



Daily Current Affairs Prelims Quiz 21-10-2021 - (Online Prelims Test)

1) Consider the following statements with respect to Secured Overnight Financing Rate (SOFR)

1. It is a benchmark interest rate that financial institutions use to price U.S. dollar-denominated derivatives and loans.
2. It is one of the alternatives to London Interbank Offered Rate (Libor).
3. SOFOR is based on completed financial transactions whereas Libor is self-reported and may not accurately represent the true cost of borrowing.

Which of the statement(s) given above is/are correct?

- a. 1 only
- b. 1 and 2 only
- c. 2 and 3 only
- d. 1, 2 and 3

Answer : d

- In a first for any NBFC in India, Rural Electrification Corporation Limited (REC) has successfully raised a USD 75 million, 5-year Secured Overnight Financing Rate (SOFR) linked Syndicated Term Loan with Sumitomo Mitsui Banking Corporation (SMBC), Singapore Branch appointed as the sole Mandated Lead Arranger and Bookrunner.
- Along with the loan, REC has also entered into interest rate swap referencing SOFR to hedge the interest rate risk on this facility, which is the first such deal by any Corporate in India.

Background

- Once upon a time, Libor—the London Interbank Offered Rate—was among the most important benchmarks in the world for setting interest rates on commercial and consumer loans.
- But multiple scandals, plus a starring role in the financial meltdown of the Great Recession, have inspired efforts to replace Libor worldwide.

Secured Overnight Financing Rate (SOFR)

- SOFR is a benchmark that financial institutions use to price loans for businesses and consumers.
- The overnight financing part of its name references how SOFR sets rates for lenders: It is based on the rates that large financial institutions pay each other for overnight loans.
- SOFR is an alternative risk-free rate that will serve as the successor to Libor in many U.S. dollar borrowing agreements.

Libor Vs SOFR

LIBOR

- Libor is simply based on the rates that financial institutions say they would offer each other for short-term loans.

- With fewer transactions, Libor began reflecting quoted rates, rather than actual rates from transactions.
- And this self-reported Libor rate may not accurately represent the true cost of borrowing.

SOFR

- By taking into account actual lending transactions between institutions, SOFR will be more reliable than Libor, which was subject to insider manipulation.
- It means there is much more real transaction data to rely on, rather than self-reported hypothetical rates.

Other differences

- Libor is forward-looking while SOFR is backward-looking.
- It means the bank knows what the borrowing rate is at the beginning of the period. Since SOFR is backward-looking, the borrower won't know exactly what they owe until the end of the loan.
- Libor is unsecured and doesn't use collateral, so it includes a credit risk premium.
- SOFR is a secured rate, based on transactions that involve collateral, in the form of Treasuries, so there's no credit risk premium baked into the rates.

Other Alternatives to Libor

1. Sterling Overnight Index Average (SONIA)
2. Federal Funds Overnight Index
3. Ameribor
4. U.S. prime rate

2) Consider the following statements with respect to Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

1. They are human-made chemicals made up of carbon-fluorine bond.
2. They do not break down easily and therefore stay in the environment for a very long time.

Which of the statement(s) given above is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : c

Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

- PFAS are a large, complex, and ever-expanding group of manufactured chemicals that are widely used to make various types of everyday products.
- PFAS chemicals include PFOA (perfluorooctanoic acid) and PFOS (perfluorooctane sulfonic acid).
- PFAS molecules are made up of a chain of linked carbon and fluorine atoms.
- Because the carbon-fluorine bond is one of the strongest, these chemicals do not degrade in the environment.
- In other words, these are long lasting chemicals which break down very slowly over time.
- In fact, scientists are unable to estimate an environmental half-life for PFAS, which is the amount of time it takes 50% of the chemical to disappear.

- PFAS are found in people, wildlife and fish all over the world.
- Some PFAS can stay in people's bodies for a long time.

3) Which of the following products contains Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)?

1. Cosmetics
2. Non-stick cookware
3. Water resistant clothing
4. Paints, varnishes and sealants
5. Stain-resistant carpets and fabrics

Select the correct answer using the codes given below:

- a. 3 and 5 only
- b. 3, 4 and 5 only
- c. 1, 3, 4 and 5 only
- d. 1, 2, 3, 4 and 5

Answer : d

Applications of Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

- Food packaging materials
- Nonstick cookware
- Stain-resistant carpets and fabrics
- Water resistant clothing
- Cleaning products
- Paints, varnishes and sealants
- Firefighting foam
- Cosmetics



4) Consider the following statements with respect to Central Industrial Relations Machinery (CIRM)

1. It is an apex organization in India responsible for maintaining harmonious industrial relations mainly in the sphere of central Government.
2. It was established, in 1945, based on the recommendations of the Royal Commission on Labour in India.
3. It is an attached office of the Ministry of Labour and Employment.

