

09 Jun 2020: UPSC Exam Comprehensive News Analysis

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Nothing here for today!!!

B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. HC asks Manipur Speaker to keep 7 Cong. MLAs out

Context:

The Manipur High Court directed the Speaker to restrain seven Congress MLAs, who had defected to the BJP, from entering the Manipur Legislative Assembly in Imphal.

Details:

- The MLAs had raised the strength of the BJP-led coalition government to 40 in the 60-member Assembly.
- After hearing disqualification petitions against them, the court also directed the Speaker to ensure compliance of the order by all concerned.

Read more about the [anti-defection law](#).

Category: HEALTH**1. Role of microRNA in growth and spread of tongue cancer cells****Context:**

- Researchers at the Indian Institute of Technology Madras have identified a specific microRNA (miRNAs) called 'miR-155' that is over-expressed in tongue cancer.
- The research team has shown that knocking out miR-155 causes death of cancer cells, arrests the cell cycle and regresses tumour size in animal models and reduces cell viability and colony formation in bench top assays.

Significance:

- The finding could help develop molecular strategies to manipulate miR-155 expression to develop therapeutics for tongue cancer.

Details:

- The miRNAs affect cancer growth through inhibiting or enhancing the functions of certain proteins.
- MicroRNAs (miRNAs) are short noncoding RNAs containing 20–24 nucleotides that participate in virtually all biological pathways in animals.
- They have been found to play important roles in many cancers, in carcinogenesis (start of cancer), malignant transformation and metastasis — the development of secondary cancer.
- The miRNAs associated with cancer are called 'Oncomirs'.
- Many of the Oncomirs affect cancer by suppressing the performance of tumour-suppressing agents. Some of them can prevent the growth and spread of cancer cells and yet others prevent tumour growth itself.
- miRNA manipulation is being combined with conventional cancer treatment methods such as chemotherapy, radiotherapy and immunotherapy.

C. GS 3 Related**Category: ECONOMY****1. Protests in Punjab against agri ordinance****Context:**

Farmers under the banner of Kisan Mazdoor Sangharsh Samiti have held protests in several districts of Punjab against the Centre's recent ordinance on agriculture sector.

Details:

The Cabinet recently approved ordinances to remove restrictions on farmers selling their produce outside notified market yards, as well as to facilitate contract farming and allow farmers to engage in direct marketing.

This topic has been covered in 4th June 2020 Comprehensive News Analysis. [Click here](#) to read.

2. RBI moots comprehensive norms for sale of loans

Context:

The Reserve Bank of India (RBI) has proposed a comprehensive set of norms for sale of loans by banks which could be either standard or sub-standard or non-performing assets (NPAs).

- This is a part of the overall exercise to deepen the market for lending.
- Observing that loan sales are carried out by lenders for reasons ranging from strategic sales to rebalancing their exposures or as a means to achieve resolution of stressed assets by extinguishing the exposures, the RBI said, "A dynamic secondary market for bank loans will also ensure proper discovery of credit risk pricing associated with each exposure, and will be useful as a leading indicator for impending stress, if any, provided that the volumes are sufficiently large."
- The revision in guidelines is an attempt to align the regulatory framework with the Basel guidelines on securitisation that have come into force effective January 1, 2018.

Details:

- At present, the guidelines for sale of loan exposures, both standard as well as stressed exposures, are spread across various circulars of the RBI.
- The move is aimed at building a robust secondary market for bank loans that could ensure proper price discovery and can be used as an indicator for impending stress.
- These guidelines will be applicable to commercial banks, all financial institutions, non-banking finance companies and small finance banks.
- The directions will be applicable to all loan sales, including sale of loans to special purpose entities for the purpose of securitisation.

