Indian Economy

DAILY PRACTICE 29/11/2026 · UPSC CSE · Indian Economy

Q1.

A government faces a situation in which revenue expenditure and subsidy commitments are rising, while tax revenue growth is slowing. To maintain its fiscal deficit target, it considers reducing capital expenditure. Which of the following is the most likely long-term economic consequence of this decision?

A. Automatic reduction in the revenue deficit

B. Possible weakening of infrastructure creation and productive capacity

C. Immediate elimination of public debt

D. Guaranteed increase in private investment

Correct answer: Option B — Possible weakening of infrastructure creation and productive capacity

Explanation

Correct Answer: (b) — Possible weakening of infrastructure creation and productive capacity.

1. **Capital expenditure:** Government spending on assets such as roads, railways, ports and infrastructure creates productive assets and can improve long-term economic capacity.

2. **Revenue expenditure:** Spending on salaries, pensions, subsidies and interest payments generally does not directly create physical assets.

3. **Growth implications:** Cutting capital expenditure may help contain short-term fiscal pressure, but prolonged reductions can weaken infrastructure development, crowding-in of private investment and potential economic growth.

4. **Other options:** A reduction in capital expenditure does not automatically eliminate the revenue deficit or public debt, nor does it guarantee higher private investment.

BECOME
IAS
AI POWERED UPSC PREP

Q2.

Consider the following statements regarding the constitutional framework for delimitation in India:

1. Article 82 provides for readjustment of the allocation of seats in the Lok Sabha and the division of States into territorial constituencies after each census, subject to constitutional provisions.
2. Article 170 deals with the composition and territorial constituencies of State Legislative Assemblies.
3. The Delimitation Commission's orders can ordinarily be challenged before a High Court through an election petition.

Which of the statements given above are correct?

AI POWERED UPSC PREP

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3

Correct answer: Option A — 1 and 2 only

Explanation

Correct Answer: (a) — Statements 1 and 2 are correct.

1. **Statement 1 is correct:** Article 82 provides for readjustment following each census, subject to constitutional provisions, including applicable freezes on readjustment.

2. **Statement 2 is correct:** Article 170 provides for the composition of State Legislative Assemblies and the readjustment of territorial constituencies.

3. **Statement 3 is incorrect:** Under Section 10(2) of the Delimitation Act, 2002, orders of the Delimitation Commission have the force of law and cannot be called into question in any court.

BECOME IAS
AI POWERED UPSC PREP

Q3.

Consider the following statements about the BrahMos missile:

1. It is a supersonic cruise missile developed through an India-Russia joint venture.
2. It uses ramjet propulsion during its cruise phase.
3. It is designed exclusively for deployment from land-based platforms.

Which of the statements given above are correct?

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3

Correct answer: Option A — 1 and 2 only

Explanation

Correct Answer: (a) — Statements 1 and 2 are correct.

1. **Statement 1 is correct:** BrahMos is jointly developed by India's Defence Research and Development Organisation (DRDO) and Russia's NPO Mashinostroyenia through BrahMos Aerospace.

2. **Statement 2 is correct:** The missile uses a solid-propellant booster for initial acceleration and a ramjet engine for sustained supersonic cruise.

3. **Statement 3 is incorrect:** BrahMos has land-, sea-, air- and submarine-launch variants or configurations, reflecting its multi-platform capability.

BECOME IAS
AI POWERED UPSC PREP

Q4.

With reference to delimitation and the allocation of seats in the Lok Sabha, consider the following pairs:

Constitutional Article	Subject
1. Article 81	Composition of the Lok Sabha
2. Article 82	Readjustment of constituencies after each census
3. Article 170	Composition of State Legislative Assemblies
4. Article 324	Superintendence of elections

How many of the pairs given above are correctly matched?

BECOME IAS
AI POWERED UPSC PREP

A. Only one

B. Only two

C. Only three

D. All four

Correct answer: Option D — All four

Explanation

Correct Answer: (d) — All four pairs are correctly matched.

1. **Pair 1 is correct:** Article 81 deals with the composition of the Lok Sabha and the allocation of seats among States.

2. **Pair 2 is correct:** Article 82 provides for readjustment of the allocation of seats and territorial constituencies following each census, subject to constitutional provisions and applicable freezes.

3. **Pair 3 is correct:** Article 170 deals with the composition of State Legislative Assemblies and the allocation of seats within States.

4. **Pair 4 is correct:** Article 324 vests the Election Commission with the superintendence, direction and control of elections to Parliament, State Legislatures, and the offices of President and Vice-President.

BECOME IAS
AI POWERED UPSC PREP

Q5.

With reference to the passage of an ordinary Bill in the Indian Parliament, consider the following statements:

1. An ordinary Bill can be introduced in either House of Parliament.
2. The Rajya Sabha has the power to reject or amend an ordinary Bill passed by the Lok Sabha.
3. A joint sitting of Parliament may be convened to resolve a deadlock over an ordinary Bill.

Which of the statements given above are correct?

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3

Correct answer: Option D — 1, 2 and 3

Explanation

Correct Answer: (d) — All three statements are correct.

1. **Statement 1 is correct:** Under Article 107, an ordinary Bill may originate in either the Lok Sabha or the Rajya Sabha.

2. **Statement 2 is correct:** Both Houses enjoy equal legislative powers over ordinary Bills. The Rajya Sabha can reject or propose amendments to a Bill passed by the Lok Sabha.

3. **Statement 3 is correct:** Under Article 108, the President may summon a joint sitting to resolve certain deadlocks between the two Houses. This provision does not apply to Money Bills or Constitutional Amendment Bills.

