

Compilation of Economics and Economic-Survey Questions

1. Which of the following is/are considered as “secondary sector”?

1. Manufacturing
2. Mining and Quarrying
3. Electricity, Gas and Water Supply
4. Construction

Select the correct code

1. 1, 2 and 4 only
2. 1, 3 and 4 only
3. 2 and 4 only
4. 1 and 2 only

2. The difference between the market prices and factor cost is equal to

1. Indirect taxes paid
2. Subsidies received
3. Capital consumption
4. Indirect tax paid minus subsidies received

3. Recently union government made some changes to the GDP calculation method. Which of the following is/are correct with regards to these changes?

1. The base year for the calculation of GDP was changed to 2011-12 from 2004-05.
2. GDP will be measured by using gross value added (GVA) at market price, rather than factor cost.
3. The change in method of calculation has brought Indian GDP calculations more in line with global practice.

Select the correct code-

1. 1 and 3 only
2. 1 and 2 only
3. 2 and 3 only
4. All of the above

4. Which one of the following statement is true?

1. GDP is always greater than GNP
2. GDP is always lower than GNP
3. GDP is equal to GNP when "income from Abroad" is zero
4. GDP is equal to GNP when "depreciation" is zero

5. Consider the following statements regarding the "GDP deflator".

1. GDP deflator is a comprehensive measure of inflation.
2. The GDP deflator is based on a fixed basket of goods and services.

Which of the above statement is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

6. Which of the following is not a feature of "capitalist economy"?

1. Ownership of means of production is with the private
2. A great part of the production is used for private consumption
3. Labour services are purchased and sold at a price
4. Production takes place for selling the output in the market

7. Consider the following statements regarding Gross Domestic Production.

1. It is a 'quantitative' concept which indicates the internal strength of the economy.
2. It is used by IMF/WB in the comparative analyses of its member nations.
3. GDP is widely criticized for not considering 'qualitative' aspect of the economy.

Which of the following is/are correct?

1. 1 and 3 only
2. 1 and 2 only
3. 1 only
4. All of the above

8. Consider the following statements regarding purchasing power parity.

1. It is a technique used to determine the relative value of different currencies.
2. This concept works on the assumption that markets work on the *law of one price*.
3. This is a popular method used by the IMF and WB in studying the living standards of people in different economies.

Which of the following is/are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 1 only
4. All of the above

9. Consider the following statements with respect to state economy.

1. Socialist & Communist economies are the forms of state economy
2. Planning is the central theme of state economy.
3. India at present is pursuing state economy.

Which of the following is/are correct?

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All of the above

10. Company 'X' is headquartered at Delhi, India and it has a production facility at Beijing, China. The output of production facility is part of China's _____. The profits of the company which are repatriated to the India are part of India's _____.

1. GDP; GNP
2. GDP; GDP
3. GNP; GDP
4. GNP; GNP

11. Which of the following factors have never been accounted in the calculation of poverty in India before the Rangarajan committee came up with its report on Poverty?

1. Cost of basic Education
2. Health expenses
3. Housing expenses
4. Nutrition based expenses

Choose the correct answer using the codes below.

1. 1 and 2 only
2. 1 and 4 only
3. All of the above
4. 4 only

12. The concept of 'Depreciation' is applicable to which of the following?

1. Human capital
2. Physical capital
3. Currency

Choose the correct answer using the codes below.

1. 1 and 2 only
2. 3 only
3. 2 and 3 only
4. All of the above

13. Entrepreneurs, bureaucrats and politicians are now advancing views about how India can transform itself into a knowledge-based economy by

1. making its skilled and educated youth fully employed in knowledge sectors
2. increasing the enrolment ratio in tertiary education
3. leveraging the power of the Information technology and intellectual capital
4. reviving its ancient knowledge of science, medicine and astrology from scriptures

14. Consider the following statements with regard to the public expenditure on education in India.

1. Elementary education takes a major share of total education expenditure.
2. Expenditure per student in tertiary education is higher than that of elementary.
3. Public expenditure on education per year is greater than that in Defence sector.

Choose the correct answer using the codes below.

1. 1 and 2 only
2. 3 only
3. 2 and 3 only
4. All of the above

15. Non Banking Financial Company - Micro Finance Institutions (NBFC-MFIs) can serve which of following purposes in India?

1. Education loans
2. Loan for Income generation activities
3. Savings account for the poor

Choose the correct answer using the codes below.

1. 1 and 2 only
2. 3 only
3. 2 and 3 only
4. All of the above

16. Consider the following with reference to the unorganised sector in India.

1. It generates a miniscule part of India's GDP.
2. It employs a majority of India's working population.
3. It is not regulated by any laws, rules or regulations.

Choose the correct answer using the codes below.

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. 2 only

17. What is meant by the 'casualization of workforce'?

1. Majority of labour moving from regular salaried jobs to self-employment
2. Majority of labour moving from informal jobs to self-employment
3. Majority of labour moving from regular salaried jobs to informal jobs
4. Majority of labour moving from regular salaried and self-employment to informal jobs

18. Which of the following human development indicators are published by the United Nations Development Program (UNDP)?

1. Multi-dimensional poverty Index (MPI)
2. Inequality-adjusted HDI
3. Gender Development Index
4. Gender Inequality Index

Choose the correct answer using the codes below.

1. 1, 2 and 4 only
2. 1 and 3 only
3. 2 and 3 only
4. All of the above

19. Consider the following statements with reference to inequality in India.

1. India has the lowest income inequality among all emerging economies.
2. Its income inequality is lower than that in all the western developed countries.
3. Income inequality in India has increased in the last decade.

Which of the above is/are true?

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All of the above

20. The Atal Pension Yojana launched in the Union Budget 2015-16 focuses on

1. All citizens in the unorganized sector
2. All income tax payer citizens
3. Only BPL citizens in the unorganized sector
4. All BPL citizens

Choose the correct answer from the codes below.

