

1. Economy

- 1) Which of the following was not the criteria used by 11th-14th Finance Commission to recommend allocation of resources to the states?
- Fiscal discipline of the state
 - Forest Cover of the state
 - Area of the State
 - Poverty rate in the state

Solution: d)

Table 2: Weight of criteria used by 11th to 14th Finance Commissions

Criteria	11 th	12 th	13 th	14 th
Income Distance	62.5	50.0		50.0
Population 1971	10.0	25.0	25.0	17.5
Population 2011				10.0
Index of Infrastructure	7.5			
Fiscal Discipline	7.5	7.5	17.5	
Tax Effort	5.0	7.5		
Fiscal Capacity Discipline			47.5	
Area	7.5	10.0	10.0	15.0
Forest Cover				7.5
Total	100	100	100	100

Source: Reports of the 1st to 14th Finance Commissions; PRS.

- 2) Consider the following statements regarding Cryptocurrencies.
- Cryptocurrencies are digital or virtual currencies in which encryption techniques are used to regulate the generation of their units.
 - In most of the countries they operate within the framework of central bank.
- Which of the above statements is/are correct?
- 1 only
 - 2 only
 - Both 1 and 2
 - Neither 1 nor 2

Solution: a)

Cryptocurrencies are digital or virtual currencies in which encryption techniques are used to regulate the generation of their units and verify the transfer of funds, operating independently of a central bank.

Source

- 3) An inverted duty structure for a particular product will tend to discourage its
- Domestic value addition