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Snapshot

A new week brings fresh developments, and the world seems to have found new reasons to stay restless. Indian prisons are increasingly burdened by overcrowding, with a large number of undertrial prisoners and inadequate staff to manage them. This lends greater significance to the Supreme Court's recent directive requiring High Courts to pronounce judgments in reserved cases within three months. In a landmark judgment, the Supreme Court has highlighted the close relationship between migration and human trafficking, drawing attention to how economic deprivation and structural inequalities often push vulnerable individuals into exploitative situations.

Beyond India's borders, geopolitical tensions continue to shape global affairs. The ongoing conflict involving the United States, Israel, and Iran has disrupted energy markets and heightened concerns about economic stability. At the same time, strategic competition is extending beyond Earth itself, with the United States, China, and Russia advancing ambitious lunar exploration programmes. What was once the realm of scientific discovery is increasingly becoming a theatre of technological rivalry and geopolitical influence.

Economic concerns are equally pressing. While policymakers remain focused on inflation and its impact on macroeconomic stability, ordinary citizens are confronting a more immediate challenge: affordability.

In today's edition of The Pala Civil Times, we explore these issues in depth—from judicial reforms and social justice to global conflicts, space geopolitics, and economic challenges. As aspiring policymakers and informed citizens, readers are encouraged to engage with these developments objectively, evaluate competing perspectives, and reflect on the policy choices required to preserve justice, social harmony, economic resilience, and sustainable growth.

Human trafficking can't be separated from broader migration flows, says SC

The Supreme Court Bench of Justices J.B. Pardiwala and R. Mahadevan delivered a landmark judgment in a case pending for over two decades, originally filed in 2004 by the NGO Prajwala. Describing trafficking as an assault on constitutional dignity, the Court directed the creation of a uniform victim-protection and rehabilitation framework for survivors of commercial sexual exploitation (CSE). It also made an important conceptual intervention by highlighting the close relationship between migration and human trafficking in India.

Migration and Exploitation

The Court observed that migration is often a survival strategy adopted by vulnerable populations seeking livelihoods and better opportunities. However, the same structural inequalities that compel migration (poverty, unemployment, social exclusion, and lack of opportunities), also expose individuals, particularly women and children, to coercion, deception, and exploitation. While not every migrant becomes a trafficking victim, trafficking frequently emerges from migration flows, making vulnerable migrants easy targets for organised exploitation networks.

Challenges to rehabilitation

The judgment also drew attention to the challenges faced by survivors and voluntary adult sex workers when attempting to reintegrate into society. Social stigma, discrimination, economic exclusion, and inadequate legal protections often isolate them from mainstream opportunities and welfare measures. The Court noted that the absence of clear statutory recognition of their rights has deepened marginalisation, making access to healthcare, social security, legal remedies, and dignified rehabilitation more difficult.

ITPA or BNS?

A major concern highlighted by the Court was the inconsistency between the Immoral Traffic (Prevention) Act (ITPA) and Section 143 of the Bharatiya Nyaya Sanhita (BNS). Section 143 follows the three-tier level of Palermo Protocol framework, requiring **an act, a coercive means such as force or deception, and the purpose of exploitation** to establish trafficking. In contrast, the ITPA broadly treats prostitution involving third parties as trafficking, even without proof of coercion. This approach risks conflating voluntary sex work with trafficking and may inadvertently penalise or harass the very persons the law seeks to protect.



Way Forward

The judgment calls for a more rights-based and victim-centric legal framework that distinguishes trafficking from voluntary adult sex work while strengthening protections against exploitation. It urges legislative review of the ITPA, recognition of the rights of adult sex workers, and the establishment of robust rehabilitation mechanisms for trafficking survivors. Going forward, addressing the root causes of vulnerability, ensuring safe migration pathways, and aligning domestic laws with international standards will be essential to combating trafficking while upholding human dignity and constitutional rights.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) Public charitable trusts have the potential to make India's development more inclusive as they relate to certain vital public issues. Comment. (GS 1 - 2024)

Q.) "Development and welfare schemes for the vulnerable, by its nature, are discriminatory in approach." Do you agree? Give reasons for your answer. (GS 1 - 2023)

RELEVANCE

GS I : Role of women and women's organization, poverty and developmental issues, Social empowerment.