1. 1 and 4 only
2. 2 only
3. 3 only
4. 4 only

21. Growth trend in Indian economy has shown noticeable improvement because of

1. Decline in oil prices.
2. Monetary easing.
3. Policy support from government.
4. Lowering of unemployment rate.
5. Strengthening of business sentiments.

Select the correct code

1. 1, 2, 3 only
2. 2 only
3. 1,2,3,5 only
4. All of the above

22. Low level of private investment is a result of

1. Poor and inadequate banking system
2. Deficiencies of public private partnership (PPP) model in infrastructure.
3. Tight monetary policy.
4. Rationalization of subsidies.

Select the correct code

1. 1, 2 only
2. 2 only
3. 1, 2, 3 only
4. All of the above

23. A decline in the employment elasticity of growth can result into

1. Disruption of projected growth targets in India.
2. More competition among youths
3. Sustainable and inclusive India.

Select the correct code

1. 1 only
2. 2 only
3. 2, 3 only
4. All of the above

24. Consider the statements:

1. Revenue-to-GDP ratio (for the general government) in India is more as compare to emerging Asian economies.
2. India's overall revenue (for the general government) is approximately one-fifth of GDP.

Select the correct code

1. 1 only
2. 2 only
3. Both 1 and 2
4. None

25. Moderation in oil prices is result of

1. Weak global demand.
2. Increase in supply
3. global monetary and liquidity environment
4. Sanctions imposed on Russia over Ukraine issue.

Select the correct code

1. 1, 2 only
2. 2 only
3. 1, 2, 3, only
4. All of the above

26. Low rural wage growth in India leads to

1. Lowering of inflation rate.
2. Further monetary policy easing
3. Financial repression on liability side in banking sector.

Select the correct code

1. 1, 2 only
2. 2 only
3. 2, 3 only
4. All of the above

27. High minimum support for rice and wheat results into

1. Monoculture
2. Environmental concerns.
3. Induce greater price volatility in non-MSP supported crops.
4. Enhance nutrition availability to poor in general.

Select the correct code

1. 1, 2, only
2. 2 only
3. 1, 2, 3 only
4. All of the above

28. Consider the statements:

1. The profits generated by freight services have cross-subsidized passenger's services.
2. Indian freight rates are deliberately kept low to attract freight traffic from road sector.

Select the correct code

1. 1, only
2. 2 only
3. Both 1 and 2
4. None

29. Consider the statements:

1. Financial repression on the asset side has arisen from high inflation in Indian banking system.
2. Increasing non-performing assets in Indian banking system is one of the results of negative impact of financial repression on the asset side.

Select the correct code

1. 1, only
2. 2 only
3. Both 1 and 2
4. None

30. Consider the statements

1. Public sector banks perform well above private sector banks on average even though they are burdened with social obligation.
2. Private sector banks have level of professionalism, management skills and better incentives for Employees as compare to public sector banks

Select the correct code

1. 1, only
2. 2 only
3. Both 1 and 2
4. None

31. Gender inequality index is a composite measure reflecting inequality in achievement between men and women in three dimensions and that are:

1. Life expectancy
2. Labor market
3. Gross enrollment at primary level

Select the correct code

1. 1, only
2. 1, 2 only
3. 2 only
4. None

32. In quest for greater commitment to climatic change initiative, Indian government has taken a slew of steps that includes:

1. Shifts from a carbon subsidization regime to carbon taxation regime.
2. Focus on increasing share of hydro-electricity by installing micro-turbine along the perennial rivers.
3. Increased the coal cess from Rs. 50 per ton to Rs. 75.
4. Panchayats are advised to meet 5% of energy demand by biogas production in their area to curb emission from burning cow-dung cakes and wood in rural households.

Select the correct code

1. 1 only
2. 1, 3 only
3. 1, 2, 3 only
4. All of the above.

33. Non-Plan expenditure will show downward trend if

1. Decline in oil prices in international market
2. Introduction of direct benefit transfer into the bank accounts of domestic LPG consumers
3. By increasing domestic defence capacity
4. Better implementation of MNERGA.

Select the correct code:

1. 1 and 2 Only
2. 2 and 3 Only
3. 1, 2 and 3 Only
4. All of the above

34. The list of exempted good under GST has been kept very short. Choose the completely exempted goods from given below:

1. Alcohol for human consumption
2. Petroleum products
3. Tobacco and tobacco products

Select the correct code:

1. 1 Only
2. 2 Only
3. 1 and 2 Only
4. 1 and 3 Only

35. Introduction of the GST is expected to yield

1. High returns to the factor of production
2. High exports of India goods
3. Very high revenue gains
4. Economic welfare

Select the correct code:

1. 2, 3 and 4 Only
2. 1, 2 and 4 Only
3. 1, 2 and 3 Only
4. All of the above.

36. The tax expenditure or tax forgone indicates the revenue forgone. What could be said about it-

1. It hurts country's economy as whole.
2. It generally leads to increase in fiscal deficit.
3. It has been increasing year by year in recent time.

Select the incorrect code:

1. 1 Only
2. 2 Only
3. 1 and 2 Only
4. 1 and 3 Only

37. Collection rate (related to custom revenue collection) will increase if

1. Total imports will increase
2. Total exports will increase
3. Reduction in duties on petroleum, oil and lubricants (POL) if we assume imports is increasing in India.

Select the correct code:

1. 1 Only
2. 2 Only
3. All of the above
4. None

38. Consider the statements given below:

1. **Maximum percentage** increase has been shown by fertilizer head under subsidies from 2013-2014PA (Provisional Actuals) to 2014-2015BE (Budget Estimates).
2. In 2014-2015BE (Budget Estimates), addition or sum of fertilizer and petroleum subsidies is less than the food subsidies.

