

PRESTORMING™ 2021
SET 2 - TEST 24 ECONOMIC SURVEY & BUDGET

57. Consider the following statements with reference to “the policy of regulatory forbearance”:

1. It was adopted following the 2008 Global Financial Crisis (GFC), which lasted till Financial Year (FY) 2015.
2. Regulatory forbearance for banks involved tightening the norms for restructuring assets.
3. Forbearance prevents spill over of the failures in the financial sector to the real sector, thereby avoiding a deepening of the crisis.

Which of the statements given above is/are correct?

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

58. With reference to the impact of forbearance on bank performance due to prolonged lending, consider the following statements:

1. Undercapitalization of Banks.
2. Lending to Zombie Firms
3. Ever-greening of Loans

Which of the statements given above is/are correct?

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

59. With reference to the impact on borrower firms benefitting from forbearance, consider the following statements:

1. Deterioration in the Quality of the Board
2. Inefficient allocation of capital
3. Mis-appropriation of resources
4. Improvement in performance
5. Decreased defaults

Which of the statements given above is/are correct?

- (a) 1, 2 and 3 only (b) 2, 3 and 4 only (c) 1, 3 and 5 only (d) All of the above

60. Consider the following statements with reference to Global Innovation Index (GII):

1. GII seeks to assist economies in evaluating their innovation performance.
2. It is published by World Bank.
3. GII has two sub-indices and seven pillars.

Which of the statements given above is/are correct?

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

61. Consider the following statements:

1. Output per worker mainly depends on savings, population growth and technological progress.
2. There is a positive correlation between past innovation performance and current GDP per capita.

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

62. With reference to Economic Survey 2020-2021, consider the following statements:

1. Globally, there is a positive correlation between the level of development and India's gross domestic expenditure on R&D (GERD) as per cent of GDP.
2. Government sector's participation in GERD is positively correlated with development.

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

63. With reference to Economic Survey 2020-2021, consider the following statements with respect to India's Gross Domestic Expenditure on R&D (GERD):

1. India's GERD is much lower than that of the top 10 economies.
2. In India, Government contributes much less to GERD when compared to Government in each of the top ten economies.
3. Business sector in India contributes much more to GERD when compared to businesses in each of the top ten economies.

Which of the statements given above is/are incorrect?

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

64. “World Rule of Law Index” is released by which of the following organisation?

- (a) Amnesty International (b) World Justice Project
(c) International Court of Justice (d) None of the above