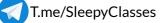


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Economy

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- 1. Consider the following statements about the criteria of Navratna Companies:
 - The company must have 'Miniratna Category – I' status along with a Schedule 'A' listing.
 - 2. Along with the above, it should also have a composite score of 70 or above out of possible 100 marks in the 7 selected performance parameters.

Choose the correct statement/(s):

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. None of the above

Answer: A

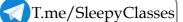
Explanation

- The criteria of becoming a Navratna Company:
- The company must have 'Miniratna Category – I' status along with a Schedule 'A' listing.
- It should have at least 3 'Excellent' or 'Very Good' Memorandum of Understanding (MoU) during the last five years.
- Along with the above, it should also have a composite score of 60 or above out of possible 100 marks in the 6 selected performance parameters:-

- ✓ Net Profit to Net Worth (Maximum: 25)
- ✓ Manpower cost to cost of production or services (Maximum: 15)
- ✓ Gross margin as capital employed (Maximum: 15)
- ✓ Gross profit as Turnover (Maximum: 15)
- ✓ Earnings per Share (Maximum: 10)
- ✓ Inter-Sectoral comparison based on Net profit to net worth (Maximum: 20)
- There are 16 Navratna CPSEs in the country.
- 2. Consider the following statements regarding payment banks:
 - 1. They can open demand and time deposit accounts both.
 - 2. They are set up as differentiated banks.
 - 3. They cannot act as Business Correspondents for other banks.
 - 4. They will provide payments / remittance services to migrant labour workforce and small businesses.

Which of the above statements is/are correct?

- A. 1, 2 and 4 only
- B. 2 and 4 only
- C. 1, 3 and 4 only





D. 1, 2, 3 and 4

Answer: B

Explanation

- The objectives of setting up of payments banks is to promote financial inclusion by providing small savings accounts and payments/ remittance services to migrant labour workforce, low income households, small businesses, other unorganized sector entities and other users.
- The following will be the scope of activities for payment banks:
 - ✓ Acceptance of demand deposits (savings or current) up to Rs. 2 lakh only but no time deposits.
 - ✓ No lending activity
 - ✓ Issuance of ATM/debit cards but not credit cards
 - ✓ Payments and remittance services through various channels.
- Acting as Banking Correspondent (BC) of another bank Distribution of simple financial products like mutual funds/ insurance products, etc.
- This makes the public deposit in payment banks safe.
- Payment banks will be required to maintain Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR). The total deposits of the public must be invested in government securities and/ or deposited in other commercial banks (i.e. no lending is allowed).

- 3. Consider the following statements with reference to Ubharte Sitaare Alternative Investment Fund?
 - 1. The fund has been set up by RBI.
 - 2. 'Ubharte Sitaare' Alternative Investment Fund has been launched to give a push to the startups.

Which of the above statements is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2

D. Neither 1 nor 2

Answer: D

Explanation

- The fund has been set up jointly by Exim Bank and SIDBI (Small Industries Development Bank of India) which will invest in the fund by way of equity and equity-like products in exportoriented units, in both manufacturing and services sectors.
- The Ministry of Finance has launched 'Ubharte Sitaare' Alternative Investment Fund to facilitate debt and equity funding to export-oriented MSMEs (Micro Small and medium Enterprises).
- The fund is expected to identify Indian enterprises with potential advantages, but which are currently underperforming or unable to tap their latent potential to grow.

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- Under the scheme, an identified company is supported even if it is currently underperforming or may be unable to tap its latent potential to grow.
- The scheme diagnoses such challenges and provides support through a mix of structured support covering equity, debt and technical assistance.
- 4. Which of the following sector has the most weight in the Index of Industrial Production?
 - A. Steel
 - B. Electricity
 - C. Refinery Products
 - D. Coal

Answer: C

Explanation

• The Eight Core Industries comprise 40.27% of the weight of items included in the Index of Industrial Production (IIP). All the sectors of the Index of Industrial Production (IIP) has a weight; used in the calculation of index. The weight of all these sectors is as follows;

✓ Coal: 10.33%.

- ✓ Crude oil: 8.98%.
- ✓ Natural gas: 6.88%.
- ✓ Refinery Product: 28.04%.
- ✓ Steel: 17.92%.
- ✓ Cement: 5.37%.
- ✓ Fertilizer: 2.63%.
- ✓ Power: 19.85%.

5. Which of the following statement with reference to Financial Inclusion Index is incorrect?

Sleepy Classes Free. Regular. Quality.

- A. It will be published annually in July every year.
- B. The base year is 2017-18.
- C. It comprises three broad parameters viz., Access , Usage, and Quality.
- D. None of the above

Answer: B

Explanation

- Recently, the Reserve Bank of India (RBI) has unveiled the first composite Financial Inclusion Index (FI-Index).
- The annual FI-Index for the financial year ended March 2021 crossed the halfway mark to 53.9, as compared to 43.4 for the year ended March 2017.
- The index has been conceptualized as a comprehensive index incorporating details of banking, investments, insurance, postal as well as the pension sector in consultation with the government and respective sectoral regulators.
- It has been constructed without any 'base year' and as such it reflects cumulative efforts of all stakeholders over the years towards financial inclusion.
- It captures information on various aspects of financial inclusion in a single value ranging between 0 and 100, where 0 represents complete financial exclusion and 100 indicates full financial inclusion.

Free. Regular. Quality.

- It comprises three broad parameters (weights indicated in brackets) viz., Access (35%), Usage (45%), and Quality (20%) with each of these consisting of various dimensions, which are computed based on a number of indicators.
- The index is responsive to ease of access, availability and usage of services, and quality of services for all 97 indicators.

