

QUIZ OF THE DAY

Refer to The Hindu News Analysis Video (YouTube)

Date: 17th Dec 2022

Q1 Capital expenditure is the money spent by the government includes which of the following:

1. Acquiring fixed and intangible assets
2. Upgrading an existing asset
3. Repairing an existing asset
4. Repayment of loan.
5. Interest payment on past debt

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

- a) 1,3,4,5 only
- b) 1,2,5 only
- c) 1,2,3,4 only
- d) 1,2,3,4,5

Q2. Consider the following statements regarding the Competition Commission of India (CCI)-

1. It is a statutory body constituted under the Competition Act, 2002.
2. The commission is a quasi-judicial body which gives opinions to statutory authorities and enforces the Competition Act.

Choose the INCORRECT answer using the codes given below:

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

Explanation and Solutions

Q1. Answer: C

Explanation:

Capital spending is associated with investment or development spending, where expenditure has benefits extending years into the future. Capital expenditure includes money spent on the following:

- Acquiring fixed and intangible assets
- Upgrading an existing asset
- Repairing an existing asset
- Repayment of loan

Unlike capital expenditure, which creates assets for the future, revenue expenditure is one that neither creates assets nor reduces any liability of the government. Revenue expenditure includes:

- Salaries of employees
- interest payment on past debt
- Subsidies, pension, etc.

Q2. Answer: D

Explanation:

Competition Commission of India (CCI) is a statutory body constituted in March 2009. It is established under the Competition Act, 2002 which came into existence in place of the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) in the aftermath of recommendations of the Raghavan committee. The commission is a quasi-judicial body which gives opinions to statutory authorities and also deals with other cases. It is responsible for enforcing the Competition Act 2002.