

Objective
**INDIAN
ECONOMY**

Abhishek Dubey



Level 1 Questions SSC CGL, CPO, AILET, State PSC Exam, DUET, LIC, Bank PO,
TET and Railway.

Level 2 Questions UPSC CS, NDA, CDS, NTA, UGC NET, ICAR, JRF, RBI and ONGC

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Head Office : 1/12, Sahitya Kunj, M.G. Road Agra-282 002

Phone : (0562) 2527771-4, 7534077222

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Preface

We feel immense pleasure in introducing the first edition of 'General Knowledge Question Bank' for competitive exams aspirants. This book covers a wide range of general knowledge in a single concise volume for exams like UPSC CS, SSC, CGL, CPO, AILET, DUET, LIC, BANK PO, TET, NDA, NTA, UGC, JRF, RBI, ONGC.

The book follows a methodical approach to help you provide an in-depth understanding of the various areas tested in the GK section such as history, polity and Indian Constitution, economics, general science, miscellany, etc.

The book is demarcated into Level 1 & 2 as per the level of difficulty presented in the different levels of competitive exams. Both the levels contain a comprehensive theory followed by the practice questions for the students to answer. The answer key to all the questions is provided with a proper explanation for the students to evaluate and analyze them.

The book has been consciously written in a reader-friendly tone, avoiding any kind of technical jargon or complex vocabulary so as to explain the concepts in a simple manner to the students to make the most of it.

In spite of our best efforts, the possibilities of some errors of omission cannot be ruled out. Constructive suggestions will be appreciated and thankfully acknowledged.

-Publisher

A COMPLETE 2-YEAR-STUDY STRATEGY FOR YOUR COMPETITIVE EXAMINATIONS!

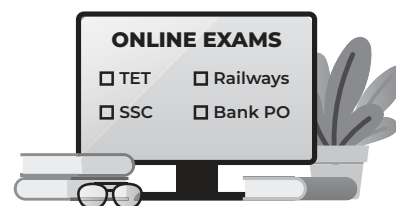
Students, now that you have passed your Class 10th board examinations and are moving to the higher secondary, senior secondary or junior college level, this is the time to decide for those who aspire to study for competitive exams or look for opportunities in PSUs and similar avenues.

As the 12th examination nears, the duration to prepare for your competitive examination shortens. This article will suggest you the best ways for preparing the competitive exams which you will appear for, right after your 12th board examination. However, you have 2 years to prepare and study for competitive exams and we believe 2 years is enough time to prepare if you have the right strategy.

Some popular competitive exams that students opt for after school or college - SSC CGL, CPO, AILET, State PSC Exam, DUET, LIC, Bank PO, TET, Railway, UPSC - NDA, CDS, NTA UGC NET, ICAR, JRF, RBI and ONGC

So, what are the best books for competitive exams? How do you frame a complete 2-year-study strategy to study for them?

This article has all your answers. Below are 5 powerful tips to follow for the next 2 years to make your preparation effective:



» **Write down your syllabus** : The first and foremost step in your exam preparation is to get a thorough understanding of the syllabus. Look for the latest updates and marking schemes in the syllabus as it is subjected to change annually. Write it down somewhere to see it all the time to stay focused.

» **Know your resources/ books** : Most of you would opt for offline classes for preparation. But, we believe in giving self-study a chance. There are ample resources available online for self-preparation. Falling for too many books or online websites would only result in you wasting your time shuffling between them. We would suggest having a limited and reliable set of resources.

You can check out reliable study resources like Oswal Publishers that have a great collection of sample papers and content for students.

» **Prepare a timetable** : Once you are sorted with the study resources and syllabus, we would suggest you to prepare the timetable. Do not go for the entire 2 years instead prepare a 1-year timetable for studying and covering the syllabus. The remaining 1 year can be dedicated to mock tests and evaluation.

» **Mock tests** : Now that you have studied the chapters and are done with the first half of the study strategy, it's time for evaluation! This may include collecting a good set of question papers (of previously held exams) or important questions which can be easily accessed through an online search.

These tips will help you lower your stress on the day of examination and provide you with the confidence to perform better. Trusted sources like Oswal Publishers provide collections of useful sample papers and mock tests online for better preparation.

Never leave things for tomorrow. Have the discipline and sincerity that will help you reach your goal. Following the above-discussed pointers will definitely drive you towards success. To learn more about the easy preparation for exams, Oswal Publishers is always within your reach!

Good luck with your exams!

Level-1

1. Macroeconomics is associated with the study of:
 - (a) Changes in employment
 - (b) Price levels
 - (c) Individual income
 - (d) All of the above
2. Microeconomics deals with:
 - (a) Behaviour of consumers in the market for different goods and services
 - (b) Employment and aggregate price level
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
3. The difference between visible exports and visible imports is defined as
 - (a) Balance of trade
 - (b) Balance of payment
 - (c) Balanced terms of trade
 - (d) Gains from trade
4. The Balance sheet shows
 - (a) The financial performance of the business
 - (b) The financial performance and the financial position of the business
 - (c) The financial position of the business
 - (d) The cash flow of the business
5. In business, disinvestment means to sell off certain assets. Which of the following can come under these assets?
 - (a) A manufacturing plant
 - (b) A division or subsidiary
 - (c) A product line
 - (d) All of the above
6. Money laundering is done to:
 - (a) To disguise the proceeds of criminal conduct
 - (b) To evade taxation
 - (c) To legitimize smuggled goods
 - (d) Both (a) and (b)
7. A PPA Agreement is related to:
 - (a) Banking regulations
 - (b) Banking Credit Norms
 - (c) Electricity
 - (d) IPO norms
8. Law of demand shows relation between
 - (a) Price and supply of goods
 - (b) Income and price of commodity
 - (c) Price and quantity of goods
 - (d) Income and quantity of demand
9. Which of the following terms is not related to the field of economics?
 - (a) Diminishing marginal utility
 - (b) Demand curve
 - (c) Utility
 - (d) Backwaters
10. 'Marginal Cost' equals to:
 - (a) Total cost minus total benefit for the last unit produced
 - (b) Total cost divided by total benefit for the last unit produced
 - (c) Total cost divided by quantity
 - (d) The change in total cost divided by the change in quantity
11. The recent policy of disinvestment of equity capital of public sector enterprises is mainly intended to:
 - (a) Reduce the burden of budgetary supports to them
 - (b) Convert them into holding companies
 - (c) Hand over them to private entrepreneurs
 - (d) To make them profit earning enterprises
12. When the growth of GDP in a country slows down suddenly, people start losing their jobs and the situation continues for several weeks, what name is given to this state of the economy?
 - (a) Inflation
 - (b) Recession
 - (c) Deflation
 - (d) Economic boom
13. What is Green Index?
 - (a) It measures the nation's wealth according to GNP per capita.
 - (b) It measures the nation's wealth according to GDP per capita
 - (c) It measures the nation's wealth according to provisions of control on greenhouse gases
 - (d) It measures nation's wealth in terms of coverage of forest area
14. Real national income growth refers to -
 - (a) National income growth adjusted for inflation
 - (b) National income growth adjusted for population growth
 - (c) National income growth adjusted for depreciation rate
 - (d) National income growth adjusted for saving growth
15. Increased interest rates, as is existing in the economy at present, will:
 - (a) Lead to higher GDP growth
 - (b) Lead to lower GDP growth
 - (c) Mean higher cost of raw materials
 - (d) Mean lower cost of raw materials
16. In the present context of socio-economic development, the concept of 'meeting the needs of the present without compromising the ability of future generations to meet their needs' is popularly known as the concept of
 - (a) Sustainable development
 - (b) Uniform growth
 - (c) Target-driven growth
 - (d) No risk-No growth
17. In economic terms, the total market value of all final goods and services produced in a country in a given year is known as:
 - (a) GNI
 - (b) GDP
 - (c) Inflation
 - (d) PPP

18. Who is known as the 'Father of Economics'?
- (a) Max Muller (c) Adam Smith
(b) Karl Marx (d) None of these
19. When a company is being liquidated who among the following would be the first to get paid?
- (a) Preferential Share holders
(b) Equity Share holders
(c) Creditors
(d) Debenture holders
20. Which of the following will fall in the Tier-I Capital?
- (a) Long term unsecured loans
(b) Debt Capital Instruments
(c) Intangible assets
(d) Revaluation Reserves
21. Arrange these stages of economic growth in a sequential order:
- I. The age of high mass consumption.
II. The traditional society.
III. The take-off stage.
IV. The drive to maturity.
- Codes:**
- (a) I, III, IV, II (c) III, I, II, IV
(b) II, IV, I, III (d) II, III, IV, I
22. Which of the following is a Tier II Capital?
- (a) Statutory reserves
(b) Long term unsecured loans
(c) Intangible assets
(d) All of these
23. Which of the following is temporary measure undertaken by government in defence of the domestic industry which is harmed or has potential threat getting harmed due to sudden cheap surge in imports?
- (a) Anti-Dumping Duties
(b) Countervailing Duties
(c) Subsidies
(d) Safeguard Duties
24. Which of the following will be included in the Tier-II Capital?
- (a) Paid up Capital
(b) Innovative perpetual debt instruments
(c) Debt capital instruments
(d) Statutory reserves
25. If a country exports goods at a price lower than the price it normally charges on its own home market, then the importing country, if it takes action then it will be called:
- (a) Anti-dumping actions
(b) Subsidy measures
(c) Countervailing measures
(d) Safeguard measures
26. Which of the following is influenced by the demand and the supply prevailing in the market?
- (a) Fixed exchange rate
(b) Floating exchange rate
(c) Crawling peg exchange rate
(d) Only (b) and (c)
27. A higher cash-GDP ratio can be a potential indicator for:
- (a) Affluence (c) Deposit rates
(b) Black Money (d) Strong currency
28. Total Fertility Rate means:
- (a) Average number of children born to a woman during her lifetime
(b) Average number of children born to an adult male during his lifetime
(c) Average number of children born in a family
(d) Average rate of growth of population
29. Which of the following correctly explains Crony Capitalism?
- (a) An economy marked by favouritism in the distribution of government grants
(b) An economy whose success depends on close relation between business people and the government
(c) It is a case of legal plunder
(d) All of the above
30. Which effect states that poor or developing economies grows faster compared to economies with a higher per capita income and gradually reach similar high levels of per capita income?
- (a) Income substitution effect
(b) Comparative advantage effect
(c) Catch up effect
(d) Domestic institutional effect
31. Unemployment which occurs when workers move from one Job to another Job is known as:
- (a) Cyclical unemployment
(b) Technological unemployment
(c) Seasonal unemployment
(d) Frictional unemployment
32. Which of the following is not a characteristic of developing countries?
- (a) High poverty level
(b) Low per capita income
(c) High growth of population
(d) High rate of investment
33. Stagflation refers to a situation which is characterized by:
- (a) Stagnant employment and deflation
(b) Deflation and rising unemployment
(c) Inflation and rising employment
(d) Inflation and rising unemployment
34. The balance of payments of a country is in equilibrium when the:
- (a) demand as well as supply of the domestic currency are the highest
(b) demand for the domestic currency is equal to its supply.
(c) demand for the domestic currency is the highest
(d) demand for the domestic currency is the lowest
35. An index number measuring the average price of consumer goods and services purchased by household is:
- (a) Wholesale Price Index
(b) Consumer Price Index
(c) Human Development Index
(d) Cost of living index
36. Consider the following reasons for the emergence of Macroeconomics from Microeconomics:
1. Earlier Markets did not exist at all.
 2. In a large number of situations society had decided to pursue certain important social goals unselfishly.
- Which of the statements given above is/are correct ?
- (a) 1 only (c) Both 1 and 2
(b) 2 only (d) Neither 1 nor 2
37. The law of diminishing returns applies to:
- (a) All sectors (c) Agricultural sector
(b) Industrial sector (d) Service sector

38. Which of the following is deducted from NNP to arrive at NI?
- Indirect Tax
 - Capital consumption allowance
 - Subsidy
 - Interest
39. Price discrimination is a feature of:
- Oligopoly
 - Monopoly
 - Monopsony
 - Duopoly
40. Price theory is also known as:
- Macroeconomics
 - Development Economics
 - Public Economics
 - Microeconomics
41. The market price is related to:
- Very short period
 - Short period
 - Long period
 - Very long period
42. Core inflation is a measure of inflation:
- that is based only on food and energy prices
 - that includes items that face volatile price movements, notably food and energy
 - that excludes items that face volatile price movements, notably food and energy
 - None of the above
43.is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy.
- Economic Policy
 - Fiscal Policy
 - Long-term Planning
 - Monetary Policy
44. If the interest payments are subtracted from Gross Fiscal Deficit, the remainder will be:
- Revenue Deficit
 - Gross Primary Deficit
 - Capital Deficit
 - None of the above
45. Choose the correct statement:
- FDI can be equity finance only.
 - FII's can be both debt & equity.
 - FII's are comparatively short-term investments than FDI's.
 - All of these
46. What is the Discomfort Index in Economics?
- Rate of unemployment + Inflation
 - Rate of inflation + Current Account Deficit
 - Fiscal Deficit + Current Account Deficit
 - Rate of inflation + Fiscal Deficit
47. Tobin Tax refers to:
- A levy on local bodies which do not utilise their funds properly
 - A tax to prevent speculation in shares
 - A tax to prevent speculative flight of capital
 - A tax on expenditure on luxury items
48. What are the disadvantages of Indirect Taxation?
- They are not equitable.
 - It is inconvenient to collect.
 - It is harmful for industries.
 - It limits capital formations and investment opportunities.
- Only 1 and 2
 - Only 2 and 3
 - Only 3 and 4
 - Only 1 and 3
49. Choose the correct statements regarding the AT1 Bonds:
- They combine debt and equity elements
 - They don't have any set maturity debt
 - They stand for Additional Tier 1 Bonds
 - All the three are correct
50. What is the reason behind the difference between constant and current prices?
- The impact of inflation
 - The impact of Base years
 - The impact of GDP
 - The impact of Retail Price
51. When there is a false signal in the markets that the rising prices of a stock would reverse and sink, but actually it doesn't happen, then what is it called?
- Bull Trap
 - Bull Sink
 - Bear Trap
 - Bear Sink
52. Choose the Non-Tax Revenue items:
- Loans recovered
 - Disinvestment
 - External Debt
 - None of the above
53. Which one of the following is the most active segment of the money market?
- Term Money
 - Notice Money
 - Call Money
 - T-Bills
54. Which of the following will fall in the category of Market Risk?
- System failure
 - Increased competition
 - Deficiency in loan documentation
 - None of the above
55. Characterised by Harrod-Domar Model, the full capacity growth rate is also known as:
- Actual growth rate
 - Warranted growth rate
 - Natural growth rate
 - Expected growth rate
56. Select the following option which is not relevant with 'Empowerment of women'?
- Gender Development Index
 - Gender Empowerment Measure
 - Gender Discrimination
 - Gender Budgeting
57. According to Harold, when warranted rate is below the natural rate of growth, then it is possible to maintain the stable state of growth at warranted rate with:
- Continually increasing unemployment
 - A constant rate of unemployment
 - Continually decreasing unemployment
 - None of the above
58. Which of the following is the correct definition of unemployment rate?
- Number of people not in job as a ratio of total population.
 - Number of people not in job as a ratio of labour force.
 - Number of people not in job but actively looking for job as a ratio of labour force.
 - Number of people not in job but actively looking for job as a ratio of total population.
59. Which of the following are the components of Aggregate demand?
- Consumption
 - Investment
 - Government spending
 - All of the above