Which of the statements given above are correct?

- a. 1 and 2 only
- b. 1 and 3 only
- c. 2 and 3 only
- d. 1, 2 and 3

Answer : d

Central Industrial Relations Machinery (CIRM)

- The organization of the Chief Labour Commissioner (Central) is also known as Central Industrial Relations Machinery (CIRM).
- It is an apex organization in the country responsible for maintaining harmonious industrial relations mainly in the central sphere, viz Defence Establishments, Railways, Central Works Departments, etc.

- It is an attached office of the Ministry of Labour and Employment.
- In pursuance of the recommendation of the Royal Commission on Labour in India, the organization was set up in April, 1945.
- It was established by combining the former organizations of the Conciliation Officer (Railways), Supervisor of Railway Labour and the Labour Welfare Advisor.
- It was then charged mainly with duties of prevention and settlement of industrial disputes, enforcement of labour laws and to promote welfare of workers in the industrial establishments falling within the sphere of the Central Government.
- The CIRM is headed by the Chief Labour Commissioner (Central).
- The offices of the CIRM are spread over different parts of the country with Regional and unit level formations.

5) With respect to Symmetry in Biology, consider the following statements:

1. An organism is said to have bilateral symmetry when it is cut through its central axis, it separates into identical pieces.
2. Jellyfish is said to have radial symmetry which allows it to sense and respond to food and danger from all sides.

Which of the statement(s) given above is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : b

Radial Symmetry



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- An organism is said to have radial symmetry when it shows a repeating pattern around a central axis, such that when it is cut through that point, it separates into identical pieces.
- Jellyfish have radial symmetry.
- This is ecologically important as it allows the jellyfish to sense and respond to food and danger from all sides.

Bilateral Symmetry

- Organisms with bilateral symmetry contain a single plane of symmetry, the sagittal plane, which divides the organism into two roughly mirror image left and right halves - approximate reflectional symmetry.



6) Consider the following statements:

1. The Metaverse combines elements of the physical world and merges them with virtual spaces.
2. Decentraland is the virtual world where one can perform day to day activities.

Which of the above statements is correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : c

Metaverse

- The term metaverse is used to describe the vision in which the internet evolves into a virtual world.
- This idea was for the first time conceptualised in 1992 by American novelist Neal Stephenson.
- It has been made by blending the words “meta,” that means beyond, and “universe”.
- The Metaverse combines elements of the physical world and merges them with virtual spaces.
- In Metaverse technology, internet is seen as a 3D space, where individuals can go in and out and interact with each other.
- This would mean you can talk to your co workers even without attending office in the real world, but would be present near them virtually.
- Face book is evolving into a metaverse company from a mere social media network.

Decentraland

- It is a virtual world where the visitors can perform various activities like watching concerts, visiting art galleries and gambling in casinos.
- The plots of lands are also being sold which are worth 100s of thousands of dollars in MANA (crypto currency).

Examples of Metaverse

- Crypto currency is an example of metaverse.
- Non Fungible tokens (NFT - A non-fungible token is a unique and non-interchangeable unit of data stored on a digital ledger) can also be considered an example of metaverse.



7) Consider the following statements regarding Andaman and Nicobar Islands:

1. The Andaman and Nicobar Islands is the continuation of the Arakan Yoma Range.
2. Saddle peak in North Andaman is the highest peak in the island.
3. Among the Nicobar Islands the Car Nicobar Island is the largest and the Great Nicobar Island is the South most.
4. The Barren Island is the only dormant volcanic island of India and Narcondam Island is the only active volcanic island of India.

Identify the correct statements.

- a. 1 and 2 only
- b. 1 and 3 only
- c. 2 and 3 only
- d. 2 and 4 only

Answer : a

Andaman and Nicobar Islands

- Andaman and Nicobar Islands were formed due to collision between Indian Plate and Burma Minor Plate.
- Andaman and Nicobar Islands are southward extension of Arakan Yoma range.
- Arakan Yoma in itself is an extension of Purvanchal Hills.

- This archipelago is composed of 265 big and small islands.
- The Andaman and Nicobar islands extend from 6° 45' N to 13° 45' N and from 92° 10' E to 94° 15' E.
- The Andaman Islands are divided into three main islands i.e. North, Middle and South.
- Duncan passage separates Little Andaman from South Andaman.
- The Great Andaman group of islands in the north is separated by the Ten Degree Channel from the Nicobar group in the south.
- Port Blair, the capital of Andaman Nicobar Islands lies in the South Andaman.
- Among the Nicobar Islands, the Great Nicobar is the largest. It is the southernmost island and is very close to Sumatra island of Indonesia. The Car Nicobar is the northernmost.
- The Barren and Narcondam Islands, north of Port Blair, are volcanic islands.
- Barren Island is the only active volcano in India while Narcondam Island is a dormant volcano.
- There are no active volcanoes in main land India.
- Saddle peak (737 m) in North Andaman is the highest peak.



