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GENERAL STUDIES TEST SERIES

PRELIMINARY EXAMINATION - 2018

TEST 3: ECONOMY

Time Allowed: Two Hours

Maximum Marks: 200

Instructions:

1. This Test Booklet contains 100 items (questions). Each item comprises four 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.
2. All items carry equal marks.
3. Mark your answer on the Answer Sheet provided separately. For marking your answer darken the circle against the option by using a Pencil.
4. **Penalty for wrong Answers:**

THERE WILL BE PENALTY FOR WRONG ANSWERS MARKED BY A CANDIDATE IN THE OBJECTIVE TYPE QUESTION PAPERS

- (1) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, **one-third** of the marks assigned to that question will be deducted as penalty.
- (2) If a candidate gives more than one answer, it will be treated as a wrong answer even if one of the given answers happens to be correct and there will be same penalty as above to that question.
- (3) If a question is left blank i.e., no answer is given by the candidate, there will be no penalty for the question.

Q1. Which among the following is/are the qualitative tools to control credit creation by RBI?

1. Open Market Operations
2. Bank Rate
3. Margin Requirements
4. Direct Action

Select the correct code:

- (a) 1 and 2 only (b) 3 only
(c) 1, 2 and 3 only (d) 3 and 4 only

Q2. Consider the following statements with reference to Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR):

1. CRR helps in increasing or squeezing liquidity in the system
2. SLR is used to siphon off the excess liquidity in the system as well as used to mobilize revenue for the government
3. CRR and SLR are part of Liquidity Adjustment Facility (LAF).

Which of the above statements is/are correct?

- (a) 1 and 2 only (b) 3 only
(c) 1, 2 and 3 (d) None

Q3. With reference to Gross National Product (GNP), consider the following statements:

1. GNP is a measure of the value of output produced by the nationals of a country irrespective of the geographical boundaries.
2. It is always greater than Gross Domestic Product.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q4. As per the law of demand, with all other factors being constant, the demand of any particular good depends on which of the following factors?

1. price of the good
2. substitutes
3. number of sellers

Select the correct code:

- (a) 1 only (b) 2 and 3 only
(c) 1 and 2 only (d) 1, 2 and 3

Q5. Consider the following differences between core and headline inflation:

1. While core inflation excludes food and fuel prices, headline inflation includes them.
2. Core inflation is relatively more volatile and fluctuating than headline inflation.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q6. With reference to the recently launched WPI Food Index, consider the following statements:

1. It measures the changes in prices at the level of producers.
2. It considers 2011-12 as the base year.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q7. The Reserve Bank of India performs which of the following functions?

1. Regulation and supervision of the nonbanking financial institutions.
2. Management of foreign exchange reserves
3. Lender of the last resort
4. Banker to the Central and State Governments

Select the correct code:

- (a) 1, 2 and 3 only (b) 1, 2 and 4 only
(c) 3 and 4 only (d) 1, 2, 3 and 4

Q8. The Union Government recently approved for revision of guidelines of Sovereign Gold Bonds (SGB) Scheme.

Which of the following changes have been made in the scheme?

1. The investment limit per fiscal year has been increased to 4 kg for individuals, 4 kg for Hindu Undivided Family (HUF), and 20 kg for Trusts/similar entities.

2. Flexibility has been given to Ministry of Finance to design and introduce variants of SGBs with different interest rates and pay-offs.

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q9. Union Government recently cleared various proposals under the Trade Infrastructure for Export Scheme (TIES). Which of the following statements is/are correct regarding TIES?

1. It will be implemented for 2 years.
2. The objective of the scheme is to enhance export competitiveness by creating focussed export infrastructure, providing first mile and last mile connectivity for export-oriented projects and addressing quality and certification measures.

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q10. With reference to Repo rate, consider the following statements:

1. It is the rate at which the RBI lends money to commercial banks.
2. Both government securities and corporate bonds can be used for transactions under Repo rate.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q11. Which of the following best defines Tax buoyancy?

