

Banking Daily Quiz Blog - December 15



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1. To Control Climate resilient Agricultural Practices ,Government of Maharashtra , GOI, and West Bengal Government have signed an agreement in April 2018 for ?

A \$420 Million

B \$240 Million

C \$ 600 Million

D \$ 750 Million

E \$500 Million

Solution

- Option A is the correct answer.
- The Government of India, Government of Maharashtra and the World Bank today signed a US\$ 420 million project to help small and marginal farmers in the Marathwada and Vidarbha regions of Maharashtra, increase climate resilient practices in agriculture and ensure that farming continues to remain a financially viable activity for them.
- The project is expected to benefit over 7 million people spread over an area of 3.0 million ha and cover 5,142 villages across 15 most

climate vulnerable districts of the region.

- The agreements for the Maharashtra Project for Climate Resilient Agriculture were signed by Sameer Kumar Khare, Joint Secretary, Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India; Bijay Kumar, Additional Chief Secretary, Agriculture Department on behalf of the Government of Maharashtra; and Junaid Ahmad, Country Director, World Bank, India on behalf of the World Bank.

2. **Tribal Cooperative Marketing Development Federation of India Limited (TRIFED) comes under Administrative control of Which ministry?**

A Ministry of Defence

B Ministry of Finance

C Ministry of Rural Development

D Ministry of Micro, Small and Medium Enterprises

E Ministry of Welfare of India

Solution

- Option E is the correct answer.
- TRIFED was established in August 1987 under the Multi-State Cooperative Societies Act, 1984 by the Government of India as a National level Cooperative body. Under the administrative control of the then Ministry of Welfare of India, TRIFED is mandated to ringing about socio-economic development of tribals of the country by institutionalising the trade of Minor Forest Produce (MFP) & Surplus Agricultural Produce (SAP) collected/ cultivated by them.

- TRIFED plays the dual role of both a market developer and a service provider, empowering them with knowledge and tools to better their operations in a systematic, scientific manner and also assist them in developing their marketing approach.
- TRIFED is involved actively in capacity building of the tribal people through sensitization and the formation of Self Help Groups (SHGs). TRIFED is engaged in training the tribals in several activities, so that they can effectively carry them out.

3. **Inverse relationship between Inflation and Unemployment is depicted by which curve?**

A Economics curve

B Philips curve

C Demand curve

D Supply curve

E Indifference curve

Solution

- Option B is the correct answer.
- The Phillips curve is an economic concept developed by A. W. Phillips stating that inflation and unemployment have a stable and inverse relationship.
- The theory claims that with economic growth comes inflation, which in turn should lead to more jobs and less unemployment.
- The Phillips curve was a concept used to guide macroeconomic policy in the 20th century, but was called into question by the stagflation of the 1970's.

- Understanding the Phillips curve in light of consumer and worker expectations, shows that the relationship between inflation and unemployment may not hold in the long run, or even potentially in the short run.

4. **RBI Adopted CBI (Combined) as indicator for Inflation Targeting on the recommendation of ?**

A EC2015 (Expert Committee)

B EC2016 (Expert Committee)

C EC2014 (Expert Committee)

D Niti Ayog

E NABARD

Solution

- Option C is the correct answer.
- It is observed that transparency received a significant boost in April 2014, when some of the recommendations of EC2014 (Expert Committee) were implemented including the adoption of Consumer Price Index (CPI) based headline inflation as inflation measure and explicit recognition of disinflationary glide path.
- The TRP indexes remained low within 6-8.5 till the quarter of Oct-Dec. 2013 before witnessing a big jump in Apr-Jun 2014 quarter; passed through a transition phase of a couple of two other jumps to

reach a new high level of 12-13 in the quarter Oct-Dec 2016 and remained stable around that level for the major part of the period thereafter.

- Interestingly, as we shall see later, the transition phase, by and large, coincides with the period of glide path in inflation target followed by the RBI.

5. As per economic Survey 2018, the percentage of Working Women has declined from 36% in 2005- 06 to _ in 2015-16?

A 14%

B 28%

C 20%

D 24%

E 17%

Solution

- Option D is the correct answer.
- According to the Survey, the female labour force participation rate has declined to 24% in 2015-16 from 36% in 2005-06.
- The Economic Survey said the government will push ahead with labour reforms, increase spending on infrastructure and create an enabling environment for labour-intensive sectors to boost job creation, which it termed as a pressing medium-term challenge.
- According to the survey, the government is promoting inclusive employment-intensive industry and building resilient infrastructure

which are vital factors for economic growth and development.

- The survey also mentioned leather, textiles, gems and jewelry, MSME and logistics industries as some of the key drivers of jobs growth.

6. is defined as the experience of Everyday life leading Standardization of cultural expressions around the world.

