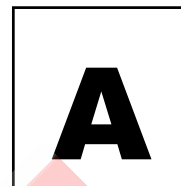


DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE TOLD TO DO SO
T.B.C. : FIAS-PTS22-B1-PT16 **Test Booklet Series**
Serial No.

TEST BOOKLET
GENERAL STUDIES
Paper – 1



Maximum Marks: 50

Time Allowed: 30 Minutes

I N S T R U C T I O N S

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOK.
2. **Please note that it is the candidate's responsibility to encode and fill in the Roll Number and Test Booklet Series A, B, C or D carefully without any omission or discrepancy at the appropriate places in the OMR Answer Sheet. Any omission/discrepancy will render the Answer Sheet liable for rejection.**
3. You have to enter your Roll Number on the test booklet in the Box provided alongside. *DO NOT* write anything else on the Test Booklet.
4. This Test Booklet contains **25** items (questions). Each item is printed in **English**. Each item comprises four responses (answers). You will select the response which you want to mark on the Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose *ONLY ONE* response for each item.
5. You have to mark all your responses *ONLY* on the separate Answer Sheet provided.
See directions in the Answer Sheet.
6. **All** items carry equal marks.
7. Before you proceed to mark in the Answer Sheet the response to various items in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per instructions sent to you with your Admission Certificate.
8. After you have completed filling in all your responses on the Answer Sheet and the examination has concluded, you should hand over to the Invigilator *only* the *Answer Sheet*. You are permitted to take away with you the Test Booklet.
9. Sheets for rough work are appended in the Test Booklet at the end.
10. **Penalty for wrong answers:**
THERE WILL BE PENALTY FOR WRONG ANSWERS MARKED BY A CANDIDATE IN THE OBJECTIVE TYPE QUESTION PAPERS.
 - (i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, **one-third** of the marks assigned to that question will be deducted as penalty.
 - (ii) If a candidate gives more than one answer, it will be treated as **wrong answer** even if one of the given answers happens to be correct and there will be same penalty as above to that question.
 - (iii) If a question is left blank i.e., no answer is given by the candidate, there will be **no penalty** for that question.

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Q.1) With reference to various types of trade agreements, consider the following statements:

1. Under Free Trade Agreement, a positive list of products and services is maintained by the negotiating countries on which the terms of FTA are applicable.
2. Comprehensive Economic Partnership Agreement (CEPA) deals with both the trade in goods and the trade in services.
3. Generally, CEPAs are more comprehensive than FTAs.
4. Free Trade Agreements are allowed as exceptions from Most Favoured Nation category under WTO regime.

Which of the statements given above is/are correct?

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

Q.2) Recently, the Government of India has announced certain rules related to donations received by non-governmental organisations (NGOs) and associations under the Foreign Contribution (Regulation) Act (FCRA), 2010. Regarding funds received by an NGO or association under FCRA, consider the following statements:

1. Funds donated by Overseas Citizen of India/ Person of Indian Origin are not treated as foreign contributions.

2. Members of legislatures, political parties and government officials are now allowed to receive foreign donations.
3. Foreign contributions cannot be received for religious and cultural purposes.

Which of the statements given above is/are *incorrect*?

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

Q.3) Which of the following policy actions can be considered as a move towards 'Capital Account Convertibility' in India's Balance of Payment system?

1. Increasing the foreign portfolio investment limits in the Indian debt markets.
2. Easing of the external commercial borrowing framework.
3. Liberalized Foreign Direct Investment
4. Limiting NRI's investment in G-sec

Select the correct answer using the codes given below:

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

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Q.4) Which of the following is/are part of current account, under balance of payment?

1. Balance of trade
2. Balance of invisibles
3. Remittances
4. Foreign currency Non-Resident accounts in Indian banks

Select the correct answer using the code given below:

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

Q.5) Which of the following criteria are considered for including currencies into IMF's Special Drawing Rights (SDR) basket?

1. Currency should be widely used to make payments for international transactions
2. Currency should be easily convertible into liquid assets.
3. Currency issuer is an IMF member and is one of the top five world exporters.
4. Currency must be a legal tender in at least 20 nations.

Which of the above given statements is/are correct?

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

Q.6) With reference to Capital Account Convertibility, consider the following statements:

1. India is now fully convertible on the capital account, and partly convertible on the current account.
2. The non-residents can invest in Indian government securities only under specified quantitative limits.
3. The Indian corporate are allowed to convert Indian rupee to foreign currency through automatic route.

Which of the statements given above is/are correct?

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

Q.7) Consider the following statements:

1. The Balance of Payments records all the monetary transactions made between residents of a country and the rest of the world during any given period.
2. The data on Balance of payments is published by Central Statistical Office (CSO).

Which of the statements given above is/are correct?

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

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Q.8) In the wake of India's Balance of Payment (BoP) crisis of 1991, which among the following were the steps taken by government to overcome it?

1. Devaluation of Rupee
2. Dismantling system of licensing
3. Borrowing from international organizations.
4. Increasing Cash Reserve Ratio

Select the correct option using the code given below.

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

Q.9) Which of the following statements given below best defines the concept of Hard Currency?

- a) An international currency holding highest faith and is required by every economy.
- b) The currency that is easily available in any economy's forex market.
- c) The domestic currency of any country under pressure of depreciation.
- d) The money that flows from public to the government, when a government issues bonds.

Q.10) With reference to General Anti-Avoidance Rule, consider the following statements:

1. It seeks to prevent taxation on the same income twice in two different nations.
2. GAAR also applies to foreign institutional investors who do not claim tax treaty benefits.