Prisons in India continue to be overcrowded by undertrials

The latest Prison Statistics India 2024 report released by the National Crime Records Bureau shows that prison occupancy in India declined to 112.7%, the lowest level in a decade. However, overcrowding remains a serious concern, with over 5.11 lakh inmates lodged in prisons that have a sanctioned capacity of only 4.53 lakh. The report highlights that overcrowding continues to strain prison infrastructure despite recent improvements in capacity and facilities.

Capacity Expansion and State-Level Trends

India had 1,333 prisons in 2024, and overall prison capacity increased by about 24% between 2015 and 2024 through renovations, expansions, and the construction of more than 120 new prisons. Yet, progress remains uneven across States. More than half of the States and Union Territories continued to record occupancy rates above 100%. While some States have expanded capacity substantially, population growth within prisons has often outpaced these improvements.

Prisons are a State subject under Entry 4 of the State List in the Seventh Schedule of the Constitution

Overcrowding and Undertrial Burden

The extent of overcrowding varies significantly across States. Delhi recorded the highest prison occupancy rate at 194% in 2024, only slightly lower than 200% in the previous year. Jammu and Kashmir witnessed a sharp rise from 78% occupancy in 2015 to over 148% in recent years. In contrast, Chhattisgarh reduced occupancy from 234% in 2015 to 127.6% in 2024. A major driver of overcrowding remains the high share of undertrials, who constituted about 73% of all inmates nationally.

Structural Challenges Beyond Overcrowding

The report identifies several structural issues that aggravate prison conditions. Delhi and Bihar recorded some of the highest proportions of undertrial prisoners, with undertrials constituting over 87% of inmates. Simultaneously, prison administration faces severe staffing shortages. Nearly half of sanctioned prison posts remained vacant in several States and Union Territories, while Delhi and Jammu and Kashmir reported vacancy levels exceeding 60%. Such shortages affect security, inmate welfare, healthcare access, rehabilitation programmes, and overall prison management.

Way Forward

As prisons fall under the State List, effective reform requires sustained action by State governments alongside judicial interventions. In this context, the recent Supreme Court directive requiring High Courts to pronounce reserved judgments within three months assumes significance, particularly in cases involving bail, personal liberty, and criminal appeals. Faster disposal of cases can help reduce the undertrial population, while continued investment in prison infrastructure, staffing, legal aid, and rehabilitation measures remains essential for maintaining humane and balanced prison populations.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) Consider the following statements: (2023)

Statement-I: In India, prisons are managed by State Governments with their own rules and regulations for the day-to-day administration of prisons.

Statement-II: In India, prisons are governed by the Prisons Act, 1894 which expressly kept the subject of prisons in the control of Provincial Governments.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

RELEVANCE

GS II : Functions and responsibilities of the Union and the States

Should ST status remain after religious conversion?

The current debate centres on whether Scheduled Tribe (ST) individuals who convert to Christianity or Islam should continue to receive constitutional benefits available to ST communities. The issue resurfaced following demands by certain tribal groups for the “delisting” of converted tribals from the ST category. At the same time, sections of the Sarna community have argued that tribal identity is based on ethnicity and indigenous culture rather than religion alone.

Constitutional position: SCs and STs are treated differently

The debate has gained attention due to comparisons with the constitutional position of Scheduled Castes (SCs). The Supreme Court has held that persons converting to religions other than Hinduism, Sikhism, or Buddhism lose SC status under Clause 3 of the Constitution (Scheduled Castes) Order, 1950. However, Article 342, which governs Scheduled Tribes, contains no such religious restriction. As a result, ST status currently remains linked to tribal identity rather than religious affiliation.

Who are Adivasis and what is the Sarna perspective?

Many tribal communities identify themselves as Adivasis, meaning “original inhabitants”, emphasizing their distinct cultural and ethnic identity. A significant section follows the Sarna faith, an indigenous tribal belief system that does not identify itself as either Hinduism or Christianity. Tribal leader Kartik Oraon described the traditional tribal faith as “Adi Dharma”, an ancient indigenous religion that existed independently of Hinduism. This perspective is often cited to highlight the unique cultural identity of tribal communities.

What does ‘delisting’ mean?

Delisting refers to the proposal that tribal persons who convert to Christianity or Islam should be removed from the Scheduled Tribe list and consequently lose reservation and welfare benefits available to STs. Supporters argue that affirmative action should apply only to those who continue to follow traditional tribal social structures. Opponents contend that tribal status is fundamentally an ethnic and socio-cultural identity, and therefore religious conversion should not affect constitutional recognition as a Scheduled Tribe.



