

SECTIONAL TEST SERIES - 1 * ECONOMY

FULL MARKS : 200 * TIME : 2 HOURS

The figures in the margin indicate full marks for the questions

1. **A Country is said to be in a debt trap if :**
 - a) It has to abide by the conditionalities imposed by the International Monetary Fund.
 - b) It has to borrow to make interest payments on outstanding loans.
 - c) It has been refused loans or aid by creditors abroad.
 - d) The World Bank charges a very high rate of interest on outstanding as well as new loans.

2. **A redistribution of income in a country can be best brought about through :**
 - a) Progressive taxation combined with progressive expenditure.
 - b) Progressive taxation combined with regressive expenditure.
 - c) Regressive taxation combined with regressive expenditure.
 - d) Regressive taxation combined with progressive expenditure.

3. **Agricultural income tax is assigned to the State Government by :**
 - a) The Finance Commission
 - b) The National Development Council.
 - c) The Inter-State Council
 - d) The Constitution of India.

4. **Bank Rate implies the rate of interest :**
 - a) Paid by the Reserve Bank of India on the deposits of Commercial Banks.
 - b) Charged by banks on loans and advances.
 - c) Payable on bonds.
 - d) At which the Reserve Bank of India discounts the Bills of Exchange.

5. **Capital Account Convertibility of the Indian Rupee Implies :**
 - a) That the Indian Rupee can be exchanged by the authorized dealers for travel.
 - b) That the Indian Rupee can be exchanged for any major currency for the purpose of trade in goods and services.
 - c) That the Indian Rupee can be exchanged for any major currency for the purpose of trading financial assets.
 - d) None of the above.

6. Consider the following :

- i) Market borrowing
- ii) Treasury bills
- iii) Special securities issued to RBI.

Which of these is / are component(s) of internal debt? :

- a) i only
- b) i and ii
- c) ii only
- d) i, ii and iii.

7. Consider the following :

- i) Currency with the public
- ii) Demand deposits with banks
- iii) Time deposits with banks

Which of these are included in Board Money (M3) in India? :

- a) i and ii
- b) i and iii
- c) ii and iii
- d) i, ii and iii.

8. Consider the following statements :

- i) Reserve Bank of India was nationalized on 26 January 1950.
- ii) The borrowing programme of the Government of India is handled by the Department of Expenditure, Ministry of Finance.

Which of these statements given above is / are correct? :

- a) i only
- b) ii only
- c) Both i and ii
- d) Neither i nor ii.

9. Consider the following statements :

Full convertibility of the rupee may mean;

- i) Its free float with other International currencies.
- ii) Its direct exchange with any other International currency at any prescribed place inside and outside the country.
- iii) It acts just like any other International currency.

Which of these statements are correct? :

- a) i and ii
- b) i and iii
- c) ii and iii
- d) i, ii and iii.

10. Consider the following statements about the European Union :

- i) The European Union was known earlier as the European Community.
- ii) The Single European Act (1986) and the Maastricht Treaty were milestones in its formation.
- iii) Citizens of European Union countries enjoy dual citizenship.
- iv) Switzerland is a member of the European Union.

Which of the above statements are correct? :

- a) ii and iv
- b) i and iii
- c) iii and iv
- d) i, ii and iii.

11. **Debenture holders of a company are its :**

- a) Shareholders
- b) Creditors
- c) Debtors
- d) Directors.

12. **Euro dollars are :**

- a) A currency issued by European Monetary Union.
- b) Special currency issued by federal government of USA to be issued only in Europe.
- c) US dollars circulating in Europe.
- d) European currencies exchanged for the US dollar in US.

13. **From the balance sheet of a company, it is possible to :**

- a) Judge the extent of profitability of the company.
- b) Assess the profitability and size of the company.
- c) Determine the size and composition of the assets and liabilities of the company.
- d) Determine the market share, debts and assets of the company.

14. **Gilt-edged market means :**

- a) Bullion market
- b) Market of Government securities
- c) Market of guns
- d) Market of pure metals.