Draft Norms for sale of loans by banks:

- The price discovery process has been deregulated to be as per the lenders' policy.
- Standard assets would be allowed to be sold by lenders through assignment, novation or a loan participation contract.
- The stressed assets, however, would be allowed to be sold only through assignment or novation. That is, stressed assets may be sold to any entity that is permitted to take on loan exposures by its statutory or regulatory framework.
- As per the draft norms, one of the key changes relates to differential treatment for Residential Mortgage Backed Securities (RMBS) compared to other securitisations in respect of prescriptions regarding minimum holding period (MHP), minimum retention requirements (MRR) and reset of credit enhancements.

Minimum Retention Requirements:

- It is also proposed to do away with the requirement of Minimum Retention Requirement (MRR) for sale of loans by lenders.
 - MRR was introduced in order to ensure that the originator bank/NBFC has a continued interest in the securitised assets.

Minimum Holding Period:

- RBI is also planning to do away with the minimum holding period (MHP) for sale of loans.
 - The bank guidelines and NBFC guidelines had each set out the minimum number of instalments that must have been received in respect of loans (categorised by maturity) before they can be securitised. This is the minimum holding period.
 - As per the draft guidelines, the MHP (the minimum period for which an originator must hold the exposures before they can be transferred to a purchasing entity) will not be applicable to loans with tenor up to 24 months extended to individuals for agricultural activities where both interest and principal are due only on maturity.

Changes in definition of Securitisation:

- Significant changes have been proposed in securitisation norms which are aimed at development of a strong and robust market for such transactions.
 - Securitisation is the conversion of an asset, especially a loan, into marketable securities, typically for the purpose of raising cash by selling them to other investors.
 - Only transactions that result in multiple tranches of securities being issued reflecting different credit risks will be treated as securitisation transactions, and accordingly covered under these revised norms.
 - The definition of securitisation has been modified to allow single asset securitisations.
 - Securitisation of exposures purchased from other lenders has been allowed, according to the revised guidelines.
- The norm has prescribed a special case of securitisation, called Simple, Transparent and Comparable (STC) securitisations with clearly defined criteria and preferential capital treatment.

Auction based method for price discovery:

- In order to bring down the vintage of bad loans sold by lenders as well as to enable faster debt aggregation by Asset Reconstruction Companies (ARCs), lenders shall put in place board approved policy on adoption of an auction based method for price discovery.
- In particular, once bids are received, the lender shall first invite the ARC, if any, or in the absence of such an ARC, any other financial institution, if any, which has already acquired highest significant stake to match the highest bid.
- The RBI said the commitment of the ARC to redeem the securities shall be unconditional and not linked to the realisation of the assets.

3. Economy to contract 3.2% in FY21: WB

Context:

World Bank has released its Global Economic Prospects (GEP) June 2020 report.

Global Economic Prospects:

- Global Economic Prospects is a World Bank Group flagship report that examines global economic developments and prospects, with a special focus on emerging market and developing economies.
- It is issued twice a year, in January and June.
- The January edition includes in-depth analyses of topical policy challenges while the June edition contains shorter analytical pieces.

Details:

- Growth is forecast at 3.1% next year.
- The world economy, as a whole, is set to witness its deepest recession since World War II, with a forecasted contraction of 5.2% this year.
- About 70-100 million could be pushed into extreme poverty.
- Emerging market and developing economies (EMDEs) are expected to contract by 2.5% this year, and economic activity in advanced economies is forecast to shrink by 7%, as domestic supply and demand, finance and trade have been disrupted due to the pandemic.
- Countries most reliant on global trade, tourism, external financing and commodity exports are likely to be hit the hardest.
- The downside scenario is more severe as the global economy could shrink in 2020-21 by as much as 8% (5% for EMDEs), followed by weak recovery at just above 1% growth next year.

India:

- India's growth is estimated to have slowed to 4.2% in FY 2019-20 (year ended March 31, 2020).
- Output is expected to contract by 3.2% (so growth is -3.2%) in FY2020-21, as the impact of the pandemic (the restrictions on activity) will largely fall in this year, despite the fiscal and monetary stimulus.
- India is forecast to see some recovery next year and grow at 3.1%.