Why is the issue important?

The debate goes beyond religion and raises larger questions about the basis of affirmative action in India. It involves the relationship between ethnicity, culture, religion, constitutional protections, and tribal identity.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) Consider the following statements : (2023)

Statement-I: The Supreme Court of India has held in some judgments that the reservation policies made under Article 16(4) of the Constitution of India would be limited by Article 335 for maintenance of efficiency of administration.

Statement-II: Article 335 of the Constitution of India defines the term 'efficiency of administration'.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

RELEVANCE

GS II : Welfare schemes for vulnerable sections of the population by the Centre and States

From bad to worse (The Hindu : 01-06-2026)

The conflict began when the United States and Israel launched a military campaign against Iran with the aim of weakening Tehran's strategic capabilities and regional influence. What started as a high-intensity confrontation has gradually shifted towards diplomacy, with discussions now focusing on extending a ceasefire and reopening key trade routes. The conflict highlights the limits of military power and the continuing importance of negotiations in resolving regional disputes.

Climate Change and Rising Heatwaves

The stated objectives of the U.S.-Israel campaign included **weakening Iran's leadership, dismantling its missile and nuclear programmes, and reducing its support for regional allies.** In the early stages, the U.S. demanded Iran's unconditional surrender and ruled out negotiations. However, several months later, these broader goals remain unfulfilled. Instead of pursuing regime change or missile restrictions, discussions have narrowed primarily to the nuclear issue and ceasefire arrangements.



Diplomacy, Iran's Response & Economic Impact

As the conflict expanded, Iran responded by striking U.S. military facilities in the Gulf region and exerting influence over the strategically important Strait of Hormuz. These developments raised concerns about global energy supplies and international trade. The U.S. attempted to increase pressure through economic measures and port restrictions, while Iran suspended negotiations and hardened its position. The disruption of maritime traffic and regional instability carried significant implications for the global economy.

RELEVANCE : GS II : Effect of policies and politics of developed and developing countries on India's interests

Changing U.S. Approach

A major shift has occurred in the American position. Earlier, Washington sought sweeping strategic changes in Iran's behaviour and security policies. Now, its focus has largely returned to the nuclear issue, resembling the approach adopted during the 2015 nuclear agreement. The current emphasis is on securing a negotiated settlement through mutual concessions rather than achieving broader objectives through military pressure alone.

Present Situation and the Road Ahead

The immediate focus is on extending the ceasefire, restoring normal shipping through the Strait of Hormuz, easing economic restrictions, and creating conditions for direct nuclear negotiations. However, a significant trust deficit remains between the two sides, particularly after the collapse of earlier agreements. The success of future talks will depend on whether both countries are willing to pursue genuine compromise. A negotiated settlement appears possible, but attempts to secure through diplomacy what could not be achieved militarily may prolong tensions and uncertainty.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) In what ways would the ongoing U.S.-Iran Nuclear Pact Controversy affect the national interest of India? How should India respond to this situation? (GS II - International Relations - 2018)