60. Which of the following macroeconomic indicators are calculated with a base year of 2011-12?
1. IIP
 2. WPI
 3. CPI
 4. National Accounts
- (a) 2, 3 and 4 (c) 1, 2 and 3
(b) 3 and 4 (d) 1, 2, 3 and 4
61. Suppose a farmer has four acres of land to work on this land, he actually needs two workers and himself to carry out various operations on his farm, yet he employs five workers and his family-members. What is this situation called?
- (a) Disguised unemployment
 - (b) Open unemployment
 - (c) Cyclical unemployment
 - (d) Frictional unemployment
62. Which of the following is seriously challenged by the New Keynesian economics regarding to the full adaptability of a policy change on the part of economic agents?
- (a) Neo Keynesians
 - (b) New classical economics
 - (c) Monetarists
 - (d) Both (a) and (b)
63. Which of the following is the apex institution that handles refinance for agriculture and rural development in India?
- (a) RBI (c) NABARD
 - (b) SIDBI (d) SEBI
64. Which of the following is a subject matter of macroeconomics?
- (a) Demand (c) Cost of production
 - (b) Supply (d) Government Budget
65. Which of the following is an example of micro-economics?
- (a) Demand of a commodity
 - (b) National Income
 - (c) Banking
 - (d) Foreign Currency
66. Which of the following is related to Micro-economics?
- (a) Inflation in the economy
 - (b) Unemployment
 - (c) National income
 - (d) Wages of workers
67. Phillips curve establishes the relationship between:
- (a) Inflation and employment
 - (b) Inflation and unemployment
 - (c) Inflation and economic growth
 - (d) Economic growth and unemployment
68. "Inflation is always and everywhere a monetary phenomenon." Who said this?
- (a) Robert Solow
 - (b) Irving Fisher
 - (c) Thomas Samuelson
 - (d) Milton Friedman
69. Which part of economic theory aims to determine income and employment level of the economy?
- (a) Microeconomics (c) Neither (a) nor (b)
 - (b) Macroeconomics (d) Both (a) and (b)
70. What do you understand by the Built-in Inflation?
- (a) It is caused by increase in aggregate demand due to increased private and government spending
 - (b) It is caused by drop in aggregate supply due to natural disaster
 - (c) It is induced by adaptive expectations and is often linked to "price/wage Spiral"
 - (d) It is caused by large scale hoarding of food grains leads to artificial scarcity of food grains
71. Which of the following is also called the 'supply shock inflation'?
- (a) Demand pull inflation
 - (b) Cost-push inflation
 - (c) Built-in inflation
 - (d) None of these
72. What are the correct facts about stagflation?
- (1) It is a state where the economic growth is slow, with high unemployment.
 - (2) Stagflation increases the inflationary tendency of the economy.
 - (3) Stagflation increases the deflationary tendency of the economy.
 - (4) Its causes can be poor economic policies along with the effect of oil prices.
- (a) Only 1 and 2 (c) Only 1 and 3
(b) Only 1, 2 and 4 (d) Only 1, 3 and 4
73. Which of the following are the effects of inflation?
1. Inflation redistributes wealth from debtors to creditors.
 2. Investment in the economy is boosted by the inflation in the long run.
- Select the correct answer using the codes given below:
- (a) Only 1 (c) Both (a) and (b)
(b) Only 2 (d) None of these
74. What are the correct facts about the momentum of inflation:
- (a) It is measured as the three month average seasonally adjusted and annualized
 - (b) It has declined from nearly 15 % to below 5 %, while the momentum of food prices has dipped further
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
75. Which of the following is a form of unemployment that happens when workers move from one job to another job?
- (a) Seasonal unemployment
 - (b) Frictional unemployment
 - (c) Cyclical unemployment
 - (d) Technological unemployment
76. What is the Macro-Vulnerability Index?
- (a) It is the combination of the country's FD, CPI and CAD
 - (b) It is the combination of the country's FD, RD and CAD
 - (c) It is the combination of the country's FD, CAD, CPI and ERD
 - (d) None of these
77. Which of the following is not an assumption for micro economists?
- (a) Demand and supply of all products remain constant all the time
 - (b) Divisibility of goods
 - (c) Utility maximization of any consumer
 - (d) Diminishing returns

78. Mark the correct statement.
- For IMF NNP is the national income
 - According to IMF China is the largest economy of 2018
 - GNP = GDP + income from abroad
 - Both (a) and (c)
79. Monetized deficit means:
- Fiscal deficit less interest payments
 - Government expenditure which is financed through the sale of ad-hoc treasury bills.
 - Increase in RBI credit to Central Government.
 - Fiscal deficit less loans and advances.
80. Which of the following is/are the part of Priority Sector Lending?
- Renewable energy
 - Urban electrification
 - Both (a) and (b)
 - Neither (a) nor (b)
81. Arrange the following in the decreasing order of the intensity of the inflation:
- Galloping Inflation
 - Hyperinflation
 - Creeping Inflation
 - Trotting Inflation
- Codes:**
- 2, 4, 1 and 3
 - 2, 1, 4 and 3
 - 1, 2, 4 and 3
 - 1, 2, 3 and 4
82. Which of the following is an example of a gold-collared job?
- Chartered Accountant
 - Office clerk
 - Managers
 - All of the above
83. Broad Money is denoted by:
- M1
 - M2
 - M3
 - M4
84. Who had termed economy as a 'dismal science'?
- Adam Smith
 - John Maynard Keynes
 - Ralph Waldo Emerson
 - Thomas Carlyle
85. Justify the method which is not used to measure inflation?
- Wholesale price index number
 - Consumer price index number
 - Purchasing power parity prices
 - GDP Deflator
86. Which includes in Broad Money (M) in India?
- Currency with the public
 - Demand deposits with Banks
 - Time deposits with Banks
 - 'Other deposits' with RBI
- Select the correct answer using the codes given below:
- 1, 2 and 3
 - 1 and 2
 - 3 and 4
 - 1, 2, 3 and 4
87. Due to which of the following reasons does India exhibit so much of disguised unemployment in the rural areas?
- Choice of a heavy industry model for economic development
 - Low levels of technological development in the country
 - Heavy pressure of population along with slow implementation of land reforms
 - High illiteracy rate
88. Which of the following statements is/are correct regarding inflation in India?
- Decline in fuel prices reduces the Wholesale Price Index (WPI) more sharply than the Consumer Price Index (CPI).
 - Increase in food prices increases in the Consumer Price Index (CPI) more sharply than the Wholesale Price Index (WPI).
- 1 only
 - 2 only
 - Both 1 and 2
 - Neither 1 nor 2
89. The consequence of abnormally low levels of inflation in a previous month distorting headline inflation numbers for the most recent month. This effect is called:
- Inflationary Trend Effect
 - Low Base Effect
 - Deflationary Trend Effect
 - High Base Effect
90. According to the law of diminishing marginal utility, as the amount of a good consumed increases, the marginal utility of that good tends to: **(CDS 2018)**
- improve
 - diminish
 - remain constant
 - first diminish and then improve
91. The Cash Reserve Ratio refers to: **(CDS 2020)**
- The share of Net Demand and Time Liabilities that banks have to hold as liquid assets
 - The share of Net Demand and Time Liabilities that banks have to hold as balances with the RBI
 - The share of Net Demand and Time Liabilities that banks have to hold as part of their cash reserves
 - The ratio of cash holding to reserves of banks
92. Which one of the following is not correct about Repo rate? **(CDS 2020)**
- It is the interest rate charged by the Central Bank of overnight loan
 - It is the interest rate paid by the commercial banks on overnight borrowing
 - It is the interest rate agreed upon in the loan contract between a commercial bank and the Central Bank
 - It is the cost of collateral security.

Answers with Explanations

Level-1

- (b) Macroeconomics is a branch of economics that studies how the aggregate economy behaves. In macroeconomics, a variety of economy-wide phenomena are thoroughly examined such as, inflation, price levels, rate of growth, national income, gross domestic product and changes in employment.
- (a) Microeconomics deal with:
 - The behaviour of individual economic agents in the markets for different goods and services.
 - How prices and quantities of goods and services are determined through the interaction of individuals in these markets.
 - The level of total output in the economy.
 - The resources of the economy (i.e., labour fully employed).

Macroeconomics, on the other hand, deals with:

- Total output.
- Employment and aggregates price level.

Thus, the study of different markets as individual unit is done in microeconomics on the other hand. In Macroeconomics, we try to study the behaviour of aggregate or macro measures of the performance of the economy.

- (a) The difference between visible exports and visible imports is defined as Balance of trade.
- (c) The balance sheet, also known as a 'statement of financial position,' shows the financial position of the firm at a point in time. The left side of the balance sheet shows the resources of the company (assets), whereas on the right side, it shows how these resources have been funded. By definition, the funding is either by the owners (equity) or by others (liabilities).
- (d) In business, disinvestment means to sell off certain assets such as a manufacturing plant, a division or subsidiary, or product line. Also known as divestiture, it is made for either financial or social goals. Divestment is the opposite of Investment or capital expenditure.
- (d) Money laundering is the generic term used to describe the process by which criminals disguise the original ownership and control of the proceeds of criminal conduct by making such proceeds appear to have derived from a legitimate source. Tax evasion and other fiscal offences are treated as predicate money laundering crimes.
- (c) A power purchase agreement (PPA), or electricity power agreement, is a contract between two parties, one which generates electricity (the seller) and one which is looking to purchase electricity (the buyer).
- (c) The law of demand states that if all other factors affecting demand remain constant, the buyers will buy more quantity of a commodity at a lower price and less of it at a higher price.
- (d) Backwaters refers to the part of the river in which the water is stagnant. All the remaining terms belongs to the fields of economics.
- (d) Marginal cost is the change in the total cost that arises when the quantity produced has an increment by unity. That is, it is the cost of producing one more unit of a good. To illustrate marginal cost let's assume that the total cost of producing 10 units is ₹ 500 and total cost of producing 15 units is ₹ 750. Then Marginal cost will be: $\frac{250}{5} = ₹ 50$.
- (a) The recent policy of disinvestment of equity capital of public sector enterprises is mainly intended to reduce the burden of budgetary supports to them.
- (b) This state of the economy is called Recession. Recession generally occurs when there is a widespread drop in spending (an adverse demand shock). This may be triggered by various events, such as financial crisis, an external trade shock, an adverse supply shock or the bursting of an economic bubble.
- (c) Green Index measures the nation's wealth according to provisions of control on greenhouse gases.
- (a) The real economic growth, or real GDP growth rate, measures economic growth as it relates to the gross domestic product (GDP) from one period to another, adjusted for inflation, and expressed in real terms as opposed to nominal terms.
- (c) Increased interest rates, as is existing in the economy at present, will mean higher cost of raw materials.
- (a) In the present context of socio-economic development, the concept of 'meeting the needs of the present without compromising the ability of future generations to meet their needs' is popularly known as the concept of Sustainable development.
- (b) Gross domestic product (GDP) is a monetary measure of the market value of all final goods and services produced in a country during period (quarterly or yearly) of time.
- (c) Adam Smith FRSA was a Scottish economist, philosopher and author as well as a moral philosopher, a pioneer of political economy and a key figure during the Scottish Enlightenment, also known as 'The Father of Economics' or 'The Father of Capitalism'.
- (c) If a company is liquidated the payment will be done in this order—Creditors—Debtenture/Bond holders—Preference shareholders—Equity share-holders.
- (c) Intangible assets will fall in the Tier I capital, rest all are in the Tier II capital. An intangible asset is an asset that lacks physical substance. It is defined in opposition to physical assets such as machinery and buildings.
- (d) The four stages of economic growth which were proposed in 1960 by economist Walt Roston suggested are in the following order—traditional society, preconditions for the take-off stage, the drive to maturity and the age of high mass consumption.
- (b) Long term unsecured loans fall in the category of Tier-II loans. Tier-II capital includes revaluation reserves, hybrid capital instruments and subordinated term debt, general loan-loss reserves, and undisclosed reserves. Tier-II capital is supplementary capital because it is less reliable than tier 1 capital.
- (d) A WTO member may restrict imports of a product temporarily (take safeguard actions) if its domestic industry is injured or threatened with injury caused by a surge in imports.
- (c) Debt Capital Instruments will be included in the Tier-II Capital. Tier-II capital is designated as supplementary capital, and is composed of items such as revaluation reserves, undisclosed reserves, hybrid instruments and subordinated term debt.
- (a) Anti-dumping actions are clamped on those imported goods, whose exporting countries are exporting them at prices lower than their home market prices.
- (d) Floating Exchange Rate and Crawling Peg Exchange Rate are influenced by the market forces of demand and supply.
- (b) A higher cash-GDP ratio shows how much of the GDP of a country is in the form of cash. Empirically, it has been seen that higher the cash-GDP ratio of a country, the higher is the stored Black Money.

