

Indian Economy Model Test Questions 11 in English With Answer

1. The special Economic Zones Act was enacted in February 2006. Identify which is not the objective of the SEZ?
 - a. Generation of additional economic activity
 - b. **Promotion of import**
 - c. Creation of employment opportunities
 - d. Development of infrastructure facilities
2. Consider the Statement and Reason, choose the correct answer from the codes given below.
 Assertion(A): The Ratnakar Bank is referred to as NH4 Bank in the banking circles.
 Reason(R): Majority of the business of the Bank comes from cities in and around NH4, which connects 10 popular cities.
 - a. **Both (A) and (R) are correct, (R) is the correct explanation of (A)**
 - b. (A) is true (R) is false
 - c. (A) is true, (R) is not the correct explanation of (A)
 - d. Both (A) and (R) are false
3. How many major Indian private banks have been nationalized in 1969 during Indira Gandhi's regime?
 - a. 10
 - b. 11
 - c. **14**
 - d. 20
4. Foreign aid can perform the following gap filling functions in UDCs.
 1. Savings gap
 2. Foreign Exchange gap
 3. Technological and Management gap
 4. Natural Resource gap
 - a. 2 and 3
 - b. **1, 2 and 3**
 - c. 1 and 2
 - d. 2 only
5. The growth of which one of the following remains an important objective and necessary condition for inclusive growth?
 - a. **Agriculture and allied sectors**
 - b. Industrial sector
 - c. Services sectors
 - d. External sector
6. Dunkel proposal was related to
 - a. **GATT**
 - b. UNO
 - c. IMF
 - d. IBRO
7. Consider the following statements.
 Statement I : Gross National Product will always be more than the GDP.
 Statement II: To get GNP, net factor income from abroad is added to GDP.
 Find the correct answer:
 - a. Both statements are individually true and statement II is the correct explanation of statement I.
 - b. Both the statements are individually true, but statement II is not correct explanation of Statement I
 - c. Statements I is true, but Statement II is false
 - d. **Statements I is false, but Statement II is true**
8. Consider the following statement:
 Assertion (A): Price policy aims at controlling fiscal deficit.
 Reason (R): Fiscal deficit leads to inflationary pressure.

Which is correct answer?

- a. (A) is correct but (R) is wrong
 b. (A) is wrong but (R) is correct
 c. Both (A) and (R) are wrong
d. (A) and (R) are correct and (R) is the correct explanation of (A)
9. Which of the following state has the highest average growth rate in per capita Domestic Product in 2009-10 at 2004-05 prices?
 a. Bihar
 b. Tamil Nadu
c. Gujarat
 d. Kerala
10. Which of the following is correctly matched
 I. First Finance Commission - Chairman K. Santhanam
 II. Second Finance Commission – Chairman K.C. Neogy
 III. Third Finance Commission – Chairman A.K. Chandra
 IV. Fourth Finance Commission – Chairman K. Brahmanand Reddy
 a. I b. II **c. III** d. IV
11. West Bengal's move of giving protection to share croppers is known as
a. Operation Barga
 b. Green Operation
 c. White Revolution
 d. Operation Blue Star
12. Who has given the alternative approach to Indian Planning at the time of the formulation of the Second Five Year Plan?
 a. P.C. Mahalanobis
b. C.N. Vakil and P.R. Brahmananda
 c. Nurkse
 d. Schumpeter
13. Which of the following is/are recommended for reducing inflation?
 I. Demand Management measures
 II. Supply Management measures
 III. Adjustment in trade and tariff policies
 a. I only b. I and II **c. I, II and III** d. III only
14. Name the committee emphasized the need for substantial disinvestment in India in Public Sector Enterprises
a. Rangarajan Committee
 b. Arjun Sengupta Committee
 c. Tarapore Committee
 d. Narasimham Committee
15. Which of the following is correctly matched?
 I. Dual price - Govt. and Private prices
 II. PDS - Consumer Protection
 III. Administered price - Controlled price
 IV. Fiscal Policy - Bank administration
 a. I only b. II only **c. I, II and III** d. IV only
16. Consider the following statement.
 Choose the correct answer from the codes given below:
 Assertion(A): Budget deficit is a serious concern.
 Reason(R): Budget deficit leads to higher rate of growth of money supply.

a. 3 **b. 4** c. 2 d. 1

23. Consider the following statements in Indian Agricultural Sector and choose the correct answer the using the code given below:

