



9. The money multiplier in an economy increases with which one of the following?

- (a) Increase in the cash reserve ratio
- (b) Increase in the banking habit of the population
- (c) Increase in the statutory liquidity ratio
- (d) Increase in the population of the country

Ans: (b)

Explanation:

- Option A and C: Any increase in a reserve ratio prevents the banks from lending more money, and reduces the money multiplier.
- Option B: Promoting the use of credit cards, taking more loans etc. can lead to lending and re-lending of the same money supply several times increasing the money multiplier.
- Option D: Even if this increases, and the banks reduce their lending, there may be no increase in the money multiplier.

Refer: facts for prelims:

<https://www.insightsonindia.com/2020/10/01/insights-daily-current-affairs-pib-summary-1-october-2020/>

10. With reference to the recent developments in science, which one of the following statements is not correct?

- (a) Functional chromosomes can be created by joining segments of DNA taken from cells of different species.
- (b) Pieces of artificial functional DNA can be created in laboratories.
- (c) A piece of DNA taken out from an animal cell can be made to replicate outside a living cell in a laboratory.
- (d) Cells taken out from plants and animals can be made to undergo cell division in laboratory petri dishes.

Ans: (a)

Explanation:

- Option A incorrect since it is difficult to envisage how this can be achieved because it is one thing to create an artificial chromosome and quite another to make it functional. Option B is Artificial Gene Synthesis whereas Option D is Plant and Animal Tissue Culture Technology. Option C is Cloning.
- S2: Artificial gene synthesis, sometimes known as DNA printing is a method in synthetic biology that is used to create artificial genes in the laboratory. The method has been used to generate functional bacterial or yeast chromosomes containing approximately one million base pairs.
- See <https://www.ncbi.nlm.nih.gov/books/NBK21881/> and <https://www2.le.ac.uk/projects/vgec/schoolsandcolleges/topics/recombinanttechniques>