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DAILY CURRENT QUIZ FOR UPSC

7/12/2024

EXPLANATION

Qn. 1

Answer:b) Only 1 and 2

Explanation:

- Statement 1 is correct: FCNR(B) accounts are denominated in foreign currencies such as USD, GBP, EUR, etc.
- Statement 2 is correct: Both the principal and interest are fully repatriable to the NRI's country of residence.
- Statement 3 is **incorrect**: The bank bears the exchange rate risk, not the account holder, as the account is maintained in foreign currency.

Qn.2

Answer: a) 1 and 2 only

Explanation:

- Statement 1 is **correct**: ARR are often based on **overnight secured or unsecured transactions** in active financial markets, providing a more accurate reflection of market conditions.

- Statement 2 is **correct**: ARR were developed to replace **LIBOR (London Interbank Offered Rate)**, which faced issues of **manipulation and declining reliability**.
- Statement 3 is **incorrect**: Unlike LIBOR, which was based on estimates from a panel of banks, ARRs are derived from **actual market transactions**, making them more robust and transparent

Qn. 3

Answer: c) Only 1 and 3 are correct

Explanation:

- **Statement 1** is correct: IDRA was indeed launched in 2022 during COP27.
- **Statement 2** is incorrect: IDRA focuses on proactive drought resilience, not immediate relief.
- **Statement 3** is correct: Spain and Senegal were the co-chairs when IDRA was formed.

Qn. 4

Answer: b) Only 1 is correct

Explanation:

- **Statement 1**: Correct. SORR is a benchmark rate derived from overnight secured borrowing and lending transactions in the interbank market.
- **Statement 2**: Incorrect. SORR is not administered by the RBI but is a market-determined rate.
- **Statement 3**: Incorrect. SORR is based on **secured** transactions, not unsecured ones.

5. Answer: d) 1 ,2 and 3

Explanation:

- Statement 1 is correct. The UNCCD is the only global legal framework addressing the link between environment and sustainable land use.

- Statement 2 is **correct**. The UNCCD was adopted in 1994 and came into force in 1996.
- Statement 1 is **correct**. The UNCCD works towards achieving **land degradation neutrality (LDN)**, a key Sustainable Development Goal (SDG 15.3).