

Quiz Date: 17th August 2023

Q1. What was the primary reason for the surge in retail inflation in July?

- (a) Increased fuel prices
- (b) Higher housing costs
- (c) Rise in medical expenses
- (d) Spike in food prices
- (e) Foreign exchange fluctuations

Q2. What was the overall inflation rate in rural areas in July?

- (a) 7.44%
- (b) 7.63%
- (c) 6.2%
- (d) 11.5%
- (e) 4.87%

Q3. Which index rose by 2.9% from the previous month, indicating inflationary pressures?

- (a) Consumer Price Index (CPI)
- (b) Producer Price Index (PPI)
- (c) Wholesale Price Index (WPI)
- (d) Industrial Production Index (IPI)
- (e) Gross Domestic Product (GDP) Index

Q4. What did the Reserve Bank of India (RBI) state in response to the rising inflation?

- (a) It will lower interest rates immediately.
- (b) It will take no action.
- (c) It will raise interest rates if conditions require.
- (d) It will introduce new currency notes.
- (e) It will reduce the fiscal deficit.

Q5. What is the projected increase in India's per capita income by FY47, according to the SBI Research study?

- (a) 5.5 times
- (b) 6.5 times
- (c) 7.5 times
- (d) 8.5 times
- (e) 9.5 times

Q6. The New Development Bank (NDB) was established by which group of countries?

- (a) G7
- (b) ASEAN
- (c) BRICS
- (d) NAFTA
- (e) SAARC

Q7. What is the expected proportion of the taxable workforce by FY47, as projected by the SBI Research study?

- (a) 45.6%
- (b) 62.8%
- (c) 75.1%
- (d) 85.3%
- (e) 91.7%

Q8. Which states contribute to nearly half of all tax returns filed by FY22, as highlighted by the SBI Research study?

- (a) Tamil Nadu, Kerala, Karnataka, Andhra Pradesh, Telangana
- (b) Maharashtra, Uttar Pradesh, Gujarat, Rajasthan, West Bengal
- (c) Delhi, Haryana, Punjab, Uttarakhand, Himachal Pradesh
- (d) Bihar, Jharkhand, Odisha, Chhattisgarh, Assam
- (e) Madhya Pradesh, Rajasthan, Uttar Pradesh, Bihar, West Bengal

Q9. Which state secured the top position in the Fiscal Health Report?

- (a) Punjab
- (b) Maharashtra
- (c) Chhattisgarh
- (d) Kerala
- (e) Rajasthan

Q10. According to the Fiscal Health Report, which states are identified as most vulnerable to debt sustainability risks?

- (a) Punjab, Bihar, and Rajasthan
- (b) Kerala, Tamil Nadu, and Maharashtra
- (c) Gujarat, Uttar Pradesh, and Madhya Pradesh
- (d) Karnataka, Haryana, and Odisha
- (e) Maharashtra, Chhattisgarh, and West Bengal

Q11. What impact does the expected nominal GDP growth rate for the current year have on states' debt/GSDP ratio?

- (a) It will decrease the ratio significantly.
- (b) It will have no impact on the ratio.
- (c) It might lead to a lower debt/GSDP ratio.

- (d) It could result in a higher debt/GSDP ratio.
- (e) It will cause the ratio to fluctuate unpredictably.

Q12. When does the windfall profit tax come into effect?

- (a) On a monthly basis.
- (b) When global oil prices drop below a certain threshold.
- (c) When crude oil production exceeds a certain limit.
- (d) When the difference between crude oil and petroleum product prices is high.
- (e) On August 15 each year.

Q13. What is the primary purpose of a windfall tax in the context of the energy sector?

- (a) To encourage companies to generate higher profits
- (b) To prevent companies from earning any profits
- (c) To regulate excessive profits during favorable market conditions
- (d) To increase government revenue from all industries
- (e) To incentivize companies to explore new resources

Q14. What was the wholesale price inflation rate in July following a 4.12% deflation in June?

- (a) -1.36%
- (b) 4.12%
- (c) -7.5%
- (d) -1.36%
- (e) 2%

Q15. Which of the following is NOT an initiative taken by the Ministry of Cooperation to strengthen Primary Cooperatives (PACS)?

- (a) Formation of new Farmer Producer Organization (FPOs) by PACS.
- (b) PACS eligible for LPG Distributorship for diversifying its activities.
- (c) Convergence of PM-KUSUM at PACS level for energy security.
- (d) Rupay Kisan Credit Card to Members of Milk Cooperatives.
- (e) All of the above are initiatives taken by the Ministry of Cooperation.

Solutions

S1. Ans.(d)

For any Banking/Insurance exam Assistance, Give a Missed call @ 01141183264

Sol. The retail inflation surge in July was primarily driven by a significant increase in food prices, with vegetable prices soaring by 37.3% and cereals and pulses becoming over 13% costlier.

S2. Ans.(b)

Sol. Rural residents encountered a higher overall inflation rate of 7.63% in July, as per the National Statistical Office's data.

S3. Ans.(a)

Sol. The CPI rose by 2.9% from the previous month, reflecting the swift inflationary pressures in the economy.

S4. Ans.(c)

Sol. The RBI stated that it would be ready to take action, including raising interest rates, if conditions warrant such measures in response to the rising inflation.

S5. Ans.(c)

Sol. The SBI Research study projects that India's per capita income will increase by 7.5 times from Rs 2 lakh in FY23 to Rs 14.9 lakh per annum by FY47.

S6. Ans.(c)

Sol. The New Development Bank (NDB) is a multilateral development institution established by Brazil, Russia, India, China, and South Africa (BRICS) to finance sustainable development projects in emerging economies.

S7. Ans.(d)

Sol. The SBI Research study projects that the proportion of the taxable workforce is expected to increase to 85.3% by FY47.

S8. Ans.(b)

Sol. The SBI Research study identifies Maharashtra, Uttar Pradesh, Gujarat, Rajasthan, and West Bengal as the states that contribute to nearly half of all tax returns filed by FY22.

S9. Ans.(b)

Sol. The report highlights Maharashtra's strong fiscal health, leading in terms of fiscal deficit, own tax revenue, state debt levels, and interest payment to revenue receipts as a percentage of GSDP.

S10. Ans.(a)

Sol. Punjab, Bihar, and Rajasthan. These states are highlighted as vulnerable due to weak fiscal and debt metrics even before the pandemic, as mentioned in the report.

S11. Ans.(d)

Sol. The report indicates that despite recent double-digit nominal GDP growth, the anticipated growth for the current year might not be as high, which could impact the debt/GSDP ratio of states.

S12. Ans.(b)

Sol. The windfall profit tax is triggered when global benchmark oil prices rise above a certain threshold, usually \$75 per barrel.

S13. Ans.(c)

Sol. A windfall tax is designed to regulate excessive profits that companies may earn during favorable market conditions. It aims to ensure a fair distribution of wealth and prevent profiteering.

S14. Ans.(a)

Sol. The wholesale price contracted by 1.36% in July after a 4.12% deflation in June.

S15. Ans.(e)

Sol. Each of the mentioned initiatives (a to d) is a step taken by the Ministry to strengthen Primary Cooperatives (PACS). These initiatives aim to make PACS more transparent, economically vibrant, and multipurpose entities, diversifying their activities and improving their access to various services.



