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DAILY QUIZ — SOLVED

Daily Quiz — February 1, 2026

1 February 2026

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1 February 2026 · 10 Questions · Answers & Explanations Included

Q 1

Under the New Income Tax Act, 2025 (applicable from April 1, 2026), what is the income tax rate applicable under the new regime for income between Rs 8,00,001 and Rs 12,00,000?

 A 5%

 B 10% ✓

 C 15%

 D 20%

EXPLANATION

Under the revised new tax regime slabs announced in Union Budget 2026-27, income between Rs 8,00,001 and Rs 12,00,000 is taxed at 10%. The new Income Tax Act, 2025 replaces the Income Tax Act, 1961 from April 1, 2026. Earlier under the old new-regime, Rs 6-9 lakh attracted 10%.

CONCEPT

The new regime slabs are: Nil (up to Rs 4L); 5% (Rs 4-8L); 10% (Rs 8-12L); 15% (Rs 12-16L); 20% (Rs 16-20L); 25% (Rs 20-24L); 30% (above Rs 24L). The new regime is now the default; taxpayers must opt out to use the old regime with exemptions. The shift nudges taxpayers toward simplification.

Q 2

The Union Budget 2026-27 announced that the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) is being restructured into VB-G RAM G. What does VB-G RAM G stand for?

 A Viksit Bharat - Gramin Rozgar Aur Mahila Guarantee

 B Viksit Bharat - Guarantee for Rozgar and Ajeevika Mission ✓

 C Viksit Bharat - Grameen Ajeevika Mission for Guarantee

 D Viksit Bharat - Growth, Rozgar and Ajeevika for Mahila

EXPLANATION

VB-G RAM G stands for Viksit Bharat - Guarantee for Rozgar and Ajeevika Mission. It replaces the MGNREGS structure, increases the employment guarantee from 100 to 125 days per household per year, and adds livelihood linkages beyond pure wage employment. Its allocation is Rs 95,692 crore.

CONCEPT

MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) was enacted under the MGNREGS Act, 2005. It guarantees 100 days of wage employment per rural household per year. The scheme is a right-based entitlement, constitutionally grounded in DPSP Article 41 (right to work) and Article 43 (living wage). VB-G RAM G raises the guarantee to 125 days while adding skill and livelihood components.

Q 3

The Union Budget 2026-27 set the fiscal deficit target at what percentage of GDP, continuing India's fiscal consolidation path?

A 3.5%

B 4.0%

C 4.3% ✓

D 4.8%

EXPLANATION

Budget 2026-27 targets a fiscal deficit of 4.3% of GDP, down from 4.4% in the 2025-26 Revised Estimates. India's central government debt-to-GDP ratio is 55.6%, with a medium-term target of 50% by March 2031 under the FRBM (Fiscal Responsibility and Budget Management) Act, 2003 framework.

CONCEPT

Fiscal deficit = Total Expenditure minus Total Receipts (excluding borrowings). A declining fiscal deficit = fiscal consolidation. India's path: 5.1% (FY24) to 4.8% (FY25) to 4.4% (FY26 RE) to 4.3% (FY27 BE). Revenue deficit (1.5% of GDP) vs fiscal deficit (4.3%) = primary deficit is ~2.8% -- mostly financed by capital-creating debt (G-Secs). FRBM Act 2003 mandates prudent fiscal management.

Q 4

According to the Economic Survey 2025-26 tabled in Parliament on January 30, 2026, what was India's Real GDP growth rate for FY26 as per the NSO First Advance Estimate?

A 6.4%

B 6.9%

C 7.4% ✓

D 8.1%

EXPLANATION

The NSO First Advance Estimate placed India's Real GDP growth for FY26 at 7.4%, making India the fastest-growing major economy for the third consecutive year. The Economic Survey 2025-26 was tabled on January 30, 2026 by Chief Economic Adviser V. Anantha Nageswaran.

CONCEPT

NSO (National Statistical Office) releases the First Advance Estimate of GDP in January, based on April-September actuals and Q3-Q4 estimates. The Economic Survey is prepared by the Finance Ministry's Economic Division under the CEA and tabled before the Budget. India's GVA growth FY26: 7.3%. Projection for FY27: 6.8-7.2%. Real GDP vs nominal GDP: Real removes inflation effect; nominal includes it.

Q 5 What was the total capital expenditure proposed in Union Budget 2026-27?

- A Rs 10.18 lakh crore (3.4% of GDP)
- B Rs 11.11 lakh crore (2.9% of GDP)
- C Rs 12.2 lakh crore (3.1% of GDP) ✓**
- D Rs 14.5 lakh crore (3.7% of GDP)

EXPLANATION

Budget 2026-27 proposes capital expenditure of Rs 12.2 lakh crore (3.1% of GDP), up from Rs 11.2 lakh crore in the previous year. When grants-in-aid to states for capital works are included, the effective capital expenditure is Rs 17.1 lakh crore (4.4% of GDP).

CONCEPT

Capital expenditure (capex) creates productive assets (roads, railways, ports) unlike revenue expenditure (salaries, subsidies). Higher capex improves economic capacity and crowds in private investment. The government has been scaling capex since FY21 to compensate for slow private capital formation. Interest payments (26% of expenditure) are the largest single item, reflecting past debt accumulation.