15. **Match List-I with List-II and select the correct answer :**

List-I (Committes)

List-II (Chaired by)

- | | | |
|--|----|-----------------------------|
| A. Disinvestment public sector enterprises | 1. | Rajah of Shares in Chelliah |
| B. Industrial sickness | 2. | Onkar Goswami |
| C. Tax reforms | 3. | R N Malhotra |
| D. Reforms in insurance sector | 4. | C Rangarajan |

Codes :

- | | <u>A</u> | <u>B</u> | <u>C</u> | <u>D</u> |
|----|-----------------|-----------------|-----------------|-----------------|
| a) | 1 | 4 | 2 | 3 |
| b) | 4 | 2 | 1 | 3 |
| c) | 4 | 1 | 2 | 3 |
| d) | 1 | 3 | 4 | 2 |

16. **Match List-I with List-II and select the correct answer using the codes given below :**

- | <u>List-I</u> | | <u>List-II</u> | |
|---------------|-----------------|----------------|---|
| A. | Fiscal deficit | 1. | Excess of total expenditure total receipts |
| B. | Budget deficit | 2. | Excess of revenue expenditure over revenue receipts |
| C. | Revenue deficit | 3. | Excess of total expenditure over total receipts less borrowings |
| D. | Primary deficit | 4. | Excess of total expenditure over total Receipts less borrowings and interest payments |

Codes :

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
a)	3	1	2	4
b)	4	3	2	1
c)	1	3	2	4
d)	3	1	4	2

17. Match List-I with List-II and select the correct answer using the codes given below :

- | <u>List-I</u> | | <u>List-II</u> | |
|---------------|--------------|----------------|---|
| A. | WTO | 1. | Provides loans to address short-term balance of payment problems. |
| B. | IDA | 2. | Multilateral trade negotiation body. |
| C. | IMF | 3. | Sanction of soft loans. |
| D. | IBRD lending | 4. | Facilitating and borrowing for reconstruction development. |

Codes :

	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
a)	2	3	4	1
b)	2	3	1	4
c)	3	2	4	1
d)	3	2	1	4

18. Most Favoured Nations (MFN) clause under GATT implies :

- | | | | |
|----|------------------------------|----|-------------------------------|
| a) | Most favour to all countries | b) | Most favour to some countries |
| c) | No favour to any country | d) | No favour to some countries. |

19. National Income is the :

- a) Net National Product at market price.
- b) Net National Product at factor cost.
- c) Net Domestic Product at market price.
- d) Net Domestic Product at factor cost.

20. The basic difference between imperative and indicative planning is that :

- a) In the case of the imperative planning the market mechanism is entirely replaced by a command hierarchy, while in the case of indicative planning, it is looked upon as a way to improve the functioning of market system.
- b) In the case of indicative planning there is no need to nationalize any industry.
- c) In the case of imperative planning all economic activities belong to public sector, while in the other type they belong to the private sector.
- d) It is easier to achieve targets in imperative type of planning.

21. The difference between a bank and a non-banking financial institution (NBF) is that :

- a) A bank interacts directly with customers while an NBF interacts with banks and governments.
- b) A bank indulges in a number of activities relating to finance with a range of customers, while an NBF is mainly concerned with the term loan needs of large enterprises.
- c) A bank deals with both internal and international customers while an NBF is mainly concerned with the finances of foreign companies.
- d) A bank's main interest is to help in business transactions and savings / investment activities while an NBF's main interest is in the stabilization of the currency.

22. The Minimum Alternative Tax (MAT) was introduced in the Budget of the Government of India for the year (1997) :

- a) 1991 to 1992
- b) 1992-1993
- c) 1995 to 1996
- d) 1996 to 1997

23. The Narasimham Committee for Financial Sector Reforms has suggested reduction in :

- a) SLR and CRR
- b) SLT, CRR and Priority Sector Financing
- c) SLT and financing to capital goods sector
- d) CRR, Priority Sector financing and Financing to capital goods sector.

24. The prices at which the government purchases foodgrains for maintaining the public distribution system and for building up buffer-stock is known as (2001) :
- a) Minimum support prices b) Procurement prices
c) Issue prices d) Ceiling prices.
25. Which one of the following Five Year Plans recognized human development as the core of all development efforts? :
- a) The third Five-Year Plan b) The fifth Five-Year Plan
c) The Sixth Five-Year Plan d) The eighth Five-Year Plan.
26. Which one of the following statement is correct with reference to FEMA in India? :
- a) The Foreign Exchange Regulation Act (FERA) was replaced by Foreign Exchange Management Act (FEMA) in the Year 2001.
b) FERA was given a sunset clause of one year till 31 May 2002 to enable Enforcement Directorate to complete the investigation of pending issues.
c) Under FEMA, violation of foreign exchange rule has ceased to be a criminal offence.
d) As per the new dispensation, Enforcement Directorate can arrest and prosecute the people for the violation of foreign exchange rules.
27. The EASE-Index was recently in news-select the correct statement/s about it using the code given below :
- i) It is a way to measure the performance of the public sector banks.
ii) It measures the ease of doing business for MSMEs in India.
- Select the correct code? :**
- a) i only b) ii only c) Both i and ii d) Neither i nor ii.
28. Standing deposit facility scheme (SDFS) has been in news recently - select the correct statement(s) related to it by using the code given below :
- i) A new Small Saving Scheme (SSS) announced by the Government in the Union Budget 2018-19.
ii) This will allow 'uncollateralized deposit' of the liquidity by the RBI.
- Select the correct code? :**
- a) i only b) ii only c) Both i and ii d) Neither i nor ii.