Which of the statements given above is/are correct?

- a) 1 only

- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Q.11) With reference to India's Foreign Exchange reserves, consider the following statements:

1. Rising forex reserves may result in the rupee to strengthen against the dollar.
2. India's forex reserves comprise foreign currency assets (FCAs), gold reserves, Special Drawing Rights and the reserve tranche position with the International Monetary Fund (IMF)

Which of the statements given above is/are correct?

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

Q.12) Consider the following statements with respect to External Commercial Borrowings (ECBs):

1. These are loans availed by Indian entity from non-resident lender in foreign currency.
2. ECBs can be procured from foreign source for a minimum average maturity period of 5 years.
3. The proceeds from ECB cannot be utilised for real estate and equity investment.

Which of the statements given above is/are correct?

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

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Q.13) Which of the following risks are associated with borrowings in foreign currency?

1. Currency risks.
2. Increase in interest rates leading to defaults
3. Higher cost of financing

Select the correct answer using the code given below:

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

Q.14) Consider the following statements with respect to initiative taken by the government to promote exports:

1. A common digital platform for Certificate of Origin (CoO) has been launched to increase Free Trade Agreement (FTA) utilization.
2. Reimbursement benefits under the Remission of Duties and Taxes on Exported Products scheme has been extended to all sectors.
3. “Transport and Marketing Assistance” (TMA) scheme was launched to promote brand recognition for Indian agricultural products in the overseas markets.

Which of the statements given above is/are correct?

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

Q.15) With reference to ‘Bank for International Settlements (BIS)’ consider the following statements:

1. It was established in 1992 as an attached body of International Monetary Fund.
2. The head office of Bank for International Settlements is located in is in Basel, Switzerland.
3. The main objective of the organization is to eliminate global money laundering and terrorist financing.

Which of the statements given above is/are correct?

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

Q.16) Consider the following statements regarding Export Credit Guarantee Corporation of India:

1. Export Credit Guarantee Corporation of India is under the administrative control of Department of Revenue, Ministry of Finance.
2. It provides overseas investment insurance to Indian companies investing in joint ventures abroad in the form of equity.

Which of the statements given above is/are correct?

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

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Q.17) Consider the following statements:

1. Foreign Currency Non-Resident Account allows Non-Resident Indians to save money earned overseas in Foreign Currency in Indian banks.
2. Only Indian currency can be withdrawn from the Non-Resident Ordinary (NRO) Account in India.
3. The interest earned on Foreign Currency Non-Resident Account accounts is tax-free in India.

Which of the statements given above is/are correct?

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

Q.18) With reference to 'Global Economic Trade', which one of the following statements correctly describe the term 'Triangular Arbitrage'?

- a) It is an agreement between countries focusing on curtailing tax evasion practices followed by Multinational companies.
- b) It is an act of exploiting an opportunity resulting from a pricing discrepancy among three different currencies in the foreign exchange market.
- c) It involves agreement by three countries to evolve a mechanism to permit free trade of certain goods and services.
- d) It is a concept in which Central Banks of three countries align their foreign exchange rate on a mutually agreed principle.

Q.19) Consider the following statements regarding International Monetary Fund (IMF):

1. The Board of Governors of IMF consists of one governor and one alternate governor for each member country.
2. Approval of quota increases and allocation of special drawing right (SDR) are among the exclusive rights of the Executive Directors of IMF.
3. The Managing Director is appointed by the Executive Board for a renewable term of five years.

Which of the statements given above is/are correct?

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

Q.20) Consider the following pairs of reports and the institutions which release them:

<i>Report</i>	<i>Institution</i>
1. Global Financial Stability Report	International Monetary Fund
2. World Investment Report	World bank
3. World Economic Outlook	World Economic Forum
4. Logistics Performance Index (LPI)	USIBC (U.S. -India Business council)

Which of the pairs given above is/are correctly matched?

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

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Q.21) With regards to import of gold in India, which of the following statements is/are correct?

1. GMS (Gold Monetization Scheme) has been launched to reduce gold imports in India.
2. India imports most of its gold from Russia.

Select the correct answer using the code given below:

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

Q.22) With regard to Compound Annual growth rate (CAGR), which of the following statements is correct?

- a) CAGR determines the average annual return on investment.
- b) It helps to measure year to year growth of an investment by considering short term variations.
- c) The major advantage of CAGR is that it helps to indicate investment risks.
- d) It does not reflect the uncertainty effect of investment value as it represents steady growth over investment period.

Q.23) The Foreign Exchange reserves of India is composed of

1. SDRs (Special drawing rights)
2. Reserve tranche position with International Monetary Fund
3. Investment in US treasury bonds
4. Economic capital framework
5. Currency and Gold Revaluation Account (CGRA)

Select the correct answer using the code given below:

- a) 1, 2 and 3 only
- b) 2, 3, 4 and 5 only
- c) 1, 2 and 4 only
- d) 1, 2, 3, 4 and 5

Q.24) With regards to external debt of India, which of the following statements is/are correct?

1. India's external debt has consistently increased since 2015.
2. The share of short-term debt in total external debt declined in 2021 as compared to previous year.
3. US dollar denominated debt remained the largest component of India's external debt in 2021.
4. Government debt as a percentage of GDP is higher than non-government debt.

Select the correct answer using the code given below:

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

Q.25) Which of the following items constitute as 'Invisibles' in Balance of Payments account?

1. Travel and transportation services
2. Remittances from abroad
3. Investment income
4. NRI deposits

Select the correct answer using the code given below:

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