- (a) It is the ratio of growth in tax revenue to growth in GDP.
(b) It is the ratio of gross tax collected to the total public debt of the state.
(c) It is the ratio of gross tax collected by the state to the percentage of GDP.
(d) It is the ratio of growth in tax revenue to the growth in population

Q12. Regarding unemployment both in rural and urban India, the nature of unemployment differs in both with respect to

1. Year-round availability of employment

2. Disguised unemployment that is more prevalent in urban areas

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q13. Poverty line in India is calculated based on which of these bare minimum parameters?

1. Minimum level of food requirement
2. Clothing and footwear
3. Absence of land ownership
4. Educational and medical requirements
5. Fuel and light

Select the correct answer using the codes below.

- (a) 1, 2, 3, 4 and 5 (b) 1 and 4 only
(c) 2, 3 and 5 only (d) 1, 2, 4 and 5

Q14. Human Development Report and World Development Indicators are published by which of these organizations respectively?

- (a) United Nations Development Programme (UNDP)
(b) UNDP and World Bank
(c) World Bank and UNICEF
(d) Oxfam and UNESCO

Q15. Which of the following is/are the part of Foreign Exchange Reserves?

1. Gold and silver reserves
2. Special Drawing Rights and International Monetary Fund reserve positions.
3. Reserves held in US Dollars only

Select the correct codes:

- (a) Only 2 (b) 1 and 2
(c) 2 and 3 (d) All

Q16. Which of the following price indexes and organization related to it is/are correctly matched?

Price Indices	Released by
1. CPI for Industrial:	Labour Bureau
2. CPI (Rural) :	CSO
3. GDP Deflator :	Economic Advisor

Q24. Consider the following statement/s:

1. If the Real Exchange Rate between two currencies is equal to ZERO, it means currencies are at Purchasing Power Parity.
2. The ratio of Nominal to real GDP is called GDP Deflator.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q25. Which of the following statements is/are true about taxation system in India?

1. Income Tax is a both direct and progressive tax.
2. GST will subsume both direct and indirect taxes applicable in Centre and States.

Select the correct code:

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q26. "Open Market Operation" is a popular term of Indian Economy. What does it mean?

- (a) Borrowing by Union Government
(b) Collection of Funds by Banks
(c) Selling and purchase of Government securities by RBI
(d) Lending by RBI to common public in distress situation

Q27. Arrange the following events in the correct chronological order:

1. The Great Depression of USA
2. Bretton Woods Conference
3. New Economic Policy of India
4. Formation of WTO

Code:

- (a) 2 - 1 - 4 - 3 (b) 1 - 3 - 2 - 4
(c) 1 - 2 - 3 - 4 (d) 2 - 1 - 3 - 4

Q28. Which of the following is/are feature(s) of "Liquidity Trap"?

1. Injection of cash into the economy increases interest rates.
2. Monetary policy becomes ineffective.

3. Increase in demand of Bonds.

Choose the correct ones:

- (a) 2 and 3 only (b) 1 and 3 only
(c) 1 and 2 only (d) 2 only

Q29. Consider the following statement/s:

1. The Mahalanobis model was implemented in first five year plan.
2. Second five year plan focused on heavy industries.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q30. Consider the following statement/s:

1. Demand for any good, moves in opposite direction of the price of its complementary good.
2. Demand for any good, usually moves in the direction of the price of its substitute.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q31. With reference to Goods and Services Tax (GST), consider the following statements:

1. It is a type of value added tax.
2. The tax under GST regime is imposed at the point of consumption.
3. It is not applicable on imports of goods and services.

Which of the above statements is/are correct?

- (a) 1 and 2 only (b) 1 only
(c) 2 and 3 only (d) 1, 2 and 3

Q32. Consider the following statements about Gross Domestic Product:

1. Expenditure method, Product method, Income method are the three ways to calculate GDP
2. Nominal GDP is GDP evaluated at a set of Constant Market prices.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only

- (c) Both 1 and 2 (d) Neither 1 nor 2

Q33. Which of the following statement/s is/are correct?

