

Economy- Revision

Q.1) Consider the following statements regarding Development Monitoring and Evaluation Office (DMEO):

1. It was established in 2001.
2. It is an attached office to NITI Aayog.
3. It is the apex monitoring and evaluation (M&E) office in the country.

Choose the correct answer from below given codes:

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

ANS: C

Explanation: The Development Monitoring and Evaluation Office (DMEO) is an attached office of NITI Aayog.

- As the apex monitoring and evaluation (M&E) office in the country, DMEO supports the Government achieve the national development agenda through M&E of government policies and programs.
- Since its inception in 2015, the office aims to support rigorous, data-driven, citizen-centric, and outcomes-driven program management and policymaking.
- DMEO was established by the Government of India on 18th September, 2015 as an attached office of the NITI Aayog by merging the erstwhile Program Evaluation Office and Independent Evaluation Office.
- To ensure that DMEO is able to function independently, it has been given separate budgetary allocations and manpower in addition to complete functional autonomy.
- The Programme Evaluation Organization (PEO) was established by the Government of India in October, 1952 with a specific task of evaluating the community development programmes and other intensive area development schemes which were being funded by the Government of India.
- It worked as a Division of erstwhile Planning Commission and was headed by an Adviser (PEO) who reported to the Member, Planning Commission.
- PEO had 15 field units (7 Regional Evaluation Offices + 8 Project Evaluation Offices) located across the country.
- In an effort to accord more functional autonomy to the programme evaluation mechanism in the country, the Government of India established the Independent Evaluation Office (IEO) in November, 2010.
- The IEO was headed by a Director General, equivalent to a Union Minister of State in rank and status.

Source: <https://dmeo.gov.in/content/overview-0>

Q.2) The government aims to “transforming the development agenda of India” as its objective, which of the following institution is helping to realize this objective?

- a) NITI Aayog
- b) Election Commission
- c) Finance Commission
- d) Inter – State Council

ANS: A

Explanation: The government aims at ‘transforming the development agenda of India’ with the help of the NITI Aayog and has given a slogan, ‘from planning to NITI’.

- India has undergone a paradigm shift over the past six decades—politically, economically, socially, technologically as well as demographically.
- The role of the government in national development has seen a parallel evolution.
- Keeping with these changing times, the government decided to set up the NITI Aayog as a means to better serve the needs and aspirations of the people of India.

Source: TMH Ramesh Singh

Q.3) Consider the following statements regarding “National Food Security Mission”:

1. It was launched during 12th five year plan.
2. The crops grown under the scheme are rice, wheat and pulses.

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

ANS: B

Explanation: National Development Council (NDC) in its 53rd meeting held on 29th May, 2007 adopted a resolution to launch a Food Security Mission comprising rice, wheat and pulses to increase the annual production of rice by 10 million tonnes, wheat by 8 million tonnes and pulses by 2 million tonnes by the end of the Eleventh Plan (2011-12).

- Accordingly, a Centrally Sponsored Scheme, 'National Food Security Mission' (NFSM), was launched in October 2007.
- The Mission met with an overwhelming success and achieved the targeted additional production of rice, wheat and pulses.
- The Mission continued during 12th Five Year Plan with new targets of additional production of food grains of 25 million tonnes of food grains comprising of 10 million tonnes rice, 8 million tonnes of wheat, 4 million tonnes of pulses and 3 million tonnes of coarse cereals by the end of 12th Five Year Plan.

Source: <https://www.nfsm.gov.in/Default2.aspx>

Q.4) Which of the following is NOT part of WTO box (Agricultural subsidies)?

- a) Amber box
- b) Red box
- c) Green box
- d) White box

ANS: D

Explanation: The agricultural subsidies, in the WTO terminology have in general been identified by 'boxes' which have been given the colours of the traffic lights —green (means permitted), amber (means slow down, i.e., to be reduced) and red (means forbidden). In the agriculture sector, as usual, things are more complicated.

- The WTO provisions on agriculture have nothing like red box subsidies, although subsidies exceeding the reduction commitment levels are prohibited in the 'amber box'.
- The 'blue box' subsidies are tied to programmes that limit the level of production.
- There is also a provision of some exemptions for the developing countries sometimes called the 'S & D box'.

Source: TMH Ramesh Singh

Q.5) Consider the following statements regarding mega food park scheme:

1. It is based on "Cluster" approach.
2. It is implemented by a Special Purpose Vehicle (SPV).

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

ANS: C

Explanation: The Scheme of Mega Food Park aims at providing a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmer's income and creating employment opportunities particularly in rural sector.