Select the correct code:

1. 1 Only
2. 2 Only
3. Both
4. None

39. Consider the statements about Fiscal performance of the States:

1. Fiscal consolidation of states during recent years was largely due to expenditure rationalization.
2. The decline in gross fiscal deficit to GDP ratio in 2014-2015 is mainly attributed to transfers from the centre.

Select the correct code:

1. 1 Only
2. 2 Only
3. Both
4. None

40. Choose from given below that would help government in much desired Fiscal consolidation:

1. Declining trend of oil prices in international market.
2. Tax buoyancy
3. Tax expenditure as its in current scenario.
4. Increase in collection rate (related to custom revenue collection) by 10% with taking decrease in imports by 10% from previous year together.

Select the correct code:

1. 1 and 2 Only
2. 1, 2 and 4 Only
3. 1, 2 and 3 Only
4. All of the above.

41. Which of the following measures will have positive impact on Inflation?

- 1 Reduction in unnecessary expenditure of Government
- 2 Increase in savings of the people
- 3 Surplus budgets
- 4 Halt in repayment of public debt

Select the correct codes

1. 1, 2 and 4
2. 2, 3 and 4
3. 1, 3 and 4
4. All

42. Recently RBI issued guidelines for the set up of Payment Banks. What are the activities that Payment Banks can undertake?

1. They can accept demand deposits and saving bank deposits
2. They can take part in lending activities
3. They are exempted to follow Corporate Governance Norms

Select the wrong statements

1. Only 1
2. 2 and 3
3. 1 and 2
4. None

43. Consider the following statements

1. Foreign Institutional Investor (FII) and Qualified Foreign Investor (QFI) have now merged into Foreign Portfolio Investor (FPI)
2. FPI's are not allowed to invest in any unlisted shares/bond or debentures issued by Indian company.
3. FPI's are permitted to invest in Government Securities with a minimum residual maturity of 6 months

Select the correct codes

1. 1, 2 and 3
2. Only 3
3. Only 2
4. Only 1

44. Consider the following

1. The World Environment Day theme for this year is "**Seven Billion Dreams. One Planet. Consume with Care.**"
2. **Think.Eat.Save** is an anti-food waste and food loss campaign of United Nation Environment Programme (UNEP) that encourages you to reduce your food print.

Select the wrong statements

1. Only 1
2. Only 2
3. Both
4. None

45. Consider the following statements regarding Green Energy Development Scenario in India

1. Gujarat is the highest generator of solar power in India
2. One of the major constraints for development of Green Energy in India is less funding.
3. A big disadvantage of solar power is there is high maintenance cost and photovoltaic cells lasts only for few months.

Select the correct statements

1. 1 and 2
2. Only 1
3. Only 3
4. 1 and 3

46. Which of the following steps are meant for Ease of Doing Business in India?

1. Foreign Trade Policy
2. Goods and Services Tax
3. Inclusion of States under the watchdog of Department of Industrial Policy and Promotion (DIPP)
4. eBIZ platform of Gol

Select the correct code

1. 1, 2 and 3
2. 2, 3 and 4
3. 1, 2, 3 and 4
4. 1, 3 and 4

47. Consider the following statements.

1. An extremely low aggregate demand.
2. Comparatively lower inflation.
3. Production houses go for forced labour cut in order to reduce production cost.

Which of the following stage of Business cycle best represents the above characteristics?

1. Recession
2. Recovery
3. Depression
4. Boom

48. Which of the following government actions can be used as remedy for the “recession” phase of the business cycle?

1. Cut in the direct and indirect taxes.
2. Slashing interest rate and liberalizing the lending procedures.
3. Upward revision of salaries and wages.

Select the correct code from below.

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. 1, 2 and 3

49. Consider the following statements with regards to inflation indexed bonds (IIBs).

1. IIBs will provide inflation protection to principal only.
2. Existing tax provisions will be applicable on interest payment and capital gains on IIBs.
3. Foreign institutional investors (FIIs) are not allowed to invest in IIBs.

Which of the above statements are NOT correct?

1. 2 and 3 only
2. 1 and 2 only
3. 1 and 3 only
4. All of the above

50. Which of the following step/s may result in inflation?

1. Increase in the repo rate.
2. Increase in the indirect taxation rate.
3. Proper maintenance of buffer stock of major agricultural products.
4. Decrease in the crude oil production.

Select the correct code from below.

1. 2, 3 and 4 only.
2. 4 only.
3. 2 and 4 only.
4. 1 and 3 only.

51. Consider the following statements regarding Producer Price Index (PPI).

1. PPI gives an idea of consumer prices in the future.
2. In PPI only basic prices and taxes are used while trade margins and transport cost are excluded.

Which of the above statement/s is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

52. Inflation has multidimensional effects on the economy. Which of the following is/are correct regarding the effects of inflation?

1. Lenders suffers and borrowers benefit out of inflation.
2. In the short run, investment in the economy is boosted.
3. Burden of tax payer is increased as they are forced to pay increased taxes.

Select the correct code from below.

1. 1 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

53. Consider the following statements regarding “core inflation”.

1. Core inflation is an indicator of long-term trend in the inflation.
2. While calculating core inflation transitory price changes are excluded.

Which of the above statement/s is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

54. WPI and CPI are two important indices for measuring inflation. But there are substantial differences between the two. Which of the following statements is/are true about the difference between CPI and WPI?

1. WPI measures inflation at wholesale market, while CPI measure at retail level.
2. WPI is more or less same throughout the country but CPI vary across the region.

Select the correct code from below.

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

55. “Inflationary gap” refers to

1. Difference between CPI and WPI inflation.
2. The excess of total government spending above the national income.
3. The shortfall in total spending of the government.
4. None of the above.

55. New CPI series with base year 2012 are available for five major groups. For which of those five groups CPI-Rural index is not calculated?