I. States such as Assam, Bihar, West Bengal, Jharkhand and Up have contributed to increase in rice production in 2011-12 (Advanced Estimate)

II. A significant high level of food grains production was achieved in 2011-12

III. The stock position of food grains in the central pool is inadequate to meet the requirements of targeted Public Distribution System, 2012.

a. I only b. II only **c. I and II only** d. I, II and III

24. Which of the following is/are wrong?

I. Kisan Credit Cards for short term credit to farmers

II. Micro-Finance for Self-Help Group (SHGs)

III. Comprehensive Crop Insurance Scheme was started at 1985

IV. NABARD provides loan for housing sector

a. I only b. II only c. III only **d. IV only**

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

List I

List II

a. Disinvestment

1. Foreign Firms

b. MNC

2. Selling of Govt. Shares

c. BOP(Balance Of Payment)

3. Planning Commission

d. Dr. N.J. Kurian

4. Foreign Trade

codes

| | a | b | c | d |
|-----------|----------|----------|----------|----------|
| a. | 2 | 4 | 1 | 3 |
| b. | 2 | 3 | 1 | 4 |
| c. | 2 | 1 | 4 | 3 |
| d. | 2 | 4 | 3 | 1 |

26. The Nehru –Mahalanobis model gave active encouragement to _____ industries producing consumer goods.

a. heavy

b. light

c. small Scale and Cottage

d. none of the above

27. Match

a. National Planning

1. 2004

b. New Industrial Policy

2. 1992

c. 74th Amendment

3. 1991

d. 14th Loksabha Elections

4. 1938

| | a | b | c | d |
|-----------|----------|----------|----------|----------|
| a. | 4 | 2 | 3 | 1 |
| b. | 3 | 1 | 4 | 2 |
| c. | 2 | 3 | 1 | 4 |
| d. | 4 | 3 | 2 | 1 |

28. Consider the following statement. Choose the correct answer from the codes given below.
 Assertion(A): When a nation's money supply persistently increases at a faster rate than the nation can increase its output, inflation occurs.
 Reason(R): Faster growth of money supply than output can raise living standards.
- Both (A) and (R) are individually true and (R) is the correct explanation of (A)
 - Both (A) and (R) are individually true and (R) is not the correct explanation of (A)
 - (A) is true but (R) is false**
 - (A) is false but (R) is true
29. Money appears to have a major influence on
- Inflation
 - Inflation and business cycle
 - Investment
 - Inflation, business cycle and investment**
30. Consider the following statements. Choose the correct answer from the codes given below:
 Assertion(A): During periods of inflation people still hold money even when other assets are superior stores of value.
 Reason(R): Money is a medium of exchange, liquid and divisible.
- Both (A) and (R) are true but (R) is not an explanation for (A)
 - Both (A) and (R) are true and (R) is an explanation for (A)**
 - (A) is true but (R) is false
 - (A) is false but (R) is true
31. Consider the following statements:
 A: Purchase of goods that will be used in the future to produce more goods and services.
 B: Purchase of domestically produced goods by foreigners minus the domestic purchases of foreign goods.
 What A and B denote?
- Consumption and investment
 - Consumption and net exports
 - Government purchases and investment
 - Investment and net exports**
32. The first year plan of India was launched in
- 1947
 - 1951**
 - 1956
 - 1961
33. Match List I with List II
- | List I | | List II | |
|---------------------|----------|----------------------------------|----------|
| a. Rice production | | 1. Punjab and Haryana | |
| b. Wheat production | | 2. Coorg and Nilgiris | |
| c. Juste production | | 3. Uttar Pradesh and West Bengal | |
| d. Coffee plants | | 4. West Bengal and Assam | |
| a | b | c | d |
| a, | 1 | 2 | 4 |
| b. | 2 | 1 | 4 |
| c. | 1 | 3 | 4 |
| d. | 3 | 1 | 4 |
34. Registration of Partnership is
- Compulsory
 - Optional**

