

# 50 MOST IMPORTANT TOPICS

## PART - III

50 Important Topics - 2024	
Scheduled Date	Subject
01/04/24	Economy
02/04/24	Science & Technology
03/04/24	Environment & D.M.
04/04/24	Science & Technology
05/04/24	Environment & D.M.
06/04/24	-----
07/04/24	-----
08/04/24	Economy
09/04/24	Science & Technology
10/04/24	Economy
11/04/24	English
12/04/24	International Relations
13/04/24	-----
14/04/24	-----
15/04/24	Geography
16/04/24	Polity & Governance
17/04/24	Polity & Governance
18/04/24	Geography
19/04/24	Polity & Governance
20/04/24	Maths
21/04/24	-----
22/04/24	Reasoning
23/04/24	Environment & D.M.
24/04/24	Social Schemes



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Awakening Toppers

# RAPID REVISION

MOST IMPORTANT TOPICS FOR PRELIMS 2024



**HOURS**

**1500 TOPICS**

11<sup>th</sup> April 2024 - 29<sup>th</sup> April 2024

Special Inclusions

- 6 FLTs (3 GS+ 3 CSAT)
- Value Additions Material
- Subject Specific MCQS

CSAT ₹1,500

GS ₹3,500

CSAT + General Studies ₹4,000



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**PRELIMS PYQ'S** (2011-2023) 

**LIVE** 

**MARATHON SESSIONS**

**ECONOMY**

**ARVIND SIR**

7:12:30

**Economy Last 13 Years UPSC Prelims PYQs Solved | Crack UPSC Prelims 2024 with Marathon Session**

12K views • Streamed 2 weeks ago

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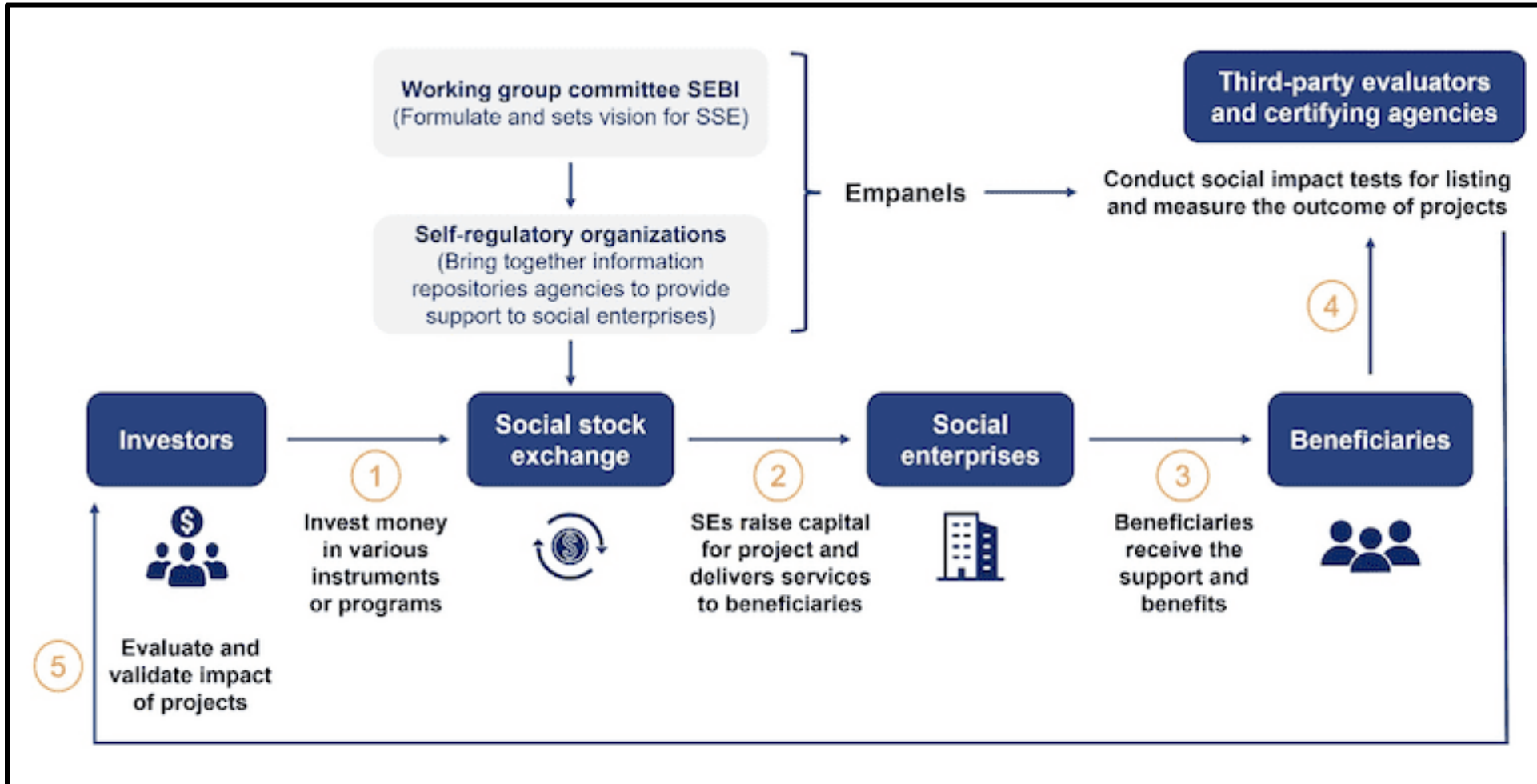
Dive into the intricacies of Economy with our comprehensive discussion on UPSC Prelims questions from the last 13 years.

