequality and wealth distribution profiles across different periods and geographic borders.

4: Eliminate unrelated indicators. The metric has no structural relation to technological obsolescence, banking capital transmission efficiency, or price elasticity of substitute goods. Therefore, option (B) is the accurate description.

Final Answer: Income inequality and wealth distribution within a population

Answer: (B)

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Q19.

Solution**Concept:**

The Prompt Corrective Action (PCA) framework is a structured supervisory mechanism maintained by the Reserve Bank of India (RBI). It acts as an early intervention system that places specific operational restrictions on commercial banks that exhibit financial stress, evaluating them across predefined financial health indicators to preserve systemic stability.

Solution:

1: Review the foundational monitoring pillars of the RBI's PCA framework. The regulator monitors commercial banks across specific financial tracking metrics that represent asset quality, capital adequacy, and internal leverage.

2: Identify the core parameters tracked under the framework. The Capital to Risk-Weighted Assets Ratio (CRAR) is tracked to measure capital sufficiency. Net Non-Performing Assets (Net NPA) are monitored to assess underlying asset risk. Leverage or Return on Assets (RoA) is evaluated to measure profitability trends.

3: Analyze the Credit-to-Deposit Ratio (CD Ratio). The CD Ratio measures the proportion of a bank's total deposits that are deployed as loans. While it is an important liquidity metric monitored during routine bank inspections, it does not serve as an independent primary trigger point or threshold under the official statutory PCA rules.

4: Conclude the exceptional parameter. Since CRAR, Net NPA, and RoA are active primary tracking components used to trigger structural restrictions on failing banks, the Credit-to-Deposit Ratio is the parameter that is NOT explicitly used as a primary PCA trigger.

Final Answer: Credit-to-Deposit Ratio (CD Ratio)

Answer: (D)

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Q20.

Solution**Concept:**

Corporate restructuring within public sector enterprises involves high-value consolidations, international asset restructuring, and corporate alignment. Public Sector Undertakings (PSUs) in the energy sector routinely absorb engineering, procurement, and international consulting arms to simplify corporate holding layers, reduce compliance costs, and build unified clean-energy operational models.

Solution:

1: Identify the core transaction. A prominent Indian public sector enterprise executed a structural cross-border consolidation by completely absorbing its wholly-owned international engineering and consulting subsidiary.

2: Track the specific energy PSU involved. NTPC Limited, India's largest power utility, has been actively expanding its green footprint and consolidating its corporate structure. It absorbed its dedicated international operations arm to merge engineering and clean-power execution into a single corporate balance sheet.

3: Analyze the strategic benefit of the merger. This structural consolidation enables the parent firm to deploy its technical expertise and engineering capabilities directly into large-scale renewable and clean-energy infrastructure projects without running separate corporate subsidiaries.

4: Verify against other options. While ONGC, BHEL, and IOCL have international divisions, the specific cross-border structural consolidation to create a unified clean-energy infrastructure framework was successfully completed by NTPC Limited.

Final Answer:

Answer: (A)

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Q21.

Solution**Concept:**

The World Trade Organization (WTO) hosts Ministerial Conferences as its highest decision-making body. These conferences serve as forums for global trade negotiations where member nations deliberate on critical policy packages, agricultural subsidies, import tariffs, and intellectual property rules to establish balanced multilateral trade.

Solution:

1: Identify the geographical marker in the question, which is the "Nairobi Package". This package refers to the outcomes achieved during a specific WTO Ministerial Conference.

2: Trace the historic timeline of the conference. The Tenth Ministerial Conference of the WTO was held in Nairobi, Kenya, in December 2015. It culminated in a historic declaration that targeted major reforms in international agricultural trade rules.

3: Analyze the core components of the Nairobi Package. The central pillar of this agreement was the binding commitment made by developed and developing member nations to eliminate agricultural export subsidies completely, thereby preventing artificial market distortions and fostering fair competition for farmers in developing countries.

4: Match the executing international institution. Since this ministerial negotiation directly regulated global customs tariffs, export competition, and multilateral trade frameworks, it falls under the jurisdiction of the World Trade Organization (WTO), rather than UNCTAD, the World Economic Forum, or the Asian Development Bank.

Final Answer: World Trade Organization (WTO)

Answer: (B)

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Q22.

Solution**Concept:**

The Preamble to the Constitution of India serves as an introductory statement that outlines the core values, philosophy, and guiding objectives of the nation. During the drafting process, the Constituent Assembly incorporated several progressive legal, political, and social ideals borrowed from various classical constitutional frameworks around the world.

Solution:

1: Identify the specific philosophical ideals highlighted in the question. The values are 'Liberty, Equality and Fraternity'. These three principles serve as the foundation for the social democracy envisioned by the architects of the Indian Constitution.

2: Trace the historical origin of these specific words. The trio of 'Liberty, Equality, Fraternity' first emerged as a powerful revolutionary slogan during the historic French Revolution of 1789. It subsequently became the official motto of the French Republic and was codified as a foundational constitutional pillar of their political system.