Read more on this topic covered in [3rd June 2020 Comprehensive News Analysis](#).

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: ECONOMY

1. Who's afraid of monetisation of the deficit?

Context:

- The article analyzes the arguments both in favour of and against the monetisation of the deficit likely to occur due to the **economic distress caused by the pandemic**.

Background:

Rating and fundamentals:

- The **rating agency Moody's has downgraded India from Baa2 to Baa3**. Moody's has also retained its **negative outlook on India**, which suggests that a further downgrade is more likely than an upgrade.
- Notably, the downgrade has not factored in the economic impact of the pandemic. It has to do with India's fundamentals before the onset of the pandemic and the extended lockdown with which India responded.
- Any further deterioration in the fundamental economic parameters will push India into 'junk' status.

COVID crisis:

- The government has been taking several measures to counter the **severe economic downturn caused by the novel coronavirus pandemic**.
- The government's focus thus far has been on reassuring the financial markets that the fiscal deficit will be kept under control. It has kept the **'discretionary fiscal stimulus' to 1% of GDP**.
 - 'Discretionary fiscal stimulus' refers to an increase in the fiscal deficit caused by government policy as distinct from an increase caused by slowing growth, the latter being called an 'automatic stabiliser'.

Arguments against monetizing the deficit:

- A section of economists have expressed concerns against the move to monetize the deficit.

Further downgrading and associated concerns:

- The move could lead to a **downgrading of India's status by the rating agencies**.
- Despite the failings of the rating agencies, their ratings do carry weight. Institutional investors are largely bound by covenants that require them to exit an economy that falls below investment grade.
- If India is downgraded to junk status, foreign institutional investors, or FIIs, will withdraw from the Indian economy. This would **adversely affect foreign investment in India**. The stock and bond markets will take a severe beating.
- The **rupee will depreciate** hugely and the central bank will have to take counter measures to avoid a foreign exchange crisis. This could burden the RBI which is deliberating on easing the economic pressures caused by the pandemic.

Fears of inflation:

- When the government spends the extra funds, there is an **increase in 'Base money'**, that is, currency plus banks' reserves. Hence, monetisation results in an expansion of money supply.
- There are fears that this **expansion in money supply could be inflationary**.

Arguments in favour of monetizing the deficit:

- Several economic experts have urged the government to go for a fiscal stimulus without worrying about the increase in public debt and exercise the option of **monetizing the deficit, that is, the central bank providing funds to the government**.
- The author of the article argues for monetizing the deficit based on the following factors.

Correct analysis of the downgrade:

- Recognizing the key concerns that Moody's has cited in effecting the present downgrade to India's rating: **slowing growth, rising debt and financial sector weakness**, there is the need to address these specific issues.
 - Many economists expect India's economy to shrink in FY 2020-21.

- The combined **fiscal deficit** of the Centre and the States is expected to be in the region of 12% of GDP. Moody's expects India's **public debt to GDP ratio** to rise from 72% of GDP to 84% of GDP in 2020-21.
- The banking sector had **non-performing assets** of over 9% of advances before the onset of the pandemic. Weak growth and rising bankruptcies will increase stress in the banking sector.
- Keeping the fiscal deficit under control helps address only the concerns about a rise in the public debt to GDP ratio. It does not address the concerns about growth. The debt to GDP ratio will worsen and financial stress will accentuate if growth fails to recover quickly enough.
- Only a fiscal stimulus via deficit monetization can ensure the revival of growth and financial sector health.
- The author argues that the rating agencies would recognize the unusual times and would rate accordingly. Even if the rating agencies chose to downgrade, India should not be concerned under the current circumstances.

False fears of inflation:

- The author argues that given the fact that the **aggregate demand has fallen sharply and there is an increase in unemployment**, monetisation of the deficit is more likely to raise actual output closer to potential output without any great increase in inflation.

