Indian Economy Model Test Questions 6 in English With Answer

1. Among the planning bodies India, the Chief Ministers of all the states are members in one of the following
   a. Planning commission  
   b. National Development Council  
   c. National Planing Council  
   d. Administrative Reforms committee  
2. Among all the Five-year plans in only one of the following Five-year plans Agriculture was not given priority:
   a. IIIrd Five-year plan  
   b. IVth Five-year plan  
   c. IIInd Five-year plan  
   d. Vth Five-year plan  
3. IDBI is a
   a. Bank  
   b. Board  
   c. Committee  
   d. Centre  
4. Fiscal policy is connected with
   a. public revenue and expenditure  
   b. population  
   c. money issue  
   d. exports and imports  
5. The contribution of Agriculture in Indian National Income is nearly
   a. 50%  
   b. 38%  
   c. 75%  
   d. 25%  
   Note: 17.1% (2008-09)  
6. A personal account cannot be opened in
   a. a Co-operative Bank  
   b. a Scheduled Bank  
   c. Reserve Bank of India  
   d. none of these  
7. The First Year plan covered the period
   a. 1947-52  
   b. 1950-55  
   c. 1951-56  
   d. 1952-57  
8. Who has the authority to issue one rupee currency note in India?
   a. Reserve Bank of India  
   b. Union Finance Ministry  
   c. State Bank of India  
   d. President of India  
9. What is a scheduled bank?
   a. A bank having a deposit of Rs. 100 crores  
   b. A bank which has been included in the second schedule of Reserve Bank of India  
   c. A bank having more than 100 branches  
   d. A bank for Scheduled Caste  
10. Agricultural Income Tax is revied in Tamil Badu by
    a. the State Government  
    b. Municipalities  
    c. Panchayats  
    d. none of these  
    Note: No Agri I.T. in Tamil Nadu  
11. Among the various types of income from an industrial activity one of the following is uncertain:
    a. Rent  
    b. Wages  
    c. Interest  
    d. Profit  
12. The Reserve Bank of India was started in
    a. 1935  
    b. 1948  
    c. 1956  
    d. 1960  
13. The First Five Year plan was launched in
    a. 1948  
    b. 1951  
    c. 1956  
    d. 1960
14. The Jawahar Rozgar Yojana Scheme is meant for
   a. improving village economy          b. training Urban house building
   c. promoting small scale industries  d. providing employment to rural youth
15. Decimal coinage was introduced in India in the year
16. The period of Ninth-Five year plan is
17. Money market is related to
   a. short term        b. long term       c. perspective      d. none of these
18. The Export-Import (EXIM) Bank was setup in
19. The National Bank for Agriculture and Rural Development (NABARD) was setup in
20. Currency notes and coins of one rupee and lower denominations are issued by
   a. Reserve Bank of India b. State Bank of India
   c. Ministry of Finance  d. Government of India
21. The primary sector of India’s economy is
   a. agriculture        b. Industry       c. foreign trade   d. banking sector
22. “Parallel Economy” means
   a. illegal economy    b. near economy   c. equal economy  d. none of these
23. In a planned economy, there will be
   a. controls          b. no controls    c. limited controls d. none of these
24. The Industrial Policy Resolution of which year is called the Economic constitution of India?
25. India’s economy is
   a. developed         b. un developed  c. under developed d. none of these
26. Which of the following are the major characteristics of intensive farming?
   I. Low capital       II. High density of population
   III. Small size of holding   IV. Emphasis on machinery
   Of these:
   a. I and II are correct b. I, II and III are correct
   c. III and IV are correct d. I and IV are correct
27. The purpose of taxation is
   a. mobilization of resources  b. increasing the revenue
   c. reducing disparities     d. all of these
28. Dr. Raja Chelliah Committee is associated with
29. Reserve Bank of India was established in the year
a. 1932       b. 1933       c. 1934       d. 1935

30. SFDA stands for
a. Small Farmers Development Agency
   b. Sick Farmers Development Agency
   c. Scheduled caste farmers Development Agency
   d. None of these

31. NREP stands for
a. National Regional Employment Policy
   b. National Rural Employment Programme
   c. National Rural Employment Policy
   d. None of these