1. Food, beverages and tobacco
2. Fuel and light
3. Housing
4. Clothing, bedding and footwear

56. Broad money M3, is most commonly used measure of money supply. Which of the following is/are part of broad money?

1. Currency held by the public.
2. Demand deposits of the public held by commercial banks.
3. Interbank demand deposits held by commercial banks.
4. Time deposits of the public held by commercial banks.

Select the correct code from below.

1. 1 and 4 only.
2. 1, 2 and 4 only.
3. 1, 2 and 3 only.
4. All the above.

57. Recently RBI revamped "priority sector lending" norms. Which of the following are considered as priority sectors?

1. Micro and small enterprises
2. Medium enterprises
3. Export credit
4. Renewable energy
5. Social infrastructure
6. Personal loans

Select the correct code from below.

1. 1, 2, 4 and 5 only.
2. 1, 2, 3, 5 and 6 only.
3. 1, 2, 3, 4 and 5 only.
4. All the above.

58. Consider the following statements regarding Regional Rural Banking.

1. Contribution to the share capital of the RRBs by the 'sponsored bank' is 50%.
2. The RRBs are also come under the ambit of priority sector lending.

Which of the above statement/s is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

59. Which of the following statement is *not* correct regarding Urjit Patel committee recommendations on Monetary Policy Reform?

1. WPI should be used as the nominal anchor for inflation targeting.
2. Administered prices and interest rates should be eliminated.
3. Monetary policy should be decided by a Committee.
4. An independent Debt Management Office (DMO) should be setup.

60. Consider the following statements regarding recently launched MUDRA bank.

1. In lending, MUDRA bank focuses on enterprises set up by the under-privileged sections of the society.
2. MUDRA is setup as a refinance institution.
3. Regulation of micro finance institutions (MFIs) is not the mandate of MUDRA bank.

Which of the above statement/s is/are correct?

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

61. Consider the following statements regarding Statutory Liquidity Ratio (SLR)?

1. It is the ratio of total deposit of the bank which is kept with RBI.
2. It is maintained in non-cash form.

Which of the above statement/s is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

62. "Chit Fund" is in news because of Saradha Chit Fundscam. Which of the following statement/s is/are correct regarding chit funds in India?

1. Under Chit Funds Act, 1982, chit funds are regulated RBI.
2. FDI is prohibited in chit funds under the Government Route as well as the Automatic Route.
3. Chit fund comes under the Concurrent List of the Indian Constitution.

Select the correct code from below.

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

63. An advance of banks is considered as Non Performing Asset (NPA) when

1. Interest and/or principal remains overdue for two harvest seasons but for a period not exceeding two-and-a-half years in the case of agricultural loans.
2. Interest and/or principal remain overdue for a period more than 90 days in respect of a term loan.

Select the correct code from below.

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

64. Consider the following statements regarding "small finance banks".

1. Minimum paid-up capital requirement for setting up small finance bank is Rs.100 crores.
2. Foreign shareholding in small finance bank is not allowed.
3. The small finance banks will be required to extend 75 per cent of its net credit to the priority sector lending (PSL).

Which of the above statement/s is/are correct?

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

65. Activities of Non Banking Financial Companies (NBFC) are akin to that of banks but there are a few differences. Which of the following are correct regarding NBFCs?

1. NBFC cannot accept demand deposits.
2. Deposit insurance facility is not available to depositors of NBFCs.
3. NBFCs are part of the payment and settlement system.

Select the correct code from below.

1. 2 and 3 only
2. 1 and 3 only
3. 1 and 2 only
4. All the above

66. Consider the following regarding Full Capital Account Convertibility.

1. It may lead to downfall of domestic companies
2. It will lead increased phenomenon of HOT money.
3. Fiscal deficit will increase
4. Decrease in cost of capital

Select the correct code

1. 1, 2, 3 and 4
2. 1, 2 and 4
3. 3 and 4
4. 2, 3 and 4

67. What constitutes Capital Account?

1. External Commercial Borrowing (ECB)
2. Global Depository Receipts
3. Foreign Portfolio Investments
4. Interest Payments on International Investments

Select the correct code

1. 1, 2, 3 and 4
2. 1, 2 and 3
3. 2, 3 and 4
4. 1, 2 and 4

68. Consider the following statements regarding correction in Balance of Payment (BoP)

1. Money contraction will result in correction in BoP deficit
2. Contraction in money supply will reduce the domestic prices and hence increase the import resulting into correction in BoP deficit
3. Increase in tourism services will have positive impact on BoP

Select the correct code

1. 1, 2 and 3
2. 2 and 3
3. 1 and 2
4. 1 and 3

69. Consider the statements regarding 'Headline Inflation and Core Inflation'

1. Headline inflation is a measure of total inflation within an economy, excluding commodities such as food and energy prices while core inflation includes food and energy items
2. Core inflation presents a picture of long term inflation while Headline inflation may not present an accurate picture of an economy's inflationary trend.

Which of the above statement is/are NOT correct?

1. Only 1
2. Only 2
3. Both
4. None

70. Minimum Support Prices (MSP) are granted by government so that it doesn't affect the farmers. Consider the following

1. The maximum number of items for which MSP is given is cereals
2. MSP is determined by Commission for Agricultural Costs and Prices (CACP) under Ministry of Consumer Affairs

Which of the above is/are Correct?

1. Only 1
2. Only 2
3. Both
4. None

71. Consider the following

1. Electricity
2. Coal
3. Cement
4. Fertilizers
5. Steel

Out of the core industries given, arrange them (increasing order) according to their weight in Index of Industrial Production (IIP)

1. 1-5-2-3-4
2. 1-3-4-2-5
3. 4-1-2-5-3
4. 4-3-2-5-1

72. Consider the following

1. Reducing the number of documents for import
2. E-Biz Project
3. Decentralization of Federalism
4. Skill Development Initiatives

Which of the above will accrue to more strong industrial growth of India?

