



Daily Current Affairs Prelims Quiz 12-02-2026 (Online Prelims Test)

1) Which of the following key components of monetary policy is not a qualitative tool?

- Open Market Operations
- Marginal requirement
- Moral Suasion
- Direct Action

Answer : a

Explanation

- **Option a is the correct answer** - Quantitative tools focus on the volume of money in the entire banking system. These includes
 - CRR (Cash Reserve Ratio)
 - SLR (Statutory Liquid Ratio)
 - **Open Market Operations**
 - Repo Rate
 - Reverse Repo Rate
 - Bank Rate
- **Options b, c, d are qualitative tools** - These tools are "selective" and focus on the direction or quality of credit rather than the total volume.
- **Moral Suasion** is a psychological tool where the Central Bank uses persuasion, pressure, or informal suggestions to get commercial banks to follow its policy guidelines.
- It relies on the authority of the Central Bank rather than legal force to influence lending behavior.
- **Direct Action** means, when a bank fails to comply with directives, the Central Bank may take punitive measures such as imposing penalties or restricting certain operations.
- This serves as a formal "stick" to ensure that monetary regulations are strictly followed.
- **Margin Requirements** refers to the difference between the market value of a collateral and the loan amount granted against it.
- By increasing the margin, the Central Bank can discourage borrowing for specific activities, such as stock market speculation

To know more, click [here](#)

2) The **Mehao Wildlife Sanctuary** located at which of the following states?

- Assam
- Arunachal Pradesh
- Haryana
- Karnataka

Answer : b

Explanation

- Recently, the Arunachal Pradesh government has permitted the capture of a tiger after it fatally attacked a police head constable inside Mehao Wildlife Sanctuary.
- **Option b is correct** - It is located at lower Dibang Valley District, Arunachal Pradesh.
- Established under the Wild Life (Protection) Act, 1972.
- Vegetation present here includes -
 - Tropical Evergreen Forests (up to 900 m)
 - Sub-Tropical & Temperate Forests (900-1800 m)
 - Temperate Broadleaf Forests (1800-2800 m)
 - Temperate Conifer Forests (2800-3500 m)
- It also includes perennial rivers, namely the Deopani, Diphu, and Ahupani, Enjopan and Jowe, which are part of the Brahmaputra River System.

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3) With reference to **Monetary policy Committee (MPC)**, consider the following statements

1. The MPC is a four-member statutory body constituted under the RBI Act, 1934.
2. The RBI governor acts as the chairperson of the MPC.
3. The decisions of the MPC are binding on the RBI.

Select the correct statements using the codes below:

- a. Only one
- b. Only two
- c. All three
- d. None



Answer : b

Explanation

- **Statement 1 is incorrect** - The Monetary Policy Committee (MPC) is a **6-member** statutory body constituted under Section 45ZB of the RBI Act, 1934 (amended in 2016).
- **Statement 2 is correct** - It sets the policy repo rate to maintain price stability, with the **Governor of the RBI acting as Chairperson**.
- **Statement 3 is correct** - MPC determine the policy interest rates required to achieve the inflation target set by the government, while supporting economic growth.
- The decision of the committee would be **binding** on the RBI

To know more, click [here](#)

4) With reference to **Kyasanur Forest Disease (KFD)**, consider the following

1. It is a tick-borne viral haemorrhagic fever endemic to the Eastern Ghats region.
2. KFD does not spread from person to person, but spreads from infected ticks to humans.
3. There is no cure for KFD.

Select the correct statements using the codes below

- a. Only one
- b. Only two
- c. All three
- d. None

Answer : b

Explanation

- **Statement 1 is incorrect** - *Kyasanur Forest Disease (KFD)*, or "**monkey fever**," is a tick-borne viral hemorrhagic fever caused by the Kyasanur Forest disease virus (KFDV).
- Primarily impacting southwestern India—specifically Karnataka, Kerala, Goa, and Maharashtra i.e **Western Ghats regions**.
- It causes sudden high fever, severe headache, muscle pain, vomiting, and bleeding.
- **Statements 2 and 3 are correct** - KFD does not spread from person to person, but it is transmitted to humans by infected *Haemophysalis spinigera* ticks.
- There is no cure for KFD, prevention through vaccination and tick control is key.
- The Indian Council of Medical Research (ICMR) is developing an improved indigenous vaccine against Kyasanur Forest Disease (KFD).

To know more, click [here](#)

5) Consider the following statements

1. Sovereign Gold Bonds (SGBs) are government securities denominated in grams of gold, acting as substitutes for physical gold.
2. SGB's are issued by Government of India to reduce Gold import dependency and shift household savings into financial assets.
3. SGBs purchased from the secondary market will be subject to capital gains tax.

Select the correct statements using the codes below:

- a. Only one
- b. Only two
- c. All three
- d. None



Answer : b

Explanation

- **Statement 1 is correct** - Sovereign Gold Bonds (SGBs) are government securities denominated in grams of gold.
- These acts as substitutes for physical gold to reduce import dependency and shift household savings into financial assets.
- **Statement 2 is incorrect** - SGB's are issued by the RBI on behalf of the Government of India.
- **Statement 3 is correct** - SGBs purchased from the secondary market will be subject to capital gains tax.
- Recently, the Retrospective tax on Sovereign Gold Bonds (SGB) in the Budget 2026 shocked investors, raising fairness and policy credibility concerns.

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