29. Select the correct statements related to the new System of National Accounts to which India shifted recently - using the code given below :

- i) Now, India accounts its national income at 'market price'.
- ii) Growth rate of the economy is now measured by 'GDP at constant market price'.
- iii) 'Product taxes' added to the 'gross value added' is the 'market price'.
- iv) 'Product taxes' are ultimately paid by the consumers of goods and services.

Select the correct code? :

- a) i and ii b) i, ii and iv c) ii, iii and iv d) i, ii, iii and iv.

30. The term 'hair cut' was much in news recently - select the correct one/ones about it using the code given below :

- i) It is used to show a fall in the assets price.
- ii) Used in share market when companies offer shares to its employees at lower than the prevailing market price of the share.

Select the correct code? :

- a) i only b) ii only c) Both i and ii d) Neither i nor ii.

31. Consider the following statements about 'effective revenue deficit' :

- i) "Effective revenue deficit is a Western idea of public finance management, which India used it for the first time in the Union Budget 2011-12.
- ii) It is a modified kind of revenue deficit which excludes that part of revenue deficit by which assets have been created.

Select the correct statements using the code given below? :

- a) i only b) ii only c) Both i and ii d) Neither i nor ii.

32. Which of the following statement is correct about SWIFT which was recently in news? :

- a) A global association of banks which guarantees loans across the world.
- b) Banks guarantee creditworthiness of a borrower through it.
- c) Letter of Undertaking issued by a bank is guaranteed by this global association.
- d) None of the above.

33. If interest rate is increased in an economy, it will :

- a) Increase the consumption expenditure in the economy.
- b) Decrease tax collection of Government.

- c) Decrease the savings in the economy.
- d) Decrease the investment expenditure in the economy.

34. Which of the following is correct about the situation of 'inverted custom duty'?

- a) When custom duties are higher on the raw materials and lower on the finished goods.
- b) When due to some exemptions custom duty on the similar goods are lower for the multinational firms in comparison to the domestic firms.
- c) When the countries with low tax regime (tax havens) give high export subsidies making the indigenous industries suffer in trade.
- d) None of the above.

35. Consider the following statements regarding the operations of the various money market components in India :

- i) Commercial Paper route of borrowing working capital is profitable once inflation has peaked .
- ii) Cost of operation for the banks in the Call Money Market falls in the wake of rising inflation.
- iii) Earnings from Money Market Mutual Funds may fall down as inflation rate increases.
- iv) Interest payments liabilities of the Gol on account of the Cash Management Bill increases in case of decreased inflation.

Select the correct statements using the code below :

- a) i, ii and iii b) ii, iii and iv c) i, ii and iv d) i, ii, iii and iv.

36. Consider the following statements regarding Commodity Future Trading in India :

- i) It is the best tool of maintaining stable prices for the commodities.
- ii) Price discovery at Commodity Exchanges discounts the local and global factors in the process of price search.
- iii) This is highly suitable for the agricultural commodities in India where highest price fluctuations happen due to various natural and man-made reasons.
- iv) At times, Gol bans trading in certain agricultural commodities as in short-term it may lead to speculative price rises.

Select the correct statements using the code below :

- a) i, ii and iii b) ii, iii and iv c) i, iii and iv d) i, ii, iii and iv.

