

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

Q72

With reference to Central Bank digital currencies, consider the following statements : 1. It is possible to make payments in a digital currency without using US dollar or SWIFT system. 2. A digital currency can be distributed with a condition programmed into it such as a time-frame for spending it. 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 Official key: C.

UPSC Civil Services Prelims 2023 · General Studies · 2 marks · Current Affairs and GK

Current events, government schemes, miscellaneous GK - Prelims GS Paper I.

Explanation

(a)

1 only. Programmable expiry is also a CBDC design option.

(b)

2 only. Cross-border CBDC can bypass dollar/**SWIFT** rails.

(c) Official key

Both. Payments without USD/**SWIFT**, and programmable conditions such as a spending window.

(d)

Neither. Both are standard CBDC talking points.

Summary

Official key is (c) both. A central-bank digital currency can settle without using the US dollar or **SWIFT**. It can also carry programmed conditions (a time window, a merchant category). Both statements hold.

Related possible facts

These can be asked in a future Prelims paper.

e-Rupee

RBI's CBDC pilots, wholesale and retail.

SWIFT

Messaging network for cross-border bank transfers, not itself a currency.

WRAP Exams · Write. Read. Analyse. Practice. · <https://wrapexams.com/upsc/prelims/gs/2023/with-reference-to-central-bank-digital-currencies-consider-the-following-statements-1-it-is-possible-to-make-payments-in-a-digital-currency-without-using-us-dollar-or-swift-system-2-a-digital-currency-can-be-distributed/> · ask@wrapexams.com · wrapexams.com

WRAP Exams