28. (a) Total Fertility Rate is the Average number of children born to a woman during her lifetime. If, she was to experience the exact current age-specific fertility rates (ASFRs) through her lifetime, and she was to survive from birth to the end of her reproductive life.
29. (d) Crony capitalism is a term describing an allegedly capitalist economy in which success in business depends on close relationships between business people and government officials. It may be exhibited by favouritism in the distribution of legal permits, government grants, special tax breaks, and so forth. It is a case of legal plunder.
30. (c) Catch up effect, alternatively called the theory of convergence, states that poor or developing economies grow faster compared to economies with a higher per capita income and gradually reach similar high levels of per capita income. Thus, all economies, over time, may converge in terms of income per head.
31. (d) Frictional unemployment refers to the unemployment that takes place when people are searching for a job or transferring from one job to another. This kind of unemployment occurs in every economy.
32. (d) In developing countries, the rate of saving and investment is very low because people tend to spend most of their earnings on essential items, such as food, health and education.
33. (d) Stagflation describes a situation where an inflation rate is high, the economic growth rate slows down and unemployment remains steadily high. It raises a dilemma for economic policy since actions designed to lower inflation may exacerbate unemployment, and vice-versa.
34. (b) When the balance of payments (BOP) of a country is in equilibrium, the surplus or deficit is eliminated from the BOP. When the BOP of a country is in equilibrium, the demand for domestic currency is equal to its supply. The demand and supply situation is thus neither favourable nor unfavourable.
35. (b) The Consumer Price Index (CPI) measures the average price of consumer goods and services that a typical household purchases. It is the best known Price Index and is frequently called a Cost-of-Living Index.
36. (b) Macroeconomics tries to address situations facing the economy as a whole. Adam Smith, the founding father of modern economics, had suggested that if the buyers and sellers in each market take their decisions following only their own self-interest, economists will not need to think of the wealth and welfare of the country as a whole separately. But economists gradually discovered that they had to look further. Economists found that first, in some cases, the markets did not or could not exist. Secondly, in some other cases, the markets existed but failed to produce equilibrium of demand and supply. Thirdly, and most importantly, in a large number of situations society (or the State, or the people as a whole) had decided to pursue certain important social goals unselfishly (in areas like employment, administration, defence, education and health) for which some of the aggregate effects of the microeconomic decisions made by the individual economic agents needed to be modified.
37. (a) Diminishing returns, also called law of diminishing returns or principle of diminishing marginal productivity, is an economic law stating that if one input in the production of a commodity is increased while other inputs remain constant, the resulting increase in output will eventually decrease. After some optimal level of capacity, the addition of any input will inevitably decrease production. The law of diminishing returns applies to all sectors.
38. (a) Indirect Tax is deducted from NNP to arrive at NI. An indirect tax is a tax collected by an intermediary from the person who bears the ultimate economic burden of the tax. The intermediary later files a tax return and forwards the tax proceeds to government with the return.
39. (b) A market structure characterized by a single seller, selling a unique product in the market. Price discrimination is the feature of monopoly. In a monopoly market, the seller faces no competition, as he is the sole seller of goods with no close substitute.
40. (d) The theory of price, or price theory, is a microeconomic principle that uses the concept of supply and demand to determine the appropriate price points for a good or service.
41. (a) The market price is the current price which is related to short period at which an asset or service can be bought or sold. The economic theory contends that the market price converges at a point where the forces of supply and demand meet.
42. (c) Core inflation represents the long run trend in the price level. In measuring long run inflation, transitory price changes should be excluded. One way of accomplishing this is by excluding items frequently subject to volatile prices, like food and energy.
43. (b) Fiscal policy is the means by which a government adjusts its spending levels and tax rates to monitor and influence a nation's economy.
44. (b) If interest payments are subtracted from gross fiscal deficit, the remainder will be the Gross Primary Deficit. Gross Primary Deficit is Gross Fiscal Deficit less interest payments. Net interest payment is interest paid minus interest receipt.
45. (d) All statements are correct. Foreign direct investment (FDI) is an investment made by a firm or individual in one country into business interests located in another country.
46. (a) Discomfort index is the sum of rate of unemployment & the rate of annual inflation. The index helps determine how the average citizen is doing economically and it is calculated by adding the seasonally adjusted unemployment rate to the annual inflation rate.
47. (c) A Tobin tax, suggested by Nobel Memorial Prize in Economic Sciences Laureate economist James Tobin, was originally defined as a tax on all spot conversions of one currency into another. Tobin's original tax was intended to put a penalty on short-term financial round-trip excursions into another currency and it is a tax to prevent speculative flight of capital.
48. (d) Indirect Taxes are the easiest to collect and direct taxes limit capital formations and investment opportunities.

In the case of indirect tax, the burden of tax can be shifted by the taxpayer to someone else. Indirect tax has the effect of raising the price of the products on which they are imposed. Customs duty, central excise, service tax and value added tax are examples of indirect tax.

49. (d) All of the three statements are correct. These bonds have no maturity date. Technically they can continue to pay the coupon forever. The issuing bank has the option to call back the bonds or repay the principal after a specified period of time. The recent State Bank of India (SBI) issue, for example, can be called back after 5 years. The attraction for investors is higher yield than secured bonds issued by the same entity. But this comes with a two-fold risk.
50. (a) Income can be derived at two prices – constant and current. The difference in the constant and the current prices is only that of the impact of inflation.
51. (c) A Bear Trap occurs when there is a false signal in the markets that the rising prices of a stock would reverse and sink, but actually it doesn't happen. A situation in which investors who sold short near the bottom of a down cycle find themselves trapped when the market unexpectedly reverses.
52. (d) Loans recovered, Disinvestment & external debt belong to the Capital Receipt. In finance the term recovery refers to collection of amount due. The normally recovery depends on the purpose, time and condition, business running process, etc. Police services, homeguards, electricity, etc., are the items of non-tax revenue.
53. (c) Call Money is the most active segment of the money market as it is borrowing or lending money for 1 day only. Call money is minimum 5% short-term finance repayable on demand, with a maturity period of one to fourteen days or overnight to fortnight. It is used for inter-bank transactions.
54. (d) All the above belong to Operation Risk. Market risk is the risk that the value of an investment will decrease due to changes in market factors. Market risk is sometimes called Systematic risk because it relates to factors, such as a recession, that impact the entire market. Operational risk is the prospect of loss resulting from inadequate or failed procedures, systems or policies.
55. (c) "Warranted growth" refers to that growth rate of the economy when it is working at full capacity. It is also known as full-capacity growth rate.
56. (c) In India, discriminatory attitudes towards either sex have existed for generations and affect the lives of both sexes. Gender discrimination describes the situation in which people are treated differently simply because they are male or female, rather than on the basis of their individual skills or capabilities.
57. (a) According to Harold, when warranted rate is below the natural rate of growth, then it is possible to maintain the stable state growth at warranted rate with continually increasing unemployment. The Harrod–Domar model is a classical Keynesian model of economic growth. It is used in development economics to explain an economy's growth rate in terms of the level of saving and productivity of capital.
58. (b) Labor force (also called work force) is the total number of people employed or seeking employment in a country or region. Unemployment rate is the percent of the labor force that is without work.
- $$\text{Unemployment rate} = \frac{\text{Unemployed workers}}{\text{Total labour force}} \times 100$$
59. (d) There are four components of Aggregate Demand (AD); Consumption (C), Investment (I), Government Spending (G) and Net Exports (X-M). Aggregate Demand shows the relationship between Real GNP and the Price Level.
60. (d) All of these are calculated with a base year of 2011-12. Earlier the IIP was calculated with a base year of 2004-05, from now on the base year has been changed to 2011-12. This thus brought all the macroeconomic indicators in one line. However, all of these are set to change within a very short time.
61. (a) Disguised unemployment: This is a kind of unemployment in which there are people who are visibly employed, but actually they do not have full employment. About one third of agriculture workers in India are classified as disguisedly unemployed.
62. (b) In the field of Macroeconomics, the new Keynesian economics is a school of thought that strives to provide microeconomic foundations for Keynesian economics. It developed partly as a response to criticisms of Keynesian macro-economics by adherents of new classical macroeconomics.
63. (c) NABARD is an apex Development Bank authorised for providing and regulating credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts and other rural crafts and other allied economic activities in rural areas with a view to promote integrated rural development and prosperity and for matters connected there with.
64. (d) Macroeconomics is the branch of economics concerned with large-scale or general economic factors, such as interest rates and national productivity. Government budget is a subject matter of macroeconomics.
65. (a) Microeconomics is the study of individuals, households and firms' behavior in decision making and allocation of resources. Demand of a commodity is an example of microeconomics.
66. (d) Wages of workers will fall under microeconomics.
67. (b) The Phillips curve is an economic concept developed by A. W. Phillips stating that inflation and unemployment have a stable and inverse relationship. The theory claims that with economic growth comes inflation, which in turn should lead to more jobs and less unemployment.
68. (d) 'Inflation is always and everywhere a monetary phenomenon, in the sense that it is and can be produced only by a more rapid increase in the quantity of money than in output'. Milton Friedman said this statement.

69. (b) (i) Macroeconomics studies economic problems at the level of the economy as a whole. It determined the income and employment level of the economy.
- (ii) Macroeconomics is concerned with determination of aggregate output and a general price level in the economy as a whole. Study of macroeconomics assumes that micro variables like (distribution of income and wealth remains constant)
70. (c) Built-in inflation is induced by adaptive expectations, and is often linked to the "price/ wage spiral". It involves workers trying to keep their wages up with prices (above the rate of inflation), and firms passing these higher labor costs on to their customers as higher prices, leading to a 'vicious circle'.
71. (b) Cost-push inflation, also called "supply shock inflation," is caused by a drop in aggregate supply (potential output). This may be due to natural disasters, or increased prices of inputs. Cost-push inflation is a type of inflation caused by substantial increases in the cost of important goods or services where no suitable alternative is available. It stands in contrast to demand-pull inflation.
72. (b) Stagflation is a condition of slow economic growth and relatively high unemployment, or economic stagnation, accompanied by rising prices, or inflation. It can also be defined as inflation and a decline in gross domestic product (GDP).
73. (d)
74. (c) Both the given statements are correct. Inflation is a quantitative measure of the rate at which the average price level of a basket of selected goods and services in an economy increases over a period of time. Often expressed as a percentage, inflation indicates a decrease in the purchasing power of a nation's currency.
75. (b) Frictional unemployment is a type of unemployment. It is sometimes called search unemployment and can be based on the circumstances of the individual. It is time spent between jobs when a worker is searching for a job or transitioning from one job to another.
76. (d) Macro - Vulnerability Index which adds up rate of inflation, current account deficit and fiscal deficit of a country is quite helpful in comparing countries across years. In developing countries the MVI is determined by various structural conditions which expose an economy to financial shocks.
77. (a) Assumptions for micro economists are the following:
 Economic man. This term implies that each person under discussion attempts to maximize personal satisfactions and profits. He calculates his opportunities and takes the appropriate action to serve his selfish ends.
 Mobile resources. There are no artificial boundaries among economic units. Labor is free to go to work in the most profitable or enjoyable employment. Owners of capital can invest their funds where profits appear most attractive.
 Reliable, free flows of information. Everyone knows where the opportunities are, what is more, there incomplete and instantaneous movement of information.
- Diminishing returns. There is such a thing as too much of a good thing. Adding labor to a productive activity eventually diminishes the satisfactions realized from each additional unit of the commodity or service consumed.
 Divisibility of goods and labour efforts. Fine, quantitative gradations can be made in measurement. Goods, services, and factors of production are infinitely divisible. In mathematics this assumption is called continuity.
78. (c) $GNP = GDP + \text{Income from abroad}$.
 Gross national product (GNP) is an estimate of total value of all the final products and services turned out in a given period by the means of production owned by a country's residents. Net exports represent the difference between what a country exports minus any imports of goods and services.
79. (c) Monetized Deficit: It refers to the increase in net RBI credit to the Central government. It is the sum of net increase in holding of Treasury bill of Central Bank and its contribution to the market borrowing of the government.
80. (a) The objective of PSL is to ensure that adequate institutional credit flows into some of the vulnerable sectors of economy. Export credit, renewable energy, agriculture, micro and small enterprises, education, housing etc come under the PSL. Priority Sector means those sectors which the Government of India and Reserve Bank of India consider as important for the development of the basic needs of the country and are to be given priority over other sectors.
81. (b) Hyperinflation > Galloping Inflation > Trotting Inflation > Creeping Inflation.
- Hyperinflation is very high and typically accelerating inflation. It quickly erodes the real value of the local currency, as the prices of all goods increase.
 - When prices of goods and services rise at a double, triple digit rate per annum, that situation is known as galloping inflation.
 - When prices rise moderately and the annual inflation rate is a single digit (3%-10%), it is called walking or trotting inflation.
 - When the rise in prices is very slow (less than 3% per annum) like that of a snail or creeper, it is called creeping inflation.
82. (a) The profession which includes highly skilled professionals who may be in high demand, such as chartered accountants, surgeons, anesthesiologists, engineers and lawyers are called gold-collared jobs. Gold-collar workers are highly skilled knowledge workers, traditionally classified as white collar, but who have recently become essential enough to business operations as to warrant a new classification.
83. (c) $\text{Narrow Money } M1 = \text{Currency with the public} + \text{Demand Deposits of public in Banks}$ When a third component viz. Post office Savings Deposits is also added to M1, it becomes M2. $M2 = M1 + \text{Post Office Savings}$. $\text{Broad Money } M3 = \text{Narrow money} + \text{Time Deposits of public with banks}$.