32. The Board for Industrial and Financial Reconstruction (BIFR) was established in the year?

33. The investment limit for small-scale sector is
   a. Rs. 3 crores  b. Rs. 1 crore  c. Rs. 60 lakhs  d. Rs. 25 lakhs

34. The investment limit for tiny units is
   a. Rs. 2 lakhs  b. Rs. 5 lakhs  c. Rs. 25 lakhs  d. Rs. 35 lakhs

35. Non-plan expenditure includes
   a. economic services  b. social services  c. pension  d. all of these

36. The unit Trust of India was established in
   a. 1955       b. 1964       c. 1966       d. 1967

37. Statutory meeting is held
   a. only once in the lifetime of the company
   b. every year
   c. at the discretion of the directions
   d. once in 5 years

38. The maximum number of partners in a firm carrying on banking business is
   a. 7        b. 10       c. 50       d. 20

39. The written record of the business done at a meeting is called
   a. Agenda       b. Notice
   c. Resolution   d. Minutes

40. Which of the following is not a function of an office?
   a. purchase of office furniture and machinery
   b. keep a check on the quality of goods produced
   c. conducting meetings
   d. handing communication system

41. Which of the following is called as “Negotiable Instrument”
42. Which of the following cities stock change functions?

43. The term IBRD denotes

44. Which of the following is not an important feature of capitalism?
   a. Use of capital goods   b. Centralised planning   c. Private ownership means of production   d. Specialization

45. Consider the following Statements.
   
   Assertion (A): Indian Economy is referred as mixed economy.
   Reason (R): Indian Government recognizes the relative important to both public as level as private sector in the development.
   Of these statements:
   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 the correct explanation of (A)
   c. (A) is true but (R) is false
   d. (A) is false but (R) is true

46. Consider the following statements:
   
   Assertion (A): Disgusted unemployment is generally observed in Indian Agricultural sector
   Reason (R): More and more people in rural areas are being literates
   Of these statements:
   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 the correct explanation of (A)
   c. (A) is true but (R) is false
   d. (A) is false but (R) is true

47. The First Five Year plan was introduced on
   a. 26th January, 1950   b. 1st April, 1950   c. 1st January, 1951   d. 1st April, 1951

48. The aim of the Intensive Agricultural Area Programme (IAAP) was
   a. to bring about a progressive increase in the production of the main crops in selected areas
   b. to identify the methods affecting changes in the farmer’s attitudes
   c. to evolve an administrative pattern at the district level
   d. to find and show a way of a spectacular increase in the productivity of agricultural land by using modern technology

49. Ceiling on land holding as at present in Tamil Nadu is
   a. 30 standard acres for a family   b. 15 standard acres for a family
   c. 10 standard acres for a family   d. 12 standard acre for a family

50. The short comings of the public sector under takings are
   a. political factors   b. excessive bureau cratization and lack of autonomy
c. in efficient management   d. all the above
51. The main constituents of the new economic policy of
   a. liberalization accompanied by removal, relaxation of controls
   b. restoration of completion
   c. re-orientatin of fiscal policy
   d. all the above
52. There was no Five Year plan in India for 3 years during
53. The main cause of the rural indebtedness is
   a. poverty   b. unemployment
   c. strikes   d. population
54. The Community Development was strated on October 2, 1952 with the assistance of
   a. USA   b. Japan   c. USSR   d. France
55. The contribution of agriculture to India’s national income is nearly
   a. 50 percent   b. 38 percent   c. 75 percent   d. 18 percent
   Note: 17.1%
56. Which of the following statements indicate most that Indian economic system is under developed
   a. Government gets more income by indirect taxes
   b. unequal distribution of National Income
   c. agricultural production is the main source of National Income
   d. cottage and Small Scale Industries ar responsible for most of her industrial output
57. Which of the following banks is not providing credit to the agricultural sector?
   a. Co-operative banks   b. Commercial banks
   c. State Bank of India   d. Each of these provides
58. Which of the following is a non-economic determinant of economic growth?
   a. capital formation
   b. enterpreneurial ability
   c. technology advace
   d. social institutions
59. The formula for calculating density of population is
   a. \( \frac{Total\ Population}{Total\ Area} \)
   b. \( Total\ area \times Total\ Population \)
   c. \( \frac{Total\ Population}{Total\ Area} \)
   d. \( \frac{Total\ Population}{Total\ Area} \times 100 \)
60. The two major industries that were directly hit by partition of the country were
   a. Jute and cotton textile
   b. Sugar and Rubber
   c. Paper and Iron
   d. Engineering and Cement
61. In 1994, how many branches had the regional Rural Banks?
   a. 13,500
   b. 14,547
   c. 12,469
   d. None of these
62. Which of the following taxes is levid and collected by the state?
   a. Customs duties
   b. Estate duty
   c. Income tax
   d. Land revenue
63. Karl Marx wrote
   a. Asian Drama
   b. Emma
c. Das Kapital
d. Good Earth