- c. Not necessary d. Not compulsory
35. In India, the contribution of agricultural sector towards the Gross Domestic Product in 2012-2013 in
- a. 55.0 percent b. 38.0 percent
c. 13.7 percent d. 31.7 percent
36. Which one of the following is not the feature of democratic socialism?
- a. A socialist society aims at the removal of poverty
b. No faith in a mixed economy
c. Aims at the reduction of inequalities of Income and wealth
d. Aims at the provision of equal opportunities to all
37. Devaluation is a measure of monetary authority:
Which of the following item does match the below statement?
- a. To reduce the foreign value of the domestic currency mainly to increase exports**
b. To increase money supply
c. To increase the current account deficit
d. To contain inflation
38. Proposal to setup India's first women bank was mooted in union budget
- a. 2013-2014** b. 2012-2013 c. 2011-2012 d. 2010-2011
39. Choose the following item that does not comprise under food subsidy in India
- a. Subsidies to farmers through Support price
b. Subsidies to consumers through Public Distribution System
c. Subsidies to the Food Corporation of India
d. Subsidies to fertilizer
40. Estimates of physical capital formation in India is done by
- a. Central Statistical organization** b. Reserve Bank of India
c. State Treasury d. Regional Banks
41. Annual plans were implemented during the period
- a. 1962-1965 b. 1965-1967 **c. 1966-1969** d. 1967-1970
42. Taxes raised are credited to
- a. Consolidated fund** b. Contingency fund
c. Public account d. Private account
43. Disinvestment will not result in
- I. Releasing of public resources
II. Reducing public debt
III. Decreasing privatization
IV. Increasing employment
- a. I and II only b. III only
c. IV only d. II and III only
44. What is the gross capital formation as a percentage of GDP in India for the year 2012. 2013?
- a. 24% b. 28% c. 32% **d. 34%**
45. In which plan period HYV seeds and New Agriculture strategy was adopted in Indian agriculture?

- a. 2nd plan b. 3rd plan **c. Annual plan** d. 5th plan
46. In an Economy “Too much of money chasing too few goods” – situation is called
 a. Depression b. Prosperity
c. Inflation d. Deflation
47. In TamilNadu, what was the share of primary sector in its Net State Domestic Product during 2012-13?
a. 7.8% b. 8.9% c. 10.5% d. 12.0%
48. The Gross Enrollment ratio in class 1 - V for the years 2012-13 in Tami Nadu is:
 a. 124.3 b. 115.5 **c. 111.8** d. 180.8
49. Inflationary gap was introduced by
a. J.M. Keynes b. Marshall
 c. J.R. Hicks d. Fisher
50. Match the List I with List II
- | List I | | List II | |
|-----------------|-----------------|----------------|----------|
| a. Mining | | 1. Industry | |
| b. Construction | | 2. Service | |
| c. Real Estate | | 3. Agriculture | |
| | a b | | c |
| a. | 3 1 | | 2 |
| b. | 2 1 | | 3 |
| c. | 2 3 | | 1 |
| d. | 1 3 | | 2 |
51. Forward shifting of tax burden refers to the shifting of burden from
a. Producer to the buyer b. Buyer to the producer
 c. Buyer to the govt d. Govt to the buyer
52. The WPI dips to 1.8% in October 2014 against 2.4% in the preceeding month. What is WPI?
 a. World Population Index b. Women Population Index
 c. Wholesale Price Index **d. Wholesale Price Inflation**
53. One of the main indications of under development is:
 a. Population **b. Low per capita income**
 c. Natural resources d. National income
54. Consider the following two statements and answer accordingly.
 I. Since 1991, the role of Public Sector in India has been reduced.
 II. Public Sector in India has fulfilled its objectives.
a. Only I is true b. Only II is true
 c. Both I and II are true d. Both I and II are false
55. Major commercial banks of India were nationalized in
a. 1969 b. 1970 c. 1971 d. 1972
56. Abolition of Intermediaries sis a component of which reform measures?
 a. Economic reforms **b. Land reforms**
 c. Industrial reforms d. Market reforms