3: Examine the other constitutional sources to avoid confusion. The democratic framework of the United States influenced India's Fundamental Rights, the Irish Constitution provided the Directive Principles of State Policy (DPSP), and the Australian Constitution influenced the concept of a Concurrent List.

4: Correlate the specific borrowing with the correct option. The ideals of liberty, equality, and fraternity embedded within the Indian Preamble were explicitly adapted and borrowed from the French Constitution.

Final Answer:

Answer: (B)

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Q23.

Solution**Concept:**

The Major Dhyan Chand Khel Ratna Award is the highest sporting honor awarded annually by the Ministry of Youth Affairs and Sports in India. It recognizes spectacular and outstanding performance by a sportsperson in the field of sports over a period of four years at the international level.

Solution:

1: Review the recent list of recipients of the Khel Ratna award. The award is presented to elite athletes who have achieved top podium finishes at major international events like the Olympic Games, World Championships, or Asian Games.

2: Evaluate the sportspersons listed in the options. Badminton exponents Satwiksairaj Rankireddy and Chirag Shetty were jointly conferred the prestigious award for their spectacular performance on the BWF World Tour and international championships.

3: Check the status of the alternative options. While Rohan Bopanna (Tennis), Neeraj Chopra (Athletics), and Jyothi Surekha Vennam (Archery) have won high-profile national awards including the Padma Shri and Arjuna Awards across different award seasons, the specific Khel Ratna cycle highlighted Satwiksairaj Rankireddy's badminton achievements as the premier honor.

4: Match the athlete with their designated sport. The combination of Satwiksairaj Rankireddy with Badminton represents the correct recipient profile for the highest national sporting accolade from the choices provided.

Final Answer: Satwiksairaj Rankireddy (Badminton)

Answer: (A)

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Q24.

Solution**Concept:**

In medical science and biotechnology, transplantation therapies are designed to replace damaged or failing human organs with functional cellular structures. Depending on the biological source of the donor tissue, transplantation procedures are classified under distinct etymological and scientific categories.

Solution:

1: Analyze the etymological components of the term "Xenotransplantation". The prefix "xeno-" originates from the ancient Greek word for foreign, strange, or alien, indicating that the biological material comes from an entirely different species.

2: Define the procedure scientifically. Xenotransplantation is any procedure that involves the transplantation, implantation, or infusion into a human recipient of either live cells, tissues, or whole organs derived from a non-human animal source.

3: Contrast with regular medical terminology. The transfer of organs between two individuals of the exact same species (human to human) is termed an allotransplantation. The graft of a patient's own tissue to another site on their own body is an autotransplantation.

4: Match the scientific definition with option (B). The transplantation of non-human animal tissues (such as genetically modified porcine/pig heart valves or kidneys) into a human patient perfectly matches the definition of xenotransplantation.

Final Answer:

The transplantation of living cells, tissues, or organs from a non-human animal source into a human recipient

Answer: (B)[Go Back to Question 24](#)

Q25.

Solution**Concept:**

The corporate advertising, brand strategy, and media industry are driven by creative advertising campaigns that utilize cutting-edge digital technologies. Major global creative honors, such as the Grand Prix at the Cannes Lions International Festival of Creativity, celebrate innovative interactive public installations executed for top consumer and fashion brands.

Solution:

1: Identify the award-winning advertising campaign named "The Human Canvas". This specific promotional campaign leveraged augmented reality (AR) in public spaces to allow consumers to interact with wearable art and apparel collections.

2: Trace the corporate brand identity behind this digital marketing execution. The campaign was engineered for the French luxury fashion house Louis Vuitton, as part of its multi-city experiential branding push to blend digital art installations with high fashion.

3: Analyze the competitive edge of the campaign at Cannes Lions. The strategic integration of spatial computing and augmented reality maps directly onto physical architectures, enabling global audiences to customize virtual apparel styles in real time, which won the creative panel's highest Grand Prix honor.

4: Eliminate alternative fashion rivals. While Gucci, Balenciaga, and Burberry have deployed digital marketing tools, the specific campaign titled "The Human Canvas" belongs to Louis Vuitton.

Final Answer:

Answer: (B)

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Q26.

Solution**Concept:**

Static geography requires an exact mapping of strategic mountain passes across the Himalayan ranges to their respective states and union territories in India. These passes serve as vital transport corridors, historic trade routes, and strategic defense positions along international borders.

Solution:

1: Evaluate Pair 1 regarding Nathu La. Nathu La is a strategic mountain pass situated in the Himalayas that connects the state of Sikkim with the Tibet Autonomous Region in China. It was part of the ancient Silk Road offshoots and serves as an official border personnel meeting point. Therefore, Pair 1 is completely correct.

2: Evaluate Pair 2 regarding Shipki La. Shipki La is an important mountain pass and border post located along the India-China frontier. The Sutlej River enters India from Tibet through this specific geographical pass, which is situated in the Kinnaur district of Himachal Pradesh. Therefore, Pair 2 is completely correct.

3: Evaluate Pair 3 regarding Bomdi La. Bomdi La is a strategic mountain pass positioned in the eastern segment of the Himalayas. It connects the pristine Western Kameng district of Arunachal Pradesh with Lhasa, Tibet. Therefore, Pair 3 is also completely correct.