- 37. Which one is the correct equation for India's NNP at market prices? :**
- Total GVA at basic prices + Production taxes (less Production subsidies).
 - CE + MI + CFC + Product taxes + Production taxes (less Product and Production subsidies).
 - Total GVA at basic prices + Product and Production taxes (less all subsidies).
 - CE + MI + CFC + Product taxes (less Product subsidies).
- 38. Consider the following statements related to the Central Sales Tax (CST) and the VAT (Value Added Tax) :**
- CST is a destination-based tax of the Centre while VAT is an origin-based tax of the states.
 - CST is inconsistent with VAT.
 - CST is a cascading-type tax not rebatable against the VAT.
- Select the correct statement/statements using the code given below :**
- Only i
 - i and ii
 - Only iii
 - i, ii and iii.
- 39. Consider the given statements regarding subsidies :**
- They are essential parts of public policy to the extent they are adhoc arrangements.
 - While everybody benefits from it, they are not paid by all.
 - Capital part of subsidies is counted in the planned expenditure of the government.
 - The FRBM Act has strict provisions regarding subsidies.
- Select the incorrect statements using the code below :**
- i, ii and iii
 - i, iii and iv
 - ii, iii and iv
 - i, ii, iii and iv.
- 40. Which among the following is / are not counted as 'public expenditure'?**
- Expenditure categorised as 'consumption'.
 - Expenditure known as 'investment' and 'capital creation'.
 - Expenditure in 'running the government'.
 - Expenditure in forwarding 'external grants'.
- Select the correct answer using the code given below :**
- i, ii and iii
 - i, iii and iv
 - ii, iii and iv
 - i, ii, iii and iv.
- 41. Which of the following 'redistributive' policies the government will not adopt if it wants to bridge economic inequality? :**

- i) Rationalising subsidies ii) Progressive tax policies.
- iii) Regressive expenditure.

Select the answer using the code given below :

- a) i and ii b) Only ii c) ii and iii d) Only iii.

42. Consider the following statements regarding the marginal standing facility rate of RBI :

- i) It is similar to the repo rate for the financial institutions.
- ii) It is on the lines of the liquidity adjustment facility and part of it.
- iii) Though it is a costlier route to fulfil overnight requirement of funds, it is not a penal rate.
- iv) Banks use this route once they exhaust all channels to raise short-term fund.

Select the incorrect statements using the code given below :

- a) i, ii and iii b) i, iii and iv c) ii, iii and iv d) i, ii, iii and iv.

43. Select the correct statements about 'countervailing duty' :

- a) A tax imposed on import by the importing country to neutralise the benefit of export subsidies offered by the exporting country.
- b) Another name of the anti-dumping duty.
- c) It does not come under the preview of the WTO.
- d) It is opposite to custom duty.

44. Consider the following statements about derivatives in India :

- i) A security derived from a debt instrument, share, secured or unsecured loan.
- ii) A contract which derives its value from the prices or index of underlying assets.
- iii) A security derived from exchange rates and interest rates.
- iv) It may be derived from monsoon forecasting.

Select the correct statements using the code given below :

- a) i, ii and iii b) i, iii and iv c) ii, iii and iv d) i, ii, iii and iv.

45. 'Net income' term was recently in news; which of the following is correct about it? :

- a) It is balance of a company's total income and its total expenditure.
- b) The profit of a company after paying corporate tax.

- c) The income earned by a company over their losses and interest payments.
- d) The income of a company without deducting their losses.

46. Consider the following items with respect to India's capital account :

- i) Foreign currency deposits of the banks.
- ii) Private remittances.
- iii) Security market investments by the REPIs and QFIs.
- iv) Foreign direct investment.
- v) External bonds issued by the GOI.
- vi) Merchandise trade balance.
- vii) Interest liabilities of the external loans.

Which among the above items it associated with India's capital account? :

- a) i, iii, iv and v b) ii, iv, vi and vi c) ii, v, vi and vii d) i, iii, vi and vii.

47. NITI Aayog has suggested a new method, the 'price deficiency payment', for farmers which is consistent with India's agricultural obligations to the WTO. Select the correct statements regarding it, using the code given below :

- i) It suggests to pay a bonus price above the minimum support price (MSP) announced for a crop which will be not more than the market price of the crop.
- ii) It looks into the prices in the mandis regulated by the Agriculture Produce Market Committee (APMC) of the states.
- iii) Farmers to get a maximum payment of the difference between the MSP and market price of crop.
- iv) The technology platform of direct benefit transfer (DBT) is to be used for the purpose.

Select the correct statements using the code given below :

- a) i and ii b) i, ii and iv c) ii, iii and iv d) i, ii, iii and iv.

48. Deficit financing leads to inflation in general, but it can be checked if :

- a) Government expenditure leads to increase in the aggregate supply in ratio of the aggregate demand.
- b) Only aggregate demand is increased.
- c) All expenditures are used for the national debt payment only.
- d) Fresh currencies are printed to fulfil its deficit financial needs.