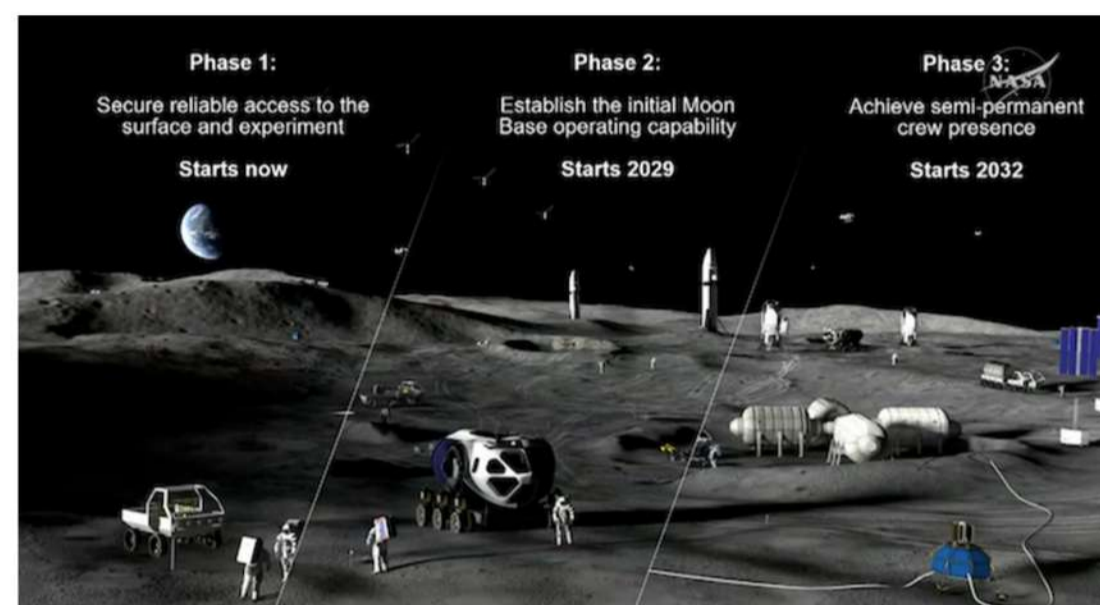
Q.) The question of India's Energy Security Constitutes the most important part of India's economic progress. Analyse India's energy policy cooperation with West Asian countries. (GS II - International Relations - 2017)

Science collaboration is space compass, not conflict (Indian Express : 01-06-2026)

NASA on May 26, 2026 unveiled a detailed roadmap for establishing a permanent human presence on the Moon through its Moon Base programme, a key component of the Artemis initiative. The plan envisages three phases: initial surface access and scientific experiments (2026–2029), expansion of operations including possible nuclear power systems (2029–2032), and the development of a semi-permanent human outpost after 2032 near the lunar South Pole. The region was chosen because some areas receive near-continuous sunlight suitable for solar power, while permanently shadowed craters contain ice deposits that could reveal the history of water and material movement across the Solar System. NASA also announced a series of missions, including Moon Base I (2026), Moon Base II, Moon Base III, and the MoonFall drone mission (2028), alongside new rover contracts to support long-term lunar operations.

New Frontiers

Unlike the largely symbolic US–Soviet space race of the twentieth century, the current contest centres on securing access to scientifically and strategically valuable regions beyond Earth. While the United States is advancing the Artemis programme with significant support from private firms such as Blue Origin, China has already demonstrated advanced lunar capabilities through rover missions and sample-return projects. Meanwhile, China and Russia have jointly proposed the International Lunar Research Station, including plans for a nuclear-powered facility near the lunar South Pole. The Moon is therefore emerging not only as a scientific frontier but also as a focal point of geopolitical influence and technological leadership.



Way Forward

Despite the benefits of competition in accelerating innovation, growing geopolitical rivalries risk fragmenting international cooperation in space. Existing legal frameworks, developed during the Cold War, may be insufficient to address emerging challenges related to lunar resource utilisation, infrastructure development, and competing governance models. Scientific exploration of the Moon offers opportunities that extend beyond national interests, including understanding planetary evolution, supporting future Mars missions, and advancing technologies with benefits for humanity. As global challenges such as climate change require collective action, mechanisms that promote transparency, data-sharing, and peaceful cooperation in space will be essential to ensure that scientific advancement remains the primary objective of lunar exploration rather than geopolitical rivalry.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) What is the main task of India's third moon mission which could not be achieved in its earlier mission? List the countries that have achieved this task. Introduce the subsystems in the spacecraft launched and explain the role of the 'Virtual Launch Control Centre' at the Vikram Sarabhai Space Centre which contributed to the successful launch from Sriharikota. (GS III – 2023)

Practice questions

Q.) With reference to recent developments in lunar exploration, consider the following statements:

1. NASA's Moon Base programme envisages the establishment of a semi-permanent human outpost near the lunar South Pole after 2032.
2. The International Lunar Research Station (ILRS) is a joint lunar infrastructure initiative proposed by China and Russia.

Which of the statements given above are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

RELEVANCE

GS III : Awareness in the fields of Space; GS II : International Relations

Stay the course (TH BusinessLine : 01-06-2026)

Ahead of the Monetary Policy Committee (MPC) meeting, a debate has emerged on whether the Reserve Bank of India (RBI) should raise the policy repo rate in response to rising inflationary pressures and the depreciation of the rupee. However, a key principle of monetary policy suggests that interest rates should primarily address domestic economic conditions rather than simultaneously target exchange-rate stability. Since the RBI possesses a range of instruments to manage liquidity and foreign exchange markets, using repo rate hikes to defend the rupee may send conflicting signals and undermine broader economic objectives.