1. 1, 2, 3 and 4
2. 2, 3 and 4
3. 1, 3 and 4
4. 1, 2 and 4

73. A new scheme, the 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY), has been launched with the objectives of

1. Merging agriculture and non-agriculture feeders to facilitate distribution companies (discoms) in the judicious fostering of supply to agricultural and non-agricultural consumers.
2. Metering in Urban Areas
3. Private sector discoms are eligible to have financial support

Select the correct choice

1. 1, 2 and 3
2. Only 2
3. Only 3
4. 1 and 3

74. Which of the following schemes will promote Urban Infrastructure?

1. Swatch Bharat Abhiyan
2. Smart City Scheme
3. Bharat Nirman
4. Indira Awas Yojana
5. HRIDAY

Select the correct code

1. 1, 3 and 4
2. 2, 4 and 5
3. 1, 2 and 5
4. All

75. Consider the following statements regarding 'Goods and Service tax'.

1. GST essentially a tax only on the value addition at each stage.
2. The proposed GST will have Two components one levied by the centre and the other levied by the state.
3. Alcohol, Tobacco products, Petroleum products are kept out of proposed GST regime.

Which of the above statements are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

76. Fourteenth Finance Commission submitted its report recently. Which of the following statements are correct regarding the recommendations of 14th Finance Commission?

1. States share in net proceeds of Union tax revenues raised to 42%.
2. Grants to states divided into two; a basic grant and a performance grant.
3. Ratio of basic to performance grant fixed at 80:20 for panchayats as well as municipalities.

Select the correct code from below.

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

77. Consider the following statements regarding 'Effective Revenue Deficit'.

1. It is the Revenue deficit excluding the grants for creation of capital assets.
2. 14th Finance Commission recommended that an amendment to FRBM act to omit the definition of Effective Revenue Deficit.

Which of the above statement/s is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

78. Receipts of the government are divided into Revenue receipt and Capital receipt.

Which of the following are considered as Revenue receipts?

1. Tax collections by the government.
2. Long term loans raised by the government.
3. Recovery of the loan amount lent out in the past.
4. Fees and penalties received by the government.
5. Interest received by the government out of the loans forwarded by it.

Select the correct code from below.

1. 1, 2, 3 and 4 only
2. 2, 3 and 4 only
3. 1, 4 and 5 only
4. 1, 2 and 5 only

79. Consider the following statements regarding FRBM Act, 2003.

1. It provides for a legal institutional framework for fiscal consolidation.
2. Act makes monetary policy independent of fiscal policy.
3. Government can move away from the path of fiscal consolidation in case of natural calamity, national security and other exceptional grounds.

Which of the above statements are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

80. The government recently set up a high-level committee to look into the issues pertaining to levy of minimum alternate tax on foreign institutional investors (FIIs). Which of the following are correct regarding minimum alternative tax (MAT)?

1. MAT is an indirect tax.
2. MAT is applicable to only corporate tax payers.
3. *Real estate investment trusts are exempted from MAT.*

Select the correct code from below.

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

81. Consider the following statements regarding ways and means advances.

1. It is a mechanism used by RBI to help states to correct the temporary mismatches in the cash flow of their receipts and payments.
2. WMA are provided against government securities only.
3. WMA limits are decided by RBI in consultation with Government from time to time.

Which of the above statements are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

82. Recently NITI Aayog replaced Planning Commission. Which of the following statements are correct regarding NITI Aayog?

1. Chairperson of NITI Aayog is Prime Minister.
2. Governing council of NITI Aayog consists of chief ministers of states, Lt. Governors and union cabinet ministers.
3. As a think tank it will monitor and evaluate the implementation of programmes.

Select the correct code from below.

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

83. Consider the following statements regarding Financial Stability and Development Council (FSDC).

1. FSDC is headed by Prime Minister.
2. Its members include union cabinet ministers responsible for finance, revenue, commerce etc.
3. FSDC also focuses on financial literacy and financial inclusion.

Which of the above statement/s is/are correct?

1. 1 and 2 only
2. 3 only
3. 2 and 3 only
4. 1 and 3 only

84. Expenditure of the government categorized into plan and non-plan expenditure.

Which of the following items comes under the category of non-plan expenditure?

1. Interest payments
2. Wage and salary payments to government employees
3. Expenditure on electricity generation
4. Defence Expenditure
5. Loans to public enterprises

Select the correct code from below.

1. 1, 2 and 5 only
2. 1, 2, 3 and 5 only
3. 1, 2, 4 and 5 only
4. 2, 4 and 5 only

85. Consider the following regarding Corporate Social Responsibility (CSR)

1. It is not only applicable to all Indian companies, but also applicable to branch and project offices of a foreign company in India.
2. CSR funds can be also be used in National Relief Fund and combating terrorism.
3. Companies are restricted to use the fund for the welfare of ST's and SC's.

Select the Correct statement/s

1. 1, 2 and 3
2. 2 and 3
3. Only 1
4. None

86. Service sector is the biggest contributor to GDP in most of the developing and developed countries. Consider the following w.r.t it

1. There is an increasing trend in World GDP with respect to contribution of Service Sector
2. India is among top five nations in the world in service GDP along with top position holder USA

Select the WRONG statement/s

1. Only 1
2. Only 2
3. Both
4. None

87. Consider the statement/s

1. India's service sector contributes more to employment than income.
2. India's major services exports are Professional and Consulting Services.

Select the correct statement/s

1. Only 1
2. Only 2
3. Both
4. None

88. What does animal BEAR means in Stock Market?

1. Afraid to lose anything
2. Different investment styles and strategies out there.
3. Economy is bad, recession is looming and stock prices are falling.
4. Be conservative and never invest in anything you do not understand.

