

Quiz Date: 11<sup>TH</sup> August 2023

Q1. What was the outcome of the RBI's August 2023 Monetary Policy Meeting regarding the repo rate?

- (a) Repo rate increased to 6.75%
- (b) Repo rate decreased to 6.25%
- (c) Repo rate remained unchanged at 6.5%
- (d) Repo rate increased to 7%
- (e) Repo rate decreased to 6%

Q2. What step did the RBI take to tighten liquidity from the August 12 fortnight?

- (a) Reduced the cash reserve ratio
- (b) Increased the cash reserve ratio
- (c) Removed the cash reserve ratio
- (d) No change in the cash reserve ratio
- (e) Maintained an incremental cash reserve ratio of 10% on deposit growth

Q3. What change did the RBI introduce in UPI transactions during the August 2023 meeting?

- (a) Reduced the payment limit for UPI Lite
- (b) Introduced near-field communication for UPI transactions
- (c) Increased the payment limit for UPI Lite
- (d) Removed offline payment options for UPI
- (e) Restricted UPI transactions to online mode only

Q4. What does the acronym "ECOWAS" stand for?

- (a) European Council of West African States
- (b) Eastern Community of West African Societies
- (c) Economic Cooperative of Western African States
- (d) Economic Community of West African States
- (e) Ethical Commission of West African Societies

Q5. Which of the following is not a member state of ECOWAS?

- (a) Senegal
- (b) Nigeria
- (c) Kenya
- (d) Ivory Coast
- (e) Burkina Faso

Q6. What prompted the dissolution of Pakistan's parliament, paving the way for a national election?

- (a) A recommendation by the opposition leader

- (b) A constitutional mandate
- (c) The president's personal decision
- (d) Prime Minister Shehbaz Sharif's suggestion
- (e) An international directive

Q7. What does the term "deflation" in economics refer to?

- (a) A sustained increase in the overall price levels of goods and services.
- (b) A temporary decrease in the overall price levels of goods and services.
- (c) A sustained and general decrease in the overall price levels of goods and services.
- (d) An increase in consumer demand leading to higher prices.
- (e) A fluctuation in prices caused by technological advancements.

Q8. What is one consequence of deflation on consumer behavior?

- (a) Increased spending on luxury items.
- (b) Delayed purchases and reduced demand for goods.
- (c) Higher investment in the stock market.
- (d) Rapid accumulation of debt.
- (e) Expansion of consumer credit.

Q9. What strategy might a central bank adopt to counter deflation?

- (a) Increasing interest rates.
- (b) Reducing the money supply.
- (c) Implementing tight monetary policies.
- (d) Lowering interest rates.
- (e) Decreasing government spending.

Q10. Which economic indicator declined in China, signaling the onset of deflation?

- (a) GDP growth rate.
- (b) Unemployment rate.
- (c) Consumer Price Index (CPI).
- (d) Producer Price Index (PPI).
- (e) Both c) and d).

Q11. What factor contributed to the rise in inflation during June and projected for July and August 2023?

- (a) Decreased global oil prices
- (b) Increased manufacturing output
- (c) Rise in gold prices
- (d) Surge in vegetable prices
- (e) Stronger currency value

Q12. What is the primary aim of the RBI's Monetary Policy Committee (MPC)

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regarding inflation?

- (a) Maintain inflation at 5.0%
- (b) Align inflation with the 3% target
- (c) Anchor inflation expectations at 4%
- (d) Allow inflation to fluctuate freely
- (e) Reduce inflation to 2.5%

Q13. What is the main achievement of the Srinagar district in the Jal Jeevan Survekshan (JJS-2023)?

- (a) Became the top-ranked district in India
- (b) Achieved universal access to electricity
- (c) Successfully implemented the Swachh Bharat Mission
- (d) Implemented a successful healthcare initiative
- (e) Established a high-performing agricultural sector

Q14. What is the deadline for the Jal Jeevan Mission's goal of providing individual tap connections to rural households in India?

- (a) 2020
- (b) 2022
- (c) 2023
- (d) 2024
- (e) 2025

Q15. Which two products have recently been granted Geographical Indication (GI) Tags?

- (a) Kashmiri Saffron and Kesar Mango
- (b) Rajouri Chikri Wood Craft and Chikankari Embroidery
- (c) Anantnag Apples and Rajouri Chikri Wood Craft
- (d) Mushqbudji Rice and Rajouri Chikri Wood Craft
- (e) Jodhpur Handicrafts and Darjeeling Tea

Solutions

S1. Ans.(c)

Sol. The RBI decided to maintain the repo rate at 6.5% during its August 2023 monetary policy meeting.

S2. Ans.(e)

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Sol. The RBI instructed banks to maintain an incremental cash reserve ratio of 10% on the growth in deposits between May 19 and July 28, starting from the August 12 fortnight.

S3. Ans.(b)

Sol. The RBI introduced the use of near-field communication for offline payments in UPI transactions and increased the payment limit for UPI Lite to Rs 500.

S4. Ans.(d)

Sol. ECOWAS stands for "Economic Community of West African States," representing a regional organization focused on economic integration and cooperation among West African nations.

S5. Ans.(c)

Sol. Kenya is not a member of ECOWAS. ECOWAS primarily consists of West African nations.

S6. Ans.(d)

Sol. The dissolution of Pakistan's parliament was initiated based on the recommendation of Prime Minister Shehbaz Sharif. This decision is crucial for preparing the stage for a national election amidst political and economic challenges.

S7. Ans.(c)

Sol. Deflation refers to a sustained and general decrease in the overall price levels of goods and services in the economy.

S8. Ans.(b)

Sol. In a deflationary environment, consumers tend to delay purchases and reduce demand for goods and services due to the expectation of further price drops.

S9. Ans.(d)

Sol. Central banks often lower interest rates to encourage borrowing and spending as a measure to counter deflationary pressures.

S10. Ans.(e)

Sol. Both the Consumer Price Index (CPI) and Producer Price Index (PPI) declined in China, indicating the occurrence of deflation.

S11. Ans.(d)

Sol. Inflation increased due to a surge in vegetable prices in June, and this trend was projected to continue in July and August.

S12. Ans.(c)

Sol. The MPC's primary goal is to anchor inflation expectations at the target of 4%.

S13. Ans.(a)

Sol. The Srinagar district became the highest-performing district under the Jal Jeevan Survekshan (JJS-2023), outshining 114 Har Ghar Jal certified villages across India.

S14. Ans.(d)

Sol. The Jal Jeevan Mission aims to provide individual tap connections to rural households in India by the year 2024.

S15. Ans.(d)

Sol. The Geographical Indication (GI) Tags have been granted to Rajouri Chikri Wood Craft and Mushqbudji Rice.