84. (d) Dismal science is a term coined by Scottish writer, essayist, and historian Thomas Carlyle to describe the discipline of economics. The term is said to have been inspired by T. R. Malthus' gloomy prediction that population would always grow faster than food, dooming man-kind to unending poverty and hardship.
85. (c) Purchasing power parity (PPP) is a theory that states that exchange rates between currencies are in equilibrium when their purchasing power is the same in each of the two countries. It is not used to measure inflation.
86. (d) M_3 (Broad money) is a measurement of money supply in India. Its components are :
1. Currency with public,
 2. Demand deposits with banks.
 3. Time deposits with banks.
 4. Other deposits with RBI.
87. (b) Due to low technological development that India exhibits so much of disguised unemployment in the rural areas.
88. (c) Compared to a weight of fuel and power at 14.9% in the WPI, the weight of fuel and light in the CPI is 9.5%. As fuel has larger weight in the WPI, the decline in fuel prices lead to a sharper fall in the WPI as compared to the Consumer Price Index (CPI).
- Similarly, food has larger weightage in the CPI, with a combined weight of food, beverages and tobacco at 49.7%. Within WPI, Food commodities have a combined weight of 24.31%. This includes "Food Articles" in the Primary Articles (14.34%) and "Food Products" in the Manufactured Products category (9.97%). Hence, an increase in food prices leads to a sharper increase in CPI than in WPI.
89. (b) The consequence of abnormally low levels of inflation in a previous month distorting headline inflation numbers for the most recent month. This effect is called Low Base Effect.
90. (b) Economists use the concept of marginal utility to measure happiness and pleasure and how that affects consumer decision-making. They have also identified the law of diminishing marginal utility, which means that the first unit of consumption of a good or service has more utility than the next units of consumption. Hence, the marginal utility of the good diminishes as the amount of good consumed increases.
91. (a) Cash Reserve Ratio (CRR) is the share of Net Demand and Time Liabilities that the banks have to hold as liquid assets. Cash Reserve Ratio (CRR) is a specific portion of the total deposit that is held as a reserve by the commercial banks and is mandated by the RBI (Reserve Bank of India). This particular amount is held as a reserve in the form of cash or as a cash equivalent which is stored in the bank's vault or is sent to the RBI. Cash Reserve Ratio in the case of India is decided by the MPC (Monetary Policy Committee) under the periodic Monetary and Credit Policy.
92. (a) Repo rate is that rate at which the Central Bank of the country (in case of India, it is RBI) lends money to the commercial banks in the event of any shortfall of

funds. Repo rate is used by the monetary authorities to control inflation. It is a cost of collateral security. It is the interest rate which is paid by the commercial banks on overnight borrowing.

Level-2

1. Consider the following statements
 (1) Fixed exchange rate provides stable market.
 (2) Floating exchange rate provides instable market.
 Which of the above statements is/are correct?
 (a) Only 1 (c) Both 1 and 2
 (b) Only 2 (d) Neither 1 nor 2
2. Which of the following is correct?
 (a) There is a direct relationship between import and price of foreign currency.
 (b) There is indirect relationship between import & price of foreign currency.
 (c) There is no relationship between the two
 (d) None of these
3. Which of the following is the sources Fiscal Deficit?
 (1) Tax Revenue
 (2) Deficit financing
 (3) Non-Tax revenue
 Select the correct statements:
 (a) Only 1 and 2 (c) Only 1 and 3
 (b) Only 2 and 3 (d) 1, 2, and 3
4. What does Revenue Deficit indicate?
 (1) Total borrowing requirements of government
 (2) Inability of government to meet its regular & recurring expenditure.
 Use the following codes to answer correctly.
 (a) Only 1 (c) Both 1 and 2
 (b) Only 2 (d) Neither 1 nor 2
5. Which of the following is/are examples of Revenue Receipts?
 (1) Income Tax
 (2) Borrowings
 (a) Only 1 (c) Both 1 and 2
 (b) Only 2 (d) Neither 1 nor 2
6. A government budget can bridge the gap between rich & poor by:
 (1) buying taxes on luxurious items.
 (2) incurred benefits to low income groups
 Choose the incorrect statements-
 (a) Only 1 (c) Both 1 and 2
 (b) Only 2 (d) Neither 1 nor 2
7. Which of the following comes under Current Account?
 (1) Merchandise
 (2) Invisible
 (a) Only 1 (c) Both 1 and 2
 (b) Only 2 (d) Neither 1 nor 2
8. Which of the following is not included in Current Account?
 (1) Investment Income
 (2) Compensation of employees
 (a) Only 1 (c) Both 1 and 2
 (b) Only 2 (d) Neither 1 nor 2
9. Which of the following is a demand deposit?
 (1) Deposits which can be withdrawn any time.
 (2) Deposits on which banks can charge a fine, if a minimum amount is not maintained.

- (a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
10. Consider the statements:
(1) Devaluation occurs exclusively under floating exchange rate system.
(2) Depreciation occurs under fixed exchange system.
Choose the incorrect statements:
(a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
11. Consider the following features of financial equipment:
(1) It is the most liquefied.
(2) It is readily accepted everywhere.
Which of the following is being talked about?
(a) Cheque (c) Money
(b) Shares (d) Gold
12. Consider the following statements:
(1) During deficit demand, bank rate is reduced to increase money supply.
(2) Reverse Repo Rate is increased to remove excess demand.
Which of the verb is are incorrect?
(a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
13. Consider the following:
(1) Private foreign loan flow.
(2) Movement in Banking Capital.
Which of the above will be included in 'Capital Account' of Balance of payments account?
(a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
14. Which of the following increase purchasing power of people?
(1) Deficit financing
(2) Bringing Compulsory Deposit Scheme
(a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
15. Which of the following measures can check inflation?
(1) Mobilizing resources through public debt
(2) Raising the rate of Capital Gains Tax
(a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
16. If Tea and Coffee are substitutes, a fall in the prices of Tea leads to:
(i) Rise in the demand for Tea
(ii) Fall in the demand of Tea
(iii) Fall in the demand for Coffee
(iv) Rise in the demand of Coffee
Choose the correct statement:
(a) Both (ii) and (iv) (c) Both (ii) and (iii)
(b) Both (i) and (iii) (d) Both (iii) and (iv)
17. Consider the following statements:
(1) Purchasing power of people needs to be reduced to fame high aggregate demand.
(2) Taxation rates need to be reduced during deflation.
Which of the above is/are correct?
(a) Only 1 (c) Both 1 and 2
(b) Only 2 (d) Neither 1 nor 2
18. Which of the following is an essential element of demand:
(i) Quantity of the Commodity
(ii) Willingness to buy
(iii) Price of the Commodity
(iv) Period of time
(a) Only (i) and (ii)
(b) Only (ii) and (iii)
(c) Only (iii) and (iv)
(d) All the mentioned above
19. Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)? **(CDS 2018)**
1. It decides the RBI's benchmark interest rates.
2. It is a 12-member body including the Governor of RBI and is reconstituted every year.
3. It functions under the chairmanship of the Union Finance Minister.
Select the correct answer using the code given below:
(a) 1 only (c) 3 only
(b) 1 and 2 only (d) 2 and 3 only
20. Consider the following statements: **(CDS 2018)**
1. Tax revenue as a percent of GDP of India has steadily increased in the last decade.
2. Fiscal deficit as a percent of GDP of India has steadily increased in the last decade.
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
21. Consider the following statements about indifference curves: **(CDS 2019)**
1. Indifference curves are convex to the origin.
2. Higher indifference curve represents higher level of satisfaction.
3. Two indifference curves intersects each other.
Which of the statements given above is/are correct?
(a) 1 only (c) 2 and 3
(b) 1 and 2 (d) 3 only
22. Which one of the following is not an assumption in the law of demand? **(CDS 2019)**
(a) There are no changes in the taste and preferences of consumers
(b) Income of consumers remains constant
(c) Consumers are affected by demonstration effect
(d) There are no changes in the price of substitute goods
23. Which one of the following statements is not correct? **(CDS 2019)**
(a) When total utility is maximum, marginal utility is zero
(b) When total utility is decreasing, marginal utility is negative
(c) When total utility is increasing, marginal utility is positive
(d) When total utility is maximum, marginal and average utility are equal to each other
24. When some goods or productive factors are completely fixed in amount, regardless of price, the supply curve is: **(CDS 2019)**
(a) Horizontal
(b) Downward sloping to the right
(c) Vertical
(d) Upward sloping to the right

Answers with Explanations

Level-2

1. (c)

Fixed exchange rate	Floating exchange rate
(i) It refers to a system in which exchange rate for a currency is fixed by the government.	(i) It refers to a system in which exchange rate is determined by force of determining demand and supply.
(ii) Under the system each country keeps value of its currency fixed in terms of some external standard. Like Gold, Silver, etc.	(ii) Under this value of currency is determined by forces of demand and supply.
(iii) It provides stable market.	(iii) It provides unstable market.

2. (b) There is an indirect relationship between imports and price of foreign currency.

Higher the price of foreign currency lower is imports. For example, rise in price of US Dollar from \$1 = ₹ 45 to \$1 = ₹ 50 will make imports costlier.

This will induce the government as well as importers to reduce imports.

3. (c) **Fiscal Deficit** shows the excess of total expenditure over total receipts excluding borrowings.

Fiscal Deficit = Total Expenditure – Total Receipts including borrowings.

It measures the total borrowing requirement of the government. It is financed by tax and non tax revenue.

4. (b) Revenue Deficit shows the excess of revenue expenditure over the revenue receipts. Revenue Deficit = Revenue expenditure – Revenue Receipts.

It indicates inability of the government to meet its regular and recurring expenditure. Borrowing and deficit financing.

5. (a) Revenue receipts neither creates any liability nor reduce any asset of the government. These are regular and recurring in nature. There is no future obligation to return the amount. Tax Revenue (like Income tax, Sales tax, etc.) and Non-tax revenue (like interest, fees, etc.)

6. (d) (i) Government budget can be used to bridge the gap between rich and poor. To reduce inequalities and to do distributive justice, the government should invest in those productive channels which incur benefit to low income groups and helpful in their productivity.

(ii) Regional disparity can also be reduced by providing financial assistance to backward regions.

(iii) A redistributive tax policy should be highly progressive and aim at imposing heavy taxation on the richer and exempting pool for the text.

(iv) To reduce the gap between rich and poor government can levy taxes on luxurious items which are consumed by rich.

7. (c) (1) Merchandise: It refers to all such items of exports and imports which are visible and therefore also called Visible Trade relating to exports and imports. Current account showing export and import of visible is often referred to balance of trade account.

(2) Invisible: It refers to all such items which are rendered to rest of the world or received from the rest of the world in the form of services they include the following principal services like travel, transport alliance insurance asking and services rendered to the rest of the world are treated like exports and the services received from the rest of the world are treated like imports.

8. (d) (1) Investment income: It refers to income by way of rent, interest and profit. Income earned by our country is shown as receipts, while income earned from the rest of the world from our country is shown as payments.

(2) Compensation of employees: It refers to the income earned or paid to the rest of the world by way of wages and salaries.

9. (d) Demand deposits are those chequeable deposits which can be withdrawn or transferred on demand. On these deposits, banks demand some lying in the account falls below the minimum deposits, if the amount limit. These are also called current deposits/accounts.

10. (d)

Devaluation	Depreciation
(i) Devaluation is the fall in value of domestic currency in relation to foreign currency due to intervention of the government.	(i) Depreciation is the fall in value of domestic currency in relation to foreign currency due to the forces of demand and supply.
(ii) Devaluation occurs exclusively under fixed exchange system.	(ii) Depreciation occurs under floating exchange rate.

11. (c) In order to be a medium of exchange, money must hold its value over time *i.e.*, it must be a store of value. However, still money is used as store of value as: (i) It is more liquid than most other store of value. (ii) It is readily accepted everywhere. (iii) It is easy and economical to store as its storage does not require much space.

12. (d) (i) It refers to a system in which exchange rate for a currency is fixed by the government. (ii) Under this system, each country keeps value of its currency fixed in terms of some external standard like Gold, Silver, etc. (iii) It provides stable market.

13. (a) Charity to foreign countries is recorded in the current account of BOP a/c because it is a transfer payment. It is recorded on the debit side because it leads to outflow of foreign exchange.