Inflation and growth concerns

India currently faces a challenging economic environment marked by global uncertainty, supply-chain disruptions, volatile commodity prices, and geopolitical tensions. Growth prospects for FY27 have weakened from 6.9% to around 6.6%, while inflation is projected to rise towards 5%, though retail inflation remains within the RBI's target range of 2–6%. As a flexible inflation-targeting central bank, the RBI must balance inflation control with the need to support growth, particularly amid concerns over a weak monsoon and slowing economic momentum. In such circumstances, an immediate increase in the repo rate could unnecessarily constrain growth while offering limited benefits in addressing external pressures.

Possible solutions

Instead of raising the policy rate, the RBI can rely on alternative measures such as calibrated liquidity management, Operation Twist, adjustments to the Marginal Standing Facility (MSF) rate, and buy-sell rupee-dollar swap operations to manage inflationary pressures and currency volatility. These tools allow the central bank to influence market conditions without imposing economy-wide borrowing costs. Should inflation become broad-based and persistently exceed comfort levels, the RBI retains the option of undertaking an off-cycle rate hike. Therefore, maintaining the repo rate at its current level while employing targeted interventions appears to be the most prudent approach, preserving policy flexibility and supporting economic stability during a period of heightened uncertainty.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) With reference to the Indian economy, consider the following statements: (2022)

1. If the inflation is too high, Reserve Bank of India (RBI) is likely to buy government securities.
 2. If the rupee is rapidly depreciating, RBI is likely to sell dollars in the market.
 3. If interest rates in the USA or European Union were to fall, that is likely to induce RBI to buy dollars.
- 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

Practice questions

Q.) With reference to monetary policy and inflation management in India, consider the following statements:

1. An increase in the repo rate can help contain inflation, but it may also slow economic growth by increasing borrowing costs.
2. The Reserve Bank of India can use instruments such as liquidity management operations and foreign exchange interventions in addition to repo rate changes to address economic challenges.
3. Under the flexible inflation-targeting framework, the RBI is required to prioritise inflation control even if economic growth is adversely affected.
4. The RBI can undertake an off-cycle repo rate hike if economic conditions warrant such action.

Which of the statements given above are correct?

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

RELEVANCE

GS III : Indian Economy and issues relating to planning, mobilization, growth, development

Nepal PM sparks row, says his country has encroached upon Indian territory

Nepal Prime Minister Balendra Shah recently stated in Parliament that Nepal too may have encroached upon Indian territory in certain areas, describing it as a technical reality linked to cross-border land occupation. The remarks triggered political controversy in Nepal and prompted the Foreign Ministry to clarify that the statement referred mainly to settlements and cultivation occurring across the border in the Dasgaja (no-man's land) region rather than any formal territorial claim.

India–Nepal Border & Nature of the Dispute

India and Nepal share a 1,751-km-long open border across Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand. While the border generally remains peaceful, disputes persist in certain sectors. The current disagreement centres on the interpretation of historical boundary alignments and the location of border markers, along with issues arising from cross-border occupation, cultivation and settlement by citizens of both countries in some frontier areas.



Lipulekh, Kalapani and the Historical Dispute

The principal territorial dispute concerns **Lipulekh, Limpiyadhura and Kalapani**. Its roots lie in the **Treaty of Sugauli**, which recognised the **Kali River** as the boundary between the two sides. Nepal maintains that the river originates at Limpiyadhura, placing the disputed territories within Nepal. India, however, holds that the river originates further downstream and maintains that the areas have historically formed part of Uttarakhand's Pithoragarh district.

Kailash Mansarovar Yatra & Recent Tensions

The issue resurfaced after India announced the resumption of the Kailash Mansarovar Yatra through the Lipulekh Pass route. Nepal objected and issued diplomatic notes to both India and China, arguing that the route passes through disputed territory. India rejected the objection, stating that the pilgrimage has been conducted through Lipulekh since 1954 and reiterated that any boundary concerns should be resolved through bilateral dialogue rather than unilateral territorial assertions.

