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TEST 5 Question Indian Economy

Time Allowed : One Hours

Maximum Marks : 100

INSTRUCTION

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS, ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. This Test booklet contain 98 items (questions). Item is printed in English. Each item comprises for responses (answers). You will select the response which you want to mark on the answer sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose **ONLY ONE** response for each item.
3. You have to mark all your response **ONLY** on the separate answer sheet provided. See direction in the answer sheet.
4. All items carry equal marks.
5. Before you proceed to mark in the answer sheet the response to various items in the TEST BOOKLET, you have to fill in some instruction provided within the answer sheet.
6. After you have completed filling in all you responses on the answer sheet and the examination has concluded, you should hand over to the invigilator **Only the Answer Sheet**. You are permitted to take away with you the test Booklet.
7. Sheet for rough work are appended in the Test Booklet at the End.
8. **Penalty for Wrong answer :**

THERE WILL BE PENALTY FOR WRONG ANSWERES MARKED BY A CANDIDATE IN THE OBJECTIVE TYPE QUATIONS PAPERS.

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- I. There are four alternatives for the answer to every question, For each questions for which a wrong answer has been given by the candidate, One-third of the marks assigned to that questions will be deducted as penalty.
 - II. If a candidate gives more than one answer, it will be treated as **Wrong Answer** Has been given by the candidate; **One-Third** of the marks assigned to that question will be deducted as penalty.
 - III. Select E option in case if you dont attempt the answer , if not marked E option ,it will be consider as incorrect answer.
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Test: 05 Indian Economy

1. The central banking functions in India are performed by the

Central Bank of India

Reserve Bank of India

State Bank of India

Punjab National Bank

a) I, II

b) II

c) I

d) II, III

2. Development expenditure of the Central government does not include

a) defense expenditure

b) expenditure on economic services

c) expenditure on social and community services

d) grant to states

3. Gilt-edged market means

a) bullion market

b) market of government securities

c) market of guns

d) market of pure metals

4. Devaluation of a currency means

a) reduction in the value of a currency vis-a-vis major internationally traded currencies

b) permitting the currency to seek its worth in the international market

c) fixing the value of the currency in conjunction with the movement in the

value of a basket of pre-determined currencies

d) fixing the value of currency in multilateral consultation with the IMF, the World Bank and major trading partners

5. Depreciation means

a) closure of a plant due to lock out

b) closure of a plant due to labour trouble

c) loss of equipment over time due to wear and tear

d) destruction of a plant in a fire accident

6. In India, rural incomes are generally lower than the urban incomes, which of the following reasons account for this?

i. A large number of farmers are illiterate and know little about scientific agriculture

ii. Prices of primary products are lower than those of manufactured products

iii. Investment in agriculture has been low when compared to investment in industry

a) I, II, III

b) I, II

c) I, III

d) II, III

7. In which among the following years, a new " Liberalized Industrial Policy " in India was announced for the first time?

- a) 1986
- b) 1991
- c) 1992
- d) 1993

8. In which among the following years, the MRTP act became effective?

- a) 1970
- b) 1972
- c) 1975
- d) 1978

9. In the Industrial Policy of 1991, how many industries were reserved only for Public Sector?

- a) 7
- b) 8
- c) 11
- d) 13

10. In an oligopolistic or monopolistically competitive market, firms do not raise their prices because even a small price increase will lose many customers. Which among the following is the most suitable terms used for this concept ?

- a) Supracompetitive pricing
- b) Swing Demand
- c) Kinked Demand
- d) Imperfect competition

11. In context with the two way trade of India with different regions, which among the following region is India's largest trade partner?

- a) EU Region
- b) Gulf Region
- c) North America
- d) Latin America

12. Consider the following statements in context with the Free Market Economy:

1. The role of market forces and competition is eliminated by law
2. There is a high degree of competition in both commodity and factor markets
3. Private gains are the main motivating and guiding force for carrying out economic activities

Which among the above is/ are correct statements?