14. (a) With a view to raising the volume of investment to accelerate economic growth, government of an under-developed country takes recourse to deficit financing. Deficit financing results into more purchasing power with the people and increase in the supply of money without there being any corresponding increase in the supply of goods. Consequently prices begin to rise. Inflation has an adverse affect on economic development and the standard of living of the people. Fiscal policy is used to check inflation.
15. (c) Several steps can be taken to check inflation. For instance (a) Reducing the purchasing power of the people through Compulsory Deposit Scheme. (b) Mobilizing resources through public debt. (c) Levying of Expenditure Tax. (d) Imposing more taxes on rentier class. (e) Raising the rate of Capital Gains Tax.
16. (b) This is an example of substitute goods. A substitute good is a good that can be used in place of another. In consumer theory, substitute goods or substitutes are products that a consumer perceives as similar or comparable, so that having more of one product makes them desire less of the other product.
17. (c) (1) In the case of rising prices or inflation, fiscal policy seeks to reduce Aggregate Demand by reducing public expenditure and increasing direct and indirect taxes. These measures bring down the purchasing power of the people. (2) In the event of falling prices or deflation, fiscal policy seeks to increase Aggregate Demand by increasing public expenditure and lowering the rates of taxation.
18. (d) Demand is an economic principle referring to a consumer's desire and willingness to pay a price for a specific good or service. All the above mentioned are elements on which the demand of a good depend.
19. (a) **Why:** Monetary Policy Committee was a major news break, and perhaps the most significant reform in India's monetary policy framework in past few decades.
- Justification:**
- Statement 1:** It decides the repo rates, CRR, SLR, etc. It replaced the earlier system of policy rate veto by the RBI Governor.
- Statement 2:** It consists of six members (RBI Governor, Deputy Governor RBI, One RBI officer and three members nominated by the government), and they hold office for a period of four years.
- Statement 3:** The Governor of the RBI is the ex-officio chairperson of MPC 2017.
20. (d) The ratio of central taxes-to-GDP slid further in financial year 2020 to a 10-year low of 9.88%, driven by a decline in collections from customer duties and corporation tax.
- Fiscal deficit had soared to a seven-year high of 4.6 per cent of the gross domestic product in 2019-20.
21. (b) The indifference curves cannot intersect each other. Higher indifference curve represents a higher level of satisfaction because higher IC means a bundle consisting more of both the goods or same quantity of one good and more quantity of the other good. Hence statement 2 is correct and 3 is incorrect.
22. (c) There are certain assumptions underlying the law of demand, which are as follows:
- Assumes that the consumer's income remains same.
 - Assumes that the preferences of consumer remain same.
 - Considers that the fashion does not show any changes, because if fashion changes, then people would not purchase the products that are out of fashion.
 - Assumes that there would be no change in the age structure, size and sex ratio of population. This is because if population size increases, then the number of buyers increases, which, in turn, affect the demand for a product directly.
23. (d) **Total utility:** It is total psychological satisfaction which a consumer derives from the consumption of a commodity is known as total utility.
- Marginal utility:** It is an addition made in total utility by consuming and additional unit of a commodity is known as marginal utility.
- When marginal utility is positive, total utility increases.
 - When marginal utility is zero, total utility is at maximum.
 - When marginal utility is negative, total utility decreases.
24. (d) Although demand curves are typically downward sloping to reflect that consumers' utility for a good diminishes with increased consumption, firm supply curves are generally upward sloping. The upward sloping character reflects that firms will be willing to increase production in response to a higher market price because the higher price may make additional production profitable.

□□

2

Characteristics of Indian Economy

Level-1

- In which of the following ways JAM trinity can help in the rural development?
 - It will prevent the diversion of food-grains from PDS system
 - It will facilitate the DBT transfers in all the major rural development schemes
 - Both (a) and (b)
 - Neither (a) nor (b)
- On which of the following basis poverty line is defined in India?
 - Monthly per capita consumption expenditure
 - Annual per capita consumption expenditure
 - Weekly per capita consumption expenditure
 - Daily per capita consumption expenditure
- In which year did the S. R. Hashim Committee Report submit its report to identify poor living in urban areas only?
 - 2010
 - 2011
 - 2012
 - 2013
- What does the A in NSAP stand for?
 - Aggregate
 - Actual
 - Agricultural
 - Assistance
- Which among the following places is not a site for India's currency notes printing press?
 - Nasik
 - Mysuru
 - Delhi
 - Salboni
- Which of the following holds true in view of a falling rupee?
 - It increases imports
 - It increases exports
 - It increases FDIs/FIIs
 - All of the above
- Public Distribution System (PDS) is operated under the responsibility of the:
 - Central Government
 - State Governments
 - Only 1
 - Only 2
 - Both 1 and 2
 - Neither 1 nor 2
- Who is the Chief Economic Adviser of India?
 - Krishnamurthy Subramanian
 - Shaktikanta Das
 - Arvind Subramaniam
 - Piyush Goyal
- Who operates the National Disaster Response Fund?
 - Prime Minister
 - Union Minister for Home Affairs
 - Union Minister for Parliamentary Affairs
 - Union Minister for Environment and Forests
- What does the 'F' in SARFAESI stand for?
 - Full
 - Finance
 - Financial
 - Federal
- NSSO estimates are done on the basis of:
 - Household consumer expenditure survey
 - Scalar value of consumption for the nation as a whole
 - Both (a) and (b)
 - Neither (a) nor (b)
- Which of the following statement correctly defines the term "Modified Mixed Recall Period"?
 - It measures consumption across a 30-day recall period for all the items
 - It measures consumption expenditure data are collected using 365-day recall period for five non-food items and 30-day recall period for remaining items
 - It measures consumption expenditure from the households using the recall period of 365-days for all the items excluding clothing, footwear, education
 - None of the above
- Which of the following statements is/are incorrect with respect to the strategy of poverty alleviation programmes in India?
 - Transition from reducing poverty to inclusive growth
 - Transition from women equality to gender empowerment
 - Both (a) and (b)
 - Neither (a) nor (b)
- Which one of the earliest estimations of poverty was done by Dadabhai?
 - Bombay Plan
 - Poverty and the Un-British Rule in India
 - Economic Drain of India
 - Economic drain and trickle-down effect
- Which of the following statements is/are true about Social Audit?
 - Social Audit is mandated by the Parliamentary law in all the centrally sponsored schemes
 - CAG is mandated to provide legal assistance to PRIs for conducting social audit
 - Both (a) and (b)
 - Neither (a) nor (b)
- Which of the following is/are role of micro finance in the rural development?
 - Increase women's participation in the economic activities
 - Improve decision making powers of the women
 - Contribute to solving the problem of inadequate housing and basic amenities
 - All of the above

17. Consider the following statements with respect to unemployment in India, and choose who among the following is placed under the category of labour force?
 (a) A person who is working or being engaged in economic activity that is work.
 (b) A person who is being not engaged in economic activity (work) and either making tangible efforts to seek work or being available for work if the work is available
 (c) Both (a) and (b)
 (d) Neither (a) nor (b)
18. Which of the following is/are included in India's external debt?
 (a) Commercial borrowings
 (b) Rupee denominated NRI deposits
 (c) Both (a) and (b)
 (d) Neither (a) nor (b)
19. In which year was the NITI Aayog established?
 (a) 2012 (c) 2014
 (b) 2013 (d) 2015
20. Budget deficit can be reduced by-
 (a) decreasing the direct taxes
 (b) Increasing expenditure on subsidies and welfare programmes
 (c) Implementation of GST
 (d) None of these
21. National Small Savings Fund is a part of:
 (a) Consolidated Fund of India
 (b) Public Account of India
 (c) Contingency Fund of India
 (d) None of these
22. was known as the father of Operation Flood?
 (a) Dr. Norman Borlaug
 (b) Dr. M.S. Swaminathan
 (c) Dr. Verghese Kurien
 (d) Dr. William Gande
23. The Yellow Revolution in India had increased the production of:
 (a) Fishes (c) Pulses
 (b) Wheat (d) Oilseeds
24. The concept of Economic Planning in India is derived from:
 (a) USA (c) UK
 (b) Russia (d) Australia
25. In which year was National Development Council established?
 (a) 1949 (c) 1951
 (b) 1950 (d) 1952
26. If a government is unable to pass the budget in Lok Sabha, then:
 (a) a totally new budget is presented
 (b) the budget is revised and presented again
 (c) the government has to resign
 (d) None of the above
27. The Economic Survey is compiled by the:
 (a) Office of economic advisor
 (b) Central Statistical office (CSO)
 (c) National Sample Survey Organization (NSSO)
 (d) Department of economic affairs
28. Gross budgetary support means:
 (a) centre's contribution to budget
 (b) assistance provided by the Centre to five year plan
 (c) expenditure in budget on social schemes
 (d) None of these
29. India maintains buffer stocks of food grains which helps in:
 (a) providing food security
 (b) running PDS
 (c) Both (a) and (b)
 (d) Neither (a) nor (b)
30. Where is the headquarters of IRDA situated?
 (a) Bengaluru (c) Mumbai
 (b) Hyderabad (d) New Delhi
31. Aggregate demand or final goods in an economy is generated through:
 (a) Consumption Expenditure
 (b) Government Expenditure
 (c) Both (a) and (b)
 (d) Neither (a) nor (b)
32. Which of the following is/are true regarding shift in sectors of Indian economy?
 (a) Dominance of the sector has shifted from primary to secondary and then to tertiary.
 (b) Manufacturing sector constitute the smallest proportion both in total GDP and employment as compared to other sectors.
 (c) Disguised unemployment is very prominent in agricultural sector.
 (d) Both (a) and (c)
33. Which of the following can be grouped under economic activities?
 1. Tutor teaching a student free of cost.
 2. Government providing scholarship.
 3. Philanthropist giving out charity to NGOs.
 Mark the correct Code.
 (a) 1 and 2 (c) Only 3
 (b) Only 2 (d) None of these
34. Which of the following committee is for inflation targeting?
 (a) Arvind Subramanian Committee
 (b) Urjit Patel Committee
 (c) Narayan governance committee
 (d) Kelkar Task force
35. CPI is calculated by which ministry of India?
 (a) Ministry of Finance
 (b) Ministry of Statistics and Programme Implementation
 (c) Ministry of Labour
 (d) None of the above
36. Which of the following are introduced in the Parliament in the process of passing the budget?
 (a) Demand of grants (c) Both (a) and (b)
 (b) Vote on account (d) Neither (a) nor (b)
37. Which of the following is not a part of Capital account of the budget?
 (a) Salaries of government employees
 (b) Recovery of loans by central government
 (c) Investment in shares of PSUs
 (d) None of the above

38. Primary Deficit is denoted by:
 (a) Revenue Expenditure – Revenue Receipts
 (b) sum of the net increase in holdings of treasury bills of the RBI and its contributions to the market borrowing of the government
 (c) Budgetary Deficit + Govt. market borrowings and liabilities
 (d) Fiscal Deficit – Interest Payments
39. The Tendulkar Committee Report is related to:
 (a) Banking Inclusion (c) Both (a) and (b)
 (b) Poverty line (d) Neither (a) nor (b)
40. India's first operational export processing zone (EPZ) was at:
 (a) Kandla (c) Surat
 (b) Ahmedabad (d) Mumbai
41. With which of the following is the Abid Hussain Committee related to?
 (a) Reform in small industries
 (b) Reform in middle level industries
 (c) Reform in taxes
 (d) Reform in government projects
42. In which year was the Ayushman Bharat Yojana launched?
 (a) 2015 (c) 2017
 (b) 2016 (d) 2018
43. The soon-to-be-launched Tokenisation is related to:
 (a) Card transaction (c) Banking refinancing
 (b) NPA resolution (d) None of these
44. The Ayushman Bharat Yojana will provide an insurance cover upto:
 (a) ₹ 3 lakh (c) ₹ 5 lakh
 (b) ₹ 4 lakh (d) ₹ 6 lakh
45. Who had compounded the "Big Push Model"?
 (a) Dr. Abhishek Mathur (c) Jack Hamilton
 (b) R. Rodan (d) None of these
46. The Community Development Program was started in India on:
 (a) 2nd October, 1950 (c) 2nd October, 1952
 (b) 2nd October, 1951 (d) 2nd October, 1953
47. Which one of the following sources of renewable energy has greatest potential in India?
 (a) Solar power
 (b) Biomass power
 (c) Small Hydel power
 (d) Energy recovery from waste
48. How can the Indian economy be described?
 (a) A backward and stagnant economy
 (b) A developing economy
 (c) An underdeveloped economy
 (d) A developed economy
49. Which of the following committees recommended checking fiscal deficit?
 (a) Bimal Jalan Committee
 (b) Parthasarthy Shome Committee
 (c) Vijay Kelkar Committee
 (d) Kaushik Basu Committee
50. Which among the following is the parliamentary committee for the auditing of the expenditure of the Government of India?
 (a) Public Accounts Committee
 (b) Committee on Public Undertakings and DRSCs
 (c) Estimates Committee
 (d) Business Advisory Committee
51. The Chakravayuh Challenge has been a menace for the Indian economy. Which of the following is/are measures by the Government to counter this problem?
 (a) Recapitalization of PSBs
 (b) Promoting competition via the private sector
 (c) Handing over idle land from PSUs to start-up companies
 (d) None of these
52. Which of the following macro economics indicators are calculated with a base year of 2011-12?
 1. IIP
 2. WPI
 3. CPI
 4. National Accounts
 (a) 2, 3 and 4 (c) 1, 2 and 4
 (b) 3 and 4 (d) 1, 2, 3 and 4
53. The chief regulator of the 'Index Futures' market In India is
 (a) Securities and Exchange Board of India (SEBI)
 (b) Clearing Corporation of India (CCI)
 (c) Insurance Regulatory and Development Authority of India (IRDA)
 (d) Forward markets Commission (FMC)
54. Which of the following Institution is responsible for protection of the interests of Investors In securities and to promote the development of the securities market in India?
 (a) PFRDA (c) IRDA
 (b) RBI (d) SEBI
55. With which of the following is the Malegam Committee associated?
 (a) Know Your Customer Rules
 (b) Microfinance
 (c) Targeted Public Distribution system
 (d) Direct Benefit Transfer
56. Who among the following cannot be a partner in a partnership firm?
 (a) Manager of a Hindu Undivided Family
 (b) Another partnership firm
 (c) Non-citizens
 (d) A minor
57. Which of the following categories does not come under Priority Sector Lending in India?
 (a) Education (c) Export credit
 (b) Housing (d) Health
58. Which of the following statements is not correct regarding Headline Inflation in India?
 (a) It is a measure of the total inflation within an economy
 (b) It doesn't take account of service sector
 (c) It differs from core inflation
 (d) It is also known as underlying inflation
59. 'NREGA' stands for:
 (a) National Rural Employment Guarantee Act
 (b) New Rural Enterprise Growth Act