# Social Stock Exchange

## **SEBI board approves flexibility in framework for social stock exchange**

The Social Stock Exchange (SSE) is a segment of the existing stock exchange, designed to help non-profit organizations (NPOs) and for-profit social enterprises raise funds.

# Social Stock Exchange



# Social Stock Exchange

Investors can buy Zero Coupon Zero Principle (ZCZP) instruments through the application form which will be available on website of Social Stock Exchange.

SEBI board has reduced the minimum issue size in case of public issuance of zero coupon zero principal instruments (ZCZP) by NPOs on SSE to Rs 50 lakh from Rs 1 crore.

In order to enable wider participation of subscribers including retail, the minimum application size in case of public issuance of ZCZP by NPOs on SSE has been reduced from Rs 2 lakh to Rs 10,000.

	Not-for-Profit Organizations	For Profit Enterprises
Focus	Maximizing social impact	Maximizing social impact along with growing shareholder wealth
Listing on the exchange	Register on the exchange and then raise funds either through listing or other means. Fund raising is not mandatory after registration.	Raise funds through an IPO or follow-on public offers
Instruments/modes for raising funds	Equity, Zero Coupon Zero Principal, Development Impact Bonds, Social Impact Funds, Donations from Mutual Funds	Equity shares through main board, SME, or innovators growth platform, equity shares through AIFs or Social Impact Funds, debt
Social mandate	At least 67% of the past three years' average revenues/expenses/customer base should be meant towards providing eligible social activities	At least 67% of the past three years' average revenues/expenses/customer base should be meant towards providing eligible social activities
Minimum fund raise	₹50 lakh from ZCZP	Similar to commercial entities or AIFs, depending on the choice of fund-raising instruments
Who can invest?	All entities are allowed. In case of ZCPs, anyone with minimum ₹10,000 can invest. That is the minimum security denomination for ZCZPs.	Retail investors, HNIs, institutional investors - all entities allowed in the capital markets
Reporting social impact	Social Impact Scorecard	Social Impact Scorecard



# Offshore Areas Minerals (Development and Regulation) Amendment Act, 2023

	Offshore Areas Mineral (Development and Regulation) Act, 2002	Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023
License	Different licenses for reconnaissance, exploration, and production.	Composite license for granting rights for exploration as well as production.
Auction Process	Provides for the grant of concessions through administrative allocation.	Provides two types of operating rights to the private sector by competitive bidding, viz. production lease, and composite license.
Validity	Production lease is granted for a period of up to 30 years, further renewed for up to 20 years.	Production lease under a composite license will be valid for 50 years.
Mining in reserved areas	Allows the government to reserve offshore areas that are not held under any operating right.	Allows the administering authority to grant a composite license or production lease to the government or a government company.

# Offshore Areas Minerals (Development and Regulation) Amendment Act, 2023

The Bill adds that in case of atomic minerals, exploration, production, and composite licenses will be granted only to the government or government companies.

The Bill sets up the Offshore Areas Mineral Trust. Concession holders will be required to pay an amount to the Trust in addition to any royalty. The funds will be used for specified purposes including:

- (i) exploration in offshore areas, (ii) research and studies about the mitigation of adverse effects of offshore mining on the ecology, and (iii) relief upon the occurrence of a disaster.