1. Banks are not permitted to resort to any lending below the Base Rate.
2. The rate at which Banks park their short-term excess liquidity with the RBI is called Repo (Repurchase) rate
3. In the Marginal Standing Facility, Banks can borrow funds up to certain percentage of their Net demand and Time liabilities.

Choose the correct ones:

- (a) 1 and 2 only (b) 2 and 3 only
(c) 1 and 3 only (d) All of the above

Q34. Arrange the following measures of money supply, viz. M1, M2, M3 and M4 as per increasing liquidity.

Choose the correct ones:

- (a) $M1 > M2 > M3 > M4$
(b) $M4 > M3 > M2 > M1$
(c) $M3 > M2 > M1 > M4$
(d) $M1 > M3 > M2 > M4$

Q35. Consider the following statement/s with reference to Price Elasticity of Demand of a Good:

1. It is the Ratio of percentage change in the demand of a good to the percentage change in its price.
2. For an Inelastic good the Price Elasticity of Demand is more than 1.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q36. Which of the following statement is correct regarding Phillips curve?

- (a) It represents relationship between tax rates and tax revenue collected by government.
(b) It represents inverse relationship between rate of inflation and rate of unemployment.

(c) It represents direct relationship between rate of inflation and rate of employment.

(d) None of the above

Q37. Which of the following statements is/are true regarding Scheduled Banks?

1. Scheduled Banks are those banks which are included in the Second Schedule of the Reserve Bank Act, 1934.
2. It has paid up capital and reserve aggregate value of not less than Rs. 5 crores.
3. Scheduled banks are eligible for loans from the Reserve Bank of India at bank rate, and are given membership to clearing houses.

Select the correct code:

- (a) Only 1 (b) 1 and 2
(c) 1 and 3 (d) None

Q38. With reference to the Inflation, what does the term Stagflation refer to?

- (a) It refers to the reduction of rate of inflation.
(b) It refers to combination of inflation and rising employment.
(c) It refers to rise in price of one or small group of commodities over a sustain period of time, along with decreasing prices in others.
(d) It refers to combination of inflation and rising unemployment due to recession.

Q39. Which of the following statements is/are true regarding 'Gross National Happiness Index'(GNH)?

1. The concept implies that sustainable development should take a holistic approach towards notion of progress and give equal importance to non-economic aspects of well-being.
2. Bhutan is the first country in the world to come up with the concept of GNH.
3. Gujarat is the first state in the India to have "Happiness Department".

Select the correct code:

- (a) Only 1 (b) Only 3

(c) 1 and 2 (d) All

Q40. Which of the following is/are the part of categories of Priority Sector Lending?

1. Agriculture infrastructure.
2. Remote village electrification.
3. Renewable Energy.

Select the correct code:

(a) 1 and 2 (b) 2 and 3
(c) Only 1 (d) All

Q41. Which of the following statements is/are true regarding Statutory Liquidity Ratio (SLR)?

1. It effectively regulates the credit growth in the Indian economy.
2. It is maintained in cash form with RBI.
3. It is intended to make banks invest in government securities.
4. It is intended to maintain the purchasing power money in order to curtail inflation.

Select the correct code:

(a) 1 and 2 (b) 2 and 4
(c) 1 and 3 (d) 3 and 4

Q42. Which of the following statements related to Marginal Cost of Funds based Lending Rate(MCLR)is/are correct?

1. It refers to the minimum interest rate of a bank below which it cannot lend.
2. Under this the interest rate for different types of customers should be fixed in accordance with their riskiness.
3. It aims at improving the transmission of policy rates into the lending rates of banks.

Select the correct code:

(a) Only 1 (b) 1 and 2
(c) 1 and 3 (d) 1, 2 and 3

Q43. Which of the following is/are the benefits of Insolvency and Bankruptcy Code?

1. It will make it easier to exit or attempt revival of a business.
2. All litigation under the code will be filed before the Debt Recovery Tribunal for

corporate insolvency and insolvency ofLLPs thus will reduce delay.