- (c) National Rural Empowerment Guarantee Act
(d) New Rural Economic Growth Act
60. Which one of the following measures of Fiscal Reforms, has Government of India adopted?
(a) Bringing down fiscal deficit to a particular level by an Act of Law
(b) Fixing higher rate of growth
(c) Allocation of more funds to job oriented schemes
(d) Allocation of more funds to provide education to children who are 6-14 years of age
61. Which of the following acts is introduced for the purpose of sustainable growth?
(a) Water (Prevention and Control of Pollution) Act
(b) Narcotics and Psychotropic Substance Act
(c) Foreign Exchange Management Act
(d) Banking Regulation Act
62. Which of the following organizations is established mainly to promote Micro, Small & Medium Industrial sector in India?
(a) NABARD (c) IDBI Bank
(b) SIDBI (d) EXIM Bank
63. Which of the following schemes is launched to provide prenatal and postnatal care to mother and child?
(a) National Mission for Protein Supplements
(b) Initiative on Vegetable Clusters
(c) Promotion of Nutri Cereals
(d) Janani Suraksha Yojana
64. Which of the following statements about the Indian Economy is correct?
(a) Indian economy is as developed as that of China
(b) About 70% Indians are involved in some type of self-employment and are the owners of some or the other micro or small enterprise
(c) In India single biggest employment is agriculture and allied activities
(d) About 48% Indian workforce is employed in foreign countries or in organizations assisted by foreign capital
65. What is an Indian Depository Receipt?
(a) A deposit account with a Public Sector Bank
(b) A depository account with any of Depositories in India
(c) An instrument in the form of depository receipt created by an Indian depository against underlying equity shares of the Issuing company
(d) An instrument in the form of deposit receipt issued by Indian depositories
66. For AePS, an IIN is required. What is the full form of the 2nd 'I'?
(a) Issuer (c) Identification
(b) Issuing (d) Identifier
67. The NSAP is in confirmation with the Article of the Constitution.
(a) 38 (c) 40
(b) 39 (d) 41
68. The proposal to set up a separate entity to regulate payments and settlements was made by the Committee.
(a) Sumit Bose (c) Deepak Mohanty
(b) Ratan Watal (d) H. R. Khan
69. When was the Ministry of AYUSH formed?
(a) 2012 (c) 2014
(b) 2013 (d) 2015
70. For AePS, the IIN is issued to the:
(a) Customers (c) Merchants
(b) Banks (d) ATMs
71. What are the inputs required for AePS?
(a) IIN (c) Fingerprint
(b) Aadhaar Number (d) All of these
72. Which of the following was recommended by the Ackworth Committee in British India?
(a) Banning of the vernacular press
(b) Bringing up Dyarchy in the provinces
(c) Separating of the Railways and General Budget
(d) None of these
73. The restructuring of corporate debts of viable entities is the responsibility of:
(a) Debts Recovery Appellate Tribunal
(b) Board for Industrial and Financial Reconstruction
(c) CDR Empowered Group
(d) Reserve Bank of India
74. Which of the following is a recommendation of the Kelkar Report on gas pricing?
(a) Natural resources should be priced at the highest price possible in the market
(b) There should be import-linked pricing for domestic natural gas
(c) Natural gas prices should be free from government intervention
(d) Both (a) and (c).
75. For Inflation Indexed National Saving Securities-Cumulative (IINSS-C), Inflation rate is based on:
(a) Wholesale Price Index (WPI)
(b) Consumer Price Index (CPI)
(c) Producer Price Index (PPI)
(d) Retail Price Index (RPI)
76. 'Sagarmala' is a name associated with:
(a) A drilling wrestle
(b) A project of port development
(c) Oil well in Indian Ocean
(d) None of the above
77. As per recent figures, Infant Mortality Rate in India has come down by few points. Which organisation/agency compiles this data?
(a) NITI Aayog
(b) Ministry of Rural Development
(c) Ministry of Social Welfare
(d) Census Commission of India
78. Ten Rupee notes contain the signature of:
(a) Finance Secretary, GOI
(b) Chairman, State Bank of India
(c) Governor, Reserve Bank of India
(d) Finance Minister, GOI
79. IRDA is an autonomous apex statutory body which regulates and develops the insurance industry in India. IRDA is headquartered at.....
(a) Bengaluru, Karnataka
(b) Mumbai, Maharashtra
(c) New Delhi, Delhi

- (d) Hyderabad, Telangana
80. An agency which holds electronic records of insurance policies issued to individuals is known as:
 (a) Insurance Depository
 (b) Insurance Attorney
 (c) Stock Insurance Company
 (d) Insurance Repository
81. BSDA stands for:
 (a) Basic Securities Demat Account
 (b) Bombay Soft Drinks Association
 (c) Basic Services Demat Account
 (d) Basic Services Development Authority
82. Which of the following is not a Credit rating agency of India?
 (a) CIBIL (c) Fitch
 (b) ICRA Limited (d) Onicra
83. Which of the following types of accounts are insured by DICGC?
 (a) Deposits of foreign Governments;
 (b) Recurring Deposits
 (c) Deposits of Central/State Governments;
 (d) Inter-bank deposits
84. What is Hawala?
 (a) Full details of a subject
 (b) Illegal transaction of foreign exchange
 (c) Illegal trading of shares
 (d) Tax evasion
85. According to 2011 census, number of female per 1000 female number is:
 (a) 939 (c) 942
 (b) 940 (d) 946
86. Which Union Territory has the Lowest Population in 2011 census?
 (a) Delhi (c) Pondicherry
 (b) Chandigarh (d) Lakshadweep
87. According to 2011 Census, Indian population is:
 (a) 116.01 crore (c) 123.67 crore
 (b) 121.01 crore (d) 126.31 crore
88. Narsimham Committee was related to:
 (a) High Education Reforms
 (b) Tax Structure Reforms
 (c) Banking Structure Reforms
 (d) Planning Implementation Reforms
89. The government's evaluation index will measure social empowerment of people at the:
 (a) Panchayat level (c) District level
 (b) Block level (d) State level
90. KVIC (Khadi and Village Industry Commission) was established in:
 (a) Third Plan (c) Second Plan
 (b) Fourth Plan (d) First Plan
91. As per Census 2011, which of the following has the highest density of population?
 (a) Delhi (c) Pondicherry
 (b) Chandigarh (d) West Bengal
92. The slogan 'Garibi Hatao' was included in:
 (a) First Plan (c) Fourth Plan
 (b) Fifth Plan (d) Second Plan
93. Indian Financial sector is made up of both the organised as well as the unorganised segments. Which of the following belongs to the unorganised segment?
 (a) Chit Fund
 (b) Micro Finance Companies
 (c) Money-lenders
 (d) Co-operative Credit Societies
94. As per Census 2011 data which of the following state has the lowest literacy in India?
 (a) Bihar (c) Nagaland
 (b) Arunachal Pradesh (d) Sikkim
95. What is a 'limited company'?
 (a) In which shareholders processes the ownership limited to their paid up capital
 (b) In which shares are issued
 (c) A company of Government
 (d) None of the above
96. Which is true for Finance Commission?
 (a) It is statutory body
 (b) It is constituted under article 280 of constitution
 (c) Dr. C. Rangarajan is chairman of 12th Finance Commission
 (d) All of these
97. Plan expenditure in India is meant by:
 (a) Internal dept and other resources
 (b) Assistance from aid India Club
 (c) Assistance from IMF
 (d) Assistance from OBCD countries
98. As per provisional Census 2011 statistics, child sex ratio in India (number of male children of age group 0-6 per thousands female children) stands at:
 (a) 912 (c) 920
 (b) 914 (d) 923
99. National Renewable Fund was constituted with the objective of:
 (a) Renewal of mines
 (b) Modernisation of industries
 (c) Establishment of small units
 (d) Rehabilitation of removed labours due to modernisation of industries
100. Mega Food Parks Scheme was initiated by the Govt. of India with the objective:
 (a) To ensure better price of products to farmers
 (b) To increase productivity of agriculture crops
 (c) To control food prices
 (d) None of the above
101. Which of the following organisation provides guarantee to exporters?
 (a) EXIM Bank
 (b) Export Credit Guarantee Corporation
 (c) RBI
 (d) Commerce Ministry
102. Nilekani Panel submitted its report on Cash Transfer Scheme covering:
 (a) Only LPG
 (b) LPG and Fertilisers
 (c) LPG and Kerosene
 (d) LPG Fertilizers and Kerosene

103. Which is true for 'Indian Tourism Development Corporation'?
- It is a public sector enterprise
 - It was constituted in 1966
 - It constructs and manages hotels and restaurants at various parts of country
 - All of these
104. National Sample Survey (NSS) was established in:
- 1950
 - 1951
 - 1952
 - 1947
105. Who suggested establishing an 'Insurance Regulation Authority'?
- Dandekar Committee
 - Malhotra Committee
 - Khusro Committee
 - Rangarajan Committee
106. Index 'Residex' is associated with:
- Share Prices
 - Mutual Fund Prices
 - Price Inflation Index
 - Land Prices
107. National Savings Scheme (NSS-92) has been closed by the government since:
- November 1, 1999
 - November 1, 2000
 - November 1, 2001
 - November 1, 2002
108. Which of the following at present is the country's largest gas producer?
- Reliance Industries Limited
 - ONGC
 - Both A and B
 - None of the above
109. Finance Commission is appointed by the President under Article-
- 256 of Constitution
 - 280 of Constitution
 - 293 of Constitution
 - 356 of Constitution
110. Who was the census Commissioner for the census 2011?
- C. Chandramauli
 - G.K. Pillai
 - J. Harinarayan
 - J.S. Sharma
111. Which of the following group has so far the maximum number of Ultra Mega Power Project (UMPPs)?
- Tata Group
 - J. P. Hydro
 - Reliance Power
 - Power Grid Corporation
112. Parliament has passed the SBI (Amendment) Bill 2010 which changed the minimum level of share of the government in SBI's equity:
- From 51 % to 55%
 - From 55 % to 51%
 - From 74 % to 51%
 - From 55 % to 49%
113. is not a characteristic of the Indian economy?
- Low per capital income
 - Primacy of agriculture
 - Balance between heavy industry and wage goods
 - Population pressure
114. Which of the following has the highest weight percentage in WPI?
- Primary Articles
 - Fuel & Power
 - Manufactured Products
 - Steel
115. Who releases the CPI for Agricultural Labourers (AL)/ Rural Labourers (RL)?
- Office of the Economic Adviser in Ministry of Commerce & Industry
 - Central Statistics Office (CSO)
 - Labour Bureau
 - RBI
116. Based on which of the following is the economic growth in India is measured in terms of GDP?
- Constant market prices
 - Current market prices
 - Factor Cost at constant prices
 - Factor Cost at market prices
117. Which of the following persons is the Chairman of the Goods and Services Tax (GST) Council?
- Prime Minister
 - Niti Ayog Vice- chairman
 - RBI Governor
 - Union Finance Minister
118. Which ministry had launched the Revenue Insurance Scheme for plantation crops?
- Ministry of Agriculture
 - Ministry of Finance
 - Ministry of Science and Technology
 - Ministry of Commerce
119. What does "Revenue Neutral Tax Rate" mean with regards to the "Goods and Services Tax"?
- The rate at which tax revenues for States and Centre will remain the same as before GST.
 - The tax rate will be same for the Centre and State.
 - All of the above.
 - None of the above.
120. Which of the following statements are correct regarding the "SMILE" scheme?
- It is linked to providing credit to MSME enterprises under Make in India.
 - It is linked to providing financial support by Govt. of India for women and SC/ST entrepreneurs.
 - It is a scheme to provide support to small and marginal farmers for allied activities.
 - None of the above
121. On which of the following factors the new Hydrocarbon Exploration and Licensing Policy (HELP) is based on?
- Profit Sharing
 - Revenue Sharing
 - Cost Plus
 - None of the above
122. Which of the following needs to be promoted by the Government to recognise the full potential of the demographic dividend of India?
- More social security
 - More skill development
 - Both (a) and (b)
 - Neither (a) nor (b)

- 123.** Which body recommends the minimum support prices for Agricultural Commodities?
 (a) Ministry of Agriculture
 (b) Ministry of Food Processing
 (c) Commission for Agricultural Costs & Prices (CACP)
 (d) NITI Aayog
- 124.** TheFinance Commission has used forest cover as a criterion for horizontal distribution of resources in India.
 (a) 10th Finance Commission
 (b) 12th Finance Commission
 (c) 13th Finance Commission
 (d) 14th Finance Commission
- 125.** Which of the following is not a part of India's national debt?
 (a) Provident Fund
 (b) Long-term Government Bonds
 (c) National Saving Certificate
 (d) None of these
- 126.** According to 2011 Census the state having maximum population is:
 (a) UP (c) Tamil Nadu
 (b) Maharashtra (d) Kerala
- 127.** Which among the following is/are not a part of 'public expenditure'?
 1. Expenditure categorised as 'consumption'
 2. Expenditures in 'running the government'.
 Which of the above is/are correct?
 (a) Only 1 (c) Both 1 and 2
 (b) 1 and 2 (d) Neither 1 nor 2
- 128.** Choose the correct statements regarding Census 2011:
 (a) It is the 15th Census of the country and seventh after Independence
 (b) It is the 12th Census of the country and seven after Independence
 (c) It is the 15th Census of the country and fifth after Independence
 (d) It is the 12th Census of the country and sixth after Independence
- 129.** As per the State Bank of India Bill, 2010, the share of Central Government in SBI was reduced to:
 (a) 50 percent (c) 49 percent
 (b) 51 percent (d) 40 percent
- 130.** Mangla, Bhagyam and Aishwarya - What are they related to?
 (a) These are the names given by ISRO to those places on moon where Chandrayaan performed its main tests.
 (b) These are the main oil reserves in the Rajasthan Block
 (c) These are the Himalayan Glaciers which are getting reduced in sizes because of climate change.
 (d) These are the Indian expeditions for Antarctica.
- 131.** Who regulates money supply in India?
 (a) Government of India
 (b) Reserve Bank of India
 (c) Commercial Bank
 (d) Planning Commission
- 132.** Which of these is not related to Bharat Nirman?
 (a) Rural Housing
 (b) Agro-based Industries
 (c) Rural Electrification
 (d) Rural Telephony
- 133.** For the computation child sex ratio, what is the compatible age group:
 (a) 0-1 years (c) 0-3 years
 (b) 0-4 years (d) 0-6 years
- 134.** Which of these incidents is related with the 'Demographic Dividend' of the country:
 (a) A sharp decline in the total population
 (b) A decline in the Infant Mortality Rate
 (c) An increase in the sex ratio
 (d) An increase in the population in the working age group
- 135.** Where is the largest share of total food grain produced in the country?
 (a) Punjab (c) Haryana
 (b) M.P (d) U.P
- 136.** What does the JAM stand for:
 (a) Jan-Dhan Account Money
 (b) Jan, Awas, Money
 (c) Jan-Dhan Yojana, Aadhar, Mobile Numbers
 (d) Jyoti, Aadhar, Mobile
- 137.** Find the odd one out which is not a credit rating agency?
 (a) Moody (b) Standard and Poor
 (c) Fitch (d) Nasdaq
- 138.** In India, what are the aim for targeting the Monetary policy?
 (a) Growth of money supply
 (b) Consumer price inflation
 (c) Neither (a) nor (b)
 (d) Both (a) and (b)
- 139.** All the funds which belong to Government go to:
 (a) Public Account (c) Contingency Fund
 (b) Consolidated Fund (d) Revenue Account
- 140.** What is the referral period of Neonatal Mortality Rate in India is?
 (a) Three months after birth
 (b) One month after birth
 (c) 28 days after birth
 (d) None of the above
- 141.** 'Indradhanush' programme which was launched in India is related with:
 (a) Production of medicines
 (b) Vaccination against fatal diseases
 (c) Multi-vocational training for adolescent girls
 (d) None of the above
- 142.** India's Green Actions' can be made more effective by:
 (a) Increase in excise duty on petrol and diesel
 (b) Translating coal cess into a 'carbon tax'
 (c) Significantly promoting the renewable sources of energy
 (d) All of the above

