



MCQs:

1. Which of the following statement/s is/are true?

1. Foreign exchange reserves are assets held on reserve by a central bank in foreign currencies, which can include bonds, treasury bills and other government securities.

2. Most foreign exchange reserves are held in US dollars.

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 nor 2

Ans: c

Explanation:

- Foreign exchange reserves are assets held on reserve by a central bank in foreign currencies, which can include bonds, treasury bills and other government securities.
- Most foreign exchange reserves are held in US dollars.

2. Which of the following is/are component/s of Foreign exchange reserves?

(a) Foreign Currency Assets

(b) Gold reserves

(c) Special Drawing Rights

(d) All of the above

Ans: d

Explanation:

- Components of SDR: Foreign Currency Assets, Gold reserves, Special Drawing Rights and Reserve Tranche Position with the International Monetary Fund (IMF).

3. The Podu cultivation is associated with?



- (a) Gujarat
- (b) Tamil Nadu
- (c) Andhra Pradesh
- (d) Odisha

Ans: c

Explanation:

- Podu is a form of shifting agriculture using slash-and-burn methods. Traditionally used on the hill-slopes of Andhra Pradesh.

4. Which of the following statement/s is/are true?

1. External Commercial Borrowing is a loan availed by an Indian entity from a non-resident lender with a minimum average maturity.

2. ECBs are in the form of foreign currencies.

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

Ans: c

Explanation:

- ECBs are in the form of foreign currencies. Hence, they enable the corporate to have foreign currency to meet the import of machineries etc.

5. Which of the following country do not share its border with Russia?

- (a) Estonia
- (b) Latvia
- (c) Lithuania



(d) Belarus

Ans: c

Explanation:

- To the south Russia borders North Korea, China, Mongolia, and Kazakhstan, Azerbaijan, and Georgia. To the southwest and west it borders Ukraine, Belarus, Latvia, and Estonia, as well as Finland and Norway.