3. The code could ensure quicker resolution of issues related to NPA.

Select the correct code:

(a) 1 and 2 (b) Only 1
(c) 1 and 3 (d) 1, 2 and 3

Q44. Which of the following is/are correct regarding Capital account of the budget?

1. Capital receipts create liability for the Government.
2. Capital expenditures create assets for the Government.

Select the correct code:

(a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q45. Union Finance Minister recently launched a new taxpayer service called "AaykarSetu", consider the following statements regarding AaykarSetu:

1. It compiles various tax tools and important links to various processes within the Income Tax Department in a single module.
2. It has been launched to increase the direct physical interface between assesses and tax assessing authority.

Which of the above statements is/are correct?

(a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q46. With respect to Market Stabilization Scheme Bonds, consider the following statements:

1. It gives more power to RBI to suck overliquidity from the market.
2. Money raised through MSS bonds, are used for government expenditure.
3. MSS bonds bear an interest rate.
4. MSS bonds increase Government's fiscal deficit.

Which among the following is/are incorrect?

(a) 1 and 3 (b) 2 and 4
(c) 1 and 4 (d) 2 and 3

Q47. Fiscal Responsibility and Budget Management (FRBM) Act, 2003 aims at:

1. Reducing revenue deficit every year.
2. Eliminating fiscal deficit completely.

Select the correct code:

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q48. Which of the following is/are the part of broad framework of Payment and Settlement Systems in India: Vision-2018?

1. It would ensure a robust payments infrastructure in the country to increase accessibility, availability, interoperability and security.
2. It would focus on strengthening the resilience of both large value and retail payment systems in the country.
3. It would streamline customer grievance redressal mechanism and build customer awareness and education.

- (a) Only 1 (b) 2 and 3
(c) 1 and 3 (d) 1, 2 and 3

Q49. Which of the following statements regarding Bilateral Investment Treaty is/are correct?

1. It will provide appropriate protection to foreign investors in India and Indian investors in the foreign country in all the matters related to taxation.
2. It will increase the comfort level and boosts the confidence of investors by assuring a level playing field.
3. The model excludes matters such as government procurement and national security to preserve the regulatory authority for the Government.

Select the correct code:

- (a) Only 2 (b) 1 and 2
(c) 2 and 3 (d) 1, 2 and 3

Q50. Which among the following statements regarding Multilateral Investment Guarantee Agency (MIGA) is/are correct?

1. It is an arm of WTO.
2. It encourages foreign investment in both developed and developing countries

to help support economic growth and reduce poverty.

3. It provides insurance to foreign private investors against the loss caused by political risks.

Select the correct code:

- (a) 1 and 3 (b) 2 and 3
(c) Only 3 (d) 1, 2 and 3

Q51. With reference to Vittiya Saksharta Abhiyan, which among the following statements is correct?

- (a) It is an initiative of Ministry of Human Resource development to encourage, create awareness and motivate all people to use a digitally enabled cashless economic system for transfer of fund.
- (b) It is an initiative of Ministry of Electronics and Information Technology (MeitY) to promote cashless transactions.
- (c) It is an initiative launched by Ministry of Human Resource development to promote literacy among girl children in most backward districts of the country.
- (d) It is an initiative of Ministry of Minority affairs to promote literacy among the girl child of minority community.

Q52. Which of the following statements is/are true about Balance of Payment?

1. Balance of payment is an overall statement of a country's economic transaction with the rest of the world over a time period.
2. The "balance of payments" data includes actual payments made and received by an economy.
3. Balance of Payment covers all trades conducted by both the private and public sectors.

- (a) 1 and 3 (b) 2 and 3
(c) 1 and 2 (d) 1, 2 and 3

Q53. Which of the following statements is/are true about SDR?

1. It is an international currency which a member country can claim over IMF.

2. SDR value is based on five currencies namely US Dollar, Euro, Chinese Renminbi, Japanese Yen & British Pound.
3. RBI in India maintains SDR currency in its foreign exchange reserves.

