

ECONOMY**Incentivising Schemes to Boost Export**

The government has decided to release pending claims worth Rs. 56,027 crore in FY 2021-22 for merchandise as well as service exports under various export promotion schemes. Merchandise exports for April-August, 2021 was nearly \$164 billion, which is an increase of 67% over 2020-21 and 23% over 2019-20.

Key Points**About:**

- It is expected to benefit more than 45,000 exporters out of which about 98% belong to the MSME (Micro, Small and Medium Enterprises) category.
- Government has set a target of achieving \$400 billion merchandise exports in FY 2021-22 amid growing demand for Indian goods in developed countries.
- Exporters will be incentivised under the following schemes: Merchandise Exports from India Scheme (MEIS), Service Exports from India Scheme (SEIS), Rebate of State Levies (RoSL), Rebate of State and Central Taxes and Levies (RoSCTL) and RoDTEP (Remission of Duties and Taxes on Exported Products).

Significance:

- **Help Bring in Foreign Exchange:** China's success as an exporting nation lies in its manufacturers receiving a wide range of government incentives (including hefty tax rebates) to produce almost exclusively for foreign markets.
- **Lower Current Account Deficit:** Incentivizing schemes will help lower the Current Account Deficit, which is the deficit caused when a country imports more than it exports. India's current account deficit has averaged 2.2% of GDP in the past decade (worth around \$15 billion in July-September 2020).
- **Liquidity:** Benefits would help merchandise sectors (Agriculture and Allied sectors, auto and auto components) to maintain cash flows and meet export demand in the international market, which is recovering fast this financial year.

Export Promotion Schemes**Merchandise Exports from India Scheme:**

- MEIS was introduced in the Foreign Trade Policy (FTP) 2015-20, under MEIS, the government provides duty benefits depending on product and country.
- Rewards under the scheme are payable as percentage of realised free-on-board value (of 2%, 3% and 5%) and MEIS duty credit scrip can be transferred or used for payment of a number of duties including the basic customs duty.

Service Exports from India Scheme:

- It was introduced in April 2015 for 5 Years under the Foreign Trade Policy of India 2015-2020. Earlier, this Scheme was named as Served from India Scheme (SFIS Scheme) for Financial Year 2009-2014.
- Under it, incentives are given by the Ministry of Commerce and Industry to Service Exporters based in India to promote the export of services from India.

Remission of Duties or Taxes on Export Product (RoDTEP)

- It is a fully automated route for Input Tax Credit (ITC) in the GST (Goods and Service Tax) to help increase exports in India. ITC is provided to set off tax paid on the purchase of raw materials, consumables, goods or services that were used in the manufacturing of goods or services. This helps in avoiding double taxation and the cascading effect of taxes.
- It was started in January 2021 as a replacement for the MEIS, which was not compliant with the rules of the World Trade Organisation.
- The tax refund rates range from 0.5% to 4.3% for various sectors.
- The rebate will have to be claimed as a percentage of the Freight On Board value of exports.

Rebate of State and Central Taxes and Levies:

- Announced in March, 2019, RoSCTL was offered for embedded state and central duties and taxes that are not refunded through Goods and Services Tax (GST).
- It was available only for garments and made ups. It was introduced by the Ministry of Textiles.
- Previously, it was Rebate for State Levies (ROSL).

INTERNAL SECURITY**Transforming India's Food Systems**

Sustainability of Food Systems is going to be crucial in the years to come due to climate change. India also has to transform its food systems, which have to be inclusive and sustainable for higher farm incomes and nutrition security. Earlier, the United Nation's report on the Food System, suggested that today's food systems are heavily afflicted by power imbalances and inequality, and do not work for most women.

Key Points

Food Systems:

- According to the Food and Agriculture Organisation (FAO), food systems encompass the entire range of actors involved in:
- Production, aggregation, processing, distribution, consumption and disposal of food products that originate from agriculture, forestry or fisheries, and parts of the broader economic, societal and natural environments in which they are embedded.

Challenges in India's Food Systems:

- **Effect of Green Revolution:** Although there has been significant progress in the country's agricultural development due to the Green Revolution, It has also led to water-logging, soil erosion, groundwater depletion and the unsustainability of agriculture.
- **Current Policies:** Current policies are still based on the deficit mindset of the 1960s. The procurement, subsidies and water policies are biased towards rice and wheat. Three crops (rice, wheat and sugarcane) corner 75 to 80% of irrigated water.