89. Consider the following statements regarding Indian Depository Receipts (IDRs).

1. IDR is an instrument created by Indian depository in India against underlying shares of issuing company.
2. It allows foreign investors to invest in listed Indian companies.
3. IDRs are denominated in Indian rupees.

Which of the above statements are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

90. Which of the following is/are the functions of Securities Exchange Board of India under SEBI Act, 1992?

1. Registering stock exchanges, mutual funds, brokers etc.
2. Promoting investor education.
3. Inspection and audit of stock exchanges and various intermediaries.

Select the correct code from below.

1. 1 only
2. 1 and 2 only
3. 1 and 3 only
4. All the above

91. Consider the following statements regarding foreign investments in India.

1. A particular FII is allowed to invest up to 10% of the paid up capital.
2. Any investment above 10% will be constructed as FDI.
3. FIIs cannot invest in unlisted securities.

Which of the above statement is/are correct?

1. 1 and 3 only
2. 2 and 3 only
3. 1 and 2 only
4. None of the above

92. Consider the following statements.

1. Insurance density is the ratio of insurance premium as a percentage of GDP, in a given year.
2. Insurance penetration is the ratio of premium under written in a given year to the total population.

Which of the above statement(s) is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. None of the above

93. Foreign portfolio investment is coming to India substantially through 'participatory notes'. Consider the following statements regarding 'Participatory notes'.

1. It is a derivative instrument issued in foreign jurisdiction against underlying Indian securities.
2. Investors in the participatory note own the underlying Indian security.
3. Participatory note holder does not enjoy any voting rights in relation to security/share referenced by Participatory note.

Which of the above statements is/are correct?

1. 1 only
2. 1 and 2 only
3. 1 and 3 only

4. 2 and 3 only

94. Consider the following statements regarding Rajiv Gandhi Equity Savings Scheme (RGESS).

1. It is designed exclusively for first time individual investors.
2. Investment in any single year cannot exceed Rs. 1,00,000/-.
3. Investors get 50% of deduction of amount invested during the year, upto maximum investment of Rs. 50,000/- per financial year from his taxable income for that year.

Which of the above statement are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. None of the above

95. Government recently launched 'Atal Pension Yojana'. Consider the following statements regarding Atal Pension Yojana.

1. Atal Pension Yojana (APY) is open to all bank account holders who are not members of any statutory social security scheme.
2. Minimum period of contribution by the subscriber under APY would be 20 years.
3. It is mainly targeted at organised sector workers.
4. The existing subscribers of Swavalamban Scheme would be automatically migrated to APY.

Which of the above statements are correct?

1. 1 and 4 only
2. 2 and 4 only
3. 1, 2 and 3 only
4. 1, 2 and 4 only

96. Consider the following statements regarding private equity investments.

1. Angel investors are an individual investor who provides financial backing to entrepreneurs for starting their businesses.
2. Venture Capital is a company or business investor which is seldom interested in early stage of business.

Which of the above statements are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 not 2

97. Which of the following statements is/are correct regarding security markets?

1. The market in which the instruments of security market are traded between the capital raiser and the instrument purchaser is known as the secondary market.
2. The market where the instruments of security market are traded among the primary instrument holders is known as the primary market.

Select the correct code from below.

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 not 2

98. Generally FDIs are preferred over FIIIs. Which of following is/are the reason(s) to do so?

1. FDI brings in a certain expenditure that can't be pulled out overnight.
2. It creates jobs and can potentially aid economic growth.
3. FDIs are always made in partnership or under a joint venture with a domestic company.

Select the correct code from below.

1. 1 only
2. 3 only
3. 1 and 2 only
4. 2 and 3 only

99. Consider the following statements

1. The cumulative global CO₂ emission of China has surpassed India and EU.
2. Indian cumulative global CO₂ emission is close to China but less than USA
3. The cumulative global CO₂ emission of USA and India when combined is less than rest of the world.

Select the Wrong statement/s

1. 1, 2 and 3
2. 2 and 3
3. 1 and 2
4. None

100. World is all set to include New Sustainable Development Goals (SDG's) by the end of 2015. Consider the following statements regarding this

1. It has the element of United Nations Convention to Combat Desertification (UNCCD)
2. It is based on Agenda-21
3. India's Total Sanitation Program and Swachh Bharat do not come under new set of targets of SDG's
4. There is no mention of tackling tobacco control and illegal drug trafficking

Which of the above statement/s is/are TRUE?

1. 1 and 2
2. 1, 2 and 3
3. 2 and 4
4. 1, 2, 3 and 4

101. Consider the following

1. Tropospheric Ozone
2. Sulphur dioxide
3. CO
4. CO₂
5. Water vapour
6. Methane
7. Nitrous oxide

Which of the above are Short Lived Green House Gases?

1. 1, 2, 3, 6 and 7
2. 2, 3, 5, 6 and 7
3. 1, 2, 3 and 5
4. 2, 3, 5 and 7

102. India is moving from non-renewable source of energy to renewable energy as evident from aggressive policies for the same. In this light consider the following statements

1. The contribution of Solar Energy is dominant in overall renewable energy sector of India.
2. Wind Energy dominates the sector followed by solar, biomass and hydro-power

Select the correct code/s

1. Only 1
2. Only 2
3. Both
4. None

103. India has established National Adaptation Fund following the international norm of Adaptation Fund under Climate Change Agreement. Consider the following statements regarding this

1. The Adaptation Fund was established in 2007 at the 7th COP of UNFCCC.
2. The Adaptation Fund is financed with a share of proceeds from the Joint Implementation Mechanism (JIM) project activities and other sources of funding.
3. The Industrial Development Bank of India (IDBI) is India's National Implementing Entity (NIE) for the Adaptation Fund created under the UNFCCC.