- a) Only 1 & 2 are correct
- b) Only 2 & 3 are correct
- c) All are correct
- d) None of them is correct

13. Which among the following was NOT a reason behind India's poverty as pointed out by Dadabhai Naoroji in his famous work "Poverty and Un-British Rule in India" ?

- a) Expenditure of the European Officials in England
- b) Money sent by the British professionals to England
- c) India's Population growth
- d) Bringing of British Capital in India

14. Which among the following State/ UT / city has the highest per capita electricity consumption in the country?

- a) Puducherry
- b) Delhi
- c) Mumbai
- d) Dadra & Nagar Haveli

15. Which among the following represents a decrease in the Owner's equity?

- a) Issue of Bonus Shares
 - b) Redemption of the Debentures
 - c) Redemption of the Preference Shares
 - d) Purchase of the Building
- Explanation

16. Which among the following will be a debit entry in India's balance of payments?

- a) Imports of goods by India.
- b) Income of Indian investments abroad.
- c) Receipts of transfer payments.
- d) Exports of services by India.

17. Which among the following states leads in the Infant Mortality Rate in India, 2016?

- a) Odisha
- b) Uttar Pradesh
- c) Madhya Pradesh
- d) Assam

18. Yashaswini rural healthcare scheme is being implemented in which among the following states of India?

- a) Andhra Pradesh
- b) Karnataka
- c) Himachal Pradesh
- d) Tamil Nadu

19. Which among the following states of India is running the Dhanwantari Yojana in the healthcare sector?

- a) Haryana
- b) Rajasthan
- c) Madhya Pradesh
- d) Uttar Pradesh

20. Which among the following sectors has largest contribution in Gross Domestic Savings in India?

- a) Public Sector
- b) Households
- c) Private Sector Corporates
- d) Unorganized Sector

21. In the initial stages of planned development starting from its Second Five Year Plan, the strategy of development adopted by India was based on which of the following?

1. Heavy industries
2. Export promotion
3. Light industries
4. Import substitution

Select the correct answer using the code given below':

- a) 1 and 2
- b) 3 and 4
- c) I and 4
- d) 2 and 3

22. The World Bank's Environmentally Sustainable Development Division has developed Green Index. Which one of the following is not a constituent of this index?

- a) Produced assets
- b) Natural resources
- c) Social assets'
- d) Human assets

23. According to population experts, the possible demographic bonus may accrue to India by 2016 A.D. Which phenomenon are they referring to ?

- a) A harp drop in the total population
- b) A well-balanced sex ratio
- c) A decline in both birth and death 'rates
- d) A surge in the population in the productive age group

24. What is the long-term objective of National Population Policy (NPP), 2000 ?

- a) To bring the Total Fertility Rate (TFR) to replacement levels
- b) To achieve a stable population at a level consistent with the requirement of sustainable economic growth

- c) To address the unmet needs for contraception;
- d) To cover the entire population in the reproductive age I with contraceptive and health care

25. The main part of fiscal policy is:

- a) Production policy
- b) Tax policy
- c) Money policy
- d) Interest-rate policy

26. In which year the first industrial policy was enacted for the industrial development in India?

- a) In 1950
- b) In 1956
- c) In 1952
- d) In 1948

27. National Bank of Agriculture and Rural Development (NABARD) was established in:

- a) 19th July 1982
- b) 19th July 1983
- c) 19th July 1984
- d) None of these

28. On which of the following dates 'Foreign Exchange Management Act' was implemented in India?

- a) 31st May 2000
- b) 25th June 2002
- c) 1st June 2000
- d) 1st February 2002

29. EXIM Bank was established in India on:

- a) 1st January 1982
- b) 1st January 1992
- c) 1st January 2002
- d) 1st January 2007

30. What is the period of 12 five year plan?

- a) 2011 - 2016
- b) 2010 - 2015
- c) 2013 - 2018
- d) 2012 - 2017

31. Where is 'Dalal Street'?

- a) Delhi
- b) Mumbai
- c) New York
- d) Surat

32. Ashok Mehta Committee was related to the:-

- a) Centre-State Relations
- b) Economic Reforms
- c) Panchayati Raj
- d) None of the above