Malnutrition: The NFHS-5 shows that under-nutrition has not declined in many states even in 2019-20. Similarly, obesity is also rising. The cost of the EAT-Lancet dietary recommendations for rural India ranges between USD 3 and USD 5 per person per day. In contrast, actual dietary intake is around USD 1 per person per day.

Steps Needed to Transform India's Food Systems:

- **Crop Diversification:** Diversification of cropping patterns towards millets, pulses, oilseeds, horticulture is needed for more equal distribution of water, sustainable and climate-resilient agriculture.
- **Institutional Changes in Agri-Sector:** Farmer Producer Organisations (FPOs) should help get better prices for inputs and outputs for small holders. E-Choupal is an example of technology benefiting small farmers. Women's empowerment is important particularly for raising incomes and nutrition. Women's cooperatives and groups like Kudumbashree in Kerala would be helpful.
- **Sustainable Food Systems:** Estimates show that the food sector emits around 30% of the world's greenhouse gases. Sustainability has to be achieved in production, value chains and consumption.
- **Health Infrastructure & Social Protection:**
 1. The Covid-19 pandemic has uncovered the weak well being infrastructure in international locations like India, notably in rural areas and a few areas.
 2. Inclusive food systems also need strong social protection programmes. India has long experience in these programmes. Strengthening India's National Rural Employment Guarantee Act, Public Distribution System (PDS), nutrition programmes like Integrated Child Development Scheme (ICDS), Mid-Day Meal programmes, can improve income, livelihoods and nutrition for the poor and vulnerable groups.
- **Non-Agriculture Sector:**
 1. The role of non-agriculture is equally important for sustainable food systems. Labour-intensive manufacturing and services can reduce pressure on agriculture as income from agriculture is not sufficient for small holders and informal workers.
 2. Therefore strengthening rural Micro, Small and Medium-sized Enterprises (MSMEs) and food processing is part of the solution.

Way Forward

The UN Secretary-General will convene the Food Systems Summit in September 2021, which aims for a transformation of global food systems in order to achieve the Sustainable Development Goals (SDGs) by 2030. It is a great opportunity to boost policies for achieving SDGs.

Science and technology are important drivers to achieve these goals. India should also aim for a food systems transformation, which can be inclusive and sustainable, ensure growing farm incomes and nutrition security.

GOVERNANCE

NIRF Rankings 2021

Recently, the Ministry of Education released the India Rankings 2021 instituted by the National Institutional Ranking Framework (NIRF) (sixth edition).

Key Points
About:

- **Launch:** The National Institutional Ranking Framework (NIRF) was approved by the Ministry of Education (Erstwhile Ministry of Human Resource Development) in September 2015.
- 1. It is the first-ever effort by the government to rank Higher Education Institutions (HEIs) in the country.
- 2. Participation in NIRF was made compulsory for all government-run educational institutions in 2018.
- **Assessment on Five Parameters:**
 1. Teaching, Learning and Resources (TLR)
 2. Research and Professional Practice (RP)
 3. Graduation Outcomes (GO)
 4. Outreach and Inclusivity (OI)
 5. Peer Perception.
- **11 Categories:** Best institutions across 11 categories are listed out - overall national ranking, universities, engineering, college, medical, management, pharmacy, law, architecture, dental and research.
- **Reason for Launch:** The subjectivity in the ranking methodology developed by QS World University Rankings and the Times Higher Education World University Ranking led India to start its own ranking system for Indian HEIs on the line of Shanghai Rankings.
- 1. NIRF is in its sixth year, but it continues to only rank Indian HEIs whereas Shanghai Rankings were international in character from the first year itself.
- 2. The long-term plan of NIRF is to make it an international league table.
- No. of Participating Institutions in 2021: More than 6,000 institutes participated in NIRF Rankings.

Highlights of India Rankings 2021:

- Overall: IIT-Madras, IISc-Bangalore, and IIT-Bombay have emerged as the country's top three higher education institutions
- University: IISc, Bengaluru tops the category.
- Research Institution: IISc, Bengaluru was ranked the best research institution, a category included for the first time in India Rankings 2021.
- Colleges: Miranda College retains 1st position amongst colleges for the fifth consecutive year, followed by Lady Shri Ram College for Women and Loyola College.
- Engineering: Among engineering institutions, IIT-Madras remained number one.
- Management: Indian Institute of Management Ahmedabad was ranked one.
- Medical: All India Institute of Medical Sciences, New Delhi occupies the top slot in Medical for the fourth consecutive year.
- Pharmacy: Jamia Hamdard tops the list in Pharmacy subject for the third consecutive.
- Architecture: IIT Roorkee takes the top slot for the first time in Architecture subject.
- Law: National Law School of India University, Bangalore retains its first position in Law for the fourth consecutive year.
- Dental: Manipal College of Dental Sciences, Manipal secured 1st position.