Ideological preferences:

- Economists have repeatedly pointed out that there is nothing particularly virtuous about the government incurring expenditure and issuing bonds to banks instead of issuing these to the central bank. The expansion in base money and hence in money supply is the same in either route.
- **Central banks worldwide have resorted to massive purchases of government bonds in the secondary market in recent years.** These are carried out under **Open Market Operations (OMO)**. The impact on money supply is the same whether the central bank acquires government bonds in the secondary market or directly from the Treasury.
 - OMO is a 'temporary' expansion in the central bank's balance sheet whereas Monetization is 'permanent'.
- The preference for private debt (as envisaged in the government's plan for economic revival) is voluntary and hence there is less certainty in it yielding results. The author argues that the government's move has more to do with an ideological preference for limiting government expenditure than economic sense.

Way forward:

Increase spending:

- India needs to **increase the discretionary fiscal stimulus**. More government spending is required, especially for infrastructure.

Monetizing the deficit:

- India needs to increase the discretionary fiscal stimulus **without increasing public debt**.
- The government must confine itself to the additional borrowing of Rs.4.2 trillion which it has announced. Further discretionary fiscal stimulus must happen through monetisation of the deficit. That way, the debt to GDP ratio can be kept under control while also addressing concerns about growth.

Category: POLITY AND GOVERNANCE

1. The critical role of decentralised responses

Context:

- The article analyzes the need for a decentralised response to tackle the crisis brought forth by the COVID pandemic.

Background:

- COVID-19 has brought to light four major challenges: economic, health, welfare/livelihood and resource mobilisation. These challenges have to be addressed by all tiers of government in the federal polity, jointly and independently.

Significance of decentralized approach:

- The novel coronavirus pandemic has brought to light the **critical role of local governments and decentralised responses**.
- In terms of **information, monitoring and immediate action**, local governments are at an advantage, and hence are better equipped to meet the challenges posed by disasters such as COVID-19.
- The critical role of local governments will have to be recognised by all.

Concerns:

Governance concerns:

- The parallel bodies that have come up after the **73rd/74th Constitutional Amendments** have considerably distorted the functions-fund flow matrix at the lower level of governance.
- There is lack of clarity in the assignment of functions, functionaries and financial responsibilities to local governments.

Weak local finances:

- The **Economic Survey 2017-18** points out that urban local governments, or ULGs, generate about 44% of their revenue from own sources as against only 5% by rural local governments, or RLGs.
- Per capita own revenue collected by ULGs is about 3% of urban per capita income while the corresponding figure is only 0.1% for RLGs. There is a yawning **gap between tax potential and actual collection**, resulting in **gross underperformance** of these institutions.
- In States such as Uttar Pradesh, Bihar and Jharkhand, local tax collection at the panchayat level is next to nil.
- A recent study shows that the **share of property tax in GDP has been declining since 2002-03**. This portends a wrong signal. The share of property tax in India in 2017-18 is only 0.14% of GDP as against 2.1% in the Organisation for Economic Co-operation and Development (OECD) countries.

Inadequate grants from Finance Commission:

- The local government grant of Rs. 90,000 crore for 2020-2021 by the 15th FC is only 3% higher than that recommended by the Fourteenth Finance Commission.
- For panchayats there is only an increase of Rs. 63 crore.

Recent measures:

- The suspension of MPLADS by the Union government for two years is a welcome measure. The annual budget was around Rs. 4,000 crore. The Union Government has appropriated the entire allocation along with the huge non-lapseable arrears which would hamper the resources available at the local levels.
- The imposition of **restrictive conditionalities on States** availing themselves of the enhanced borrowing limits (3.5% to 5% of Gross State Domestic Product, or GSDP) for 2020-21 would impair state's abilities to finance their plans.

Way forward:

- Strategies in tackling the COVID-19 crisis must include local governments being **equipped and fiscally empowered**.

