



UPSC CURRENT AFFAIRS MCQS 12-11-2023

1. Consider the following statements:

1. The first Five Year Plan was based on the ideas of Mahalanobis, which laid down the basic ideas regarding goals of Indian planning.
2. The Second Five Year Plan tried to build the basis for a socialist pattern of society.
3. In the first seven five-year plans, trade was characterised by import substitution strategy.

How many of the above statements is/are correct?

- (A) Only one
- (B) Only two
- (C) All three
- (D) None

Answer: (B)

Explanation: Planning, in the real sense of the term, began with the Second Five Year Plan. The Second Plan, a landmark contribution to development planning in general, laid down the basic ideas regarding goals of Indian planning; this plan was based on the ideas of Mahalanobis. In that sense, he can be regarded as the architect of Indian planning. Industrial Policy Resolution 1956 (IPR 1956): In accordance with the goal of the state controlling the commanding heights of the economy, the Industrial Policy Resolution of 1956 was adopted. This resolution formed the basis of the Second Five Year Plan, the plan which tried to build the basis for a socialist pattern of society. In the first seven plans, trade was characterised by what is commonly called an inward-looking trade strategy. Technically, this strategy is called import substitution. This policy aimed at replacing or substituting imports with domestic production. Hence, statement 1 is not correct.



2. Consider the following statements regarding the Importance of Fiscal Policy in India:

1. Fiscal policy plays a key role in elevating the rate of capital formation both in the public and private sectors.
2. Fiscal policy helps in providing stimulus to elevate the savings rate.
3. Fiscal policy aims to minimise the imbalance in the dispersal of income and wealth.

How many of the above statements is/are correct?

- (A) Only one
- (B) Only two
- (C) All three
- (D) None

Answer: (C)

Explanation: In a country like India, fiscal policy plays a key role in elevating the rate of capital formation both in the public and private sectors. Through taxation, the fiscal policy helps mobilise considerable amounts of resources for financing its numerous projects. Fiscal policy also helps in providing stimulus to elevate the savings rate. The fiscal policy gives adequate incentives to the private sector to expand its activities. Fiscal policy aims to minimise the imbalance in the dispersal of income and wealth. Hence, all statements are correct.

3. Consider the following statements regarding National Bank for Financing Infrastructure and Development (NaBFID):

1. NaBFID has been set up as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing in India.
2. NaBFID was set up through an Executive order.



3. NaBFID shall be regulated and supervised as an All India Financial Institution (AIFI) by the Reserve Bank of India.
4. NaBFID is funded by the Ministry of Road Transport & Highways and does not have the power to issue bonds to raise money.

How many of the above statements are correct?

- (A) Only one
- (B) Only two
- (C) Only three
- (D) All four

Answer: (B)

Explanation: The National Bank for Financing Infrastructure and Development (NaBFID) Act, 2021 received the assent of the President on March 28, 2021 and has come into force w.e.f. April 19, 2021. Accordingly, NaBFID has been set up as a Development Financial Institution (DFI) to support the development of long-term infrastructure financing in India. NaBFID shall be regulated and supervised as an All India Financial Institution (AIFI) by the Reserve Bank under Sections 45L and 45N of the Reserve Bank of India Act, 1934. NaBFID was set up in 2021, by an Act of the Parliament (The National Bank for Financing Infrastructure and Development Act, 2021), with the essential objectives of addressing the gaps in long-term non-recourse finance for infrastructure development, strengthening the development of bonds and derivatives markets in India, and sustainably boosting the country's economy. The National Bank for Financing Infrastructure and Development (NaBFID) said it has raised ₹10,000 crore by issuance of listed bonds in its maiden issuance. Hence, statements 1 and 3 are correct.

4. Consider the following statements:

1. Minimum Support Price (MSP) may be either lower or higher than the prevailing market price of the particular crop.



2. All food grain procurement operations in India are undertaken by the Food Corporation of India (FCI).

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: (A)

Explanation: MSP can be anything that the government considers that the farmers should fairly get. This is to help them get fair remuneration for their produce and to motivate or demotivate them to produce a particular crop. Hence it can be either lower or higher than the market price. For e.g. if the government wishes to discourage rice farming, it would lower the MSP of rice. The procurement system decentralization was started in 1997 where states play a very important role in the supply chain. Not all procurements are done by FCI. State cooperative agencies and other state-level distribution agencies also play a crucial role. Hence, statement 1 is correct.

5. The Agricultural Market Information System (AMIS) is an inter-agency platform to enhance food market transparency and encourage international policy coordination in times of crisis, was setup by:

- (A) World Bank
- (B) Organisation for Economic Cooperation and Development (OECD)
- (C) G20 members
- (D) World Trade Organization (WTO)

Answer: (C)

Explanation: The Agricultural Market Information System (AMIS) is an inter-agency platform to enhance food market transparency and policy response for food security. It was launched in 2011 by the G20 Ministers of Agriculture



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following the global food price hikes in 2007/08 and 2010. Bringing together the principal trading countries of agricultural commodities, AMIS assesses global food supplies (focusing on wheat, maize, rice and soybeans) and provides a platform to coordinate policy action in times of market uncertainty. Hence, option (c) is correct.