

## QUIZ OF THE DAY

Refer to The Hindu News Analysis Video (YouTube)

Date: 14th Dec 2022

Q1 Consider the following statements regarding the 'Democracy Index':

1. It is released by the Economist Intelligence Unit.
2. India has ranked 46th in the Democracy Index 2021.

Which of the statements given above is/are correct?

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

Q2. Consider the following statements regarding the National Bank for Financing Infrastructure and Development (NaBFID).

1. It is a statutory corporate body headquartered in Mumbai.
2. It is mandated to finance infrastructure and developing long term bond and derivatives markets.
3. It is regulated and supervised by the Reserve bank of India under the Banking Regulation Act of 1949.
4. It has been declared as the fifth All India Financial Institution (AIFI).

Choose the CORRECT answer using the codes given below:

- a) 1, 2 and 3 only
- b) 1, 2 and 4 only
- c) 2, 3 and 4 only
- d) All of the Above

## Explanation and Solutions

**Q1. Answer: C**

**Explanation:**

The Democracy Index is an index compiled by the Economist Intelligence Unit (EIU), the research division of the Economist Group, a UK-based private company. India is ranked 46th on the 2021 index with an overall score of 6.91. It has been classified as a flawed democracy.

**Q2. Answer: B**

**Explanation:**

NaBFID is a principal Development Financial Institution (DFI) established by the National Bank for Financing Infrastructure and Development (NaBFID) Act, 2021. It has been set up as a corporate statutory body with authorized share capital of one lakh crore rupees.

Currently it is headquartered at the Small Industries Development Bank of India's (SIDBI) office in Bandra Kurla Complex, Mumbai. NaBFID is regulated and supervised as an All India Financial Institution (AIFI) by the RBI under the Reserve Bank of India Act, 1934.

It is the fifth AIFI after EXIM Bank, NABARD, NHB and SIDBI. (Statement-4 is correct) It is mandated to finance infrastructure and developing long term bond and derivatives markets.