# REGIONAL RAPID TRANSIT SYSTEM (RRTS) PROJECT

The Regional Rapid Transit System (RRTS) is a high-speed, high-capacity commuter service that connects regional nodes in the National Capital Region (NCR). The RRTS is also known as Namoo Bharat.

It's different from a metro because it has fewer stops and travels at a higher speed. It's also different from a conventional railway because it provides reliable, high-frequency, point-to-point travel along a dedicated path.

# REGIONAL RAPID TRANSIT SYSTEM (RRTS) PROJECT

**FASTER THAN METROS, MORE FREQUENT THAN TRAINS**



**180 km/hr**  
DESIGN SPEED

**160 km/hr**  
OPERATION SPEED

**100 km/hr**  
AVERAGE SPEED



Praveen Khanna



**60 Min**

TIME TO TRAVEL 100KM

## CORRIDORS- UNDER RRTS PHASE I

- 1 Delhi – Ghaziabad – Meerut Corridor
- 2 Delhi – Gurugram – SNB – Alwar Corridor
- 3 Delhi – Panipat Corridor



## OTHER CORRIDORS

- 4 Delhi – Faridabad – Ballabhgarh – Palwal
- 5 Ghaziabad – Khurja
- 6 Delhi – Bahadurgarh – Rohtak
- 7 Ghaziabad – Hapur
- 8 Delhi – Shahadra – Baraut

# IMF Quota

## What are IMF quotas?

- Quotas are the **building blocks of the IMF's financial and governance structure**.
- An individual member country's quota broadly reflects its relative position in the world economy.
- Quotas are denominated in Special Drawing Rights (SDRs), the IMF's unit of account.

Quotas are **assigned by IMF according to** –

- The relative size of its GDP (50%)
- Openness (30%)
- Economic variability (15%)
- International reserves (5%)

# IMF Quota

How does the IMF use quotas?



## Resource Contributions

Quotas determine the maximum amount of financial resources a member is obliged to provide to the IMF.



## Voting Power

Quotas are a key determinant of voting power in IMF decisions. Members get one vote per SDR100,000 of quota plus basic votes, which are the same for all members.



## Access to Financing

Quotas determine the maximum amount of loans a member can obtain from the IMF under normal access.



## SDR Allocations

Quotas determine a member's share in a general allocation of SDRs.

# IMF Quota

## IMF QUOTA REFORMS

- Any changes in quotas **must be approved by an 85 percent majority of the total voting power** and a member's own quota cannot be changed without its consent.

In 2016, IMF finally agreed to quota reforms:

- **India's voting rights increase** to 2.6 per cent from the current 2.3 per cent
- China's, to 6 per cent from 3.8
- Russia and Brazil are the other two countries that gain from the reforms.
- More than **6% of the quota shares shifted to emerging and developing countries from U.S. and European countries.**



**FMS Economy 2024**  
Sleepy Classes IAS · Playlist · Updated 5 days ago

New Sub Schemes under VGF Scheme || Few Minutes Series || Economy · 13:00  
Quick Facts of Gender Gap Report 2023 by World Economic Forum · 10:02

[VIEW FULL PLAYLIST](#)

## FMS Economy Playlist



**Economy Premix 2024**  
Sleepy Classes IAS · Playlist · Updated 2 days ago

5 Economy PYQs on Important Concepts from CAPF 2021 || Premix 2024 || Economy MCQs · 23:45  
5 Economy PYQs from CAPF 2021 (Part-2) || Premix 2024 || Economy MCQs · 14:05

[VIEW FULL PLAYLIST](#)

## Premix Economy Playlist



# **Basel-III Capital Framework For AIFIs**

The RBI has **introduced norms on the Basel III capital framework**, fund raising, exposure guidelines, and norms on classification and valuation of investment portfolios for All India Financial Institutions (AIFIs).

This Basel III capital framework for AIFIs will **come into effect from April 2024**.

**India has five AIFIs regulated by RBI** viz. Export-Import Bank of India (EXIM Bank), the National Bank for Agriculture and Rural Development (Nabard), the National Bank for Financing Infrastructure and Development (NaBFID), the National Housing Bank (NHB), and the Small Industries Development Bank of India (SIDBI).

# Basel-III Capital Framework For AIFIs

AIFIs will be required to maintain a minimum total capital of 9 per cent by April 2024.

