

**Q: Consider the following statement regarding Production Linked Incentive Scheme 2.0:**

1. It proposes a financial incentive to boost domestic manufacturing and attract large investments in the value chain.
2. The incentive granted to each company will be based on the net incremental sales of manufactured goods.
3. Only domestic companies meet the eligibility criteria specified in the PLI 2.0 Scheme guidelines

Choose the correct option from the codes given below:

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

Ans: a

Explanation:

- Production Linked Incentive Scheme 2.0 scheme proposes a financial incentive to boost domestic manufacturing and attract large investments in the value chain.
- The target segments under PLI 2.0 Scheme shall include Laptops, Tablets, All-in-One PCs and Servers and Ultra Small Form Factor.
- Companies, both global and domestic, that meet the eligibility criteria specified in the PLI 2.0 Scheme guidelines will receive support for manufacturing goods in India within the specified target segment.
- The incentive granted to each company will be based on the net incremental sales of manufactured goods in the target segment, compared to the base year.

**Q: Consider the following statement regarding Phosphate:**

1. The world's largest deposits are located in Russia.
2. Phosphate rocks are majorly produced in Rajasthan and Madhya Pradesh.
3. Rock phosphate is the key raw material for DAP and NPK fertilizers.

Choose the correct option from the codes given below:

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

Ans: b

Explanation:

- Phosphate is the natural source of phosphorous, an element that provides nutrients to plants for their growth and development.
- How is phosphate formed? It is a sedimentary rock formed millions of years ago by the accumulation of organic matter on the ocean floor.
- Its reserves are found in Africa, North America, Kazakhstan, the Middle East and Oceania.
- The world's largest deposits are located in Morocco, which is also one of the global leaders in phosphate extraction.
- Phosphate rocks are majorly produced only from two States in India, namely Rajasthan and Madhya Pradesh.
- Rock phosphate is the key raw material for DAP and NPK fertilizers.

**Q: Consider the following statement regarding AT1 bonds:**

1. They are a type of unsecured, perpetual bonds that banks issue to improve their core capital base.
2. They have a call option, which can be used by the banks to buy these bonds back from investors.

Choose the correct option from the codes given below:

- a) 1 only
- b) 2 Only
- c) 1 and 2
- d) None of the above

Ans: c

Explanation:

- AT1 bonds are a type of unsecured, perpetual bonds that banks issue to improve their core capital base.
- The money raised through these bonds is kept aside as a shock absorber by the bank.
- They have a call option, which can be used by the banks to buy these bonds back from investors.
- These bonds were created in the wake of the 2008 financial crisis to absorb the losses.
- These bonds are also called contingent convertible bonds or CoCos.
- These bonds are also mandatory under Basel=III norms.

**Q: Consider the following statement:**

1. UAE is India's second-largest trading partner for 2022-23.
2. Bilateral trade in 2022-23 has decreased by 15% as compared to 2021-22.

Choose the correct option from the codes given below:

- a) 1 only
- b) 2 Only
- c) 1 and 2
- d) None of the above

Ans: d

Explanation:

- India-UAE trade rose to \$85 billion in 2022.
- According to the External Affairs Ministry, UAE is India's third-largest trading partner for 2022-23 and India's second-largest export destination.
- Bilateral trade has increased by approximately 15% since the entry into force of the CEPA on 1 May 2022.

**Q: Consider the following statement regarding Windfall Tax:**

1. It is imposed on an industry's profits when it experiences a sharp increase in revenue.
2. This helps government to narrow the country's widened trade deficit.
3. Rationale behind the imposition of this tax is to promote manufacturing sectors rather than implementing in welfare sectors.

Choose the correct option from the codes given below:

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

Ans: a

Explanation:

- Windfall Tax is a higher tax levied by the government on specific industries when they experience unexpected and above-average profits.
- When the government notices a sudden increase in an industry's revenue, they impose this tax.
- However, these revenues cannot be linked to anything the company actively pursued, such as its business strategy or expansion.
- Consequently, a Windfall Tax is imposed on an industry's profits when it experiences a sharp increase in revenue due to unrelated external events.
- Rationale behind the imposition of windfall tax:
  - ❖ Redistribution of unexpected gains, when high prices benefit producers at the expense of consumers;
  - ❖ To fund social welfare schemes;
  - ❖ As a supplementary revenue stream for the government;
  - ❖ As a way for the Government to narrow the country's widened trade deficit;