A economic globalization

B ecological globalization

C political globalization

D environmental globalization

E Cultural Globalization

Solution

- Option E is the correct answer.
- Cultural globalization, phenomenon by which the experience of everyday life, as influenced by the diffusion of commodities and ideas, reflects a standardization of cultural expressions around the world.
- Examples of Cultural Globalization. Cultural globalization integrates scholars from several disciplines, such as anthropology, sociology, communication, cultural studies, geography, political science and international relations.

- ‘Cultural globalisation refers to the rapid movement of ideas, attitudes, meanings, values and cultural products across national borders. It refers specifically to idea that there is now a global and common mono-culture – transmitted and reinforced by the internet, popular entertainment transnational marketing of particular brands and international tourism – that transcends local cultural traditions and lifestyles, and that shapes the perceptions, aspirations, tastes and everyday activities of people wherever they may live in the world’

7. As per Economic Survey 2018, formality as defined by social security is 31% While Formality if defined using GST data is?

A 35%

B 53%

C 60%

D 55%

E 50%

Solution

- Option B is the correct answer.
- The Survey highlighted that India's formal sector payroll is much greater than believed. The number is 31% (75 million) of the non-agricultural work force if formality is defined as firms providing social security and 53% (127 million) when defined as firms being in the GST net.
- The Survey reported that there is an upside potential for Export growth and a boost to private investment if Insolvency and Bankruptcy Code process progresses well.

- Support and stabilise agriculture, privatise Air India, finish bank recapitalisations should be the policy agenda for the year ahead.
- Other important highlights
- Indian Gross fiscal deficit down from 4.1 in 2014-15 to 3.2 in 2017-18
- Textiles package boosted export of key man-made garment by about 15 %
- Retail Inflation averaged 3.3%, lowest in last 6 financial years.
- Manufacturing export grew about 11.3%.
- Swachh Bharat improved sanitation coverage in rural areas from 39% in 2014 to 76% in January 2018. UNICEF estimated that a household in an ODF village in rural India saves Rs 50000 every year.
- Foreign exchange revenue grew by 14.1%

8. Which of the following Statement is correct regarding inflation targeting?

A

Inflation targeting is a central banking policy that revolves around adjusting monetary policy to achieve a specified annual rate of inflation

B

The principle of inflation targeting is based on the belief that long-term economic growth is best achieved by maintaining price stability, and price stability is achieved by controlling inflation.

C

Inflation targeting can be contrasted to other possible policy goals of central banking, including the targeting of exchange rates, unemployment, or national income.

D

Inflation targeting allows central banks to respond to shocks to the domestic economy and focus on domestic considerations.

E

All of the Above

Solution

- Option E is true.
- Inflation targeting is a central bank strategy of specifying an inflation rate as a goal and adjusting monetary policy to achieve that rate.

- Inflation targeting primarily focuses on maintaining price stability, but is also believed by its proponents to support economic growth and stability.
- Inflation targeting can be contrasted to other possible policy goals of central banking, including the targeting of exchange rates, unemployment, or national income.
- Inflation targeting allows central banks to respond to shocks to the domestic economy and focus on domestic considerations. Stable inflation reduces investor uncertainty, allows investors to predict changes in interest rates, and anchors inflation expectations. If the target is published, inflation targeting also allows for greater transparency in monetary policy.

9. Which of the following can be considered as barriers to the international trade ?

A Currency devaluation

B Tariffs

C Non-tariff barriers to trade

D Subsidies

E All of the above

Solution

- Option E is the correct answer.
- Trade barriers are government-induced restrictions on international trade. Man-made trade barriers come in several forms, including:
 - Tariffs
 - Non-tariff barriers to trade
 - Import licenses
 - Export licenses
 - Import quotas

- Subsidies
- Voluntary Export Restraints
- Local content requirements
- Embargo
- Currency devaluation
- Trade restriction

10. Which of the following is the second stage in demographic theory of transition?

A high birth rate and decreasing death rate, population growth surges.

B birth and death rates are low

C high birth and death rates culminating in low population growth overall.

D birth rate falls and the death rate remains low, the population continues to increase.

E higher or lower fertility levels

Solution

- Option A is the correct answer.
- The demographic transition model (DTM) shows shifts in the demographics of a population during economic and social development. This transition is two-fold: both death and birth rates go from high to low over time as development progresses.
- The term “transition” refers in particular to the transient period when many fewer people die than are born, with the result of very high population growth.

- Stage in demographic theory of transition:-
- Stage 1: This is a state of high birth and death rates culminating in low population growth overall. Stage 2: With a consistently high birth rate and decreasing death rate, population growth surges. Stage 3: As the birth rate falls and the death rate remains low, the population continues to increase. Stage 4: Traditionally considered to be the final stage, this is one of demographic stabilization, in which both birth and death rates are low. This means that the overall population stays fairly low. Stage 5: This final, contested stage may predict higher or lower fertility levels depending on which theorist you ask.



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