The minimum tier-I capital will need to be at 7 per cent and common equity tier-I (CET-1) capital at 5.5 per cent.

For NHB, the implementation date will be July 2024, given that its accounting year is July-June.

Basel III norms are a **set of international banking norms** which were introduced in 2009 after the credit crisis of 2008.

# Wilful Defaulters

RBI recently issued draft master directions on treatment of wilful defaulters and large defaulters to refine the identification process.

A wilful defaulter is a defaulter who **wouldn't pay back the money to banks** despite having the means to do so and has an **outstanding amount is Rs 25 lakh and above.**

**Applicability:** It shall apply to **all entities regulated by the RBI** i.e. banks, NBFCs, Co-operative Banks, Regional Rural Banks, Local Area Banks, and All India Financial Institution (AIFI) including NABARD, SIDBI, EXIM Bank, NHB and NaBFID.

# Wilful Defaulters

Provision of an Identification Committee and a Review Committee: After examination of the default, an Identification Committee would issue a show-cause notice after which its proposal would be considered by the Review Committee for classification a wilful defaulter.

New guidelines set a time limit: They fix a time period for review and finalisation on wilful default within six months of an account being classified as a non-performing asset.

Credit dissemination information: It also aims to put in place a system to disseminate credit information about wilful defaulters for cautioning lenders.

