PAPER I - INDIAN ECONOMY & INDIAN FINANCIAL SYSTEM

Module A: INDIAN ECONOMIC ARCHITECTURE

Chapter 10: Climate change, Sustainable Development Goals (SDGs)

MCQs Practice Pack

Question 1: How many Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in 2015 as part of the 2030 Agenda for Sustainable Development?

A. 8

B. 12

C. 17

D. 21

Question 2: As part of its major climate action commitments made at the COP26 summit, what is the target year by which India has pledged to achieve net-zero carbon emissions?

A. 2030

B. 2047

C. 2050

D. 2070

Question 3: Which term refers to financial arrangements and investments that are specifically directed towards projects that are environmentally sustainable or are designed to address climate change?

A. Corporate Finance

B. Green Finance

C. Public Finance

D. Priority Sector Finance

Question 4: Which government institution in India is responsible for the overall coordination and monitoring of the Sustainable Development Goals (SDGs)?

A. Reserve Bank of India (RBI)

B. Ministry of Finance

C. NITI Aayog

D. Ministry of Environment, Forest and Climate Change

Question 5: If a company, which is required to undertake CSR activities, fails to spend the mandated amount and also fails to transfer the unspent amount to a specified fund, what is the penalty applicable to the company?

A. Imprisonment of the CEO.

B. A penalty of twice the unspent amount, or ₹1 crore, whichever is less.

C. Cancellation of the company's business license.

D. A flat penalty of ₹10 crore.

Question 6: Complete the following sentence: At the COP26 summit, India made five key climate commitments to guide its climate action policy, which are collectively known as the ___________.

A. Panchsheel

B. Navaratna

C. Panchamrit

D. Saptarishi

Question 7: Complete the following sentence: Bonds that are issued by companies, financial institutions, or governments where the proceeds are used exclusively for financing projects classified as environmentally sustainable are known as ___________.

A. Sovereign Bonds

B. Corporate Bonds

C. Municipal Bonds

D. Green Bonds

Question 8: Which of the following statements about the Sustainable Development Goals (SDGs) is TRUE?

A. The SDGs were introduced in 2015 to replace the Millennium Development Goals (MDGs).

B. The timeline for achieving the SDGs is from 2010 to 2025.

C. There are a total of 8 SDGs and 50 associated targets.

D. The SDGs focus exclusively on environmental issues like climate change and do not cover social or economic aspects.

Question 9: Which of the following statements about the Corporate Social Responsibility (CSR) rules in India is TRUE?

A. CSR spending is a voluntary activity for all companies in India.

B. Companies that meet certain criteria are required to spend at least 5% of their average net profits on CSR.

C. Failure to comply with CSR spending rules is now treated as a "civil wrong" with financial penalties, rather than a criminal offense.

D. The list of eligible CSR activities is decided independently by each company's board of directors without any government guidelines.

For Question 10, use the following table to find the correct match.

Column A (Concept/Term)	Column B (Description)
1. LIFE Movement	a. A tool to track the progress of Indian states on the SDGs.
2. NITI Aayog's SDG Index	b. The legal framework for mandatory CSR in India.
3. Section 135 of Companies Act	c. A global climate fund to help vulnerable nations cope with climate disasters.
4. "Loss and damage" fund	d. India's mass movement to promote an environmentally conscious lifestyle.

Question 10: From the table above, which of the following is a correct match?

A. 1-b

B. 2-a

C. 3-c

D. 4-d

Answer Key & Explanations

Q. No	Correct Answer	Explanation
1	C	The UN General Assembly adopted the 2030 Agenda for Sustainable Development, which includes **17 SDGs** and 169 targets, to address global challenges comprehensively.
2	D	As part of its 'Panchamrit' pledge at COP26, India committed to achieving the long-term goal of **net-zero emissions by the year 2070**.

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Q. No	Correct Answer	Explanation
3	B	**Green Finance** is the specific term for any financial instrument or investment (like loans or bonds) whose proceeds are used to fund projects with positive environmental or climate benefits.
4	C	The **NITI Aayog** (National Institution for Transforming India) has been mandated by the Government of India to lead the coordination, implementation, and monitoring of the SDGs across the country.
5	B	For non-compliance with CSR rules, the penalty for the company is **twice the unspent amount or ₹1 crore, whichever is less**. This marks the shift from a criminal offense to a civil penalty regime.
6	C	"Panchamrit" (meaning a mixture of five nectars) is the name given to India's five key climate commitments announced at the COP26 summit in Glasgow.
7	D	**Green Bonds** are debt instruments specifically earmarked to raise money for new and existing projects with environmental benefits, such as renewable energy or clean transportation.
8	A	Statement A is true. The **SDGs**, with their broader and more comprehensive agenda, were adopted in 2015 to succeed and build upon the **Millennium Development Goals (MDGs)**, which concluded in the same year.
9	C	Statement C is true. Amendments to the Companies Act have decriminalized non-compliance with CSR provisions, changing the consequence from potential imprisonment to a **financial penalty regime**, which is considered a "civil wrong".
10	B	The **NITI Aayog's SDG India Index (2-a)** is correctly matched with its function as a primary tool to monitor the performance of states and union territories on the Sustainable Development Goals. (LIFE=d, Sec 135=b, Loss & damage fund=c).