- The Mega Food Park Scheme is based on "Cluster" approach and envisages creation of state of art support infrastructure in a well-defined agri / horticultural zone for setting up of modern food processing units in the industrial plots provided in the park with well-established supply chain.
- Mega food park typically consist of supply chain infrastructure including collection centers, primary processing centers, central processing centers, cold chain and around 25-30 fully developed plots for entrepreneurs to set up food processing units.
- The Mega Food Park project is implemented by a Special Purpose Vehicle (SPV) which is a Body Corporate registered under the Companies Act.
- State Government, State Government entities and Cooperatives are not required to form a separate SPV for implementation of Mega Food Park project.
- Subject to fulfillment of the conditions of the Scheme Guidelines, the funds are released to the SPVs.

Source: <https://www.mofpi.gov.in/Schemes/mega-food-parks>

Q.6) Who among the following is headed the committee on capital account convertibility?

- a) S. S. Tarapore
- b) Vijay Kelkar
- c) C Rangarajan
- d) Venkata chellaih

ANS: A

Explanation: The Committee on Capital Account Convertibility (CAC) or Tarapore Committee was constituted by the Reserve Bank of India for suggesting a roadmap on full convertibility of Rupee on Capital Account.

- The committee submitted its report in May 1997. The committee observed that there is no clear definition of CAC.
- The CAC as per the standards refers to the freedom to convert the local financial assets into foreign financial assets or vice versa at the market determined rates of exchange.
- The Tarapore committee observed that the Capital controls can be useful in insulating the economy of the country from the volatile capital flows during the transitional periods and also in providing time to the authorities, so that they can pursue discretionary domestic policies to strengthen the initial conditions.

Source: TMH Ramesh Singh

Q.7) “Global Investment Trends Monitor” report is released by which of the following?

- a) World Economic Forum
- b) Economic Intelligence Unit
- c) UNCTAD
- d) International Finance Corporation

ANS: C

Explanation: According to the recent Investment Trends Monitor Report issued by the United Nations Conference on Trade and Development (UNCTAD), global Foreign Direct Investment (FDI) collapsed in 2020 by 42% to an estimated USD 859 billion from USD 1.5 trillion in 2019. Such a low level was last seen in the 1990s and is more than 30% below the investment decline **that followed the 2008-2009 global financial crises.**

Source: TMH Ramesh Singh

Q.8) The terms “REER and NEER” are often seen in news related to which of the following?

- a) Exchange rate
- b) Inflation index
- c) Digital currency
- d) Agriculture supply chains

ANS: A

Explanation: NEER is the weighted average of bilateral nominal exchange rates of the home currency in terms of foreign currencies.

- Conceptually, the REER, defined as a weighted average of nominal exchange rates adjusted for relative price differential between the domestic and foreign countries, relates to the purchasing power parity (PPP) hypothesis.

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- The Reserve Bank of India (RBI) has been constructing five-country and thirty six-country indices of NEER and REER as part of its communication policy and to aid researchers and analysts. These indices are published in the Bank's monthly Bulletin.

Source: https://www.rbi.org.in/scripts/BS_ViewBulletin.aspx?Id=7129

Q.9) "Paris Club" is often seen in news is related to which of the following?

- a) Nuclear suppliers group
- b) Informal group of creditor nations
- c) International climate research scientists group
- d) Arctic council group

ANS: B

Explanation: Paris club refers to an informal group of creditor nations focused on dealing with borrower nations that face difficulty in paying back their loans.

- The origin of the club is traced to a meeting that happened in Paris between officials from Argentina, which had trouble paying back its debt, with a group of lenders in 1956.
- It is similar to the London club, which is a group of commercial bankers formed in 1976 to deal with the financial problems of Zaire, and is focused on providing various forms of debt relief to countries that face financial distress due to their heavy debt load.

Source: <https://www.thehindu.com/opinion/op-ed/what-is-paris-club>

Q.10) The "Doha Development Agenda (DDA)" is often seen in news is related to which of the following?

- a) WTO
- b) UNFCCC
- c) UNEP
- d) UNDP

ANS: A

Explanation: The Nairobi Declaration reflects divergence amongst the WTO membership on the relevance of reaffirming the Doha Development Agenda (DDA) as the basis of future negotiations.

- This was despite the fact that India, along with many other developing countries, from groups such as the G-33, LDCs, and the Africa Group, wanted a reaffirmation of the mandate of the Doha Round.
- While reflecting that there are divergences, the Ministerial Declaration also notes the "strong commitment of all Members to advance negotiations on the remaining Doha issues".
- It records that WTO work would maintain development at its centre. It also reaffirms that provisions for special and differential treatment shall remain integral.

Source: TMH Ramesh singh