49. Which of the following statement defines the term 'insurance penetration'? :
- a) The number of insured per one hundred population in an economy.
 - b) Insured people per one thousand of the population of an economy.
 - c) Number of alive and insured per hundred population in an economy.
 - d) None of the above.
50. Purchase tax was recently in news; select the correct statements about it, using the code given below :
- i) The State tax is subsidies in the upcoming GST.
 - ii) The tax is presently paid by traders and manufacturers on their purchases.
 - iii) The tax is deductible while paying VAT to the states.
- Select the correct statement/statements using the code given below :**
- a) Only i b) i and ii c) i and iii d) i, ii and iii.
51. Select the statement which correctly defines the concept of 'debt trap' :
- a) A situation of an economy which borrows to repay its past borrowings.
 - b) A situation when an economy is borrowing higher than what it is repaying for its past borrowings.
 - c) A situation when an economy is borrowing to repay even the interest of its past borrowings.
 - d) A situation when the forex reserves growth rate of an economy starts lagging behind the growth rate of its external borrowings.
52. Which of the following policy steps a government usually takes to boost demand and support the economy in deflationary situations? :
- i) Lowering interest rates together with cutting direct taxes.
 - ii) Emphasising savings and enhancing salaries.
 - iii) Increasing government expenditure.
 - iv) Going for tapering of fiscal stimulus.
- Select the answer using the code given below :**
- a) i and ii b) iii and iv c) i and iii d) i and iv.
53. Select the correct statements related to the recently formed think tank, the NITI, using the code given below :
- i) It is to function as a vehicle of good governance.
 - ii) It has to develop a holistic and inclusive development model for the economy integrating the needs of Centre, states and the local bodies.

- iii) The body, in a sense, subsumes the National Development Council in its Governing Council - this gives it more legitimacy.
- iv) It has three specialised wings related to-research, conflict resolution and team India.

Select the correct statements using the code given below :

- a) i and ii b) i, ii and iii c) ii, iii and iv d) i, ii, iii and iv.

54. External commercial borrowings (ECBs) have been made much easier by the RBI in recent times. Select the correct one/ones related to it :

- i) Public sector oil marketing companies can borrow upto US\$ 10 billion every year as their working capital under automatic route provided the loan has maturity period of minimum 3 years.
- ii) Sector-wise cap on ECBs has been abolished now.

Select the correct code? :

- a) i only b) ii only c) Both i and ii d) Neither i nor ii.

55. What is correct about the term 'transfer payments' which was in news recently? :

- a) The payments which takes place indirectly from the high bracket direct taxpayers to the subsidy-based sectors which are consumed by someone else.
- b) The expenditure by government for which it receives no goods or services, such as tax collection, unemployment allowance etc.
- c) The minimum return an asset must earn to prevent its transfer to the next best alternatives use.
- d) Tax is a mode of income redistribution through which payments get transferred from high to low income group directly and indirectly, both ways.

56. Consider the following statements about 'Venture Capital Fund' :

- i) A dedicated corpus of capital to promote innovative entrepreneurship.
- ii) It may be public-owned or privately-owned.
- iii) The IVCF was India's first such fund set up under private ownership.

Select the correct statements using the code given below :

- a) i and ii b) ii and iii c) i and iii d) i, ii and iii.

57. Select the correct statement about the 'unemployment trap' :

- a) A situation in the economy when the rate of increase in the unemployed population.
- b) A situation of frictional unemployment when there is a heavy rush of labour force from the primary to the secondary activities.
- c) A situation when existing job less is higher than the new jobs created.
- d) A situation when unemployed population of an economy does not feel encouraged to become employed.
- 58. Select the term statement which correctly defines the difference between 'factor cost' and 'factory price'?**
- a) 'Factory cost' is the manufacturing price of any product, while the 'factory price' includes the burden of indirect taxes on the product, too.
- b) While 'factory price' of a product includes the current rate of inflation, the 'factor cost' does not.
- c) When the weight of the state taxes are added to the 'factor cost' it becomes 'factory price'.
- d) None of the above.
- 59. Which of the following is/are correct about the latest rules of public procurement by Government of India which is/are related to the small and medium enterprises (SMEs)? Use the code given below to select your answer :**
- i) Minimum 25 percent procurement from the SMEs is mandatory.
- ii) Sector-wise cap on ECBs has been abolished now.
- Select the correct code? :**
- a) i only b) ii only c) Both i and ii d) Neither i nor ii.
- 60. Amalgamation of the public sector banks are aimed at multiple gains - select the correct gains using the code given below :**
- i) Economies of scale.
- ii) Improved access to capital.
- iii) Covering larger geographical areas.
- iv) Banks of global size.
- Select the answer using the code given below :**
- a) i and ii b) ii and iii c) i, ii and iv d) i, ii, iii and iv.
- 61. Recently, India shifted to a new method for measuring its national income.**

The new method classifies taxes into 'product' and 'production'. Select the statements given below which are correct about these taxes. Use the code for your answer :

- i) Both of the taxes are imposed on the producers.
- ii) While product taxes are variable, the production taxes are fixed.
- iii) Land revenue, profession tax, stamps and registration fees are some of the examples of production taxes in India.
- iv) Sales tax, excise duty, service tax, export and import taxes are the examples of product taxes in India.