BIODIVERSITY & ENVIRONMENT
Unviability of New Coal-Based Power Plants

According to a recent report prepared by two independent think tanks, EMBER and Climate Risk Horizons, India does not require additional new coal capacity to meet expected power demand growth by Financial Year (FY) 2030.

Key Points
Highlights of the Report:

- India's peak power demand would reach 301 GW by 2030, if it grows at an annual growth rate of 5% (which is also in line with projections made by the Central Electricity Authority), India's planned solar capacity can cover much of it.
- Therefore, adding new coal plants will lead to "zombie" units – ones which will exist, but not be operational.
- Further, India can free up nearly Rs 2.5 lakh crore by not investing in these surplus plants.

- Once incurred, these wasted investments will lock DISCOMs (power distribution companies) and consumers into expensive contracts and jeopardise India's Renewable Energy goals by adding to the system's overcapacity.
- Further, it will lead to the loss of annual savings of Rs 43,219 crore that India makes by investing in renewables and storage.
- Thus, the report concludes that more coal capacity beyond what's already under construction isn't needed to meet the aggregate demand growth by FY 2030.

Factors Responsible for Solar Energy Over Coal Based Power Plants:

- The disruption in the power sector owing to replacement of thermal based generation with Solar energy generation is possible with the downward trend of cost of solar panels. Moreover, the newer technology options like battery energy storage systems will further promote solar energy.
 - The world is focusing on environmental issues, especially climate change and therefore the idea of growing sustainably has taken centre stage globally.
1. Towards realizing the objective of carbon free energy, India has set for itself a target of installed capacity of 175 GW from Renewable Energy Sources (RE) by March 2022.
 2. In pursuance of this, India has established the International Solar Alliance and proposed One Sun One World One Grid.
- Government Policy of active promotion of Solar energy through schemes like PM KUSUM, Rooftop Solar Scheme, etc.

Importance of Continuing Coal Based Power Plants:

- According to BP Energy Outlook 2019, coal's share in India's primary energy consumption will decline from 56% in 2017 to 48% in 2040. However, that is still nearly half of the total energy mix and way ahead of any other source of energy. Thus, it is not easy to replace coal very easily.
- Issues related to land acquisition, funding and policy continue to come in the way of renewable energy plans.
- Apart from the power sector, other critical sectors like steel and aluminium also depend on coal based power.
- Further, the capacity value of the coal based power plants is critical to meet instantaneous peak load, and to meet load when renewable energy is unavailable.
- Further, India had initially set a 2017 deadline for thermal power plants to install Flue Gas Desulphurization (FGD) units that cut emissions of sulphur dioxides. But that was postponed to varying deadlines for different regions, ending in 2022.

Way Forward

Optimal Energy Mix in Power Generation: Power is generated through various sources of energy such as coal, hydro, natural gas, and renewables (solar, wind). An optimal energy mix is one that uses a mix of these generation sources in the most efficient manner. This gains tremendous importance as the future generation capacity mix should be cost effective as well as environmentally friendly.

New Technologies for Coal Based Units: The government has commissioned more efficient supercritical coal based units and old and inefficient coal based capacity is being retired. A range of new technologies (like Coal gasification, Coal beneficiation, etc.) can be deployed to make coal-fired power plants more environmentally compatible.

SCIENCE & TECHNOLOGY

Coronal Mass Ejections

Indian Scientists, along with international collaborators, have measured the magnetic field of an eruption from the Sun's atmosphere (solar corona), offering a rare peek to the interior of the Sun. Coronal Mass Ejection (CME) is one of the biggest eruptions from the Sun's surface that can contain a billion tons of matter accelerated to several million miles per hour into space.

Key Points

About the Research:

- Scientists from the Indian Institute of Astrophysics (IIA) studied the weak thermal radio emission associated with the erupted plasma for the first time, measuring the magnetic field and other physical conditions of the eruption. IIA is an autonomous institute of the Department of Science & Technology (DST), at Gauribidanur, Karnataka.
- The team studied the plasma from the Coronal Mass Ejection (CME) that happened on 1st May, 2016. Plasma is also known as the fourth state of matter. At high temperatures, electrons are ripped from atom's nuclei and become a plasma or an ionised state of matter.