Codes:

- (a) Only 1 (b) 1 and 2
(c) Only 3 (d) 2 and 3

Q54. With reference to the Chit Funds, consider the following statements:

1. They are essentially saving institutions.
2. They are Non-Banking Finance Company.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q55. Which of the following statements related to different departments at the centre is/are correct?

1. Department of Economic Affairs is responsible for preparing Budget and Economic Survey.
2. Department of Industrial Policy and Promotion is responsible for formulation of both FDI policy and IPR Policy.
3. Department of Revenue formulates foreign trade policy in India.

Select the correct code:

- (a) 1 and 2 (b) Only 2
(c) Only 3 (d) All

Q56. Which of the following statements is/are true about Gini coefficient ?

- (a) It helps in identifying ratio of people living below poverty line.
(b) For India, Gini coefficient is increasing
(c) Higher Gini coefficient indicates the failure of re-distributive policies of the state.
(d) All of the above.

Q57. Which of the following statements is/are true about Multidimensional Poverty Index?

1. It was developed by World Bank in collaboration with OECD.

2. The MPI can help in the effective allocation of resources and implement some SDGs strategically.
3. It complements monetary measures of poverty by considering deprivations in access to water, sanitation, and electricity.

Select the correct code:

- (a) Only 2 (b) 2 and 3
(c) 1 and 3 (d) 1, 2 and 3

Q58. Consider the following statements related to the Finance Bill placed during the budgetary process:

1. Finance Bill includes the modification of the existing tax structure or continuance of the existing tax structure beyond the period approved by Parliament.
2. Finance Bill is accompanied by 'Macro-Economic Framework statement' containing explanations of the provisions included in it.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q59. With reference to GST Network (GSTN), which of the following statements are correct:

1. GSTN has been jointly registered by the Central and State Governments as a not-for-profit, non-Government Company.
2. Objective of GSTN is to provide shared IT infrastructure and services to Central and State Governments, tax payers and other stakeholders.

Select the correct code:

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q60. Which of the following definitions related to different trade agreements is/are correct?

1. Free Trade Agreements (FTAs) are arrangements between two or more countries that primarily agree to reduce or eliminate customs tariff and non-tariff barriers on substantial trade between them.

2. Comprehensive Economic Partnership Agreement (CEPA) is the arrangement in which partner countries may decide to trade at zero duty among themselves; however they maintain common tariffs against rest of the world.
3. Formation of Custom Unions facilitate free movements of labour and capital.

Select the correct code:

- (a) 1 and 2 (b) 1, 2 and 3
(c) Only 1 (d) None

Q61. Which of the following statements is/are true about core industries in Index of Industrial Production?

1. The Eight Core Industries comprise nearly half of the weight of items included in the Index of Industrial Production (IIP).
2. Electricity and Fertiliser have the highest and lowest weightage among the core industries.
3. IIP is compiled and published monthly by the Central Statistical Organisation (CSO) six weeks after the reference month ends.

Select the correct code:

- (a) Only 1 (b) 2 and 3
(c) Only 3 (d) 1, 2 and 3

Q62. Consider the following statement/s with reference to Fiscal Deficit.

1. Fiscal deficit is the difference between the Government's Total expenditure and its Total receipts including borrowings.
2. A large share of revenue deficit in Fiscal deficit indicates that consumption expenditure is more than investment expenditure.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q63. Which of the following categories of Non-Banking Financial Company is/are recognized by the RBI?

1. Asset Finance Company.
2. Loan Company.

3. Infrastructure Debt Fund.

4. Micro Finance Institution.

Codes:

- (a) 2 and 3 (b) 1, 3 and 4
(c) 2, 3 and 4 (d) 1, 2, 3 and 4

Q64. What do you understand by "Twin Balance Sheet Problem" w.r.t Indian Economy?

- (a) Balance sheet of current account deficit and fiscal deficit.
(b) Balance sheet of public sector bank and private sector bank.
(c) Balance sheet of public sector banks and some corporate houses.
(d) Balance sheet of Government and private corporate.

Q65. Which of the following statements is/are correct related to terminologies associated with NPA?