BECOME IAS
AI POWERED UPSC PREP

Q6.

Consider the following Assertion (A) and Reason (R):

Assertion (A): The admission of women cadets to the National Defence Academy (NDA) marked an important step towards gender inclusion in India's armed forces.

Reason (R): The NDA began admitting women cadets in 2022, following judicial intervention and subsequent policy measures.

Select the correct answer using the code given below:

A. Both A and R are true, and R is the correct explanation of A.

B. Both A and R are true, but R is not the correct explanation of A.

C. A is true, but R is false.

D. A is false, but R is true.

Correct answer: Option A — Both A and R are true, and R is the correct explanation of A.

Explanation

Correct Answer: (a) — Both A and R are true, and R is the correct explanation of A.

1. **Assertion (A) is correct:** Opening the NDA to women expanded their access to a major institution for training future officers of the Armed Forces.

2. **Reason (R) is correct:** Women were admitted to the NDA for the first time in 2022, following judicial intervention and the implementation of necessary admission arrangements.

3. **Relationship:** The admission of women through the NDA pathway represents an institutional step towards greater gender inclusion in military leadership and officer training.

BECOME IAS
AI POWERED UPSC PREP

Q7.

A sharp rise in China's industrial activity and import demand is likely to influence international copper prices primarily because:

A. China is the world's largest consumer of copper, making its industrial demand an important determinant of global prices.

B. China controls all global copper mining and refining operations.

C. Copper is used exclusively in China's construction industry.

D. International copper prices are administratively fixed by the Chinese government.

Correct answer: Option A — China is the world's largest consumer of copper, making its industrial demand an important determinant of global prices.

Explanation

Correct Answer: (a) — China's large share of global copper consumption makes its industrial activity a major influence on international copper demand and prices.

1. **Industrial demand:** Copper is widely used in electrical equipment, construction, machinery, renewable energy and manufacturing.
2. **Chinese influence:** China is a major consumer and importer of copper. Changes in its industrial output and import demand can significantly affect global market sentiment.
3. **Market expectations:** Government support measures and improving industrial indicators can raise expectations of stronger future copper demand.

4. **Global price movements:** Copper prices are also influenced by mining supply, inventories, exchange rates, geopolitical developments and investor sentiment.

BECOME IAS
AI POWERED UPSC PREP

Q8.

Which of the following safeguards is most directly relevant to preventing investigative agencies from conducting arbitrary or politically motivated investigations?

A. Allowing investigators unrestricted powers to examine individuals without recorded reasons

B. Requiring investigations to be based on credible information, supported by evidence and subject to legal oversight

C. Making investigative agencies accountable exclusively to political executives

D. Prohibiting judicial scrutiny of investigative procedures

Correct answer: Option B — Requiring investigations to be based on credible information, supported by evidence and subject to legal oversight

BECOME IAS
AI POWERED UPSC PREP

Explanation

Correct Answer: (b) — Evidence-based investigations and legal oversight help prevent arbitrary exercise of investigative powers.

1. **Credible information:** Investigations should be initiated and expanded on the basis of relevant information and legally permissible grounds.
2. **Evidence-based procedure:** Investigating officers must collect verifiable evidence rather than presume guilt or target individuals without justification.
3. **Judicial oversight:** Courts can examine investigative actions where legal or constitutional violations are alleged.

4. **Institutional accountability:** Internal supervision, transparent procedures and professional independence help protect investigations from improper influence.

BECOME IAS
AI POWERED UPSC PREP

Q9.

Consider the following statements regarding the monetary policy framework of India:

1. The Monetary Policy Committee (MPC) determines the policy repo rate to achieve the inflation target.
2. The RBI Governor has a casting vote in the MPC in case of a tie.
3. An increase in the repo rate generally makes borrowing more expensive and can moderate aggregate demand.

Which of the statements given above are correct?

IAS
AI POWERED UPSC PREP

A. 1 and 2 only

B. 1 and 3 only

C. 2 and 3 only

D. 1, 2 and 3

Correct answer: Option D — 1, 2 and 3

Explanation

Correct Answer: (d) — All three statements are correct.

1. **Statement 1 is correct:** The MPC determines the policy repo rate under India's flexible inflation-targeting framework. Its primary objective is to maintain price stability while keeping growth in mind.
2. **Statement 2 is correct:** Under the RBI Act, 1934, the Governor has a casting vote in addition to the ordinary vote in case of an equality of votes.
3. **Statement 3 is correct:** A higher repo rate can increase borrowing costs for banks and customers, discouraging credit demand and consumption and investment spending. This can help moderate inflationary pressures.

Q10.

Under international humanitarian law (IHL), which of the following principles must be observed by parties involved in an armed conflict when conducting airstrikes?

1. Distinction between civilians and combatants.
2. Proportionality between anticipated military advantage and expected civilian harm.
3. Precautions to minimise civilian casualties during military operations.

Which of the statements given above are correct?

IAS
AI POWERED UPSC PREP

A. 1 and 2 only

B. 2 and 3 only

C. 1 and 3 only

D. 1, 2 and 3

Correct answer: Option D — 1, 2 and 3

Explanation

Correct Answer: (d) — All three statements are correct.

1. **Distinction:** Parties must distinguish between civilians and combatants and direct attacks only against military objectives.

2. **Proportionality:** An attack is prohibited if expected incidental civilian harm would be excessive in relation to the concrete and direct military advantage anticipated.
3. **Precautions:** Parties must take feasible precautions to avoid or minimise civilian casualties, including verifying targets and choosing means and methods of attack carefully.

BECOME IAS
AI POWERED UPSC PREP