Way Forward

Despite periodic disagreements, both countries continue to emphasise dialogue and peaceful resolution. Prime Minister Shah himself called for India and Nepal to jointly examine the facts and settle the matter as friendly neighbours. Going forward, sustained diplomatic engagement, technical boundary consultations, and confidence-building measures will be crucial for managing border issues while preserving the broader relationship marked by deep cultural, economic and people-to-people ties.

Practice questions

Q.) With reference to the India–Nepal boundary and the recent discussions surrounding the Lipulekh–Kalapani issue, consider the following statements:

1. India and Nepal share an international border of about 1,751 km.
2. The India–Nepal border passes through five Indian States.
3. Lipulekh Pass is located at the tri-junction of India, Nepal and China.

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

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



Q.) Consider the following pairs Peak Mountains: (2022)

1. Namcha Barwa – Garhwal Himalaya
2. Nanda Devi – Kumaon Himalaya
3. Nokrek – Sikkim Himalaya

Which of the pairs given above is/are correctly matched?

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

RELEVANCE : GS II : Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

Inflation vs affordability: Why the two are not the same

The ongoing conflict involving the United States, Israel and Iran has disrupted global crude oil supplies, particularly due to concerns surrounding the Strait of Hormuz, pushing up energy prices worldwide. This has revived fears of higher inflation and prompted policymakers, including the Reserve Bank of India (RBI), to closely monitor price trends. However, for ordinary households, the greater concern is often not inflation itself but affordability, as consumers feel the burden of persistently high prices even when inflation rates begin to moderate.

Inflation and Affordability

Inflation and affordability, though related, are distinct concepts. Inflation measures the rate at which prices increase over a given period, while affordability reflects whether people's incomes can keep pace with rising prices. Consumers are usually more affected by the cumulative rise in prices over several years than by the inflation rate in any particular month. Consequently, even when inflation falls, households may continue to feel financially strained if incomes have not increased sufficiently to offset past price increases.

Measuring Inflation

India measures inflation primarily through the **Consumer Price Index (CPI)**, which tracks changes in the prices of a representative basket of goods and services. Since adopting a flexible inflation-targeting framework in 2016, the RBI has aimed to maintain CPI inflation at **4%**, with a tolerance band of **2% to 6%**. Although inflation has largely remained within this range and has declined from nearly 7% to around 2% in recent years, policymakers fear that **rising crude oil prices could push inflation closer to 5% during FY 2026-27**.

Income growth across sectors

Data from the Periodic Labour Force Survey (PLFS) shows differing income trends across worker categories. Between 2017-18 and 2023-24, income growth among salaried workers and the self-employed lagged behind the increase in the general price level, reducing their purchasing power in real terms. Casual labourers experienced wage growth that exceeded inflation, though they continue to earn the lowest absolute incomes. Notably, the share of self-employed workers who are among the worst affected in terms of affordability has increased over time, highlighting broader concerns about income security.

Implications

The affordability challenge stems not only from inflation but also from inadequate income growth. While the RBI can influence inflation through interest-rate hikes, it cannot directly raise incomes or resolve supply-side shocks. Raising rates may curb inflation by reducing demand, but it can also slow economic growth and employment generation. Going forward, a balanced approach combining prudent monetary policy and efforts to strengthen income growth will be essential to improving affordability and sustaining economic welfare.

PYQ Compass

UPSC questions previously asked from the themes discussed on this page.



With reference to inflation in India, which of the following statements is correct? (2015)

- Controlling the inflation in India is the responsibility of the Government of India only
- The Reserve Bank of India has no role in controlling the inflation
- Decreased money circulation helps in controlling the inflation
- Increased money circulation helps in controlling the inflation

RELEVANCE

GS III : Indian Economy and issues relating to planning, mobilization, growth, development

Practice questions

Q.) With reference to inflation and affordability in the Indian economy, consider the following statements:

- A decline in the inflation rate necessarily implies that goods and services have become cheaper for consumers.
- A person whose income has increased at a slower pace than the general price level has become worse off in real terms.
- Raising interest rates can help moderate inflation, but it may also slow economic growth by reducing overall demand in the economy.

Which of the statements given above are correct?

- 1 and 2 only
- 2 only
- 2 and 3 only
- 1, 2 and 3

Practice Questions and answers

Q.) With reference to inflation and affordability in the Indian economy, consider the following statements:

1. A decline in the inflation rate necessarily implies that goods and services have become cheaper for consumers.
2. A person whose income has increased at a slower pace than the general price level has become worse off in real terms.
3. Raising interest rates can help moderate inflation, but it may also slow economic growth by reducing overall demand in the economy.

