



# ECONOMY (अर्थव्यवस्था) PART-2

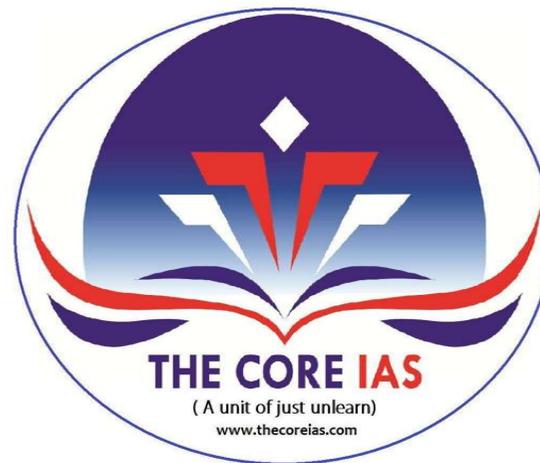
PRELIMS  
2020



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# ECONOMY



# VOLUNTARY RETENTION ROUTE

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- Announced 2018
- March 2019
- Greater operational flexibility in terms of instrument choices besides exemptions from certain regulatory requirements



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Which of the following constitute Capital Account?

*[2013 - I]*

1. Foreign Loans
2. Foreign Direct Investment
3. Private Remittances
4. Portfolio Investment

Select the correct answer using the codes given below.

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

## WAYS AND MEANS ADVANCE

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- Recently, the Government has hiked Ways and Means Advance (WMA) limit with the Reserve Bank of India (RBI) by 60%.
- in a quarter has been eased to 50 working days from 36.



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Consider the following statements regarding the *Overdraft Rules of RBI for States*.

1. A state or UT can now avail of overdraft facility for 21 working days, compared with the current 14 days.
2. Any amount drawn by a State in excess of Ways and Means Advances (WMA) is an overdraft.
3. In case an overdraft appeared in the State's account and remained beyond prescribed continuous working days, the RBI and its agencies stopped payments on behalf of the State.

Which of the following statements is/are correct?

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



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Match List I with List II and select the correct answer using the codes given below the lists: [2000]

List - I

List-II

A. Boom

1. Business activity at high level with increasing income, output and employment at macro level

B. Recession

2. Gradual fall of income, output and employment with business activity in a low gear

C. Depression

3. Unprecedented level of under employment, and unemployment, drastic fall in income output and employment.

D. Recovery

4. Steady rise in the general level of prices, income, output and employment.

**Codes:**

(a) A-1; B-2; C-3; D-4

(b) A-1; B-2; C- 4; D-3

(c) A-2; B-1; C- 4; D-3

(d) A-2; B-1; C-3; D-4

# ADVISORY BOARD FOR BANKING FRAUDS (ABBF)



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Consider the following statements with reference to the *Advisory Board for Banking Frauds (ABBF)*.

1. It has been constituted by the Central Vigilance Commission (CVC) in consultation with the RBI.
2. It functions as the first level of examination of all large fraud cases before recommendations are made to the investigative agencies by the respective public sector banks (PSBs).
3. Central Bureau of Investigation (CBI) may also refer any case or matter to the board where it has any issue or difficulty or in technical matters with the PSB concerned.

Which of the statement(s) given above is/are correct?

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

# ADVISORY BOARD FOR BANKING FRAUDS (ABBF)



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- previous avatar called the Advisory Board on Bank, Commercial and Financial Frauds.
  - cases involving the level of officers of General Manager and above in the PSB
  - Tenure of the Chairman and members would be for a period of two years.

# HELICOPTER MONEY

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# CERTIFICATE OF ORIGIN DECLARATION

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- Ministry of Commerce recently launched an online platform to issue Certificate of Origin to the exporters and other guidelines

# GST COMPENSATION

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- An essential component of the GST implementation was the compensation by the Centre to States when the latter undergoes revenue shortfalls due to the implementation of GST.
- Centre initially resisted to compensation but later agreed for the first five years.
- The compensation payable to a State shall be provisionally calculated and released at the end of every two months during transition period of 5 years.



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## **GST Compensation to states**

<b>Year since GST implementation</b>	<b>Percentage of the revenue loss to be compensated</b>
1 <sup>st</sup> year	100%
2 <sup>nd</sup> year	100%
3 <sup>rd</sup> year	100%
4 <sup>th</sup> year	75%
5 <sup>th</sup> year	50%

GST लाने के लिए सांविधानिक संशोधन की आवश्यकता क्यों थी?

- (a) संविधान में संशोधन के बिना GST लाने के लिए संघ के साथ सहमत होने के लिए राज्य तैयार नहीं थे।
- (b) GST समवर्ती आधार पर कार्यान्वित होना था और अनुच्छेद 246 ऐसे मामले के लिए अपर्याप्त था।
- (c) वित्त मंत्रियों की सशक्त समिति ने सांविधानिक संशोधन की संस्तुति की थी।
- (d) GST परिषद् ने सांविधानिक संशोधन की संस्तुति की थी ताकि उनकी शक्ति में वृद्धि हो।

Why was constitutional amendment needed for introducing GST?

- (a) States were not willing to agree with the Union for introduction of GST without amendment in the Constitution.
- (b) GST was to be implemented on concurrent base and Article 246 was inadequate for such a case.
- (c) The Empowered Committee of Finance Ministers had recommended for constitutional amendment.
- (d) The GST Council had recommended for constitutional amendment so that its power enhances.

निम्नलिखित मदों पर विचार कीजिए :

1. छिलका उतरे हुए अनाज
2. मुर्गी के अण्डे पकाए हुए
3. संसाधित और डिब्बाबंद मछली
4. विज्ञापन सामग्री युक्त समाचार-पत्र

उपर्युक्त मदों में से कौन-सा/से जी.एस.टी. (वस्तु एवं सेवा कर) के अंतर्गत छूट प्राप्त है/हैं ?

- (a) केवल 1
- (b) केवल 2 और 3
- (c) केवल 1, 2 और 4
- (d) 1, 2, 3 और 4

Consider the following items :

1. Cereal grains hulled
2. Chicken eggs cooked
3. Fish processed and canned
4. Newspapers containing advertising material

Which of the above items is/are exempted under GST (Goods and Services Tax) ?

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



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In the context of Indian economy, consider the following pairs: [2010]

**Term Most Appropriate description**

1. Melt down Fall in stock prices
2. Recession Fall in growth rate
3. Slow down Fall in GDP

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

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

# G.S. Foundation

20

21 / 22 / 23



✓ **Answer Writing (G.S.)**

Online  
/Offline

✓ **Hindi Literature/ Pol. Science (Optional)**

✓ **The Hindu Classes**

✓ **Prelims & Mains Test Series**

✓ **Module Classes**

