

Q: Consider the following statement regarding “Blazar”:

1. It is a type of galaxy.
2. It is one of the brightest and most powerful objects in the universe.
3. The do not emits radio waves.

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:

- A **blazar is a type of galaxy** that is powered by a humongous black hole and is among one of the brightest and most powerful objects in the universe.
- They are known for emitting highly energetic particles and radiation, including gamma rays, X-rays, and radio waves.

Q: Consider the following statement regarding LIBOR:

1. It does not serve as a globally accepted key benchmark interest rate.
2. It is a benchmark interest rate at which major global banks lend to one another in the international interbank market.
3. The rate is calculated using the Waterfall Methodology.

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:

- It is a benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.
- It serves as a globally accepted key benchmark interest rate that indicates borrowing costs between banks.
- The Intercontinental Exchange, which asks major global banks how much they would charge other banks for short-term loans.
- The rate is calculated using the Waterfall Methodology, a standardised, transaction-based, data-driven, layered method.

Q: Consider the following statements with respect to London Interbank Offered Rate (LIBOR):

1. It is a global interest rate at which major global banks lend to one another in the international interbank market for short-term loans.
2. The interest rate is calculated only for currencies such as the Euro, US dollars, Swiss Franc, Japanese Yen and UK Pound Sterling.

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:

- London Interbank Offered Rate (LIBOR) is a global benchmark interest rate that combines individual rates at which banks opine they may borrow from each other at the London interbank market.
- In other words, it is the benchmark interest rate at which major global banks lend to one another in the international interbank market for short-term loans.
- It is used as a benchmark to settle trades in futures, options, swaps and other derivative financial instruments in over-the-counter markets and on exchanges globally.
- Further, consumer lending products including mortgages, credit cards and student loans, among others, too use it as a benchmark rate.
- LIBOR is calculated for five currencies such as the U.S. dollar, Euro, Pound, Swiss Franc and Japanese Yen.
- The Secured Overnight Financing Rate, or SOFR, is an influential interest rate that banks use to price U.S. dollar-denominated derivatives and loans.

Q: Consider the following statement regarding Production Linked Incentive (PLI) scheme:

1. It was launched to give boost to the domestic manufacturing sectors.
2. The scheme aims to give companies incentives for incremental sales.
3. The scheme is targeting labor-intensive sectors in the hope to create new jobs.

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: d

Explanation:

- The central government announced the Production Linked Incentive (PLI) scheme is to boost domestic manufacturing and cut down on import bills.
- The scheme aims to give companies incentives for incremental sales from products manufactured in domestic units.
- Moreover, the scheme also aims to encourage local companies to set up or expand existing manufacturing units along with focusing on inviting foreign companies to set up shops in India.
- The scheme is targeting labor-intensive sectors in the hope to create new jobs for the ballooning employable workforce of India.

Q: Consider the following statement regarding Secured Overnight Financing Rate (SOFR):

1. It is a benchmark interest rate for dollar-denominated derivatives and loans.
2. It is based on transactions in the Treasury repurchase market.
3. It is not a secured borrowing rate.

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:

- SOFR was selected by the Alternative Reference Rates Committee (ARRC).
- It is a benchmark interest rate for dollar-denominated derivatives and loans.
- It is based on transactions in the Treasury repurchase market.
- Similar to a mortgage rate, SOFR is a secured borrowing rate in the sense that collateral is provided to borrow cash.
- It is seen as preferable to London interbank offered rate (LIBOR) since it is based on data from observable transactions rather than on estimated borrowing rates.