

QUIZ OF THE DAY

Refer to The Hindu News Analysis Video (YouTube)

Date: 09th Dec 2022

Q1. Consider the following statements about WTO:

1. It is the only global international organization dealing with the rules of trade between nations.
2. The Ministerial Conference is the top decision-making body in WTO.
3. Ministerial conferences usually meet after every three years.

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

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) All of these

Q2. Consider the following statements:

1. A Non Performing Asset (NPA) is a loan or advance for which the principal or interest payment can remain overdue for a period of 180 days.
2. Assets which has remained NPA for a period less than or equal to 12 months is termed as substandard assets.

Which of the above statements is/are correct?

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

Explanation and Solutions

Q1. Answer: A

Explanation:

What is the WTO?

The World Trade Organization (WTO) is the only global international organization dealing with the rules of trade between nations. At its heart are the WTO agreements, negotiated and signed by the bulk of the world's trading nations and ratified in their parliaments. The goal is to help producers of goods and services, exporters, and importers conduct their business.

Q2. Answer: B

Explanation:

A non performing asset (NPA) is a loan or advance for which the principal or interest payment remained overdue for a period of 90 days.

Banks are required to classify NPAs further into Substandard, Doubtful and Loss assets.

Substandard assets: Assets which has remained NPA for a period less than or equal to 12 months.

Doubtful assets: An asset would be classified as doubtful if it has remained in the substandard category for a period of 12 months.

Loss assets: As per RBI, "Loss asset is considered uncollectible and of such little value that its continuance as a bankable asset is not warranted, although there may be some salvage or recovery value."