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# CURRENT AFFAIRS

**Date: 27 October 2023**

## APAAR ID

*This article covers "Daily Current Affairs" and the topic details "APAAR ID". This topic has relevance in the "Social Issues" section of the UPSC CSE exam.*

### **For Prelims:**

What is APAAR ID?

### **For Mains:**

GS2: Social Issues?

### **Why in the news?**

The government has introduced a new student identification card called the **Automated Permanent Academic Account Registry (APAAR) ID** as part of the 'One Nation, One Student ID' program, which aligns with the recently implemented National Education Policy of 2020.

### **Automated Permanent Academic Account Registry ID**

- **APAAR**, the Automated Permanent Academic Account Registry, introduces an exclusive **identification system for all Indian students from childhood**.
- Each student is allocated a **lifelong APAAR ID**, simplifying the monitoring of their educational journey from **pre-primary education to higher studies**.
- APAAR is a **portal to Digilocker**, a digital platform where students can securely preserve vital documents and achievements, including exam results and report cards.
- This digital repository facilitates easy access and utilisation of documents for future educational pursuits or employment.



### Purpose of APAAR

- **Efficiency and Accessibility:** APAAR's core purpose is to enhance education by streamlining processes and eliminating the need for physical document handling, aligning with the National Education Policy 2020.
- **Monitoring Educational Data:** APAAR facilitates positive change by enabling state governments to monitor educational metrics, equipping them with the resources needed to enhance their performance.
- **Anti-Fraud Measures:** APAAR safeguards against fraudulent and duplicate educational certificates, providing a singular, reliable reference point for educational institutions. Only authorised sources can deposit credits, ensuring record authenticity and integrity.

### Working of APAAR ID

- **Unique ID:** Each person possesses a distinct APAAR ID linked to the **Academic Bank Credit (ABC)**, a digital repository storing educational credits.
- **Comprehensive Storage:** Students can securely preserve formal and informal certificates and achievements. Authorised institutions provide digital certification and storage.
- **Seamless Transfers:** When a student changes schools, sharing the APAAR ID instantly migrates all ABC data to the new institution, eliminating physical document and certificate transfers.

### APAAR ID Registration Process

- **Data Input:** Students provide essential details like name, age, date of birth, gender, and a photograph.
- **Aadhar Verification:** Data is verified using the Aadhar number solely for matching name and date of birth; it isn't shared during registration.
- **Consent Option:** Students share their Aadhar number and demographic data with the Ministry of Education by signing a consent form.
- **Minors' Consent:** Parental consent is needed for minors, enabling the use of their Aadhar number for UIDAI authentication.
- **Voluntary Registration:** Registering for an APAAR ID is voluntary, not mandatory.

### Concerns Regarding APAAR

- **Privacy Apprehensions:** Parents and students express concerns about sharing their Aadhar details, fearing potential data leaks to external entities.
- **Data Control:** Students can discontinue sharing their data with the mentioned entities at any time, with data processing ceasing upon withdrawal of consent. However, previously processed personal data remains unaffected even if consent is revoked.
  - The government assures that information shared by students will remain confidential and won't be disclosed to third parties except for authorised educational entities and recruitment agencies.

**Sources:**

**One nation, One Student ID' initiative (indianexpress.com)**

### Q1. With reference to the APAAR ID , consider the following statements:

1. APAAR stands for Automated Performance Academic Account Registry.
2. Under APAAR, each student is allocated a lifelong ID monitoring their educational journey from pre-primary education to higher studies.

### 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

**Answer: (b)**

### Q2. Consider the following statements:

1. APAAR ID aligns with the recently implemented National Education Policy of 2020.

2. APAAR enables governments to monitor educational metrics to undertake policy interventions.
3. APAAR ID will be linked to the Academic Bank Credit (ABC)
4. Registering for the ID is mandatory for new students.

**How many of the abovementioned statements are correct?**

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All Four

**Answer: (c)**

**Q3. Discuss the significance of the APAAR (Automated Permanent Academic Account Registry) ID system in the context of the education sector.**

**Gaurav Nikumbh**

## BOND YIELD

*This article covers "Daily Current Affairs" and the topic details "Bond Yield". This topic has relevance in the Economy section of the UPSC CSE exam.*

**For Prelims:**

*About Bond Yield?*

*Factors Affecting Bond Demand and Market Price?*

**For Mains:**

*GS 2: Economy*

*Impact of Bond Yield Hardening:?*

**Why in the news?**

The yield on 10-year U.S. government bonds, which serves as a global benchmark for asset prices, has climbed to 5.02 percent. This marks its highest level since July 2007.

**About Bond Yield:**

- Bonds are financial instruments issued by governments and corporations to raise funds. The initial value at which a bond is issued is its face value, while its value in the secondary market is referred to as the market value.
- **Bond Yield:** Bond yield represents the return that an investor receives on their investment in a specific bond. The yield is influenced by the bond's current market value.
- When the market value of a bond rises above its face value (the initial price at issuance), the rate of return for investors in the secondary market decreases. This situation is commonly referred to as a "softening of bond yields."
- Conversely, if the market value of a bond falls below its face value, the rate of return for investors in the secondary market increases. This is often described as a "hardening of bond yields."

**Factors Affecting Bond Demand and Market Price:**

Decreases Demand	Increases Demand
Market Price of the Bond Decreases	Market Price of the Bond Increases
Bond Yield Increases (Yield Hardening)	Bond Yield Decreases (Yield Softening)

Reasons: Increased Inflation, Sale of G-secs by the central bank under open market operations, Increased borrowings by the government (Increased fiscal deficit)	Reasons: Deflationary trends in the economy, Purchase of G-secs by the Central bank under open market operations, Reduced borrowings by the government
Loss to the Bond Holder	No Loss to the Bond Holder

### Impact of Bond Yield Hardening:

- **Loss to Banks:** Commercial banks in India, which hold a significant amount of government securities (g-secs) for statutory liquidity ratio (SLR) requirements and liquidity adjustment facility (LAF) purposes, incur losses when bond yields rise. This is due to the inverse relationship between bond prices and yields, forcing banks to book these losses.
- **Loss to Mutual Funds:** Mutual funds, which also hold substantial amounts of g-secs, experience similar losses when bond yields increase.
- **Increased Cost of Borrowings:** A higher yield on G-secs means that the government must offer higher interest rates on new borrowings. Corporates may also need to raise interest rates on their bonds in response to rising bond yields in the market. Indian banks, following long-term G-sec rates to determine lending rates, may increase their lending rates as well.
- **Impact on Equity Market:** Rising bond yields increase the opportunity cost of investing in equities, making equities less attractive for investors.

#### Source:

<https://indianexpress.com/article/explained/explained-economics/us-bond-yield-why-rising-explained-8997263/>

### Q.1 Consider the following statements about bonds and bond yields:

1. The face value of a bond is its market value.
2. Bonds are issued only by governments.
3. Bond yield is influenced by the bond's current market value.

How many of the above statement/s is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

**ANSWER: A**

### Q.2 Consider the following statements about bond yields:

1. "Softening of bond yields" occurs when the market value of a bond falls below its face value.
2. "Hardening of bond yields" happens when the market value of a bond rises above its face value.

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

**ANSWER: D**

### Q.3 Examine the role of the bond market as a vital component of the global financial system.

**Rishabh**