Resource mobilization:

- The local governments should be **fiscally empowered** to ensure the effectiveness of local governance.
- A few suggestions for resource mobilisation are given under three heads: local finance, Members of Parliament Local Area Development Scheme, or MPLADs, and the [Fifteenth Finance Commission \(FFC\)](#).

Local resource mobilization:

- Own revenue is the critical lever of local government empowerment.

Property tax:

- Property tax forms the major source of local revenue throughout the world.
- Indian States should take necessary steps to enhance and **rationalise property tax regime**.
- Property tax collection with appropriate exemptions should be a compulsory levy and preferably must cover land. If property tax covers land that will hugely enhance the yield from this source even without any increase in rates.

Innovative policies:

- **Land monetisation and betterment levy** may be tried in the context of COVID-19 in India.

Bonds:

- There is a need to incentivize and also appeal to the patriotic sentiments of non-resident Indians and rich citizens to mobilize resources.
 - **The Resurgent India Bond of 1998** could mobilise over \$4 billion in a few days from NRIs.
- Municipalities and even suburban panchayats can issue a **corona containment bond** for a period of say 10 years, on a coupon rate below market rate but significantly above the reverse repo rate to attract banks.

MPLADS scheme:

- MPLADs scheme funds which was specifically earmarked for local area development, must be assigned to local governments, preferably to panchayats on the basis of well-defined criteria.

Finance Commission:

- A **special COVID-19 containment grant** to the local governments by the FFC to be distributed on the basis of FFC-laid criteria is the need of the hour.
- Currently, the ratio of basic to tied grant is fixed at 50:50 by the commission. In the context of the crisis under way, **all grants must be untied** for freely evolving proper COVID-19 containment strategies locally.
- Further, the 13th Finance Commission's recommendation to tie local grants to the union divisible pool of taxes to ensure a buoyant and predictable source of revenue to LGs must be restored by the commission.

Focus on basic infrastructure:

- **Building health infrastructure and disease control strategies** at the local level need to be focussed on.

Addressing governance concerns:

- There is a need for **better functional mapping** among the different organs of governance.
- Flood, drought, and earthquakes are taken care of by the **Disaster Management Act 2005** which does not recognise epidemics. The new pandemic is a public health challenge of an unprecedented nature along with livelihood and welfare challenges. The 2005 Act may have to be modified to accommodate the emerging situation.

Category: INTERNATIONAL RELATIONS

1. The e- diplomacy experiment

Context:

- The **first India-Australia virtual leaders' summit**.

Background:

E-diplomacy:

- The Indian PM has engaged in a few **multilateral 'e-diplomacy'** rounds since the COVID-19 outbreak like the SAARC leaders' video conference, G20 Leaders' Summit via video link and the [Non-Aligned Movement](#) virtual summit.

India-Australia ties:

- India and Australia have upgraded their relations to a '**comprehensive strategic partnership**'.

Details:

- The dangers posed by COVID-19 have compelled the **traditional art of summit diplomacy** to adapt. Just as corporations and educational institutions have migrated to online mediums, nation states are left with no choice but to do the same.
- **E-summits are physically safer for leaders and also time-saving and economical.**

Challenges:

Effectiveness:

- There is a danger that ‘e-diplomacy’ will become less productive in terms of deliverables, especially with respect to crucial sticking points.
- With backroom negotiations by lower-level bureaucrats communicating remotely, online summits may not be able to satisfy the broader political goals and bigger objectives.

Threat of cyber security:

- A major threat to virtual summits comes from cyber insecurity.
- In pre-COVID-19 times, summit venues used to be thoroughly sanitised and debugged to prevent sensitive foreign policy content from being spied upon or leaked. **E-diplomacy is riskier and could be subject to hacking of classified content.**

Conclusion:

- With Australia and India trying to forge **coalitions of middle powers in sustaining the balance of power in the Indo-Pacific**, gaps in diplomatic summits can convey weakening of collective resolve.
- Key partners like India and Australia have to get on with diplomatic relations and hold high-level meetings as part of their **strategic signaling**. Having online summit is better than no summit at all.

