



EXCEL CIVILS ACADEMY

DAILY CURRENT AFFAIRS

Date: 18-03-2023

1. Nowadays, almost every country in the world is considered to be an open economy. Generally, an economy is called as 'open economy' when:

- 1) Its exports and imports form a large percentage of the GDP.
- 2) It is a fast-growing economy
- 3) It has a stable and large financial system

Select the correct answer using the codes below:

- a) 1 only
- b) 1 and 3 only
- c) 2 and 3 only
- d) All of the above

2. India's retail inflation remained above the central bank's 6% tolerance threshold for the second successive month in February at 6.44%, compared with 6.52% in January, as per the National Statistical Office.

In this context consider the following statements relating to Inflation:

- 1) Inflation is the general rise in the price level of goods and services over a period of time within a particular economy where the purchasing power of the customer decreases.
- 2) When the general prices rise, each unit of currency buys lesser goods and services.

Select the correct answer using the codes given below:

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

3. Consider the following statements regarding "Index of Industrial Production"

- 1) IIP is an indicator that measures the changes in the volume of production of industrial products during a given period.
- 2) It is compiled and published monthly by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation.

Select the correct answer using the codes given below:

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

4. With reference to Balance of Payments, consider the following statements:

- 1) Transactions made independently of the state of Balance of Payments are called Autonomous Transactions.
- 2) Transactions that are determined by the net consequences of the autonomous items are called Accommodating transactions.

Which of the statements given above is/are correct?

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

5. Which of the following statement(s) can be a possible consequence of increased government borrowing?

- 1) Less availability of financial resources for the private sector.
- 2) Poor transmission of monetary policy.
- 3) Lowering of standards of corporate governance

Which of the statement(s) given above is/are correct?

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

6. Recently, RBI has permitted banks from 18 countries to trade in rupee . In this context consider the following statements:

- 1) A Vostro account is defined as an account that a correspondent bank holds on behalf of another bank.
- 2) Vostro is a Latin word that means “your”, therefore, a vostro account implies that it is “your account”.
- 3) An example of such an account would be HSBC vostro account is held by SBI in India.

Select the correct answer from the codes below:

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

7. With reference to Small Finance Banks, consider the following statements :

- 1) They are required to maintain the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) as per the norms.
- 2) They are required to extend 75 percent of their Adjusted Net Bank Credit (ANBC) to the priority sector.

Which of the statements given above is/are correct?

- a) 1 only

- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

8. Consider the following statements:

- 1) The amount of domestic currency required to buy one unit of foreign currency is known as 'nominal exchange rate'.
- 2) The ratio of foreign to domestic prices measured in the same currency is defined as 'real exchange rate'.

Which of the statements given above is/are correct?

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

9. Recent data on Balance of Trade (BOT) by Ministry of Commerce shows that. "Exports fall 8.8%, trade deficit shrinks over 7%".

In this context consider the following.

- 1) BOT includes the trade in goods and services.
- 2) Positive BOT means more are the Value of exports compared to Imports.

Select the correct answer using the codes given below:

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

10. The Reserve Bank of India's guidelines of 2018 advise the banks to create an Investment Fluctuation Reserve.

Consider the following statements regarding the same:

- 1) It is the kind of countercyclical tool that has relatively insulated Indian lenders from interest rate risks.
- 2) It will help the Indian Banks to get secure form crisis like Silicon Valley Bank.

Select the correct answer using the codes given below:

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