- The emissions were detected with the help of radio telescopes of the IIA, along with some space-based telescopes that observed the Sun in extreme ultraviolet and white light.
- They were also able to measure the polarisation of this emission, which is indicative of the direction in which the electric and magnetic components of the waves oscillate.

About the Coronal Mass Ejections:

- The Sun is an extremely active object, spewing out vast quantities of gas and plasma in many violent events.
 1. A class of such eruptions are Coronal Mass Ejections (CMEs).
 2. CMEs are the most powerful explosions happening in the solar system.
- The underlying cause of CMEs is not well understood. Astronomers agree, however, that the sun's magnetic field plays a major role.
- Though CMEs can occur anywhere on the Sun, it is primarily those which originate from regions near the centre of the visible solar surface (called the photosphere) that are important for study, since they may propagate directly towards the Earth. This field of research helps to understand Space Weather.
- When a really strong CME blows past the Earth, it can damage the electronics in satellites and disrupt radio communication networks on Earth.
- When the plasma cloud hits our planet, a geomagnetic storm follows.
 1. A geomagnetic storm is a major disturbance of Earth's magnetosphere (space controlled by earth's magnetic field) that occurs when there is a very efficient exchange of energy from the solar wind into the space environment surrounding Earth.
 - They can trigger intense light in the sky on Earth, called auroras.
 1. Some of the energy and small particles travel down the magnetic field lines at the north and south poles into Earth's atmosphere.
 2. There, the particles interact with gases in the atmosphere resulting in beautiful displays of light in the sky.
 3. The aurora in Earth's northern atmosphere is called an aurora borealis or northern lights. It's southern counterpart is called an aurora australis or the southern lights.

Anatomy of the Sun

1. **The Sun's Core** - Energy is generated via thermonuclear reactions creating extreme temperatures deep within the Sun's core.
2. **The Radiative Zone** - Energy moves slowly outward, taking more than 1,70,000 years to radiate through this layer of the Sun.
3. **The Convection Zone** - Energy continues to move toward the surface through convection currents of the heated and cooled gas.
4. **The Chromosphere** - This relatively thin layer of the Sun is sculpted by magnetic field lines that restrain the electrically charged solar plasma. Occasionally larger plasma features, called prominences, form and extend far into the very tenuous and hot corona, sometimes ejecting material away from the Sun.
5. **The Corona** - The ionized elements within the corona (or solar atmosphere) glow in the x-ray and extreme ultraviolet wavelengths. Space Instruments can image the Sun's corona at these higher energies since the photosphere (lowest layer of the solar atmosphere) is quite dim in these wavelengths.
6. **Coronal Streamers** - The outward flowing plasma of the corona is shaped by magnetic field lines into tapered forms called coronal streamers, which extend millions of miles into space.
7. **Sunspots** are areas that appear dark on the surface of the Sun. They appear dark because they are cooler than other parts of the Sun's surface.

IMPORTANT FACTS FOR PRELIM

Atmanirbhar Corner in Indian Missions

Tribal Cooperative Marketing Development Federation of India (TRIFED) in collaboration with the Ministry of External Affairs will set up an Atmanirbhar Bharat corner in 100 Indian Missions/ Embassies across the world. The first Atmanirbhar Bharat corner was inaugurated at the Indian Embassy in Bangkok, Thailand, on Independence Day. TRIFED is a national-level apex organization functioning under the administrative control of the Ministry of Tribal Affairs. It is involved in schemes such as Van Dhan Programme, MSP for MFP and TRIFOOD.

Key Points

Atmanirbhar Bharat Corner: The corner will be an exclusive space to promote GI (Geographical Indication) tagged tribal art and craft products besides natural and organic products.

Geographical Indication:

- The Geographical Indication, which has been recognized by the World Trade Organization (WTO), is used to denote the geographical territory from where a product, be it an agricultural produce, natural product or manufactured, and also conveys assurance of qualities or attributes that are unique to that specific geographic region.
- India became a signatory to this convention, when, as a member of the WTO, it enacted the Geographical Indications (Registration and Protection Act), 1999, which came into effect from September 2003.
- 1. This Act is administered by the Controller General of Patents, Designs, and Trademarks, who is also the Registrar of Geographical Indications.
- 2. The Geographical Indications Registry for India is located in Chennai.
- 3. The registration of a geographical indication is valid for a period of 10 years. It can be renewed from time to time for a further period of 10 years each.
- Other Related Initiatives: Aadi Mahotsav, Go Tribal campaign, TRIBES India, etc.

