

WRAP Exams · wrapexams.com

Prelims PYQ, Mains model answers, and copy evaluation. Write to the desk for this paper, a doubt, or the AI waitlist.

ask@wrapexams.com · +91 85951 84903 · wrapexams.com

Q65

'Basel III Accord' or simply 'Basel III' often seen in the news, seeks to (a) develop national strategies for the conservation and sustainable use of biological diversity (b) improve banking sector's ability to absorb economic stress and improve risk management (c) reduce the greenhouse gas emissions but places a heavier burden on developed countries (d) transfer technology from developed countries to poor countries to enable them to replace the use of chlorofluorocarbons in refrigeration with harmless chemicals Official key: B.

UPSC Civil Services Prelims 2015 · General Studies · 2 marks · Economy

Indian economy, budget, schemes - Prelims GS Paper I.

Explanation

(a)

National strategies for biological diversity are the domain of the Convention on Biological Diversity, not **Basel III**. This option is not the key.

(b) Official key

Basel III is a global regulatory framework of the **Basel Committee** on Banking Supervision. It raises capital and liquidity standards so banks can absorb shocks and manage risk better. This option is the official key.

(c)

Differentiated greenhouse-gas burdens describe climate agreements such as the Kyoto Protocol, not banking accords. This option is therefore wrong.

(d)

Replacing CFCs is the **Montreal Protocol** agenda, not **Basel III**. This option is not the key.

Summary

Official key is (b) improve banking sector's ability to absorb economic stress and improve risk management. **Basel III** followed the 2008 crisis with higher capital, leverage and liquidity rules. CBD, Kyoto-style climate burden-sharing and the **Montreal Protocol** are unrelated regimes. Only (b) names the banking purpose.

Related possible facts

These can be asked in a future Prelims paper.

Basel Committee

Bank for International Settlements, Basel, Switzerland

Basel III pillars

Capital adequacy, leverage ratio, liquidity (LCR, NSFR)

Basel I / II

Earlier accords on capital and risk-weighted assets

RBI

Implements Basel standards for Indian banks with domestic calibration

Montreal Protocol

Ozone-depleting substances, not bank capital

WRAP Exams · Write. Read. Analyse. Practice. ·

<https://wrapexams.com/upsc/prelims/gs/2015/basel-iii-accord-or-simply-basel-iii-often-seen-in-the-news-seeks-to/> ·
ask@wrapexams.com · wrapexams.com