Select the WRONG statement/s

1. 1 and 2
2. 1 and 3
3. 2 and 3
4. 1, 2 and 3

104. Consider the following statements regarding India's population in recent times

1. There is an increasing trend in share of population in the age group of 0-14 age group.
2. There is a declining trend in percentage of elderly (60+) on account of poor health facilities.

Select the correct code

1. Only 1
2. Only 2
3. Both
4. None

105. As per Economic Survey and other government reports, impediments to India's growth is/are

1. Increasing Child Population
2. Inadequacy of Human Capital at the base of population pyramid
3. Lack of Basic Skill

Select the correct code

1. 1, 2 and 3
2. 2 and 3
3. 1 and 3
4. 1 and 2

106. What are the initiatives of Gol that aims to enhance access, equality, quality and innovation in the area of higher and vocational education

1. Rashtriya Uchchar Shiksha Abhiyan (RUSA)
2. Sarva Sikhsha Abhiyaan (SSA)
3. Mid Day Meal (MDM)
4. Technical Education Quality Improvement Programme (TEQIP)
5. National Skill Qualification Framework (NSQF).

Select the correct code

1. 1, 2, 4 and 5
2. 1, 4 and 5
3. 2, 3 and 4
4. 2, 3 and 5

107. The initiatives that aim at bringing minorities into mainstream development

1. Nai Manzil
2. MANAS
3. Nai Roshni
4. USTTAD

Select the correct code

1. 1, 2, 3 and 4
2. 2, 3 and 4
3. 1, 3 and 4
4. 1, 2 and 4

108. Consider the following

1. Textile Industry
2. IT/BPO
3. Metal Industry
4. Leather Industry

Arrange the above sectors according in decreasing order of employment generation

1. 3-2-4-1
2. 1-2-3-4
3. 2-1-3-4
4. 2-1-4-3

109. "Fragile Five" includes

1. Nigeria
2. Brazil
3. India
4. Turkey
5. Greece
6. Indonesia
7. South Africa

Select the correct option

1. 1, 2, 3, 4 and 7
2. 2, 3, 4, 6 and 7
3. 1, 3, 4, 5, 6 and 7
4. 2, 4, 5, 6 and 7

110. Macro-Economic Vulnerability Index adds up

1. Balance of Payment
2. Fiscal Deficit
3. Rate of Inflation
4. Current Account Deficit
5. Depreciation

Select the correct code/s

1. 1, 2, 3, 4
2. 2, 3 and 4
3. 1, 2, 3, 4 and 5
4. 2, 3, 4 and 5

111. Correctly match the following committees recently in news

Name	Area
1. Shanta Kumar Committee	FCI
2. Meena Kumari Committee	Minimum Support Price
3. Ramesh Chand Committee	Deep Sea Fishing
4. Param Rajput	Status of Women

Correct option

1. 1, 2 and 3
2. 2 and 3
3. 1 and 4
4. 1, 3 and 4

112. Which of the following are taken into account for 'Real Economic Growth Rate'?

1. Rate of change of GDP from one year to another.
2. It is not distorted by the effects of extreme inflation or deflation.
3. The real economic growth rate adjusts for how much borrowing power has been affected and therefore provides a more accurate view.
4. It can include GDP as well as GNP
5. It is inflation adjusted

Select the correct code

1. 1, 2, 3 and 5
2. 1, 2, 4 and 5
3. 1, 3, 4 and 5
4. All

113. Consider the following regarding 'Tax Buoyancy'.

1. Taxes are said to be buoyant if the tax revenues increase more than proportionately in response to a rise in GDP
2. It finds relevance with Laffer Curve

Select the correct code/s

1. Only 1
2. Only 2
3. Both
4. None

114. Some of the industries are covered under compulsory licensing under the Industries (Development & Regulation) Act, 1951 which is reviewed on an ongoing basis. Which of the following industries requires compulsory licensing?

1. Distillation and brewing of alcoholic drinks.
2. Drugs and Pharmaceuticals
3. Electronic Aerospace and defense equipment
4. Specified Hazardous chemicals

Select the correct code from below.

1. 1, 3 and 4 only
2. 1 and 4 only
3. 1, 2 and 4 only
4. All the above

115. Consider the following statement regarding 'Disinvestment'.

1. Disinvestment always implies change in management.
2. Privatization is a form of disinvestment.
3. According to present disinvestment policy, Government has to retain management control of the Public Sector Undertakings.

Which of the above statements are correct?

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

116. The industries which are of fundamental importance for the development of other industries are termed as 'core industries'. Which of the following are considered as core industries?

1. Coal
2. Textiles
3. Crude Oil
4. Natural Gas
5. Petroleum Refinery Products

Select the correct code from below.

1. 1, 2, and 4 only
2. 1, 3, 4 and 5 only
3. 3 and 4 only
4. 1, 3 and 4 only

117. Companies Act, 2013, under section 135 provides for 'corporate social responsibility (CSR)'. Which of the following expenditure can be considered as CSR?

1. Salaries paid by the companies to regular CSR staff as well as to volunteers.
2. Renewable energy projects.
3. Sponsorships of TV programmes.
4. Donation to IIM, Ahmadabad for conservation of buildings and renovation of classrooms.

Select the correct code from below.

1. 1 and 2 only
2. 2 and 3 only
3. 1, 2 and 4 only
4. All the above

118. The Government of India constituted the National Investment Fund (NIF), into which the proceeds from disinvestment of Central Public Sector Enterprises are channelized. Which of the following is/are correct regarding National Investment Fund?

1. NIF is a part of 'Public Accounts'.
2. The NIF corpus is managed by Public Sector Fund Managers.
3. The allocations out of the NIF will be decided in the Government Budget.

Select the correct code from below.

1. 2 only
2. 1 and 2 only
3. 2 and 3 only
4. 1 and 3 only

119. Which of the following is/are correct regarding the 'National Manufacturing Policy'?

1. Enhancing the share of manufacturing in GDP to 25%.
2. Creating 100 million jobs over a decade.
3. Empower rural youth by imparting necessary skill sets to make them employable.
4. Establishment of National Investment and Manufacturing Zones (NIMZs) with land area of at least 1000 hectares.