F. Prelims Facts

1. INS Shardul evacuates 233 from Iran

What's in News?

Indian Navy's INS Shardul departed from the port of Bandar Abbas in Iran with 233 Indian nationals who are being evacuated under Operation Samudra Setu.

Read more about INS Shardul and Operation Samudra Setu covered in [6th May 2020 Comprehensive News Analysis](#).

G. Tidbits

1. NHRC seeks report on deaths by police action

What's in News?

The National Human Rights Commission (NHRC) has asked for action taken reports from the authorities of seven States, where 15 people died following police action in the first month or so of the lockdown, according to the proceedings in the cases.

- The NHRC acted on a complaint by the Commonwealth Human Rights Initiative (CHRI), which stated that the 15 men died after police action or in custody during the lockdown.
- The CHRI complaint cited media reports that said 12 of the 15 deaths occurred after police action such as beatings, allegedly as “punishment” for violating the lockdown imposed to control the spread of

COVID-19, and three in police custody. Nine of the 12 died of their injuries and the remaining by suicide.

Read more about [National Human Rights Commission](#).

2. New Zealand is free of COVID-19

What's in News?

- New Zealand has lifted all social and economic restrictions except border controls after declaring that it was free of COVID-19, one of the first countries in the world to return to pre-pandemic normality.
- Its 75 days of restrictions included about seven weeks of a strict lockdown.

Read more about New Zealand's [Social Bubble Model](#) covered in 6th June 2020 Comprehensive News Analysis.

3. 'Bank credit to grow at multi-decade low'

- According to the Credit Rating Agency – CRISIL, with economic activity being sharply impacted by COVID-19, bank credit growth will likely drop to a multi-decade low of 0-1% this fiscal year.
- The forecast presumes a base case scenario of GDP contracting 5% in FY21.
- It had earlier estimated growth at 8-9%.
- Lower capex demand and lower discretionary spends leading to the slowdown in credit off take significantly, are estimated to be the economic fallouts of the present crisis.

4. Centre seeks district-level plans

What's in News?

The Union Health Ministry has directed States to make district-wise prospective plans for the coming months to tackle COVID-19.

- The Health Minister has directed State officials to initiate measures in containment zones for case management and buffer zones surveillance activities, and the promotion of COVID-appropriate behaviour.
- To reduce the case fatality rate, the officials were briefed on measures to be taken like prioritising the high-risk segments like elderly people and people with co-morbidities while contact-tracing to prevent deaths; active surveillance measures, adequate testing and promoting health seeking behaviour for timely detection of cases; ensuring timely shifting of patients without escalating the symptoms.
- States have been also advised that adequate planning for health infrastructure should be taken up; adequate number of surveillance teams must be provided and a system should be put in place for bed availability management.
- The Health Ministry has said areas that need constant attention included active house-to-house survey for timely detection, augmentation of the survey teams, efficient ambulance management, efficient triaging of patients at the hospitals and bed management and clinical management of the hospitalised cases.

5. L-G overrules Delhi govt. order to restrict COVID-19 treatment

- Lieutenant-Governor, in his capacity as Chairperson of the Delhi Disaster Management Authority, overruled the Delhi government's decision to restrict COVID-19 treatment and admission at both private and State-run city hospitals to those bearing documented proof of residence in Delhi.
- In another order, the L-G directed that guidelines issued by the Indian Council of Medical Research regarding testing of contacts of patients be followed "without any deviation", effectively overturning the government's order for COVID-19 test only for symptomatic patients.
- In his order, the L-G made it clear that the Supreme Court had "invariably held in several successive judgments that 'Right to Health' is an integral part of 'Right to Life' under [Article 21](#) of the Constitution".
- He directed all departments and authorities concerned to ensure that monitoring/treatment is not denied to any COVID-19 patient on the ground of not being a resident of NCT of Delhi.