57. Given below are two statements, one labeled as : Assertion (A) and the other as Reason(R).
 Assertion(A): Domestic savings in India always meet the investment demand.
 Reason(R): Since 1991, Foreign Direct Investment policy has been liberalized.
- Both (A) and (R) are correct and (R) explains (A)
 - Both (A) and (R) are wrong
 - (A) is wrong, but (R) is correct**
 - (A) is correct but (R) is wrong
58. The Monopolies and Restrictive Trade Practices (MRTP) Act 1969 was replaced by which Act?
- New Industrial Policy Act 1991
 - Foreign Exchange Management Act, 2000
 - Competition Act, 2002**
 - Foreign Direct Investment Act, 2005
59. Which tax is NOT an indirect tax?
- Sales tax
 - Customs duty
 - Excise duty
 - Gift tax**
60. Match the following Finance Commissions with their Chairman:
- | Finance Commission | Chairman | | |
|--------------------|-----------------|----------|----------|
| a. Eleventh | 1. C.Rangarajan | | |
| b. Twelfth | 2. A.M. Khusro | | |
| c. Thirteenth | 3. Vijay Kelkar | | |
| | a | b | c |
| a. | 1 | 3 | 2 |
| b. | 2 | 1 | 3 |
| c. | 1 | 2 | 3 |
| d. | 3 | 2 | 1 |
61. What was the aim of the National Food Security Mission which was started in 2007-2008?
- To increase the area under the cultivation of rice, wheat and pulses
 - To increase the production of rice, wheat and pulses**
 - To increase the exports of rice, wheat and pulses
 - To reduce malnutrition in the country
62. Finance Commission in India is appointed once in how many years?
- Three
 - Four
 - Five**
 - Six
63. Unification of the domestic economy with the World Economy is known as
- Liberalisation
 - Globalisation**
 - Privatisation
 - Nationalisation
64. In India Fiscal year starts from
- 31st March
 - 1st April**
 - 30th April
 - 1st March
65. America's Central Bank is
- Federal Reserve Bank**
 - Central American Bank
 - American Stock Exchange
 - Bank of America
66. Narrow definition of money supply is
- m₁**
 - m₂
 - m₃
 - m₄
67. Agricultural income is taxed by

- a. Centre
c. Local authorities
- b. State**
d. Both Centre and State
68. RBI was constituted for high level panels in Jan. to study which bank?
a. Urban Co-operative Bank
b. Tamil Nadu Mercantile Bank
c. Rural Co-operative Bank
d. Karur Vysya Bank
69. What percentage was distributed to rural developments in the Twelfth Five Year Plan?
a. 4.5 b. 3.5 **c. 6.0** d. 7.0
70. For what purpose, the Reserve Bank of India recently signed an agreement with Brazil?
a. Information sharing
b. Accounts of Black money
c. Printing of currency
d. New technology
71. According to Economic survey 2009-10, during the tenth plan, annual average growth rate of NNP at 1999- 2000 prices was
a. 6.7% **b. 7.8%** c. 4.4% d. 5.4%
72. Which of the following statements about Education Expenditure is true for India?
I. It rose from % of GDP in 1951-52 to 4.26 in 2000-01.
II. It declined to 3.49% in 2004-05.
a. I alone true b. II alone true
c. I and II are true d. I and II are false
73. Since 1955, the official annual National Income of India has been estimated by:
a. State Information Centre b. National Sample Survey
c. Central Statistical Organisation d. None of these
74. What is the percentage share of India's urban population in census?
a. 48.5 percent b. 45.2 percent
c. 37.5 percent **d. 31.2 percent**
75. The concept of sustainable development was developed by
a. UNDP Report b. World Development Report
c. IMF Report **d. Brundtland Report**
76. Indicate the year in which National Food Security Mission [NFSM] was launched.
a. 2004-2005 b. 2001-2002 **c. 2007-2008** d. 2010-2011
77. Which state in India has the highest Per Capita Income (2013)?
a. Kerala b. Andhra Pradesh **c. Maharashtra** d. Punjab
78. What is the sectoral growth rate of service sector during Tenth plan?
a. 7.87% **b. 9.28%** c. 10.12% d. 13.50%
79. The Planning Commission of India recently announced the poverty use as:
I. Rs. 42 per person per day for urban area. II. Rs. 26 per person per day for rural area
III. Rs. 32 per person per day for urban area IV. Rs. 32 per day per person for rural areas
a. I and III **b. II and III** c. I and IV d. III and IV
80. Disinvestment is the process in rough which privation could take place
a. True b. False c. True in some situations d. All of these
81. More than 90% of the coal production in India is of
a. Coking coal **b. Non-coking coal**