Select the answer using the code given below :

- a) i and ii b) i, ii and iii c) ii, iii and iv d) i, ii, iii and iv.

62. Special Drawing Right (SDR) basket of IMF consists of :

- i. US Dollar
- ii. Indian Rupee
- iii. Chinese renminbi
- iv. Japanese Yen
- v. British Pound Sterling

Select the correct answer using the code given below :

- (a) i, ii, iii, iv and v only (b) ii only
(c) i, iii, iv and v only (d) ii and v only

63. Which of the following forms part of the non-debt receipts (NDR) of the Central Government? :

- i. Receipt from spectrum auction.
- ii. Proceeds from disinvestment in public sector enterprises.
- iii. Recovery of loans given to foreign governments.

Select the correct answer using the code given below :

- (a) i and ii only (b) ii and iii only
(c) i and iii only (d) i, ii and iii

64. Which of the following factors show that GDP of a country cannot be taken as a true index of the welfare of the people of the country? :

- i. Negative Externalities
- ii. Non-Monetary Exchange.
- iii. Non-uniform distribution of GDP among the people.

Select the correct answer using the code given below :

- (a) i and ii only (b) iii only
(c) ii and iii only (d) i, ii and iii

65. Consider the following statements about functions of Securities and Exchange Board of India :

- i. It regulates the business of the stock market and other securities market.
- ii. It prohibits insider trading in securities market.
- iii. It promotes awareness among investors and training of intermediaries about safety of market.

Select the correct answer using the code given below :

- (a) i and ii only
- (b) ii and iii only
- (c) i and iii only
- (d) i, ii and iii

66. Which of the following Government expenditures is / are "Transfer-Payments"?:

- i. Subsidies
- ii. Old Age Pension
- iii. Procurement of defence equipment
- iv. Interest payments on loans.

Select the correct answer using the code given below :

- (a) i, ii and iv only
- (b) ii and iv only
- (c) i and iii only
- (d) i, ii, iii and iv only

67. With reference to Capital Account Convertibility, consider the following statements :

- i) It refers to the freedom to convert local financial assets into foreign financial assets and vice-versa at market determined rates of exchange .
- ii) Presently India has full capital account convertibility.

Which of the statements given above is / are correct? :

- a) i only
- b) ii only
- c) Both i and ii
- d) Neither i nor ii.

68. Consider the following in respect of Niryat Bandhu Scheme :

- i. It has been galvanized to achieve the objective of Skill India.
- ii. It is organized for MSME sector.
- iii. It provides export subsidies to exporters.

Which of the statements given above are correct? :

- (a) i, ii and iii
- (b) ii and iii only
- (c) i and ii only
- (d) i and iii only

69. The 'Maha Pushkaram' festival, recently seen in news, is related to :

- a) Livestock fair b) Celebration of Mahaparinivana of Buddha
c) Worshipping of rivers d) Celebration of Goddess Durga's return home.

70. Which of the measures can help government in containing food inflation? :

- i. Imposing stock limit.
ii. Increasing allocation to Price Stabilization Fund.
iii. Increasing export duties.

Select the correct answer using the code given below :

- (a) i and ii only (b) ii and iii only
(c) i and iii only (d) i, ii and iii

71. A manufacturing company employs highly skilled workers for low skill and low paying jobs. Such situation refers to :

- a) Frictional Unemployment b) Underemployment
c) Disguised Unemployment d) Cyclical unemployment.

72. Which of the following best describes Debt Service Coverage Ratio? :

- a) It is the amount of export earnings needed to meet a country's annual external debt.
b) It is the ratio of country's import expenditure to its export earnings.
c) It is amount of forex reserves a country holds to cover its expenditure on imports.
d) It is the ratio of a country's external commercial borrowings to its GDP.

73. Which of the following is/are the likely effects of deficit financing by the Government? :

- i. Increase in inflation ii. Cheaper imports
iii. Fall in exports.

Select the correct answer using the code given below :

- (a) i only (b) iii only (c) i and ii only (d) ii and iii only.

74. Which among the following form a part of revenue expenditure?:

- i. Interest Payments ii. Subsidies
iii. Pensions iv. Salaries.