1. In India loans are classified as NPA, if interest or any instalment remains unpaid for a period of more than 180 days.
2. Stressed asset refers to sum total of NPA and restructured assets.
3. Written off assets are that assets which got an extended repayment period and reduced interest rate.

Select the correct code:

- (a) 1 and 2 (b) Only 2
(c) 1, 2 and 3 (d) None

Q66. Consider the following statements about SEBI:

1. SEBI is a statutory body.
2. It protects the interests of mainly small investors and restore their confidence in the capital market.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q67. With reference to Government e-Marketplace (GeM), which of the following statements are correct

1. GeM is an online marketplace that eliminates human interference in vendor registration, order placement and payment processing.
2. GeM has been developed by Directorate General of Supplies and Disposal (DGS&D) with technical support of National E-Governance Division (NEGD) and Ministry of Electronics and Information Technology (MEITY).

Select the correct code:

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q68. Which among the following is/are likely to result in the current account surplus in the Balance of Payments (BoP)?

1. Increase in the remittances received from abroad.
2. Sale of Bonds by Reserve Bank of India in the global market.
3. Fall in global oil prices

Select the correct code:

- (a) 1 and 2 only (b) 1 and 3 only
(c) 3 only (d) 1, 2 and 3

Q69. Which of the following are part of Capital Account of the budget?

1. Salaries of government employees
2. Recovery of loans by central government
3. Investment in shares of PSUs

Select the correct code:

- (a) 1 and 2 only (b) 3 only
(c) 2 and 3 only (d) 1, 2 and 3

Q70. With reference to Foreign Institutional Investors (FIIs), consider the following statements:

1. A foreign investment to acquire more than 10% shares of a company is categorised as Foreign Institutional Investment.
2. FIIs can invest only in companies listed on the stock exchange.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only

- (c) Both 1 and 2 (d) Neither 1 nor 2

Q71. Which of the following statements is/are correct related to Capital gains tax?

1. It is the difference between the purchase price (the basis) and the sale price of an asset.
2. The Long-term Capital Gains Tax is charged if the share asses are kept for more than certain period 1 year.
3. It is not applicable on sale of agricultural land which is not within the limits of a civic body.

Select the correct code:

- (a) 1 and 3 (b) Only 1
(c) 2 and 3 (d) 1 and 2

Q72. With reference to the Real Estate Investment Trusts (REITs), consider the following statements:

1. They are mutual fund like institutions that enable investments into the real estate sector.
2. They are regulated by Securities and Exchange Board of India (SEBI).

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q73. With reference to Financial Stability and Development Council (FSDC), consider the following statements:

1. It aims to enhance inter-regulatory coordination among financial sector regulatory authorities.
2. It will focus on financial literacy and financial inclusion.
3. It is chaired by the Finance Minister of India.

Which of the above statements is/are correct?

- (a) 1 only (b) 1 and 2 only
(c) 2 and 3 only (d) 1, 2 and 3

Q74. With reference to the Systemically Important Financial Institutions, consider the following statements:

1. These are institutions whose failure will cause disruption in the wider financial system and economy.
2. These institutions enjoy an implicit sovereign guarantee against failure.
3. In India, RBI has declared ICICI and SBI banks as domestic systemically important banks.

Which of the above statements are correct?

- (a) 1 and 2 only (b) 2 and 3 only
(c) 1 and 3 only (d) 1, 2 and 3

Q75. With respect to National Investment and Infrastructure Fund (NIIF), consider the following statements:

1. It is a fund created to maximize infrastructure development in greenfield project only.
2. It will be funded through disinvestment proceeds of Central Public Sector Enterprises.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q76. Which among the following statements is correct with respect to Green GDP?

- (a) It is a term used for GDP after adjusting for environmental damage.
(b) It is a measure to check the growth of Greenhouse effect in the ecosystem.
(c) It is the portion of GDP which is used for afforestation efforts.
(d) It calculates the economic consequences of loss of biodiversity in GDP form.