- c. Turbire oil
d. None of these
82. Net capital in flow is the difference between
a. Net domestic capital formation and net domestic savings
 b. Gross capital formation and gross savings
 c. Net export and net import
 d. None of these
83. State the order of the appointment of the following as Chairman of Finance Commission.
 a. K.C. Neogy
 b. K. Brahmanand Reddy
 c. N.K.P. Salve
 d. A.K. Chand
 a. a, c, d **b. a, d, b, c** c. a, c, d, b d. a, b, d, c
84. During the Tenth Five Year Plan some of the following things were experienced:
 I. Service sector witnessed the highest growth rate.
 II. Agriculture experienced the lowest growth rate.
 III. Rate of growth in the industrial sector was negative.
 Which of the above said statements are correct?
 a. I and III are correct
 b. II and III are correct
c. I and II are correct
 d. I, II, III are correct
85. In Tamil Nadu, the Plan Expenditure for 2014-15 has been set at
 a. Rs. 32185 crore
 b. Rs. 52185 crore
c. Rs. 42185 crore
 d. Rs 65185 crore
86. Who is the Director General of WTO?
 a. **Roberto Azevedo**
 b. Ulrich Spiesshofer
 c. Paul Krugman
 d. Paul Samuelson
87. 163 year old Indi's Telegram service has come to an end in
 a. June 2013
b. July 2013
 c. January 2013
 d. August 2013
88. Where was WTO's 9th ministerial conference held?
 a. Delhi, India
b. Bali, Indonesia
 c. Manila, Philippines
 d. Colombo, Srilanka
89. "Towards faster and more inclusive growth" is the title of
 a. 12th five year plan document
b. 11th five year plan document
 c. 10th five year plan document
 d. 9th five year plan document
90. Foreign Investment takes the form of :
 I. Foreign Direct Investment
 II. Foreign Portfolio Investment
 III. Foreign Development Assistance
 IV. Foreign Loans
a. I and II b. II and III c. III and IV d. I and IV
91. RBI claims that inflation can be controlled by
 I. Raising Repo rate
 II. Raising Reverse Repo rate
 III. Increasing CRR
 a. I only b. I and II c. III only **d. I, II and III**

92. The 66th round NSSO survey of employment shows that the vast majority of new jobs are created in _____

- a. Casual employment b. Skilled employment
c. Semi skilled employment d. Formal employment

93. The per capita income of India in 2011 was estimated at:

- a. \$ 1600 b. \$ 1000 c. \$ 1500 d. \$ 950

94. Match the following:

| Name | CEO |
|------------------|----------------------|
| a. Satya Nadella | 1. Pepsi Co. |
| b. Indra Nooyi | 2. Microsoft |
| c. Anshu Jain | 3. Reckitt Renckiser |
| d. Rakesh Kapoor | 4. Deutsche Bank |

| | a | b | c | d |
|----|---|---|---|---|
| a. | 2 | 1 | 4 | 3 |
| b. | 1 | 2 | 3 | 4 |
| c. | 4 | 3 | 2 | 1 |
| d. | 1 | 3 | 2 | 4 |

95. The three dimensions of Human Development Index are : _____, _____ and _____.

- a. Income, Sanitation and Infrastructure **b. Health, Education and Income**
c. Food, Electricity and Housing d. Health, Education and Energy

96. Match the following:

| List I | List II |
|----------------------------|--------------------------|
| a. Mid day meals scheme | 1. 2006 |
| b. Implementation of NREGA | 2. 1995 |
| c. Cash Reserve Ratio | 3. Finance Commission |
| d. Divisible taxes | 4. Reserve Bank of India |

| | a | b | c | d |
|-----------|----------|----------|----------|----------|
| a. | 1 | 2 | 3 | 4 |
| b. | 2 | 1 | 4 | 3 |
| c. | 4 | 2 | 3 | 1 |
| d. | 3 | 4 | 1 | 2 |

97. When was the Reserve Bank of India established?

- a. 1947 b. 1969 c. 1980 **d. 1935**

98. Choose the correct answer:

Which was the plan that began with the slogan of removal of poverty?

- a. Second five year plan b. Third five year plan
c. Fourth five year **d. Fifth five year**

99. Consider the following:

Assertion (A): Former Soviet Russia gifted planning to the world.

Reason(R): For it was the first country to practice successfully economic planning on a national scale.

Select your answer according to the coding scheme.

- a. Both (A) and (R) are true and (R) is not the reason for (A)
 - b. (A) is true and (R) is not the reason for (A)
 - c. Both (A) and (R) are true and (R) is reason for (A)**
 - d. Both (A) and (R) are false
100. Under which five year plan the “Food for work Programme” was linked to NREP?
- a. Third
 - b. Fourth
 - c. Fifth
 - d. Sixth**