

Bharat Bond ETF is a basket of debt papers of Central Public Sector Undertakings, Central Public Sector Enterprises, Central Public Financial Institutions and includes bonds of any other government organisation. It invests in constituents of the Nifty Bharat Bond Indices, consisting of **AAA rated public sector companies**, implying highest security.

Source

12) Which of the following entities come under the regulation of Securities and Exchange Board of India (SEBI).

1. Investment Banks
2. Alternative Investment Funds
3. Real estate investment trusts (REITs)
4. Infrastructure investment trusts (InvITs)

Select the correct answer code:

- a) 1, 2, 3
- b) 1, 2
- c) 2, 3, 4
- d) 1, 2, 3, 4

Solution: d)

Some of the Financial entities regulated by SEBI.

- Investment Banks
- Capital Markets
- Stock Brokers
- Real estate investment trusts (REITs)
- Infrastructure investment trusts (InvITs)
- Stock Exchanges
- Commodities Futures / Options
- Alternative Investment Funds

13) Consider the following statements regarding Ways and Means Advances (WMA).

1. Ways and Means Advances (WMA) is a facility for both the Centre and states to borrow from the RBI.
2. These are purely long-term borrowing used for developmental purposes.
3. The interest rate on WMA is the RBI's repo rate.

Which of the above statements is/are correct?

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

Solution: b)

The Reserve Bank of India (RBI) recently **announced** a 60% increase in the Ways and Means Advances (WMA) limit of state governments over and above the level as on March 31, with a view to enabling them "to undertake COVID-19 containment and mitigation efforts" and "to better plan their market borrowings".

**WMA it is a facility for both the Centre and states to borrow from the RBI.** These borrowings are meant purely to help them to tide over temporary mismatches in cash flows of their receipts and expenditures. In that sense, they aren't a source of finance per se. **Section 17(5) of the RBI Act, 1934 authorises the central bank to lend to the Centre and state governments subject to their being repayable "not later than three months from the date of the making of the advance".**

**The interest rate on WMA is the RBI's repo rate**, which is basically the rate at which it lends short-term money to banks. The governments are, however, allowed to draw amounts in excess of their WMA limits. The interest