- 143. Assertion (A):** The share of women in decision making process is gradually increasing.
Reasoning (R): Greater inclusion of women involves greater share of gender budget in general budget.
 Of the below statements, which one is correct:
 (a) Both (A) and (R) are correct and (R) is correct explanation of (A)
 (b) Both (A) and (R) are correct and (R) is not the correct explanation of (A)
 (c) (A) is true but (R) is false
 (d) (R) is true but (A) is false
- 144.** Justify the correct statement about the relationship between total fertility rate and gross-reproduction rate:
 (a) $TFR < GRR$ is possible.
 (b) $TFR = GRR$ is possible.
 (c) $TFR > GRR$ is possible.
 (d) All the above is possible.
- 145.** For which of the following items of household consumption expenditures in India, NSSO takes the reference period as 365 days?
 (a) Clothing, footwear, bedding, education, etc.
 (b) Edible oil, fish & meat, egg
 (c) Vegetables, fruits, spices, beverages & processed food
 (d) All other food, fuel & light, misc. goods & services
- 146.** Under the recommendations of Finance Commission, Grants from the Centre to the State is known as:
 (a) Plan grants
 (b) Development assistance
 (c) Statutory grants
 (d) Discretionary grants
- 147.** The biggest holder of Government of India dated securities:
 (a) Reserve Bank of India
 (b) Life Insurance Corporation of India
 (c) Employees Provident Fund
 (d) Commercial Banks
- 148.** Which of the following constitutes the intermediate layer in the three tier co-operative credit structure?
 (a) State Co-operative Banks
 (b) Central Co-operative Banks
 (c) Primary Agricultural Credit Societies
 (d) NABARD
- 149.** The MRTP Act of 1969 has been:
 (a) Replaced by Competition Act, 2002
 (b) Merged in Industrial Policy Act of 1978
 (c) Replaced by Trade Union (Amendment)
 (d) Merged in Industrial Policy Act of 1991
- 150.** Upto which census, synchronous de facto method was adopted in India wherein the census was conducted throughout the country in a single night?
 (a) 1901 (c) 1951
 (b) 1931 (d) 1971
- 151.** Among these sentences, which one is absolutely true about the Hindu Growth Rate?
 (a) This is about economic growth of the Hindu population.
 (b) Shows economic disparities among different social groups in India.
 (c) Reflects low growth performance of the Indian economy during 1950-80.
 (d) Hints at accelerated growth in India since 1980
- 152.** Mention out the false statement about the success of economic reforms in India:
 (a) Slow down of population growth rate
 (b) Increased share of the corporate sector in Gross Domestic Savings
 (c) Narrowing down of the current account deficit
 (d) Benefits of demographic dividends
- 153.** Identify the method not being used for unemployment estimation by the NSSO in India.
 (a) Current monthly status
 (b) Current daily status
 (c) Current weekly status
 (d) Usual principal and subsidiary status
- 154.** 'Revaluating every item of for every financial year'- this process of budget making is known as:
 (a) Zero Based Budgeting
 (b) Fresh Budgeting
 (c) Debit Budgeting
 (d) Performance Budgeting
- 155.** A deficit or surplus in the India's balance of payments is measured by the net balance of:
 (a) The current account
 (b) The capital account
 (c) Allocation of SDRs and the statistical discrepancy
 (d) All of the above
- 156.** In India, for all commercial banks, what is the Capital Adequacy Ratio :
 (a) Below the required rate of 9%
 (b) Equal to the required rate of 19%
 (c) Well above the required rate of 9%
 (d) Far below the required rate of 9%
- 157.** Which one of the following is the correct chronological order of employment-generation of sectors in India post-independence?
 (a) Agriculture, Service, Industry
 (b) Service, Agriculture, Industry
 (c) Industry, Agriculture, Service
 (d) Agriculture, Industry, Service
- 158.** Who formulated the 'People's Plan' for India in 1944?
 (a) J.L. Nehru
 (b) M.N. Roy
 (c) Subhash Chandra Bose
 (d) Mahatma Gandhi
- 159.** Which is the most significant composition of two deficits for the Indian economy?
 (a) Fiscal deficit and Revenue deficit
 (b) Revenue deficit and Primary deficit
 (c) Budget deficit and Fiscal deficit
 (d) Current Account deficit and Fiscal deficit
- 160.** Who amended the concept of PURA (Providing Urban Amenities in Rural Areas) for our country?
 (a) A. P.J. Abdul Kalam
 (b) Manmohan Singh
 (c) Charan Singh
 (d) None of the above

161. What is the ECOMARK symbol relevant to?
 (a) Export Goods
 (b) Import Goods
 (c) Goods Safe for Environment
 (d) Best quality Goods
162. has decided to set-up South Asia Regional Training and Technical Assistance Center (SARTTAC) along with India.
 (a) World Bank (WB)
 (b) International Monetary Fund (IMF)
 (c) Asian Development Bank (ADB)
 (d) Asian Infrastructure Investment Bank (AIIB)
163. Which of the following can be the most appropriate reason behind the Government resorting to borrowing from public over RBI for financing its deficit?
 (a) RBI charges higher rate of interest.
 (b) Government has to repay RBI within a fixed time.
 (c) Supply of money in the market remains unaffected by such borrowing.
 (d) Sale of government bonds increases.
164. Which of the following statements is/are correct regarding Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY)?
 1. It focuses on feeder separation of agriculture consumers from non-agriculture consumers.
 2. Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) has been subsumed in it.
 3. Rural Electrification Corporation (REC) is the Nodal Agency for operationalization of this Scheme.
 (a) 1 and 2 only (c) 2 and 3 only
 (b) 1 and 3 only (d) 1, 2 and 3
165. Under the post 1991 economic policies, the Government of India supports:
 (a) Private manufacturing sector
 (b) Export industries
 (c) Small industries
 (d) All of the above
166. Identify the correct function of 'SEBI' among the following:
 (a) Regulation of Money market
 (b) Regulation of Capital market
 (c) Regulation of Commodity market
 (d) All of the above
167. The 'Special Safeguard Mechanism' means
 (a) New financial inclusion initiative by the Central Government targeting tribal in Left Wing Extremism affected areas.
 (b) Initiative by RBI to restructure Non-Performing Assets (NPAs) of scheduled commercial banks.
 (c) Trade remedy that allows developing countries to temporarily hike duties on heavily subsidized imports.
 (d) Cyber security project to protect the critical economic infrastructure.
168. FDI Policy is formulated by?
 (a) Foreign Investment Promotion Board (FIPB)
 (b) Department of Industrial Policy and Promotion (DIPP)
 (c) Cabinet Committee on Economic Affairs (CCEA)
 (d) Department of Commerce
169. Which of the following has the sole right of issuing paper notes in India?
 (a) Union government
 (b) Reserve Bank of India
 (c) Ministry of Finance
 (d) Supreme Court
170. According to the provisional figures for 2011 census, which of the following States has the lowest child sex ratio both in rural and urban areas?
 (a) Uttar Pradesh
 (b) Kerala
 (c) Jammu and Kashmir
 (d) Haryana
171. Central Bank discounts the bills of commercial banks is known as:
 (a) Bill Rate (c) Interest Rate
 (b) Discount Rate (d) Lending Rate
172. **Assertion (A):** Reserve Bank of India raises money supply through purchase of securities in the money market.
Reason (R): Increase in money supply may result in expansion of investment and employment.
 (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, and (R) is not the correct explanation of (A).
 (c) (A) is true but (R) is false.
 (d) (A) is false but (R) is true.
173. **Assertion (A):** Rate of interest decreases during depression.
Reason (R): People are pessimist during depression.
 (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, and (R) is not the correct explanation of (A).
 (c) (A) is true but (R) is false.
 (d) (A) is false but (R) is true.
174. **Assertion (A):** Disguised unemployment is present in India.
Reason (R): Agricultural productivity at margin is close to zero.
 (a) Both (A) and (R) are true, and (R) is the correct explanation of (A).
 (b) Both (A) and (R) are true, and (R) is not the correct explanation of (A).
 (c) (A) is true but (R) is false.
 (d) (A) is false but (R) is true.
175. Securities and Exchange Board of India (SEBI) has to monitor:
 (a) Companies coming for New Public issues
 (b) Regulation of stock exchanges in India
 (c) Regulation of insider trading and outsider trading
 (d) All the above functions
176. Who is the Chairman of the Economic Advisory Council of the Prime Minister of India?
 (a) Suresh Tendulkar (c) C. Rangarajan
 (b) Bibek Debroy (d) Vijay Kelkar

177. Finance Commission is appointed by President of India Under which Article of the Constitution?
 (a) 279 (c) 281
 (b) 280 (d) 282
178. Which one of the following is not correctly matched in case of India?
 (a) Revenue Expenditure = Revenue receipts + Revenue deficit
 (b) Primary deficit = Revenue deficit - interest payments
 (c) Total receipts = Revenue receipts + capital receipts
 (d) Revenue receipts = Tax revenue + non tax revenue
179. Recognize one of the following which is not an objective of monetary policy in India?
 (a) To accelerate economic development
 (b) To achieve price stability
 (c) To regulate foreign trade
 (d) To stabilise exchange rate
180. Various trade reforms after 1991 in India were implemented by:
 (a) Manmohan Singh
 (b) C.N. Vakil
 (c) P.R. Brahmananda
 (d) Jagdish Bhagwati
181. Which of these Funds does not belong to the Government?
 (a) Contingency Fund (c) Private Accounts
 (b) Consolidated Fund (d) Public Accounts
182. Applicability of Gadgil formula can be done on:
 (a) Grants given by planning commission
 (b) Grants given by Finance commission
 (c) Grants given by RBI
 (d) Grants given by Foreign Countries
183. For the first time in India zero base budgeting was implemented in the finance ministership of:
 (a) A. P. Chidambaram (c) V. P. Singh
 (b) Manmohan Singh (d) Jaswant Singh
184. How much of global GDP does the tourism sector account for?
 (a) 10% (c) 14%
 (b) 12% (d) 16%
185. The Borrowings from foreign countries are known as:
 (a) Export of goods (c) Capital receipts
 (b) Unrequited receipts (d) Current receipts
186. 'Cyber Gram'
 (a) aims to impart digital literacy to students of Madras and government schools in identified minority concentration areas.
 (b) is a programme to facilitate digital connectivity to Gram Panchayats at the district and block level.
 (c) is a model village undertaking ICT activities to encourage digital literacy in students of rural areas.
 (d) aims to enhance digital literacy of Gram Panchayat functionaries at the village and block level.
187.has developed 'Universal Health Coverage Index', to measure the progress made in health sector in select countries of the world.
 (a) World Bank
 (b) World Health Organization
 (c) The United Nation Children's Fund (UNICEF)
 (d) Food and Agriculture Organization (FAO)
188. National Judicial Data Grid
 1. is a part of the on-going e-Courts Integrated Mission Mode Project.
 2. will also cover cases relating to juvenile justice system.
 (a) 1 only (c) Both 1 and 2
 (b) 2 only (d) Neither 1 nor 2
189. Mark the correct statement.
 (a) Rupee was historical linked with the British pound sterling in 1848.
 (b) India Delinked rupee from the British Pound in 1975.
 (c) In 1992-93 financial year India moved to fixed currency regime.
 (d) All of the above are correct.
190. Which kind of economy is exhibited by India?
 (a) Socialistic economy (c) Mixed economy
 (b) Gandhian economy (d) Free economy
191. In which of the following was it mentioned that India will be a mixed economy?
 (a) The Constitution
 (b) Second Five Year Plan
 (c) Industrial Policy of 1948
 (d) None of the above
192. Which of the following statements is correct about mixed economy?
 (a) The state promotes both agriculture and industry equally
 (b) The public and private sector co-exist in the economy
 (c) There is importance of small scale industries along with heavy industries
 (d) Economy is controlled by military as well as civilian rulers
193. Self-reliance in the economic context implies that a country:
 (a) has sufficient foreign exchange reserves to buy all its needs
 (b) exports some of its goods but does not need to import anything
 (c) Both (a) and (b)
 (d) Neither (a) nor (b)
194. 'Globalisation of Indian Economy' means:
 (a) stepping up external borrowings
 (b) establishing Indian business units abroad
 (c) having minimum possible restrictions on economic relations with other countries
 (d) giving up programmes of import substitution
195. The contribution of agriculture to India's' economy is:
 (a) increasing (c) constant
 (b) decreasing (d) None of these
196. Which of the following features indicate that Indian economy is of the developing category?
 (a) Occupation mainly agricultural
 (b) Chronic unemployment
 (c) Both (a) and (b)
 (d) Neither (a) nor (b)