33. The writer of the book "Planned Economy for India" is

- a) Jawahar Lal Nehru
- b) Amartya Sen
- c) M. Visvesvarayya
- d) M.N. Roy

34. The concept of 'Natural Growth Rate' was given by

- a) Harrod

- b) Lamarck
- c) Nurske
- d) Meade

35. "Panchayat Raj" in rural development system is related to

- a) Central Planning
- b) Decentralized planning
- c) Capitalistic Planning
- d) Rolling planning

36. In which of the following years, was NREGA launched ?

- a) 2005
- b) 2000
- c) 1996
- d) 1992

37. In which five year plan the 'Capacity Building' through urban local bodies was conceived ?

- a) 8th Plan
- b) 9th Plan
- c) 11th Plan
- d) 12th Plan

38. When the exchange rate changes from $1\$ = \text{` } 60$ to $1\$ = \text{` } 58$, it means :

- I. Rupee value has appreciated II. Dollar value has depreciated
- III. Rupee value has depreciated IV. Dollar value has appreciated

- a) I and II are correct.
- b) II and III are correct.
- c) I and IV are correct.

d) II and IV are correct.

39. According to Malthusian Theory of Population, population increases in :

- a) Geometrical Progression
- b) Arithmetic Progression
- c) Harmonic Progression
- d) None of the above

40. The Phillips Curve represents relationship between :

- a) Deflation and Unemployment
- b) Inflation and Unemployment
- c) Inflation and Disguised Unemployment
- d) Deflation and Cyclical Unemployment

41. Which of the following economists propagated the Pure Monetary Theory of Trade Cycle ?

- a) Hawtrey
- b) Hayek
- c) Keynes
- d) Hicks

42. Who is the author of the book 'The Accumulation of Capital' ?

- a) Mrs. Joan Robinson
- b) Adam Smith
- c) Lord Maynard Keynes
- d) None of the above

43. Which of the following economists, introduced fiscal policy

as a tool to rectify the Great Depression of 1929-30 ?

- a) Prof. Keynes
- b) Prof. Pigou
- c) Prof. Marshall
- d) Prof. Crowther

44. The Committee on Financial Sector Reforms 2008, in India was headed by :

- a) Bimal Jalan
- b) Raghuram Rajan
- c) C. Rangarajan
- d) M. Narasimham

45. As per Census 2011, the sex ratio (number of females per 1000 males) in India is :

- a) 925
- b) 947
- c) 916
- d) 943

46. The Planned Development Model was adopted in India from :

- a) 1st April, 1951
- b) 15th August, 1947
- c) 26th Jan., 1950
- d) 1st May, 1965

47. Which one of the following is the Chairman of the National Development Council ?

- a) Prime Minister of India
- b) Finance Minister of Govt. of India

- c) President of India
- d) Vice-President of India

48. Which of the following states in India is famous for rubber cultivation ?

- a) Karnataka
- b) Odisha
- c) Andhra Pradesh
- d) Kerala

49. NREGA was renamed 'MNREGA' on :

- a) 2nd October, 2007
- b) 2nd February, 2008
- c) 2nd October, 2009
- d) 2nd October, 2010

50. Which one of the following is part of fiscal policy ?

- a) Production policy
- b) Tax policy
- c) Foreign policy
- d) Interest rate policy

51. The Indian rupee was made convertible into which of the following accounts since March 1994 ?

- a) Capital Account
- b) Current Account
- c) Both (a) and (b)
- d) Revenue Account

52. The Insurance Regulatory and Development Authority was set up in India on :

- a) April 2000
- b) April 2001
- c) April 2002
- d) April 2003

53. Which of the following is not a function of the Reserve Bank of India ?

- a) Regulation of currency
- b) Regulation of foreign trade
- c) Regulation of credit
- d) Custody and management of country's foreign exchange reserves.