8) With respect to Genetically Modified Crops, consider the following statements:

1. The cultivation of genetically modified rice is not banned in India.
2. Cotton, brinjal and mustard are also genetically modified in India.
3. Genetic Engineering Appraisal Committee is the apex regulating body.

Identify the correct statement.

- a. 1 and 2 only
- b. 3 only
- c. 1 and 3 only
- d. 2 and 3 only



Answer : b

Genetically Modified Crops in India

- Genetically modified crops (GM crops) are plants used in agriculture, the DNA of which has been modified using genetic engineering techniques. More than 10% of the world's croplands are planted with GM crops.
- The aim is to introduce a new trait to the plant which does not occur naturally in the species like resistance to certain pests, diseases, environmental conditions, herbicides etc.
- Genetic Modification is also done to increase nutritional value, bioremediation and for other purposes like production of pharmaceutical agents, bio fuels etc.
- India does not export genetically modified (GM) rice as there is no commercial variety of such crop in the country and its cultivation is also banned here.
- Cotton is the only crop cultivated in India using this method.

Genetic Engineering Appraisal Committee (GEAC)

- The Committee shall function as a Statutory Body under the Ministry of Environment & Forests.
- The Committee shall also be responsible for approval of proposal relating to release of genetically engineered organisms and products into the environment.
- One third members of the GEAC will constitute the quorum for convening the meeting.
- The members of the GEAC will be required to sign a 'Statement of Declaration of Independence' and 'Statement of Confidentiality'.

- The Committee shall function for a period of three year from the date of issue of this notification.



9) Consider the following statements regarding African Elephants:

1. African elephants are smaller in size compared to the Asian elephants.
2. African elephants are patriarchal and are led by a male elephant.
3. African elephants acts as ecosystem engineers.

Identify the **Incorrect** statements.

- a. 1 only
- b. 1 and 2 only
- c. 2 only
- d. 2 and 3 only

Answer : b

African Elephants

- African elephants are the largest land animals on Earth.
- They are slightly larger than Asian Elephants and can be identified by their larger ears (Asian elephants have smaller, rounded ears.)
- Elephants in general are matriarchal, suggesting they live in female-led groups.
- African elephants are keystone species meaning they play a critical role in their ecosystem. They are also known as “ecosystem engineers” as they shape their habitat in many ways.
- There are two subspecies of African elephants - African Savannah (or bush) elephant and African Forest Elephants.
- International Union for Conservation of Nature (IUCN) has enlisted the African forest elephants as ‘critically endangered’ and Savannah elephants as ‘endangered’.
- Previously IUCN listed both African elephants as “vulnerable”. But now it has opted to list them separately. It is after genetic evidence proved that both are different species.

10) With respect to Poshan Abhiyaan, consider the following statements:

1. The national nutrition mission covers only children, pregnant woman and breastfeeding mothers.
2. NITI Aayog is entrusted with monitoring and evaluating the scheme.
3. Identification of Severe Acute Malnutrition (SAM) children and distribution of nutritious food is one the themes of POSHAN MAAH.

Identify the **Incorrect** Statement.

- a. 1 only
- b. 2 only
- c. 3 only
- d. None of the above

Answer : d

Poshan Abhiyaan

- Scheme for Holistic Nourishment (POSHAN Abhiyaan), or the National Nutrition Mission, is the Government of India’s flagship programme to improve nutritional outcomes for children, pregnant women and lactating mothers.

- Launched by Honourable Prime Minister on the occasion of International Women’s Day 2018.
- NITI Aayog has played a critical role in shaping the POSHAN Abhiyaan.
- NITI Aayog was entrusted with closely monitoring the scheme and undertaking periodic evaluations.
- NITI Aayog submits implementation status reports of POSHAN Abhiyaan to the Prime Minister’s Office (PMO).
- This is carried out through the Technical Support Unit (TSU) established at NITI Aayog, which, in addition to monitoring, also provides research, policy and technical support to the Abhiyaan.
- To date, NITI Aayog has submitted three POSHAN Abhiyaan-monitoring reports to the PMO.
- Every year September is celebrated as POSHAN MAAH.
- This year the themes include Plantation activity as “POSHAN VATIKA”; Yoga and AYUSH for nutrition; Distribution of ‘Regional Nutrition Kit’ to Anganwadi beneficiaries of High Burdened Districts; Identification of Severe Acute Malnutrition (SAM) children and distribution of nutritious food.