Q 6 Budget 2026-27 announced the Biopharma SHAKTI Mission with an allocation of Rs 10,000 crore over 5 years. What is its primary focus?

- A Development of vaccines for tropical diseases
- B Promotion of Ayurveda and traditional medicine exports
- C Biologics and biosimilars manufacturing with new NIPERs ✓**
- D Generic drug manufacturing for rural health centres

EXPLANATION

The Biopharma SHAKTI Mission focuses on biologics and biosimilars manufacturing -- the next frontier beyond generic medicines. It includes setting up 3 new NIPERs (National Institutes of Pharmaceutical Education and Research) and upgrading 7 existing ones to build a research and manufacturing pipeline for monoclonal antibodies, insulin biosimilars, and cancer biologics.

CONCEPT

India is the world's largest supplier of generic medicines (20% of global generic volume). However, in biologics (large-molecule drugs made from living cells) India lags behind the US, EU, and South Korea. Biosimilars are generic versions of biologics -- a fast-growing market globally. NIPERs are premier pharmaceutical research institutions established under the NIPER Act, 1998. Currently there are 7 NIPERs; 3 new ones will expand capacity.

Q 7

The Economic Survey 2025-26 reported that India's Female Labour Force Participation Rate (LFPR) reached 41.7% in 2023-24. What was it in 2017-18?

A 29.3%

B 23.3% ✓

C 35.1%

D 18.6%

EXPLANATION

India's Female LFPR was 23.3% in 2017-18 (PLFS data), rising to 41.7% in 2023-24 -- an increase of 18.4 percentage points. The increase is primarily driven by rural female LFPR (24.6% to 47.6%), largely reflecting self-employment and agricultural work. PLFS (Periodic Labour Force Survey) is conducted annually by the NSO.

CONCEPT

Labour Force Participation Rate = (employed + seeking employment) / working-age population. Low female LFPR is both a social equity failure and an economic loss -- World Bank estimates India loses 1.5% of GDP annually from female labour force exclusion. The increase is partly structural (better education, reduced fertility) and partly statistical (improved PLFS methodology capturing unpaid work). Urban female LFPR (30.5%) remains lower than rural (47.6%).

Q 8

Which constitutional article mandates the presentation of the Annual Financial Statement (Union Budget) to Parliament?

A Article 110

B Article 112 ✓

C Article 265

D Article 280

EXPLANATION

Article 112 of the Indian Constitution requires the President to cause to be laid before both Houses of Parliament a statement of the estimated receipts and expenditure of the Government for that year -- this is the Annual Financial Statement, commonly called the Union Budget. The Finance Bill gives legal effect to the tax proposals in the Budget.

CONCEPT

Key constitutional provisions: Article 110 (Money Bill definition); Article 112 (Annual Financial Statement); Article 265 (no tax without law); Article 266 (Consolidated Fund); Article 267 (Contingency Fund, Rs 500 crore); Article 280 (Finance Commission). The Budget is a Money Bill -- Lok Sabha has primacy; Rajya Sabha can make recommendations but cannot reject or amend tax/expenditure provisions.

Q 9

India received record remittances in FY25, making it the world's largest remittance recipient. What was the figure according to the Economic Survey 2025-26?

- A USD 92.5 billion
- B USD 112.3 billion
- C USD 135.4 billion ✓**
- D USD 157.8 billion

EXPLANATION

India received USD 135.4 billion in remittances in FY25 -- a record, and the highest for any country globally. The top source countries are UAE (27%), USA (23%), Saudi Arabia (10%), and UK (8%). Key receiving states include Uttar Pradesh, Kerala, Maharashtra, and Tamil Nadu.

CONCEPT

Remittances are transfers from Indian diaspora working abroad to families in India. India consistently ranks 1st globally in remittance receipts (World Bank data). Remittances are more stable than FDI during global crises. They contribute to foreign exchange reserves, support consumption, and fund education and health expenditure in rural areas. NRIs are also permitted to invest in India through NRE/NRO accounts.

Q 10

Budget 2026-27 announced a Carbon Capture, Utilization and Storage (CCUS) Mission. Which of the following sectors is considered hardest to abate and therefore most relevant to CCUS deployment in India?

- A Solar power generation
- B Information Technology services
- C Cement, steel, and fertiliser manufacturing ✓**
- D Retail and e-commerce

EXPLANATION

Cement, steel, and fertiliser manufacturing are hard-to-abate sectors because their production processes inherently generate CO₂ (from limestone calcination in cement, coke in steel, and methane reforming in fertilisers) that cannot be eliminated by switching to renewable electricity alone. CCUS captures this process CO₂ and stores or utilises it. India allocated Rs 20,000 crore over 5 years for CCUS in Budget 2026-27.

CONCEPT

India committed to net-zero emissions by 2070 under the Paris Agreement (COP26, Glasgow, 2021). India's updated NDC targets a 45% reduction in emissions intensity of GDP by 2030 (compared to 2005 levels) and 50% non-fossil electricity capacity. CCUS is a bridge technology for sectors where direct electrification is impossible. The Budget CCUS mission signals India will not prematurely abandon coal or industrial processing without viable alternatives.

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