54. The full name of newly constituted 'NITI Aayog which replaced 'Planning Commission' is:-

- a) National Institute of Transmission India
- b) National Institution for Transforming India
- c) National Institute for Technical Information
- d) None of the above

55. According to Human Development Report-2015 (HDR-2015) what is India's rank in Human Development Index (HDI)?

- a) 130 th
- b) 135 th
- c) 136 th
- d) 137 th

56. Which of the following five years plan in India aims at "Inclusive growth":-

- a) Fifth Five Years Plan
- b) Sixth Five Years Plan
- c) Eleventh Five Years Plan
- d) Tenth Five Years Plan

57. Which of the following hectorage indicates the marginal farmers in India?

- a) Less than one hectares
- b) – 2.0 hectares
- c) 2.0 – 3.0 hectares
- d) More than 3.0 hectares

58. In which of the following years ‘National Food Security Mission’ was launched?

- a) 2001 – 02
- b) 2005 – 06
- c) 2007 – 08
- d) 2010 – 11

59. The rate at which banks lend to RBI is called:-

- a) Bank Rate
- b) Reverse Repo Rate
- c) Repo Rate
- d) Interest Rate

60. When environment aspect is taken into account in the calculation of GDP, it is called

- a) Social accounting
- b) Environmental accounting
- c) Green accounting
- d) Economic accounting

61. When was the Service Tax introduced first time in India ?

- a) 1990 – 91
- b) 1994 – 95
- c) 1996 – 97
- d) 1999 – 2000

62. “Pradhan Mantri Jan Dhan Yojna” was launched on

- a) 28th August, 2014
- b) 28th September, 2014
- c) 28th October, 2014
- d) 28th November, 2014

63. In Global Hunger Index 2015, India has been placed at

- a) 55th
- b) 56th
- c) 57th
- d) 80th

64. Into how many PIN code zones is India divided?

- a) six
- b) seven
- c) eight
- d) nine

65. Financial year of Government begins from

- a) Calendar Year
- b) Ashwin Shukla
- c) Beginning of April
- d) Kartika - Saka

66. What is the objective of “Horticulture Mission for North East and Himalayan States” ?

- a) Promoting Horticulture
- b) Promoting Organic farming
- c) Promoting inorganic farming
- d) All of the above

67. When was National Agriculture Insurance Scheme started ?

- a) 22nd June, 1999
- b) 21st June, 1998
- c) 05th June, 2000
- d) 10th June, 2001

68. The concept of Economic Planning in India is derived from ?

- a) USA
- b) UK
- c) Australia
- d) Russia

69. An economy is at the take off stage on its path to development when it

- a) is liberalized
- b) gets maximum foreign aid
- c) becomes stagnant
- d) begins steady growth

70. First five year plan was based on ?

- a) P.C. Mahalanobis Model
- b) Herold -Domar Model
- c) Both of above

d) None of above

71. The Mumbai Stock Exchange was set up in

- a) 1947
- b) 1922
- c) 1875
- d) 1900

72. ICICI is the name of a

- a) financial institution
- b) bureau
- c) chemical industry
- d) corporation

73. Special Drawings Rights (SDRs) relate to

- a) The World Bank
- b) The International Monetary Fund
- c) The World Trade Organization
- d) The Reserve Bank of India

74. Which of the following about strategy of balanced growth is right?

- a) All sectors are independent.
- b) Simultaneous investment in all sectors
- c) Both
- d) None

75. Which industry employs the largest number of women in India?

- a) jute
- b) tea
- c) coal

d) textile

76. Reserve Bank of India was nationalized in the year

- a) 1945
- b) 1969
- c) 1935
- d) 1949

77. National income ignores

- a) Sale of land
- b) Sales of a firm
- c) Salary of employees
- d) Exports of the IT sector

78. Subsidies mean

- a) payment by government for purchase of goods and services
- b) payment made by companies to shareholders
- c) payment made by the government to business enterprises, without buying any goods and services
- d) payment made by business enterprises to factors of production