2. World's Northernmost Island

A new island has been discovered that is located off the Greenland's coast.

Key Points

- Measuring 60x30 metres and with a peak of three metres above sea level, it has now become the new northernmost piece of land on Earth. Before this, Oodaaq was marked as the Earth's northernmost terrain.
- It is made up of seabed mud and moraine, i.e. soil, rock and other material left behind by moving glaciers, and has no vegetation.
- The researchers have suggested the discovery be named 'Qeqertaq Avannarleq', which is Greenlandic for "the northernmost island".
- The discovery comes as a battle is looming among Arctic nations, the US, Russia, Canada, Denmark and Norway for the control of the North Pole and of the surrounding seabed, fishing rights and shipping routes exposed by melting ice due to climate change.
- Global warming might have had a severe effect on the ice sheet of Greenland, but the new island however is not a direct consequence of climate change.

DAILY ANSWER WRITING PRACTICE

Qns. What is Biofortification? Examine the potential of Biofortification with respect to India's push towards achieving targets of Sustainable Development Goal-2 (SDG-2). (250 words)

Ans:

Introduction

WHO defines Biofortification as the process by which the nutritional quality of food crops is improved through agronomic practices, conventional plant breeding, or modern biotechnology. Biofortification differs from conventional fortification in that biofortification aims to increase nutrient levels in crops during plant growth rather than through manual means during processing of the crops. Biofortification may therefore present a way to reach populations where supplementation and conventional fortification activities may be difficult to implement and/or limited.

Body

Need for Biofortification in India:

- India faces a development paradox—of being one of the fastest-growing global economies in the world and contrast—of having an estimated 189.2 million people i.e., 14% of the population as undernourished.
- Further, the percentage of children under the age of five who are stunted, wasted and are underweight are 38.4, 21.0 and 42.5 respectively.
- Also, 53.1% of women of reproductive age between 15 to 49 years are anemic.
- These metrics highlight the prevalence of chronic malnourishment of women, girls and children in India.

Potential of Biofortification with respect to India:

- Biofortification, an agriculture-based approach to the development and dissemination of micronutrient-rich crops, offers a viable option to mitigate malnutrition and hidden hunger.
- The solution majorly targets poor and rural people who grow and consume staple crops significantly and supply their surplus produce majorly within their community.

- The method enriches staple crops with required micronutrients that reduces people's nutritional vulnerability because, during economic shocks, the poor tend to reduce their consumption of higher-value food commodities that are naturally rich in micronutrients.
- With a one-time research and development investment, biofortified seeds can spread through the existing seed distribution systems in the country.
- Farmers, even with limited resources and market access, can grow biofortified crops since they do not need repeated purchases of seeds year after year—they can use a part of their produce as the seeds for the next year.
- Moreover, an increase in the adoption of seeds through efficient seed distribution channels will ensure it is economically remunerative for the growers.
- For consumers, awareness has to be created about subsequent health benefits while ensuring easy access and affordability of the produce.
- Currently, there is sufficient evidence available to say that biofortification can improve nutritional outcomes
- Biological fortification of food has proven to be simple, cost-effective and sustainable.
- Thus, bio-fortified crops can be directly fed into India's ambitious POSHAN Abhiyaan targeting over 10 crore people with the aim to reduce stunting, undernutrition, anemia, and low birth weight.

Way forward:

- **Focus on mother's education**
 1. There is a direct correlation between mother's education and the wellbeing of children.
 2. Targeted programmes for improving the educational status of girls and reducing the school dropout rates need to be promoted.
 3. The Global Nutrition Report (2014) estimates that every dollar invested in a proven nutrition programme offers benefits worth 16 dollars.
- **Scale-up innovation in biofortified food by supporting policies**
 1. Innovations in biofortified food can alleviate malnutrition only when they are scaled up with supporting policies.
 2. This would require increasing expenditure on agri-R&D and incentivising farmers by linking their produce to lucrative markets through sustainable value chains and distribution channels.
 3. The government can also rope in the private sector to create a market segment for premium-quality biofortified foods.
 4. For instance, trusts run by the TATA group are supporting different states to initiate fortification of milk with Vitamin A and D.
- **National awareness drive**
 1. A national awareness drive on the lines of the "Salt Iodisation Programme" launched by the government in 1962 can play an important role at the individual and community levels to achieve the desired goals of poshan for all.
 2. Branding, awareness campaigns, social and behavioural change initiatives, can promote consumption of locally-available, nutrient-dense affordable foods among the poor and children.