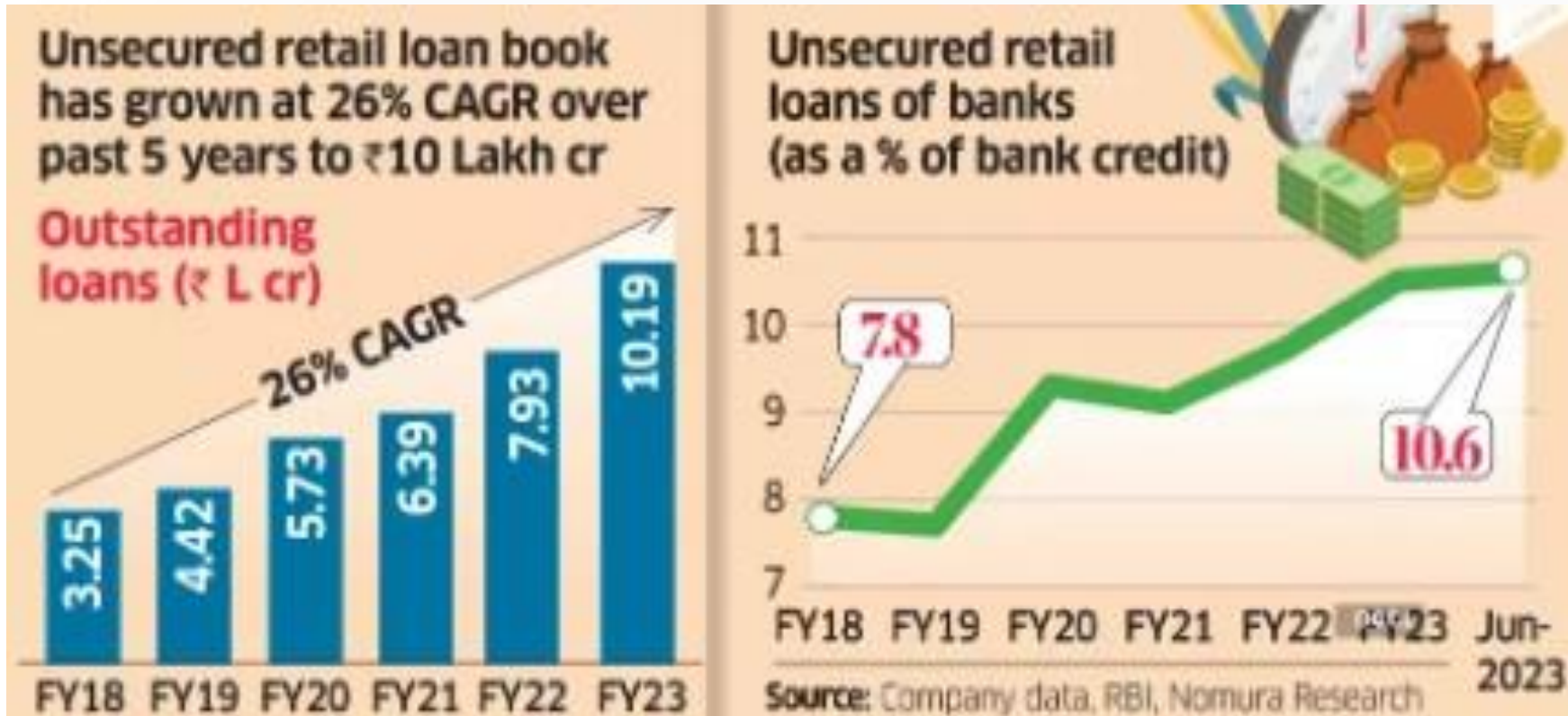
# Risk Weight Of Unsecured Loans

Reserve Bank of India (RBI) has recently tried to put the brakes on the unbridled growth in unsecured loans by **increasing the capital requirements for such loans for banks and NBFCs.**

An unsecured Loan is a loan that does not require you to provide any collateral to avail them.

Risk weights means the amount of capital lenders have to keep aside to cover for credit risk from a particular loan segment.

# Risk Weight Of Unsecured Loans



# Risk Weight Of Unsecured Loans

Currently at 100% risk weight, **such loans would see an increase to 125%**, excluding loans for housing, education, vehicles and against gold.

In simple words, under Basel III norms banks needed to **keep aside Rs 8 for every Rs 100 lent for personal loans earlier**, they will now need to keep aside 25% higher or Rs 10 on every Rs 100 lent.

Similarly, **risk weights on credit cards have been increased by 25 percentage points to 150%** for banks and 125% for NBFCs, respectively.

# PPP Models

Home / India News / 'Centre to revamp BOT model, boosting private capital in national highways'

## 'Centre to revamp BOT model, boosting private capital in national highways'

*The Centre had decided to make major rejigs in the BOT concession amid tepid interest from private players for the asset monetisation model*

A brief snapshot of risk sharing in the various PPP road development projects is mentioned below:

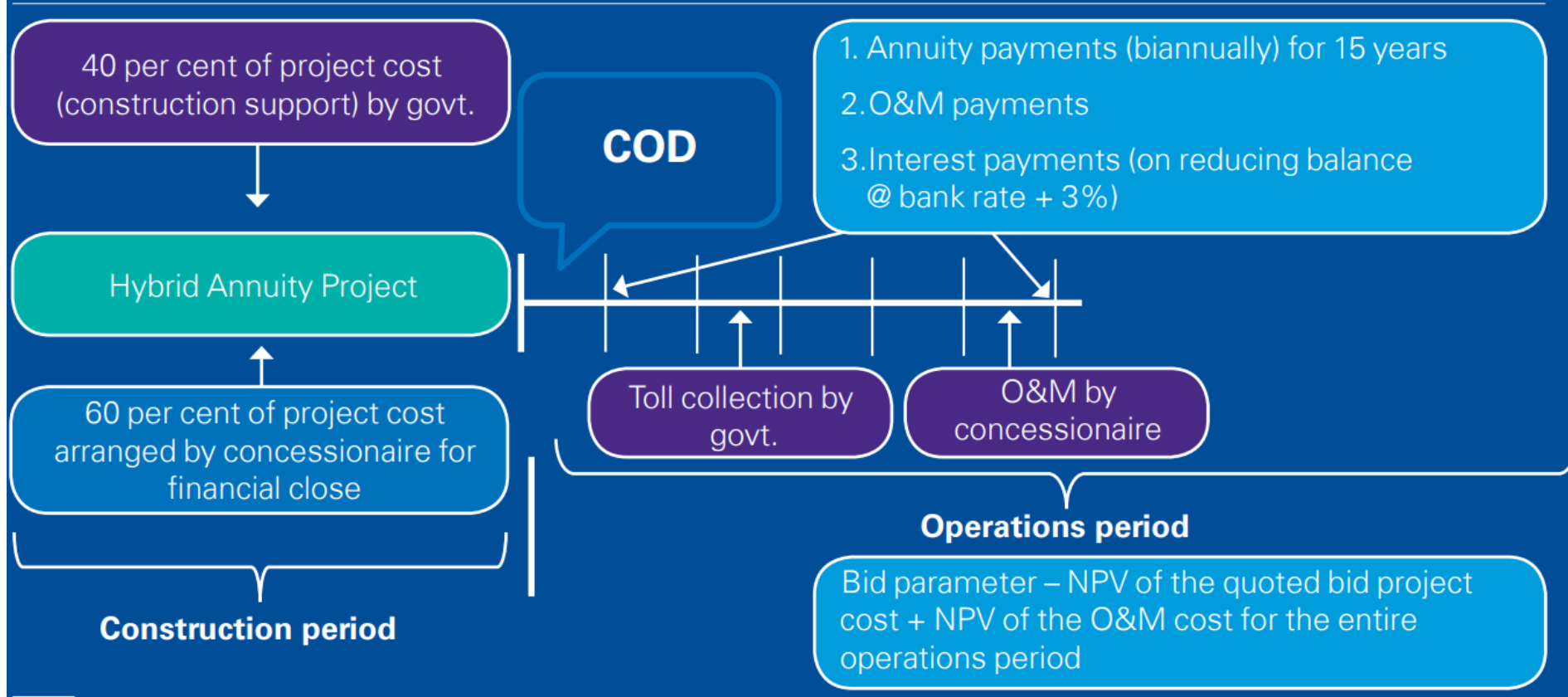
**Table 1: Risk parameters for road PPP models<sup>5</sup>**