H. UPSC Prelims Practice Questions

Q1. Which of the given pair/s is/are NOT correctly matched?

1. Global Competitiveness Report: United Nations Conference on Trade and Development
2. Global Economic Prospects: World Economic Forum
3. World Economic Outlook: World Bank
4. Global Financial Stability Report: International Monetary Fund

Options:

- a. 1, 2 and 3 only
- b. 2 and 3 only
- c. 1, 3 and 4 only
- d. 3 and 4 only

Answer: a

Explanation:

Global Competitiveness Report: World Economic Forum

Global Economic Prospects: World Bank

World Economic Outlook: International Monetary Fund

Global Financial Stability Report: International Monetary Fund

Q2. Consider the following statements with respect to National Human Rights Commission (NHRC):

1. National Human Rights Commission is a constitutional body.
2. The recommendations made by the NHRC are not binding.
3. Violation of human rights by private parties cannot be considered under NHRC jurisdiction.

Which of the given statement/s is/are INCORRECT?

- a. 1 only
- b. 1 and 3 only
- c. 1, 2 and 3
- d. None of the above

Answer: a

Explanation:

- National Human Rights Commissions (NHRC) is an autonomous public body constituted under the Protection of Human Rights Ordinance. It was given a statutory basis by the Protection of Human Rights Act, 1993.
- NHRC can only make recommendations, without the power to enforce decisions. NHRC recommendations are not binding.
- Violation of human rights by private parties cannot be considered under NHRC jurisdiction.

Q3. Consider the following statements:

1. RBI carries out the Open Market Operations through commercial banks and does not directly deal with the public.
2. When the RBI wants to infuse liquidity into the monetary system, it will sell government securities in the open market.
3. Repurchase Agreement (REPO) is used by the central bank as a tool of open market operations.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 1 and 2 only
- c. 1 and 3 only
- d. 2 and 3 only

Answer: c

Explanation:

- RBI carries out the Open Market Operations through commercial banks and does not directly deal with the public.
- The objective of OMO is to regulate the money supply in the economy.
- When the central bank wants to infuse liquidity into the monetary system, it will buy government securities in the open market. It sells government securities to suck out liquidity from the system.
- REPOs are typically used to raise short-term capital. They are also a common tool of central bank open market operations.

Q4. 'Oncomirs' recently in news refer to:

- a. The process of controlling micro RNAs for bio-fortification.
- b. Micro RNAs associated with cancer.
- c. Magnetocaloric materials used for cancer treatment.
- d. An artificial intelligence-based computer diagnosis framework for rapid and accurate diagnosis of oral cancers.

Answer: b

Explanation:

- MicroRNAs (miRNAs) are short noncoding RNAs containing 20–24 nucleotides that participate in virtually all biological pathways in animals.
- The miRNAs affect cancer growth through inhibiting or enhancing the functions of certain proteins.
- The miRNAs associated with cancer are called ‘Oncomirs’.
- Many of the Oncomirs affect cancer by suppressing the performance of tumour-suppressing agents. Some of them can prevent the growth and spread of cancer cells and yet others prevent tumour growth itself.

I. UPSC Mains Practice Questions

1. In light of the severe economic downturn caused by the novel coronavirus pandemic, there have been calls for higher ‘discretionary fiscal stimulus’ backed by monetizing of the deficit. Analyze the arguments both in favour of and against such a move. (15 marks, 250 words)
2. Strategies in tackling the current COVID-19 crisis must include local governments being appropriately equipped and fiscally empowered. Comment. (15 marks, 250 words)
3. In light of the increasing ‘e-diplomacy’ summits, discuss the significance and concerns associated with e-diplomacy. (10 marks, 150 words)