Which of the statements given above are correct?

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

Ans : 2 and 3 only

- Statement 1: Incorrect. A fall in the inflation rate only means that prices are rising more slowly; it does not mean prices have fallen. This is the key distinction between inflation and affordability.
- Statement 2: Correct. India's flexible inflation-targeting framework sets a 4% CPI target with a 2%–6% tolerance band.
- Statement 3: Correct. Higher interest rates reduce borrowing and spending, helping contain inflation, but they can also slow economic activity and growth.

Q.) With reference to recent developments in lunar exploration, consider the following statements:

1. NASA's Moon Base programme envisages the establishment of a semi-permanent human outpost near the lunar South Pole after 2032.
2. The International Lunar Research Station (ILRS) is a joint lunar infrastructure initiative proposed by China and Russia.

Which of the statements given above are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Ans : Both 1 and 2

- Statement 1: Correct. NASA's roadmap proposes a semi-permanent human presence near the lunar South Pole after 2032.
- Statement 2: Correct. The ILRS is a China–Russia initiative and is often viewed as an alternative framework to the US-led Artemis programme.

Q.) With reference to the India–Nepal boundary and the recent discussions surrounding the Lipulekh–Kalapani issue, consider the following statements:

1. India and Nepal share an international border of about 1,751 km.
2. The India–Nepal border passes through five Indian States.
3. Lipulekh Pass is located at the tri-junction of India, Nepal and China.

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

Answer: D. 1, 2 and 3

- Statement 1 is correct. India and Nepal share a border of approximately 1,751 km.
- Statement 2 is correct. The border passes through five Indian States: Sikkim, West Bengal, Bihar, Uttar Pradesh and Uttarakhand.
- Statement 3 is correct. Lipulekh Pass lies near the India–Nepal–China tri-junction and has been at the centre of the Kalapani–Limpiyadhura dispute.

Practice Questions and answers

- Q.) With reference to the condition of prisons in India, consider the following statements:
1. Expansion of prison infrastructure alone may not substantially reduce overcrowding if the proportion of undertrial prisoners remains high.
 2. High vacancy levels among prison staff can adversely affect prison administration, inmate welfare, and rehabilitation efforts.
 3. Since prisons are a subject under the Union List, the Central Government is primarily responsible for prison administration and reforms.

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

Answer: A. 1 and 2 only

- Statement 1 is correct. The report shows that prison capacity has increased significantly over the last decade, yet overcrowding persists because undertrials constitute about 73% of all inmates. This indicates that delays in the justice system, not merely infrastructure shortages, contribute to overcrowding.
- Statement 2 is correct. The report and Parliamentary Committee observations highlight that large staff vacancies weaken prison management, healthcare delivery, security arrangements, and rehabilitation programmes.
- Statement 3 is incorrect. Prisons fall under Entry 4 of the State List in the Seventh Schedule of the Constitution. Therefore, prison administration is primarily the responsibility of State Governments, though the Centre may support reforms through policy initiatives and funding.

Q.) With reference to monetary policy and inflation management in India, consider the following statements:

1. An increase in the repo rate can help contain inflation, but it may also slow economic growth by increasing borrowing costs.
2. The Reserve Bank of India can use instruments such as liquidity management operations and foreign exchange interventions in addition to repo rate changes to address economic challenges.
3. Under the flexible inflation-targeting framework, the RBI is required to prioritise inflation control even if economic growth is adversely affected.
4. The RBI can undertake an off-cycle repo rate hike if economic conditions warrant such action.

Which of the statements given above are correct?

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

Answer: (a) 1, 2 and 4 only

- Statement 1: Correct. Repo rate hikes reduce demand and inflationary pressures but can also dampen investment and growth.
- Statement 2: Correct. RBI can use liquidity management tools, Operation Twist, forex market interventions, CRR changes, MSF adjustments, and currency swaps.
- Statement 3: Incorrect. India follows flexible inflation targeting, which allows the RBI to consider growth and financial stability concerns while targeting inflation.
- Statement 4: Correct. The RBI is not restricted to scheduled MPC meetings and can undertake off-cycle policy actions if circumstances require.