Conclusion

The emphasis on bio-fortification is a step forward for India's transition from food availability and access to nutrition security and eradicating hidden hunger. Leveraging science to attack the complex challenge of malnutrition, particularly for low-income and vulnerable sections of society, can be a good intervention.

Value Addition:

- **Examples of biofortification projects include:**
 1. iron-biofortification of rice, beans, sweet potato, cassava and legumes;
 2. zinc-biofortification of wheat, rice, beans, sweet potato and maize;
 3. provitamin A carotenoid-biofortification of sweet potato, maize and cassava; and
 4. amino acid and protein-biofortification of sorghum and cassava.
- **Case study: Madhuban Gajar**
 1. Madhuban Gajar, a biofortified carrot variety with high β -carotene and iron content developed by Shri Vallabhhai Marvaniya, a farmer scientist from Junagadh district, Gujarat is benefitting more than 150 local farmers in the area.
 2. It is being planted in an area of over 200 hectares in Junagadh, and the average yield, which is 40-50 t/ha, has become the main source of income to the local farmers.

3. The variety is being cultivated in more than 1000 hectares of land in Gujarat, Maharashtra, Rajasthan, West Bengal, Uttar Pradesh during the last three years.
4. The Madhuvan Gajar is a highly nutritious carrot variety developed through the selection method with higher β carotene content (277.75 mg/kg) and iron content (276.7 mg/kg) dry basis and is used for various value-added products like carrot chips, juices, and pickles.
5. Among all the varieties tested, beta-carotene and iron content were found to be superior.
- **Biofortification initiatives in India:**
 1. The Indian Council for Agricultural Research (ICAR) has developed 21 varieties of biofortified staples including wheat, rice, maize, millets, mustard, groundnut by 2019-20 which are not genetically modified.
 2. These biofortified crops have 5 to 3 times higher levels of protein, vitamins, minerals and amino acids compared to the traditional varieties.
 3. A research team at the National Agri-Food Biotechnology Institute in Mohali has also developed biofortified coloured wheat (black, blue, purple) that is rich in zinc and anthocyanins.
 4. The HarvestPlus programme of the Consultative Group for International Agricultural Research (CGIAR) have been working closely with ICAR, to improve the access of the poor in India to iron-rich pearl millet and zinc-rich wheat.

DAILY QUIZ

Q1. Which of the following statement(s) is/are true about the Moplah rebellion?

- a) The movement was led by the Moplahs, the indigenous Muslim community in Kerala's Malabar region.
- b) It was an attempt to overthrow the British government in Kerala.
- c) The main leaders of the rebellion were Ali Musliyar, Variankunnath Kunjahammad Haji and Sithi Koya Thangal.
- d) All of the above statements are true.**

Q2. The Indian government has signed a deal known as 'Reciprocal Exchange of Logistics Agreement' with which of the following countries?

- a. Japan
- b. Russia**
- c. The United States of America
- d. Both (b) and (c)

Q3. With reference to National Institution for Transforming India, also known as NITI Aayog, consider the following statements:

1. It was formed via a resolution of the Union Cabinet on 1 January 2014.
2. It comprises all the state Governors and Chief Ministers, along with the Chief Ministers of Delhi and Puducherry, Lieutenant Governors of all UTs, and a vice-chairman nominated by the Prime Minister.

Which of the given above statements is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2**

Q4. With reference to inflation in India, which of the following statements is correct?

- a. Controlling the inflation in India is the responsibility of the Government of India only
- b. The Reserve Bank of India has no role in controlling the inflation
- c. Decreased money circulation helps in controlling the inflation**
- d. Increased money circulation helps in controlling the inflation

Q5. When the Reserve Bank of India reduces the Statutory Liquidity by 50 basis points, which of the following is likely to happen?

- a. India's GDP growth rate increases drastically
- b. Foreign Institutional Investors may bring more capital into our country
- c. Scheduled Commercial Banks may cut their lending rates**
- d. It may drastically reduce the liquidity to the banking system