Select the correct answer using the code given below :

- (a) ii, iii and iv only (b) i and iii only
(c) i, ii and iv only (d) i, ii, iii and iv only

75. With reference to the monetary policy framework, consider the following statements :

- i) The inflation target would be set once in every years.
ii) The current inflation target has been set at 4 percent with tolerance level of +/-2 percent.

Which of the statements given above is / are correct? :

- a) i only b) ii only c) Both i and ii d) Neither i nor ii.

76. Consider the following statements about India's approach in dealing with 1991 crisis :

- i. India approached the international bank for reconstruction and development popularly known as IMF for loan to manage the crisis.
ii. India came up with new economic policies which were based on the conditionality of international institutions.
iii. Conditionality of international institutions was not as a punishment but were towards creating more competitive environment in the economy.

Select the correct answer using the code given below :

- (a) All the above (b) ii and iii only
(c) i and ii only (d) i and iii only

77. Consider the following statements :

- i. The Central Statistical Organisation (CSO) is responsible for calculating the consider price indices for urban non-manual employees.
ii. National Sample Survey Organisation (NSSO) collects data for estimating national income.
iii. NSSO collects rural retail price on monthly basis for calculating Consumer Price Index.
iv. CSO conducts periodic economic census to collect data on unorganised enterprises.

Which of the following statement/s is/are correct? :

- (a) i, ii, iii and iv (b) ii and iv only
(c) i, iii and iv only (d) iii and iv only

78. Consider the following :

- i. Mehboob ul Haq ii. Inge Kaul iii. David Hilton

Select the correct answer using the code given below :

- (a) i and ii only (b) ii and iii only
(c) i and iii only (d) i, ii and iii

79. The 'Bombay Plan' drafted by GD Birla and JRD Tata emphasized :

- a) That the economy should be left to the dynamic investments by the private sector in heavy industries, etc.
b) The public sector investment in infrastructure and heavy industries.
c) Annual planning.
d) That the private sector should foot the Bill for intensive and low return investments in the industrial sector.

80. The difference between Niti Aayog and Yojana Aayog is as follows :

- i. In NITI Aayog there are 3 full time members while Yojana Aayog has 8 members .
ii. NITI is a think-tank and does not have the power to impose policies while Yojana impose policies on states and tied allocation of funds with projects it approved.
iii. NITI has power to allocate funds while Yojana doesn't.

Which among the following statement is true?:

- (a) i and ii (b) i and iii (c) ii and iii (d) i, ii and iii.

81. The first modern regular census in India, was started in 1881 by? :

- a) Lord Ripon b) Lord Lytton
c) Lord Powell d) Lord Clive.

82. The Multi-dimensional Poverty Index developed by Oxford Poverty and Human Development Initiative with UNDP support covers which of the following :

- i. Deprivation of education, health, assets and services at household level.
ii. Purchasing power parity at national level.
iii. Extent of budget deficit and GDP growth rate at national level.

Select the correct answer using the codes given below :

- (a) i only (b) ii and iii (c) i and iii (d) i, ii and iii.

83. Tarapore Committee submitted its report on "Full Convertibility on Rupee" in:

- a) Current Account b) Capital Account
- c) Special Drawing Rights (SDRs)
- d) Both in current as well as in capital account.

84. The banks are required to maintain a certain ratio between their cash in hand and total assets. This is called :

- a) SBR (Statutory Bank Ratio)
- b) SLR (Statutory Liquid Ratio)
- c) CBR (Central Liquid Reserve)
- d) CLR (Central Liquid Reserve).

85. Liquidity adjustment facility refers to :

- a) Instrument to perk short term surplus to maintain liquidity
- b) It is an extra limb to Market Stabilisation scheme.
- c) It is an instrument of fiscal prudence.
- d) None of the above.

86. According to the Chakravarty Committee, one of the principal causes affecting price stability in India is :

- a) Existence of black money.
- b) Violent fluctuation in agricultural production.
- c) India's precarious balance of payment position.
- d) Fiscal deficit.

87. What are the reforms of Narsimham Committee on Banking sector? :

- i. Nationalisation of banks should not take place any more.
- ii. Private and foreign banks should be set up to promote competition.
- iii. There should be a phased reduction of CRR and SLR .

Choose the correct option :

- (a) i only (b) ii only (c) iii only (d) All of the above.

88. Name of four commodity exchanges working in the country :

- i. National Multi Commodity Exchange.
- ii. Multi Commodity Exchange.
- iii. National Commodity and Derivatives Exchange.
- iv. Indian Commodity Exchange.

