



Daily Current Affairs Prelims Quiz 15-06-2022 - (Online Prelims Test)

1) Consider the following statements:

1. The Vaalbara fragmented to form other supercontinents, the last being Pangea, which further segmented into the seven modern continents.
2. The Macquarie microplate is located South of Sri Lanka and the Capricorn microplate separates the Indonesian and the Australian plates.

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

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

Answer : a

Earth's Tectonic Plates



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- A tectonic plate, according to the United States Geological Survey, "is a massive, irregularly shaped slab of solid rock", made up of lithosphere or the earth's top layer, and they lead to earthquakes and volcanoes.
- Vaalbara is the first supercontinent, that fragmented to form other supercontinents over the years, the last being Pangea, which existed some 335-65 million years ago, and its way to the seven modern continents today.
- The Macquarie microplate is located south of Tasmania and the Capricorn microplate that separates the Indian and Australian plates.
- The plate model can be used to evaluate risks from natural hazards; the province model can be used for further exploration of minerals and the orogeny model for a better understanding of the evolution of the earth.

2) Which of the following statements are measures to infuse liquidity into the economy:

1. RBI sells bonds in the market.
2. RBI involves in dollar swap auctions.
3. Creation of employment opportunities.
4. RBI reduces interest rates of repo, reverse repo, CRR, and SLR).

Choose the correct option.

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

Answer : c

Liquidity in the economy

- The first method is called Open Market Operations (OMO).
- When the RBI wants to infuse liquidity, it will buy bonds to that extent and when it pays for these bonds, the liquidity gets infused into the system.
- RBI buys bonds to infuse liquidity and sells bonds to suck out liquidity.
- The second method is through dollar swap auctions.
- As a key monetary system player, RBI reduces key policy interest rates and requirements (Repo, reverse repo, marginal standing facility, CRR, SLR, etc), whose primary goal is to enhance the liquidity level in the system.
- The creation of employment is a step in boosting the economy by infusing liquidity indirectly into the system.

3) Consider the following statements regarding Press-note (PN 3):

1. It requires that all FDI from an entity based in a country that shares a land border with India can invest only under the government approval route.
2. It does not apply when the beneficial owner of such FDI is situated in a country that shares a land border with India.
3. Food products retail trading and banking public sector can be accessed only through a 100% government route.

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

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



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Answer : b

Press Note 3 (PN 3)

- In India it was introduced in 2020, which required all foreign direct investment (FDI) proposals from an entity based in a country that shares a land border with India, or where the beneficial owner of such FDI is situated in a country that shares a land border with India, both referred to as “restricted entities”, were brought under the government approval route.

Sector and the FDI Limit by Government/Approval Route

- Banking- Public Sector - 20% under Government route.
- Broadcasting Content Services - 49% under the Government route.
- Core Investment Company - 100% under Government route.
- Digital Media - 26% under the Government route.
- Food Products Retail trading - 100% under Government route.
- Mining or separation of mineral of titanium bearing minerals and ores, value addition, and integrated activities - 100% under the Government route.
- Multi Brand Retail Trading - 51% under Government route.
- Print Media (Newspaper publishing, periodicals, and Indian edition of foreign magazines) - 26% under the Government route.
- Print Media (Publication/specialty journals, periodicals, and facsimile editions of foreign newspapers) - 100% under the Government route.
- Satellites - establishments and operations - 100% under the Government route.

4) Consider the following statements:

1. The Agnipath scheme is only for personnel below officer ranks that is those who do not join the forces as commissioned officers.
2. The individuals who had served under the scheme will get a tax-free amount at the end of the four-year period.
3. After the scheduled four years, only 25 percent of the batch will be recruited back into their respective services, for a period of 15 years.

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

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

Answer : d

Agnipath Scheme

- Under the new scheme, around 45,000 to 50,000 soldiers will be recruited annually, and most will leave the service in just four years.
- Of the total annual recruits, only 25 percent will be allowed to continue for another 15 years under permanent commission.
- The new system is only for personnel below officer ranks (those who do not join the forces as commissioned officers).
- Under the Agnipath scheme, aspirants between the ages of 17.5 years and 21 years will be eligible to apply.
- The recruitment standards will remain the same, and recruitment will be done twice a year through rallies.
- Once selected, the aspirants will go through training for six months and then will be deployed for three and a half years.
- At the end of the four-year period, each soldier will get Rs 11.71 lakh as a lump sum amount, which will be tax-free.

5) Consider the following statements:

1. A bear market is characterized when the market experiences prolonged price declines.
2. It typically describes a condition in which securities prices fall 50% due to widespread pessimism and negative investor sentiment.

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

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

Answer : a

Bear Market

- Bear markets occur when prices in a market declined by more than 20%, often accompanied by negative investor sentiment and declining economic prospects.¹
- Bear markets can be cyclical or longer-term.
- The former lasts for several weeks or a couple of months and the latter can last for several years or even decades.
- Short selling, put options, and inverse ETFs are some of the ways in which investors can make

money during a bear market as prices fall.