197. Dadabhai Naoroji theorised on the drain of wealth from India in his book:
- Poverty under British Rule in India
 - Poverty in British Rule in India
 - Poverty and Un-British Rule in India
 - Poverty of Economic Drain in British India
198. Which of the following statements about the Indian Economy is correct?
- Indian economy is as developed as that of China.
 - About 70% Indians are involved in some type of self-employment and are the owners of some or the other micro or small enterprise.
 - In India, single biggest employment is agriculture and allied activities.
 - About 48% Indian workforce is employed in foreign countries or in organizations assisted by foreign capital.
199. Which one of the following is the correct sequence in the decreasing order of contribution of different sectors to the Gross Domestic Product of India?
- Services-Industry-Agriculture
 - Services-Agriculture-Industry
 - Industry-Services-Agriculture
 - Industry-Agriculture-Services
200. Which is the 'Slack Season' in the Indian economy?
- March - April
 - Sept. - Dec.
 - Jan. - June
 - Feb. - April
201. Which of the following groups of states has the largest concentration of rural poor and people living below the poverty line?
- Karnataka, Maharashtra, Goa
 - Goa, Andhra Pradesh, Maharashtra
 - Tamil Nadu, Kerala, Goa
 - Andhra Pradesh, Karnataka, Tamil Nadu
202. Which of the following currency exchange rate mechanisms has been adopted by India?
- Free Float.
 - Managed Float.
 - Floating with a Band.
 - Fixed-but-Adjustable.
203. Find the correct statements regarding the National Investment Fund:
- Its purpose is to receive disinvestment proceeds of CPSEs
 - The funds are used for selected Central social welfare schemes
 - The fund is kept in the Consolidated Fund of India
 - All of these
204. When was the Mahatma Gandhi Watermark banknote series introduced?
- 1990
 - 1992
 - 1994
 - 1996
205. Find the correct statements about demonetisation:
- The first demonetisation in independent India was done in 1978
 - The 1000 and 10,000 rupees banknote were the ones that were demonitised then
 - Both (a) and (b)
 - Neither (a) nor (b)
206. FDI is allowed in NBFCs under the automatic route provided and regulated by:
- SEBI
 - RBI
 - IRDA
 - Any of the above
207. Find the correct statements regarding the new ₹ 500 banknotes:
- It will have a motif of the Red Fort in the reverse
 - It will be magenta in colour
 - Size of the new note is 66 mm × 166 mm
 - All of these
208. What is the full form of the organization of CERSAI?
- Central Repository of Securitisation Asset Reconstruction and Security Interest of India
 - Central Registry of Securitisation Asset Reconstruction and Security Interest of India
 - Central Repository of Securitisation Asset Registration and Security Interest of India
 - Central Registry of Securitisation Asset Restructuring and Security Interest of India
209. Choose the incorrect statements regarding IRDAI:
- It is a statutory body
 - It opened up the insurance industry for the first time in the year 2005
 - It was constituted on the recommendations of the Malhotra Committee
 - None of the above
210. The Gas4India campaign aimed for:
- Encouraging natural gas as fuel of choice for people
 - Moving towards a gas-based economy
 - Increasing the share of gas in the country's energy basket from the present 10 per cent
 - Both (a) and (b)
211. The SS Mundra Special Task Force was formed to:
- Speed up the process of recalibration of ATMs
 - Speed up the process of supply of new notes
 - Speed up the process of opening new micro-ATMs
 - Speed up the transition from old to new banknotes
212. Which of the following was the first Asset Reconstruction Company of India?
- ARCIL
 - ACRE
 - ASREC
 - ISARC
213. PPF has a maturity period of:
- 5 years
 - 10 years
 - 15 years
 - 20 years
214. Which of the following is not regulated by SEBI?
- Chit Funds
 - Venture Capital Fund
 - Stock broking companies
 - All of these
215. The Delhi's Red Fort is on the reverse of the banknote.
- ₹ 100
 - ₹ 500
 - ₹ 1000
 - ₹ 2000
216. Which Indian Company is the first to issue Masala Bonds?
- ICICI Bank
 - SBI
 - Axis Bank
 - HDFC Bank

- 217.** Which are the correct statements relating to the S4A scheme?
- (1) It's full form is Steps for Sustainable Structuring of Stressed Assets.
 - (2) Its main aim is to strengthen the lenders' ability to deal with stressed assets.
 - (3) An overseeing committee having eminent experts will be set up by the Indian Banks Association (IBA) in consultation with the Government of India.
- (a) Only 1 (c) Only 1 and 3
(b) Only 1 and 2 (d) Only 2
- 218.** What are the correct statements about the Compensatory Afforestation Fund Act, 2016?
- (1) Establishes NCAF under the Public Accounts of India.
 - (2) NCAF will get 40% of the funds collected and the remaining 60% will go to the State Government.
 - (3) The payment into NCAF will include compensatory afforestation, NPV of forests and any project specific payments.
- (a) Only 1 and 2 (c) Only 2 and 3
(b) Only 1 and 3 (d) 1, 2 and 3
- 219.** The Committee headed by TSR Subramanian was related to:
- (a) New Education Policy
 - (b) Defence Procurement Policy
 - (c) New Foreign Policy
 - (d) Merger of public sector banks
- 220.** If the RBI increases CRR, then what can be the possible reason for doing that?
- (a) The economy is in recession
 - (b) The demand in the economy has reduced
 - (c) The economy is in stagflation
 - (d) The economy is in inflation
- 221.** Dr. Urijit Patel was associated the committee on which of the following topics?
- (a) Monetary Policy Reforms
 - (b) Financial Inclusion
 - (c) Restructuring of FCI
 - (d) Frauds and malpractices in Banks
- 222.** The RBI recently launched the S4A scheme. What does the 4th S stand for?
- (a) Structured (c) Steps
 - (b) Sustainable (d) Stressed
- 223.** The RBI has launched a website to raise awareness among the masses about fake currency notes. What is the name of that website?
- (a) www.sachet.rbi.org.in
 - (b) www.paisaboltahai.rbi.co.in
 - (c) www.currency.rbi.org.in
 - (d) www.paisaboltahai.rbi.org.in
- 224.** Consider these statements about the SARFAESI Act:
- (1) It is used as a tool by the banks to recover bad loans.
 - (2) It is effective only for secured loans where bank can enforce the underlying security.
 - (3) The security should not be an agricultural land.
- Which are the incorrect statements?
- (a) Only 1 and 2 (c) Only 3
(b) Only 1 and 3 (d) None of these
- 225.** What is the MCA21?
- (1) It is scheme launched by the Ministry of Consumer Affairs.
 - (2) It is one of the Mission Mode Projects of the National e-Governance Plan.
 - (3) It is now being used to calculate the GDP.
- (a) Only 1 (c) Only 2
(b) Only 2 and 3 (d) Only 3
- 226.** Arrange the following organizations chronologically according to their year of establishment.
- (i) NDC
 - (ii) Planning Commission
 - (iii) SBI
 - (iv) SEBI
- (a) ii, i, iii, iv (c) i, ii, iii, iv
(b) ii, i, iv, iii (d) i, ii, iv, iii
- 227.** What are the correct facts about Masala Bonds?
- (a) They are issued outside India, but denominated in Indian Rupees, rather than the local currency
 - (b) Investors bear the risks
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
- 228.** What is the base year for calculating GDP in India?
- (a) 2009-10 (c) 2014-15
 - (b) 2011-12 (d) 2004-05
- 229.** How much stake does the Government of India hold in NABARD?
- (a) 90% (c) 100%
 - (b) 99% (d) 95%
- 230.** Who is the anchor investor in the Rail Development Fund?
- (a) World Bank (c) NDB
 - (b) ADB (d) SBI
- 231.** Find the correct statements about MPC:
- (a) It is related to RBI
 - (b) The Committee will have 6 members
 - (c) Both (a) and (b)
 - (d) Neither (a) nor (b)
- 232.** Capital markets regulator Securities and Exchange Board of India (SEBI) has allowed foreign entities to participate in commodity derivatives market of stock exchanges for hedging their exposures. This will -
- (a) Decrease the liquidity in the commodities market
 - (b) Increase the problem of hot-money
 - (c) Expand participation of foreign entities in metals commodities
 - (d) All of the above
- 233.** In which year had the Hilton Young Commission recommended to the government to create a central bank in the country?
- (a) 1923 (c) 1925
 - (b) 1924 (d) 1926
- 234.** IPPB has recently started its operations with 100% Government of India (GOI) equity. With how many branches has it begun its operations?
- (a) 600 (c) 650
 - (b) 625 (d) 675

235. Which of the following are new features that have been introduced in the UPI 2.0?
 (a) Overdraft facility (c) Invoice in the Inbox
 (b) Payment reminders (d) All of the above
236. Which of the following have been introduced by NPCI:
 (a) IMPS (c) *99#
 (b) Bharat BillPay (d) All of the above
237. Who has been recently appointed as the Chairman of SEBI?
 (a) Raghu Ram (c) Alok Verma
 (b) Ajay Tyagi (d) Surekha Marandi
238. How many members are there in the Meena Hemchandra Committee recently set up by the RBI?
 (a) 8 (c) 10
 (b) 9 (d) 11
239. How many annas used to be there initially in one rupee?
 (a) 15 (c) 18
 (b) 16 (d) 20
240. Which of the following banknotes were discontinued through the Coinage Act 2011?
 (a) ₹ 1, ₹ 2 and ₹ 5 (c) ₹ 2 and ₹ 5
 (b) ₹ 1 and ₹ 2 (d) ₹ 2 and ₹ 3
241. Under the Minimum Reserve System, how much does the RBI need to maintain in the Gold and Foreign Exchange Reserves?
 (a) ₹ 100 crore (c) ₹ 200 crore
 (b) ₹ 150 crore (d) ₹ 250 crore
242. Out of the total Gold and foreign Exchange Reserves of the RBI under the Minimum Reserve System, what should be the minimum value in gold?
 (a) ₹ 100 crore (c) ₹ 110 crore
 (b) ₹ 105 crore (d) ₹ 115 crore
243. Which of the following banknotes are not included in the 'Star' series notes?
 (a) ₹ 10 (c) ₹ 50
 (b) ₹ 20 (d) None of these
244. Which of the following is not a promoter bank of NPCI?
 (a) PNB (c) Citibank
 (b) HDFC (d) None of these
245. When was the Kisan Credit Card scheme introduced?
 (a) 1996 (c) 1998
 (b) 1997 (d) 1999
246. What is the business entity that is authorized to accept cards for the payment of goods and services called?
 (a) Issuer (c) Merchant
 (b) Acquirer (d) Authorized issuer
247. What is the validity period of a Kisan Credit Card?
 (a) 1 year (c) 3 years
 (b) 2 years (d) 4 years
248. How many parties are involved in a Promissory Note?
 (a) 2 (c) 4
 (b) 3 (d) 5
249. The note issue system in India is based on:
 (a) Gold Deposit System
 (b) Minimum Reserve system
 (c) Proportional Reserve system
 (d) None of the above
250. In the short run from where is the growth in the Indian economy likely to receive a boost?
 (1) Lower oil prices
 (2) Monetary easing
 (3) BREXIT
 (a) Only 1 and 2 (c) Only 1
 (b) Only 2 and 3 (d) Only 1 and 2
251. Choose the incorrect option out of the following:
 (a) The general insurance industry was nationalized in 1971
 (b) The IRDA has been set up as an autonomous body
 (c) The insurance sector was opened up in the year 1999
 (d) None of these
252. Which of the following does not fall under Small Savings Schemes?
 (a) Public Provident Fund
 (b) Kisan Vikas Patra
 (c) Post Office Savings Account
 (d) Senior Citizens Savings Scheme
253. Which of the following committees had recommended the setting up of the Financial Data Management Centre?
 (a) Meena Hemachandra Committee
 (b) Ajay Tyagi Committee
 (c) Dinesh Sharma Committee
 (d) Madhukar Gupta Committee
254. The employment under the Prime Minister's Employment Generation Programme (PMEGP) fell to 3.2 lakh in FY 2016 from 3.5 lakh in FY 2015. When was the scheme launched?
 (a) 2008 (c) 2010
 (b) 2009 (d) 2011
255. Many banks like SBI, Bank of Baroda presently have lowered their deposit rates. Which of the following does this move indicate?
 (a) There is inflation in the economy
 (b) The economy is going through a recession.
 (c) There is excess liquidity in the banking system
 (d) There is a reduction of demand in the economy despite the economy not being in a recession
256. Which state became the first to adopt the SHG based financial inclusion model?
 (a) Chhattisgarh (c) Uttarakhand
 (b) Madhya Pradesh (d) Odisha
257. Choose the correct statement related to the NPA situation in the country:
 (a) The menace of NPAs is more in State-owned banks than in the Private banks
 (b) A Bill has been passed by the Parliament to give RBI more powers to tackle the NPAs in the country
 (c) The RBI and the government have already made ready a list of 50 top loan defaulters against whom action can be initiated
 (d) None of these
258. It is the Appointments Committee of the Cabinet that decides on the appointments of several top-posts under the Government of India. Who out of the following doesn't belong to this committee?
 (a) Prime Minister of India