



### **Prelims Practice Questions 04-10-2018**

1. Consider the following statements about Lagoons

1. Lagoons act as barriers for port development
2. Chilka Lake is more a lagoon than a lake

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

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

Answer : b

Natural Ports can be developed on Lagoons. Coastal lagoons, which offer protection from harsh ocean waves, are often used as harbors. Example, Kochi port is located at the entrance of a lagoon

2. Consider the following statements about Soyuz spacecraft

1. It is the International Space Station of Russia
2. It lies in the low earth orbit
3. It will be used for a training mission for Indian astronauts before the launch of Gaganyaan Space Mission

Which of the statement(s) is/ are true?

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

Answer : a

- Russia has offered Indian colleagues to conduct a short visit to the ISS.
- The flight will take place in 2022 before or after India's independent manned space mission.
- The agreement is expected to be signed in the near future,
- Soyuz is an International Space Station and is a habitable artificial satellite in low Earth orbit.

3. Consider the following statements about External Commercial Borrowings (ECB)

1. ECBs are part of Long-term debt of government
2. ECBs can be availed by corporate entities only through the 'Approval Route'

Which of the statement(s) is/ are true?

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

Answer : a

- External Commercial Borrowing in India can be accessed via two routes viz. Automatic Route and Approval Route.
- The Government of India permits ECBs as a source of finance for Indian Corporates for expansion of existing capacity as well as for fresh investment.
- ECB means any kind of funding other than Equity. Investment in equity is treated as FDI.
- Long Term Debt is defined as debt with an 'Original Maturity' of more than one year while Short Term Debt is defined as debt repayments on demand or with an 'Original Maturity' of one year or less.

4. Consider the following statements about Buyback

1. Buybacks will decrease Earnings per share (EPS)
2. Buybacks are more flexible compared to dividend payout
3. A Company can use maximum of 25% of the aggregate of its free reserves and paid-up capital for buybacks.

Which of the statement(s) is/ are true?

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



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Answer : b

- A buyback is a mechanism through which a listed company buys back shares from the market.
- A company can typically offer dividend only once in a year. It can also not change the dividend rate too much from one year to another, as doing so raises expectations among shareholders for subsequent years. On the other hand, a company can conduct a buyback whenever it likes. Hence, Buybacks are more flexible
- When the number of shares outstanding goes down, the company's earnings get divided among a smaller number of stocks, resulting in improved earnings per share (EPS).

5. Consider the following statements about Open Acreage Licensing Policy (OALP)

1. It gives an option to a company that is looking for exploring hydrocarbons to select the exploration blocks on its own
2. Unlike New Exploration and Licensing Policy (NELP) which calls for cyclical bidding, OALP facilitates availability of oil and gas acreages throughout the year

Which of the given statement(s) is/ are **not** true?

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

Answer : d

- Open Acreage Licensing Policy (OALP) gives an option to a company looking for exploring hydrocarbons to select the exploration blocks on its own, without waiting for the formal bid round from the Government.
- Under Open Acreage Licensing Policy (OALP), a bidder intending to explore hydrocarbons like

oil and gas, coal bed methane, gas hydrate etc., may apply to the Government seeking exploration of **any new block (not already covered by exploration)**.

- What distinguishes OALP from New Exploration and Licensing Policy (NELP) of 1997 is that under OALP, oil and gas acreages will be available round the year instead of cyclic bidding rounds as in NELP. Potential investors need not have to wait for the bidding rounds to claim acreages.

6. Consider the following statements about Lonar Lake

1. It is the only known crater lake in the world
2. It is located in Maharashtra, India

Which of the statement(s) is/ are true?

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

Answer : b

- The Lonar crater is the only known impact crater in the world **to have formed on basalt rock**
- Some examples of crater lakes those located in
  - **Mount Mazama, Oregon USA**
  - **Albertine Rift, Africa**
  - **Mount Pinabuto-Luzon, Philippines**
  - **Quilotoa Crater Lake, Ecuador**
- Lonar crater is unique because it's the world's only high-velocity meteor crater in hard basalt.
- It is an impact crater or meteorite crater which is a bowl-shaped depression with a raised rim
- Lonar Lake in Maharashtra and St. Mary's Island and Malpe beach in coastal Karnataka are the GSI's candidates for UNESCO Global Geopark Network status.

7. Consider the following statements about 'Air Safety Oversight Score'

1. It is given by International Civil Aviation Organisation as part of its Universal Safety Oversight Audit Programme
2. ICAO is a specialised UN agency
3. India ranked the highest among countries in the Asia- Pacific region

Which of the statement(s) is/ are true?

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

Answer : a

India's air safety oversight is **lower** than its Asia-Pacific counterparts such as Bangladesh, Maldives, Pakistan, Nepal, Sri Lanka and North Korea.

The report prepared by the International Civil Aviation Organisation (ICAO) shows that the only countries that rank below India are **Papua New Guinea, Timor-Leste, Vanuatu and Samoa**.

8. Consider the following statements about INS Tarkash

1. It belongs to Talwar Class of frigates
2. It is indigenously built in India
3. It is capable of launching the BrahMos missile

Which of the statement(s) is/ are true?

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

Answer : c

It is built by the Yantar Shipyard, Kaliningrad, Russia.

INS Tarkash is armed with an advanced combat suite, comprising an optimal blend of Russian and Indian cutting edge technologies.

Her arsenal includes the 'BRAHMOS' Supersonic Cruise Missiles, Surface-to-Air Missile (SAM) System, Medium Range Gun, Close-In Weapon System (CIWS), Torpedoes and Anti-Submarine Rockets.

9. Consider the following statements with respect to Right to Equality

1. 'Substantive equality' is a key idea which justifies the concept of treating 'unequals' equally
2. Indian Constitution recognises the concept of 'Substantive Equality' under Article 16

Which of the statement(s) is/ are true?

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

Answer : b

- Substantive equality means achieving equitable outcomes as well as equal opportunity, and the need to sometimes treat people differently to achieve equal results.
- It is achieved by addressing and preventing systemic discrimination by adjusting policies, procedures and practices to meet the specific needs of certain groups in the community
- Substantive equality implies that there should be 'real' equality and is often used to justify treating **'unequals' unequally**.
- Under Article 16(4), the state can provide for reservation of appointments/posts for any backward class which in the opinion of the state is not adequately represented in a government service.

10. Sperm Whale was in news recently. Consider the following statements about it.

1. The species is confined to the polar seas
2. It secretes a wax-like substance called Ambergis which is used for making perfumes

Which of the statement(s) is/ are true?

- a. 1 only
- b. 2 only

- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : b

Sperm whales are found in many open oceans, both in tropical and cool waters. Males range from equator to polar regions, while females and juveniles migrate north too although they usually spend more time in temperate regions.