79. In which of the following fields was the first co-operative movement in India initiated?

- a) agricultural credit
- b) consumer co-operation
- c) agricultural marketing
- d) farming activities

80. National income is generated from

- a) any money making activity

b) any profit-making activity

c) any laborious activity

d) any productive activity

81. Resurgent India Bonds were issued in US dollar, Pound Sterling and

- a) Deutsche Mark
- b) French Franc
- c) Japanese Yen
- d) Euro

82. The terms “Micro Economics” and “Macro Economics” were coined by

- a) Alfred Marshall
- b) Ragner Nurkse
- c) Ragner Frisch
- d) J.M. Keynes

83. Which of the following taxes is/are levied by the Union and collected and appropriated by the states?

- a) estate duty
- b) stamp duties
- c) taxes on newspapers
- d) passenger and good tax

84. Which of the following is not an undertaking under the administrative control of Ministry of Railways?

- a) Konkan Railway Corporation Limited
- b) Indian Railways Construction Company Limited

- c) Diesel Locomotive Works, Varanasi
- d) Container Corporation of India Limited

85) Paper currency first started in India in

- a) 1601
- b) 1880
- c) 1542
- d) 1861

86. Which of the following programs aims at the promotion of savings among rural women?

- a) Rashtriya Mahila Kosh
- b) Mahila Samridhi Yojna
- c) Indira Mahila Yojna
- d) Javhar Rozgar Yojna

87. Revealed Preference Theory was propounded by

- a) Adam Smith
- b) Marshall
- c) P. A. Samuelson
- d) J. S. Mill

88. Which one of the following is more effective in controlling prices in the long run?

- a) increase in the rate of employment
- b) decrease in production
- c) decrease in the rate of interest
- d) increase in production

89. Gross domestic capital formation is defined as

a) flow of expenditure devoted to increased or maintaining of the capital stock

b) net addition to stock after depreciation

c) expenditure incurred on physical assets only

d) production exceeding demand

90. Through open market operations, the RBI purchase and sell

a) foreign exchange

b) gold

c) government securities

d) all of these

91. Land development banks in India are owned by the

a) RBI

b) State governments

c) Commercial banks

d) Cooperative societies

92. If the cash reserve ratio is lowered by the RBI, its impact on credit creation will be to

a) increase it

b) decrease it

c) no impact

d) None of the above

93. When was the Reserve Bank of India established?

a) 1935

b) 1947

- c) 1920
- d) 1928

94. Gross Domestic Product is defined as the value of all

- a) Goods produced in an economy in a year
- b) Goods and services produced in an economy in a year
- c) Final goods produced in an economy in a year
- d) Final goods and services produced in an economy in a year

95. Which certification indicates a guarantee of quality for agricultural food products like ghee, honey, etc.?

- a) ISI
- b) Agmark
- c) BIS
- d) All of above

96. In Economics the terms 'Utility' and 'Usefulness' have

- a) Different meaning
- b) Same meaning
- c) Opposite meaning
- d) None of the above

97. The largest percentage of bonded labour in India belongs to

- a) scheduled castes
- b) scheduled tribes
- c) other backward classes
- d) none of these

98. Which of the following is not a part of machinery that settles industrial disputes?

- a) Conciliation officers
- b) Wage Court
- c) Board of Conciliation
- d) Works Committee

99. Consider the following statements about Indian Depository Receipts (IDR).

1. An IDR is an instrument denominated in Indian Rupees in the form of a depository receipt created by a custodian of securities registered with the SEBI against the underlying equity of issuing company.
2. A foreign company can access Indian securities market for raising funds through issue of Indian Depository Receipts (IDRs).

Which of the above is/are correct?

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. None

100. Which of the following are counted under Capital Account Balance?

1. External Commercial Borrowings (net)
2. Non-resident deposit (net)
3. Foreign investments (net)

Select the correct answer using the codes below.

A. 2 and 3 only

B. 1 only

C. 1, 2 and 3

D. 1 and 3 only

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