	Mode	Financing risk	Construction risk	Traffic risk	O&M risk
Reducing risk for concessionaire ↓	BOT (Toll)	Concessionaire	Concessionaire	Concessionaire	Concessionaire
	BOT (Annuity)	Concessionaire	Concessionaire	Authority	Concessionaire
	HAM	Concessionaire (partly)	Concessionaire	Authority	Concessionaire



# PPP Models

**Figure 2: HAM model – key features<sup>4</sup>**



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# MSP

MSP for a crop is the price at which the government is supposed to procure/buy that crop from farmers if the market price falls below it.

Using them, the government incentivises the production of certain crops, thus ensuring that India does not run out of staple food grains.

GoI fixes MSP for 22 mandated agricultural crops on the basis of the recommendations of the Commission for Agricultural Costs & Prices (CACP), views of State Governments and Central Ministries/Departments concerned.

# MSP

PADDY	JOWAR	BAJRA	RAGI	MAIZE	TUR
MOONG	URAD	GROUNDNUT	SUNFLOWER	SOYABEEN	SESAMUM
NIGERSEED	COTTON	WHEAT	BARLEY	GRAM	MASUR
RAPESEED & MUSTARD	SAFFLOWER	COPRA	JUTE	TORIA	DE-HUSKED COCONUT

# MSP

The Centre fixes MSPs for every kharif and rabi cropping season based on recommendations of the Commission for Agricultural Costs and Prices (CACP)

● When a farmer grows a crop, he incurs costs, some of it explicit and some implicit or unpaid. The CACP considers the following costs:

1

**A2**

Covers all cash and in kind expenses incurred by farmers on seeds, fertilisers, chemicals, hired labour, fuel, irrigation, etc

2

**A2+FL**

Actual costs plus an imputed value of unpaid family labour



3

**C2**

Includes 'A2+FL' along with revenues forgone on owned land (rent) and fixed capital assets (interest)

# MSP

MSP is only as good as its implementation, especially with India turning food-surplus and crop prices tending to fall more than rise. Though government announces MSP for 23 crops, it effectively procures only a third of these

## GOVERNMENT PROCUREMENT VS. PRODUCTION (MILLION TONNES)\*

	PROCUREMENT	PRODUCTION	% PROCURED
Rice	51.23	118.43	43.26
Wheat	38.99	107.59	36.24
Cotton	104.62*	354.50*	29.51
Chana	2.1	11.35	18.47
Arhar/Tur	0.72	3.83	18.8
Moong	0.14	2.46	5.69
Mustard	0.8	9.12	8.78
Groundnut	0.71	10.1	7.03

\*Lakh bales of 170 kg each; Data for 2019-20

# Price versus Income Support

Economists oppose fixed MSPs that ignore market demand, arguing they distort production and create over/undersupply of specific crops. They favor direct income support, which benefits all farmers equally but doesn't incentivize high-effort producers.

However, high-investment farmers seek price assurance and are vulnerable to risks, making MSPs somewhat justifiable.

Moreover, MSPs can encourage crop diversification if set carefully. The key question is: can MSPs achieve both price support and market alignment?

# Guaranteeing MSP is tough due to

**Unrecorded sales:** Most farmers bypass official markets (APMCs), making it impossible to track sales and enforce MSP.

**Logistical burden:** Storing and managing large quantities of procured crops poses a major challenge for the government's limited resources.