Q77. With reference to Indian economy, the term Hindu rate of growth, refers to:

- (a) the high annual rate of growth with high levels of unemployment after liberalisation of 1991 in India.
(b) the low annual growth rate of India economy after the Global financial crisis of 2008.
(c) the low annual growth rate of the planned economy of India before the liberalisations of 1991.

- (d) the high annual rate of growth characterised by high fiscal and current account deficits in India during 2000s

Q78. With reference to "Operation Clean Money" (OCM), consider the following statements:

1. Phase 2 of OCM was launched in May 2017.
2. Phase 1 involved e-verification of large cash deposits made during 9th November to 30th December.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q79. Which of the following are the components of Fiscal deficit?

1. Government's net borrowing at home.
2. Government's borrowing from abroad
3. External Commercial Borrowings of private sector
4. Government's borrowing from RBI

Select the correct code:

- (a) 1 and 2 only (b) 1, 2 and 4 only
(c) 1, 3 and 4 only (d) 2 and 4 only

Q80. In lending, MUDRA gives priority to enterprises set up by:

1. Scheduled caste/Scheduled tribe (SC/ST) groups
2. First generation entrepreneurs
3. Existing small businesses

Select the correct code:

- (a) 1, 2 and 3 (b) 1 and 2 only
(c) 1 and 3 only (d) 2 and 3 only

Q81. With reference to the Market Intervention Scheme (MIS), consider the following statements:

1. It is a price support mechanism for procurement of perishable and horticultural commodities in the event of a fall in market prices.
2. It is implemented on the request of State Governments.

3. It is implemented when there is at least 10% increase or decrease in production over the previous normal year.

Which of the above statements are correct?

- (a) 1, 2 and 3 (b) 2 and 3 only
(c) 1 and 2 only (d) 1 and 3 only

Q82. With reference to Micro- Insurance, consider the following statements:

1. It aims to promote insurance coverage among economically vulnerable sections of society.
2. It is regulated by Insurance Regulatory Development Authority of India(IRDA).
3. It is carried through NGOs and Self Help Groups as intermediaries.

Which of the above statements is/are correct?

- (a) 1 and 2 only (b) 1 and 3 only
(c) 2 and 3 only (d) 1, 2 and 3

Q83. With reference to Corporate Social Responsibility (CSR), consider the following statements:

1. CSR is a statutory liability for the corporate entities in India.
2. CSR fund can be utilized by companies only in India and not abroad.
3. Foreign companies are exempted from CSR obligation.

Which of the above statements is/are correct?

- (a) 1 only (b) 1 and 2 only
(c) 2 and 3 only (d) 1, 2 and 3

Q84. With reference to the Hydrocarbon Exploration and Licensing Policy (HELP), consider the following statements:

1. It provides for a uniform licensing system to cover all hydrocarbons.
2. It adopts fiscal system of Revenue Sharing Contract.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q85. With respect to the Monetary Policy Committee, consider the following statements:

1. It is a statutory body.
2. It is headed by the RBI governor
3. It decides the RBI's benchmark interest rates.

Which of the above statements is/are correct?

- (a) 1, 2 and 3 (b) 2 only
(c) 1 and 2 only (d) 3 only

Q86. Which among the following is/are the major objectives of setting up of Special Economic Zones?

1. To attract Foreign Direct Investment
2. To create employment opportunities
3. To boost export of goods and services

Select the correct code:

- (a) 1 only (b) 1 and 3 only
(c) 2 and 3 only (d) 1, 2 and 3

Q87. Which of the following functions are performed by NITI Aayog:

1. Foster cooperative federalism through structured support initiatives and mechanisms with the States.
2. Evolve a shared vision of national development priorities sectors and strategies with the active involvement of States in the light of national objectives.

Select the correct code:

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q88. With reference to the India Brand Equity Foundation, consider the following statements:

1. It is established by the Ministry of External Affairs.
2. It is established as an Investment Promotion Agency for creating 'brand India'.
3. It is fully funded, owned and controlled by the Union Government.

Which of the above statements is/are correct?

