

VAID ICS LUCKNOW

DAILY CURRENT AFFAIRS QUIZ

22/07/2025

ANSWER & EXPLANATION:

Qn 1:

Answer: b. 1 and 2 only

Explanation:

- **Statement 1: Correct**
$$\text{NIM} = (\text{Interest Income} - \text{Interest Expense}) \div \text{Average Interest-Earning Assets}.$$

Sometimes total assets are used for simplicity, but technically it refers to **interest-earning assets**.
- **Statement 2: Correct**
A **higher NIM** means the bank is earning more from its lending operations compared to its cost of funds.
However, a very high NIM could suggest **aggressive lending to high-risk borrowers**, implying **higher credit risk**.
- **Statement 3: Incorrect**
NIM is **sensitive to monetary policy**.
For example, if the **RBI increases repo rates**, banks may face higher borrowing costs, impacting both **interest income and expenses**.
Operational efficiency alone does not shield NIM from macroeconomic changes.

Qn 2:

Answer : C 1 & 3 only

Explanation:

- **Statement 1 – Correct:**
SAR is **weather and daylight independent** because it uses **microwave signals**. Unlike optical sensors, SAR can capture images through clouds, rain, and at night.
- **Statement 2 – Incorrect:**
SAR **does not use high-frequency optical waves** (like visible or infrared light). Instead,

it uses **radio or microwave frequencies** (L-band, S-band, etc.). Also, SAR uses a **single antenna** and creates a "synthetic aperture" by moving the antenna along its flight path.

- **Statement 3 – Correct:**

SAR improves the **along-track (azimuth) resolution** by **simulating a large antenna**. It does this by combining radar signals received at different positions as the satellite or aircraft moves.

Qn 3:

Answer: A. Only a

Explanation:

Statement 1: Correct

- **Risk-Weighted Assets (RWA)** represent the **total assets of a bank adjusted for credit risk, market risk, and operational risk**.
- Under **Basel norms (Basel I, II, III)**, each asset is assigned a **risk weight** (e.g., home loans, corporate loans, government bonds, etc.).
- **Formula:**
$$\text{RWA} = \text{Asset Value} \times \text{Assigned Risk Weight}$$

Statement 2: Incorrect

- **Government bonds and cash are generally considered low-risk, but assigning zero risk weight is not universal.**
- For **domestic sovereign bonds denominated in local currency**, many countries assign **0% risk weight, but this is not mandatory globally.**
- For example:
 - **If a country is facing a sovereign downgrade or financial instability, regulators may assign a non-zero risk weight to government securities.**
- **Cash usually has 0% risk weight, but government bonds are subject to exceptions based on credit rating and jurisdictional guidelines.**

Statement 3: Incorrect

- A **higher RWA** means the bank holds **more risky assets**, so it must maintain **more regulatory capital**, not less.
- According to **Basel III**, banks must maintain a **Capital Adequacy Ratio (CAR)**:

$$\text{CAR} = \frac{\text{Capital}}{\text{RWA}}$$

- If **RWA increases**, to maintain the same CAR, the bank must **either raise more capital or limit risky asset growth.**
- **Higher RWA = Higher capital requirement = Less capacity to lend aggressively.**

Qn 4:

Answer: b 2 only

Explanation:

- **Statement 1 – Incorrect:**
The **Vice President is not removed by impeachment**.
Article **67(b)** of the Constitution says he **may be removed by a resolution of the Rajya Sabha passed by a majority of its members** and agreed to by the Lok Sabha by a simple majority.
Impeachment is only for the President under Article 61.
- **Statement 2 – Correct:**
The **removal resolution can be initiated only in the Rajya Sabha**, not in the Lok Sabha.
After passing the resolution in Rajya Sabha, the Lok Sabha **only agrees to it**, it cannot initiate it.
- **Statement 3 – Incorrect:**
The resolution is passed by a **majority of the total membership of the Rajya Sabha**, but **it is not a "special majority"** as per Article 368.
There is **no requirement of two-thirds of members present and voting**.
It is just **an absolute majority of the total strength of Rajya Sabha**, not a "special majority" used in constitutional amendments.

Qn 5: d All

Explanation:

- **Statement 1 – Correct:**
The **Representation of the People Acts (1950 & 1951)** govern voter qualifications, registration, and election conduct.
Article 326 provides for adult suffrage in principle, but the **mechanism is statutory**.
- **Statement 2 – Correct:**
Judicial rulings, including **PUCL vs Union of India (2003)** and **Jyoti Basu case (1982)**, hold that the **Right to Vote is a statutory right**.
- **Statement 3 – Correct:**
While the **right to vote is statutory**, the **freedom of informed voting (knowing about candidates' background, assets, criminal records)** is protected under **Article 19(1)(a)**, as held in **PUCL vs Union of India (2003)**.

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