**Trader resistance:** MSP higher than market price incentivizes private traders to boycott purchases, as seen in Maharashtra's failed attempt.

2 Conventional  
Ways

Force buyers to  
pay MSP

Government  
buy all produce  
at MSP



# How can MSP be guaranteed?

Price deficiency payments (PDP) offer a promising alternative to traditional MSP support, avoiding government procurement and stockpiling.

PDP involves paying farmers the difference between market price and MSP, only when the market price falls below MSP.

Madhya Pradesh successfully implemented PDP through Bhavantar Bhugtan Yojana for eight crops, paying Rs 1,952 crore to 21 lakh farmers.

**Haryana's Bhavantar Bharpai Yojana (BBY)** currently covers mainly bajra, mustard, and sunflower seed.

# Haryana's BBY

## How Haryana's Price Deficiency Payments scheme has fared

	Bajra	Mustard	Sunflower
<b>2021-22</b>			
Area registered (acre)	1128367.71	1561348.88	27824.38
Area verified (acre)	883202.87	1486787.36	24568.22
MSP (Rs/quintal)	2250	5050	6015
Purchase (tonnes)	859	–	2002
PDP (Rs crore)	440*	–	–
<b>2022-23</b>			
Area registered (acre)	1526180.86	1537444.45	48179.86
Area verified (acre)	1167708.27	1400955.18	46018.82
MSP (Rs/quintal)	2350	5450	6400
Purchase (tonnes)	80382	578416	35710
PDP (Rs crore)	396**	–	36.38***

# Central Goods And Services Tax (Second Amendment) Bill, 2023

The Bill extends the upper age limit of GST Appellate tribunal Chairman to 67 years from the existing 65 years.

It also allows advocates with 10 years of experience to be eligible to become a member of GST Appellate tribunal.

It fixes the minimum age for tribunal members to be 50 years.

SEBI board has reduced the minimum issue size in case of public issuance of zero coupon zero principal instruments (ZCZP) by NPOs on SSE to Rs 50 lakh from Rs 1 crore.

# Central Goods And Services Tax (Second Amendment) Bill, 2023

## GST Appellate tribunal (GSTAT)

Section (109) of the Goods and Service Tax Act, 2017 (CGST Act) mandates the constitution of a GSTAT and its Benches.

Goods and Services Tax Appellate Tribunal is the forum of second appeal in GST laws and the first common forum of dispute resolution between Centre and States.

The appeals against the orders in first appeals issued by the Appellate Authorities under the Central and State GST Acts lie before the GST Appellate Tribunal.

# Central Goods And Services Tax (Second Amendment) Bill, 2023

- It is a common forum under the Central as well as State GST Acts.
- Being a common forum, GST Appellate Tribunal will ensure that there is uniformity in redressal of disputes arising under GST regime.
  - It holds the same powers as the court and is deemed Civil Court for trying a case.
- It consists of a President, a judicial member and two technical members.

# Direct Tax To GDP Ratio

As per the latest estimates, the share of direct taxes in gross domestic product (GDP) rose to a 15-year high of 6.11 per cent during 2022-23 (FY23).

- However, the Tax Buoyancy declined from 2.52 to 1.18 compared to the FY22.
- While direct Tax to GDP ratio gives an estimate of a country's ability to mobilise resources to fuel its development, the tax buoyancy indicates the measure of efficiency or responsiveness in tax collection in response to the growth in GDP.

# Direct Tax To GDP Ratio

- Therefore, the **fall in tax buoyancy** means that the **economic growth at current prices could not result in as high a rise in direct tax collections** during the year as witnessed during 2021-22 (FY22).
- A year earlier, **nominal GDP grew by 19.51 per cent**, but **direct tax collections rose by 49.12 per cent**. Thus, direct taxes grew at a rate which was 2.52 times the GDP growth rate in nominal terms.

# Direct Tax To GDP Ratio

- In India, **central-level direct taxes include personal and corporate income taxes** under the Income Tax Act of 1961.
- **Direct taxes contributed 54.62 per cent to the overall tax kitty during FY23** against 52.27 per cent in the previous year.
- **India's tax-to-GDP ratio is considerably low** than the similarly placed OECD members which have an average tax-to-GDP ratio exceeding 30%.
- While on the other hand, **India's direct taxes to GDP ratio is only 6.11 per cent** during 2022-23.