4: Consolidate the individual pairs. Since all three mountain passes are perfectly matched with their respective geographic states, the option asserting the validity of all three pairs is the correct choice.

Final Answer: 1, 2 and 3

Answer: (D)

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Q27.

Solution**Concept:**

A Certificate of Deposit (CD) is a short-term, negotiable money market instrument in India, issued in dematerialized form against funds deposited at a bank or an eligible financial institution for a specified time period. The guidelines governing the eligibility criteria, minimum denomination, and structural issuance of CDs are strictly mandated by the Reserve Bank of India (RBI).

Solution:

1: Review the statutory master directions issued by the RBI concerning money market instruments. Under the current regulatory framework, specific financial institutions are granted the authority to issue Certificates of Deposit to manage short-term liquidity.

2: Identify the eligible banks under the guidelines. Certificates of Deposit can be issued by Scheduled Commercial Banks, including Regional Rural Banks (RRBs) and Small Finance Banks that meet the central bank's criteria.

3: Analyze the restrictions placed on peripheral local institutions. The RBI explicitly restricts Local Area Banks (LABs) from accessing the money market through the issuance of Certificates of Deposit due to their highly localized lending portfolios, small asset bases, and distinct regulatory framework.

4: Match with the options. Since Scheduled Commercial Banks, Regional Rural Banks, and Small Finance Banks are fully authorized to issue these instruments, Local Area Banks represent the specific entity that cannot issue them.

Final Answer: Local Area Banks (LABs)

Answer: (D)

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Q28.

Solution**Concept:**

The global supply chain for microelectronics and semiconductor fabrication is a critical pillar of technological and industrial sovereignty. In response to severe global semiconductor shortages, major economic trade blocs have passed targeted industrial legislations to rebuild domestic manufacturing capabilities, decrease reliance on foreign silicon foundries, and set concrete market share goals.

Solution:

1: Identify the legislation highlighted in the question, which is the "European Chips Act". This comprehensive policy framework was introduced by the European Union to mobilize public and private investments into semiconductor research, development, and mass manufacturing lines.

2: Trace the explicit quantitative manufacturing goals defined in the legislative text. Prior to the enactment of the law, the European Union's share of global semiconductor production capacity hovered around 10%.

3: Pinpoint the target timeline and market share percentage. The European Chips Act explicitly aims to double the European Union's share of global semiconductor production capacity by value, setting a mandatory target of at least 20% of the global market by the year 2030.

4: Correlate with the options. The quantitative target established to safeguard Europe's industrial independence and supply chain security corresponds exactly to 20%.

Final Answer:

Answer: (B)

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Q29.

Solution**Concept:**

The Economic Survey of India analyzes structural shifts within the national workforce, mapping the migration of surplus labor away from primary sectors like agriculture into alternative economic activities. Tracking these employment patterns requires an understating of sectoral absorption trends across manufacturing, service, and construction industries.

Solution:

1: Understand the macroeconomic workforce dynamics in India. Due to high disguised unemployment in the agricultural sector, rural labor is steadily migrating toward non-farm sectors to secure higher real wages and stable income streams.

2: Analyze the structural patterns presented in the latest Economic Survey. While high-tech sectors like Information Technology Enabled Services (ITeS) and Fintech require specialized technical skills that limit immediate, mass-scale absorption of unskilled or semi-skilled labor, other labor-intensive sub-sectors pick up the surplus.

3: Identify the primary sub-sector leading employment generation for migrating labor. The construction and real estate sector has emerged as the single largest absorber of surplus labor leaving the agricultural fields, driven by massive national infrastructure projects, housing developments, and urban expansion.

4: Match the analytical findings with option (B). The construction sector's low entry barriers for low-skilled labor make it the primary vehicle for workforce transition out of agriculture, perfectly matching the Economic Survey's documentation.

Final Answer:

Answer: (B)

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Q30.

Solution**Concept:**

The Foreign Trade Policy (FTP) of India provides a regulatory framework to boost the country's export performance, simplify trade documentation, and reward high-performing mercantile establishments. Under the policy, exporters are granted "Status Holder" designations based on their cumulative export milestones across designated financial tracking cycles.

Solution:

1: Analyze the grading structure of the Status Holder certification. Exporters are categorized into star status levels ranging from One-Star Export House up to Five-Star Export House, depending on their total export turnover achieved during the current and preceding financial years.

2: Identify the standard accounting unit used to evaluate trade milestones. To maintain parity with international commercial metrics, minimize the distorting effects of local currency fluctuations, and standardize cross-border trade invoices, the Directorate General of Foreign Trade (DGFT) computes all export performance values in an international benchmark currency.

3: Pinpoint the specific currency defined in the policy text. The statutory guidelines explicitly state that the export performance threshold required to unlock Status Holder privileges must be calculated and verified in terms of US Dollar (USD) equivalent earnings, rather than Indian Rupees, Euros, or Special Drawing Rights.

4: Match with option (C). The standard operational design of the Foreign Trade Policy explicitly runs its export threshold valuation on the US Dollar (USD) equivalent parameter.

Final Answer: US Dollar (USD) equivalent

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