Select the correct code from below.

1. 1 and 2 only
2. 1, 2 and 4 only
3. 1, 2 and 3 only
4. None of the above

120. Consider the following statements regarding 'Index of Industrial Production'.

1. The current base year for the IIP series in India is 2004-05.
2. In India the index is compiled using figures of mining, manufacturing and electricity sectors only.
3. National Industrial Classification (NIC)-2004 is used to calculate the new IIP series.

Which of the above statements are correct?

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

121. Which of the following sector/activities is/are reserved for public sector in India?

1. Atomic Energy
2. Railway electrification
3. Mass rapid transport system
4. Construction, operation and maintenance of passenger terminals

Select the correct code from below.

1. 1 and 2 only
2. 1 only
3. 1, 2 and 4 only
4. All the above

122. The main objective of the 'Maharatna scheme' is to empower mega CPSEs to expand their operations and emerge as global giants. Which of the following are correct regarding eligibility criteria for CPSEs to grant Maharatna status?

1. Having Navratna status.
2. The CPSEs need not be listed on Indian stock exchanges.
3. An average annual net worth of more than Rs.15,000 crore during the last 3 years.
4. Should have significant global presence/international operations.

Select the correct code from below.

1. 1 and 3 only
2. 1, 2 and 3 only
3. 1, 3 and 4 only
4. All the above

123. An industry is considered as 'sick' when

1. At the end of a financial year, accumulated losses are equal to or more than its net worth.
2. It should have completed five years of incorporation under the Companies Act, 1956.
3. It must have had more than 50 workers on any given day of 12 months prior to the financial year in which sickness is claimed.
4. It should have a factory license.

Select the correct code from below.

1. 1, 2 and 3 only
2. 2, 3 and 4 only
3. 1, 3 and 4 only
4. All the above

124. India's Foreign exchange reserves now crossed 350 billion US dollars. Which of the following are parts of foreign exchange reserve?

1. Foreign currency assets.
2. Gold reserves.
3. *Special drawing rights (SDRs)*.
4. Reserve Position in the IMF.

Select the correct code from below.

1. 1, 2 and 3 only
2. 2, 3 and 4 only
3. 1, 3 and 4 only
4. All the above

125. Indian Rupee loses its value when

1. Indian imports are increasing, without corresponding rise in export.
2. FDI or FIIs inflows.
3. More Indians travels abroad.

Select the correct code from below.

1. 1 and 2 only
2. 2 and 3 only
3. 1 and 3 only
4. All the above

126. Consider the following statements regarding 'Capital account convertibility'.

1. India has full current account convertibility but not full capital account convertibility.
2. Capital account convertibility beneficial for a country because inflow of foreign investment increases
3. Capital account convertibility brings stability in the economy.

Which of the above statements is/are correct?

1. 2 only
2. 1 and 2 only
3. 1 and 3 only
4. All the above

127. Consider the following statements regarding effective exchange rates.

1. 'The nominal effective exchange rate' (NEER) is the weighted geometric average of the bilateral nominal exchange rates of the home currency in terms of foreign currencies.
2. 'The real effective exchange rate (REER)' is the weighted geometric average of nominal exchange rates of the home currency in terms of the foreign currencies adjusted for relative price differential.

Which of the above statements is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

128. Consider the following statements regarding recently launched foreign trade policy (FTP) 2015-2020.

1. Trade facilitation and enhancing the ease of doing business are the other major focus areas of new FTP.
2. FTP2015-20 introduced a new scheme called 'Merchandise Exports from India Scheme (MEIS)' for export of specified goods to specified markets.
3. Units located in SEZs are excluded from Merchandise Exports from India Scheme (MEIS).

Which of the above statements are correct?

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only
4. All the above

129. International crude oil price has taken a huge plunge in recent time. Which of the following is/are correct regarding impact of fall in oil price on Indian economy?

1. Shrinking of trade deficit.
2. Reduced subsidy burden on the government.
3. Helped in controlling the inflation.
4. Reduced remittance by Indian employees in oil producing countries.

Select the correct code from below.

1. 1, 2 and 3 only
2. 2, 3 and 4 only
3. 1, 3 and 4 only
4. All the above

130. Which one of the following is not a Current account transaction?

1. Imports payables
2. Exports receivables
3. Net invisibles
4. External Commercial Borrowings

131. 'Dumping' is an unfair trade practice which can have a distortive effect on international trade. In this regard consider the following statements.

1. If the export price is lower than the normal value, it constitutes dumping.
2. Import of cheap products through illegal trade channels like smuggling also considered as dumping.

Which of the above statement is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

132. Implementation of the GAAR has been a matter of public debate. Which of the following statements are correct regarding GAAR?

1. It gives Indian authorities the right to scrutinize and tax transactions which they believe are structured solely to avoid taxes.
2. GAAR will apply only when tax benefit exceeds Rs 3 crore.
3. GAAR will not apply to non-resident investors in FIIs.

Select the correct code from below.

1. 1 and 2 only
2. 1 and 3 only
3. 2 and 3 only

4. All the above

133. Consider the following statement regarding India's external debt.

1. The increase in external debt during 2014-15 was on account of rise in commercial borrowings and non-resident deposits.
2. The US dollar denominated debt is the largest component of India's external debt with a share of 58.3 per cent.

Which of the above statements is/are correct?

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

134. Consider the following about JAM Trinity introduced by GoI

1. JAM trinity will reduce the dependency on Mobile services
2. It will give more penetration to Post Offices
3. It will cut down the leakages in subsidy

Select the correct code

1. 1, 2 and 3
2. 1 and 3
3. 2 and 3
4. Only 3