- (a) 1, 2 and 3 (b) 1 only
(c) 1 and 2 only (d) 2 and 3 only

Q89. Consider the following statements about "INVEST INDIA":

1. It is a private company set up to facilitate investment promotion in India.
2. It is set up for both foreign and Indian investors.
3. Make in India venture is managed by Invest India.

Which of the above statements is/are correct?

- (a) 1 only (b) 1 and 2 only
(c) 2 and 3 only (d) 1, 2 and 3

Q90. Consider the following statements about NITI Aayog:

1. NITI Aayog was formed by NITI Aayog Act, 2015
2. NITI Aayog comprises of two hubs- Team India Hub and Knowledge and Innovation Hub.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q91. With reference to Minimum Alternate Tax (MAT), consider the following statements:

1. It is a direct tax that facilitates the taxation of 'zero tax companies'.
2. It is only applicable to private companies and not public companies.
3. It is applicable to foreign companies which do not have permanent establishment in India.

Which of the above statements is/are correct?

- (a) 1 only (b) 1 and 3 only
(c) 2 and 3 only (d) 1, 2 and 3

Q92. With reference to e-Biz portal, consider the following statements:

1. It is a single window clearance online portal only for foreign investors.

2. It has been launched under the National E-Governance Plan.
3. It works under the aegis of the Ministry Commerce & Industry.

Which of the above statements are correct?

- (a) 1, 2 and 3 (b) 1 and 2 only
(c) 2 and 3 only (d) 1 and 3 only

Q93. Consider the following statements regarding Marginal Standing Facility (MSF):

1. It is an overnight scheme of lending funds to banks by the Central bank.
2. It is always fixed above the repo rate.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q94. Consider the following statements regarding inflation targeting:

1. It is a strategy used by the central government to stabilize the economy.
2. The benchmark used for targeting inflation in India is based on Consumer Price Index.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Q95. Given below are two statements, one labelled as Assertion (A) and the other labelled as Reason (R):

Assertion (A) : Though India's national income has gone up several fold since 1947, there has been no marked improvement in the per capital income level.

Reason (R) : Sizeable proportion of the population of India is still living below the poverty line.

In the context of the above two statements which one of the following is correct?

- (a) Both A and R are true and R is the correct explanation of A
(b) Both A and R are true but R is not a correct explanation of A
(c) A is true but R is false

(d) A is false but R is true

Q96. With reference to Indian economy, the term jobless growth refers to

- (a) increasing GDP coupled with high unemployment.
- (b) high inflation rate pushing up the rate of unemployment.
- (c) declining GDP coupled with high unemployment.
- (d) high inflation pushing down the rate of unemployment.

Q97. With reference to the Nidhi Company, consider the following statements:

1. They are created mainly for cultivating the habit of savings amongst its members.
2. They can lend money to both their members and non-members.
3. They are regulated by the Ministry of Corporate Affairs (MCA).

Which of the above statements are correct?

- (a) 2 and 3 only (b) 1 and 2 only
- (c) 1 and 3 only (d) 1, 2 and 3

Q98. In the context of economy, sterilization by RBI refers to:

- (a) operations by RBI to neutralize effects of excess inflow of foreign investments in the economy.

(b) operations by RBI to neutralize the effects of high non performing assets on the economy.

(c) operations by the RBI to neutralize the effects of high fiscal deficit on the economy.

(d) None of the above

Q99. Inclusive growth as enunciated in the Eleventh Five Year Plan does not include one of the following:

- (a) Reduction of poverty
- (b) Extension of employment opportunities
- (c) Strengthening of capital market
- (d) Reduction of gender inequality

Q100. With reference to Public-Private Partnership (PPP) projects, consider the following statements:

1. Under PPP, prices are generally determined competitively and government resources are not utilised.
2. It can improve the quality of service at lower costs and attract private capital to fund public projects.
3. At present, PPP is allowed only for development of infrastructure projects.

Which of the above statements is/are correct?

- (a) 1 and 2 only (b) 2 only
- (c) 1 and 3 only (d) 1, 2 and 3