Choose the correct answer :

- (a) i and ii (b) i, ii, iii (c) i, ii, iii, iv (d) None of the above.

89. The price at which the Government purchase foodgrains for maintaining the public distribution system and for building up buffer stocks are known as :

- a) Minimum Support Prices b) Procurement Prices
c) Issue Prices d) Coiling Prices.

90. What is National Food Security Mission? :

- i. Mission to increase the production of rice, wheat, pulses and coarse cereals by 10, 8, 4 and 3 million tonnes respectively.
ii. To enhance investment in agriculture and allied sectors to achieve 4% growth rate.
iii. For promotion of holistic growth of horticulture sector, including fruits, vegetables, root and tuber crops, mushroom, spices, flowers, aromatic plants, cashew and cocoa.
iv. Provides flexibility to states in implementation based on a regionally differentiated approach for promoting crop diversification and providing a focus to the programme.

Choose the correct answer :

- (a) ii (b) iii (c) iv (d) i.

91. Which of the following is correct regarding Rashtriya Krishi Vikash Yojana? :

- i. RKVY was launched in 2007-08.
ii. Aim was to incentivize states to enhance investment in agriculture and allied sectors to achieve 4% growth rate.
iii. The Government has approved continuation of the RKVY scheme in the 12th plan whereby the funding will be routed into three components- production growth, infrastructure and assets, and sub-schemes and flexi-fund.

Choose the correct option :

- (a) i only (b) ii only (c) All the above (d) None of the above.

92. With reference to the National Investment Fund to which the disinvestment proceeds are routed, consider the following statements :

- i. The assets in the National Investment Fund are managed by the Union Ministry of Finance.

- ii. The National Investment Fund is to be maintained within the Consolidated Fund of India.
- iii. Certain Asset Management companies are appointed as the fund managers.
- iv. A certain proportion of annual income is used for financing select social sectors.

Which of the statements given above is / are correct? :

- (a) i and ii (b) ii only (c) iii and iv (d) iii only.

93. Which among the following is the apex organization of Industrial Finance in India? :

- a) IDBI b) ICICI c) IFCI d) RIDF.

94. Which of the following statement is / are correct about FRBM Act-2003? :

- i. The FRBM act came into effect on July 5, 2004.
- ii. Fiscal deficit and revenue deficit may exceed the targets only on the grounds such as national security, calamity or on exceptional grounds.
- iii. GOI not to borrow from RBI except by ways and means advances (WMAs).

Choose the correct option :

- (a) i and ii (b) ii and iii (c) iii and iv (d) i, ii and iii.

95. Which of the following statement are correct about 'Monnet Plan'? :

- i. Franch commenced its first six years plans in 1947.
- ii. Monnet plan become synonymous with indicative plan.
- iii. 'Imperative planning' was derived from 'Monnet Plan'.

Choose the correct codes :

- (a) i and ii (b) ii and iii (c) All the above (d) None of the above.

96. Which of the following instrument of money market organised in 1990? :

- i. Treasury Bill (TB)
- ii. Certificate of Deposits (CD).
- iii. Commercial Paper (CP)
- iv. Commercial Bill (CB)

Choose the correct codes :

- (a) i and ii (b) i, ii and iii (c) ii and iii (d) iii and iv.

97. Multidimensional Poverty Index (MPI) measures the derivation as a composite index of :

- a) Longevity, nutrition and knowledge.

- b) Knowledge, basic needs and standard of living.
- c) Health, standard of living and education.
- d) Longevity, knowledge and standard of living.

98. Consider the following statements about MUDRA Scheme :

- i. It is a special fund to finance small and medium enterprises.
- ii. It does not finance companies.
- iii. Co-operative societies are eligible to avail MUDRA re-finance.
- iv. The maximum loan amount is Rs.1crore.

Select the correct answer from the code given below :

- (a) i, iii and iv only (b) i, ii, iii and iv (c) ii and iv only (d) ii and iii only.

99. Which of the following is not a founding member of the Asian Infrastructure Investment Bank (AIIB)? :

- a) India b) China c) USA d) UK.

100. As part of the Ease of doing business measures, Government has announced in the 2018-19 Budget speech, amendments to the rules in relation to industrial employment. Which among the following is the charge introduced? :

- a) Banning contract employment in all industries.
- b) Permitting hire and fire policy in respect of industrial labour.
- c) Permitting employers to re-fix wages of the workers as per demand.
- d) Fixed term employees to receive the same emoluments and allowances pro-rata.