64. The Reserve Bank of India was nationalized in the year
   a. 1935  b. 1949  c. 1945  d. 1969

65. Tax levied and collected by the central but assigned to the state is
   a. Profit Tax
   b. Establishment Duty
   c. Tax on Newspaper
   d. Sales Tax

66. The level of India’s debt as on March 95 was
   a. 10,000 million
   b. 15,500 million
   c. 93,321 million
   d. 80,000 million

67. The monopoly inquiry commission appointed in 1964 was chaired by
   a. P.C. Mahalanobis
   b. K.C. Dasgupta
   c. M.C. Shelat
   d. R.K. Hazari

68. The largest consumers of coal in India are
   a. Railway
   b. Power Generation plants
   c. Fertilizer plants
   d. Steel Plants

69. The most important Small Scale Industry of India is
   a. Coir Industry
   b. Matchbox Industry
   c. Handloom Industry
   d. Toy-making Industry

70. The Indian Government is giving import entitlement of
   a. Foreign Traders
   b. Indian Exporters
   c. Indian Bankers
   d. Industrialists

71. The important feature of Green Revolution in India has been
   a. Using green manure
   b. raising more crops
   c. high yielding variety programme
   d. green crops

72. Direct taxation is a better form of taxation because
   a. it fetches more revenue
   b. it can be more easily collected
   c. it allows the taxation according to means
   d. it has greater tax compliance

73. Who among the following initiated the community Development Programme?
   a. Balwat Raj Mehta
   b. K.M. Munshi
   c. Ashok Mehta
   d. S.K. Dey

74. Which of the following fetches the maximum foreign exchange for India?
   a. Tea
   b. Oil
   c. Fish
   d. Spices

75. Bant rate is a tool of
   a. fiscal policy
   b. monetary policy
   c. deficit financing
   d. none of these

76. Which of the following is Agro-based industry?
   a. Tractor
   b. Car
   c. Cotton Textile
   d. Cycle

77. Which one of the following is not an act of production?
   a. Farming
   b. Teaching in a school
   c. Government hospital
   d. Construction of a house
78. What are the main difficulties in the implementation of Land Reform policy in India?
   a. Litigation
   b. inefficiency
   c. Lack of efficient administration and lack of political will
   d. Rich farmers

79. The Biggest public undertaking transport in India is
   a. Railways
   b. Shipping
   c. Air transport
   d. Canal transport

80. Who wrote the block “An Enquiry into the Nature and causes of wealth of Nations”?
   a. J.S. Mill
   b. Adam Smith
   c. Lionel Ribbins
   d. Alfred Marshall

81. Book debt is
   a. a current asset
   b. a fictitious asset
   c. a fixed asset
   d. an intangible asset

82. The father of scientific Management of
   a. F.W. Taylor
   b. Henry Fayol
   c. Oliver Shelton
   d. Peter F. Drucker

83. The Cooperative Movement made its first appearance in
   a. India
   b. England
   c. Germany
   d. Denmark

84. Dunkel proposal is related to
   a. fundamental right
   b. human right
   c. patent right
   d. none of these

85. A documentary evidence in support of a transaction in the books of accounts is called
   a. memorandum
   b. audit note
   c. vouchers
   d. working paper

86. Integrated Rural Development Programme was started in
   a. 1972
   b. 1982
   c. 1962
   d. 1980

87. Which organization promotes trade?
   a. STC
   b. MMTC
   c. ECGC
   d. All of these

88. The minimum number of members who must be present for transacting the business at a meeting is called
   a. proxy
   b. motion
   c. agenda
   d. quorum

89. The Industrial credit and Investment Corporation of India was established in the year
   a. 1953
   b. 1954
   c. 1955
   d. 1958

90. According to Marshall, law of Diminishing Returns is applicable to
   a. industry
   b. all fields of production
   c. agriculture
   d. none of these

91. A commodity in order to have value most
   a. be scarce
   b. possess utility
   c. be transferable
   d. all these

92. The supply of gods refers to
93. Discount Rate is called
   a. Bank Rate
   b. Interest Rate
   c. Lending Rate
   d. None of these

94. Devaluation of currency helps to promote
   a. National Income
   b. Savings
   c. Imports and lower costs
   d. Exports

95. Devaluation of currency helps to step by
   a. export
   b. savings
   c. national income
   d. economic freedom

96. The prime object of marketing is
   a. profit
   b. service
   c. sales
   d. consumer satisfaction

97. The expansion of TNPL is
   a. Tamil Nadu Paper Mills Ltd.
   b. Tamil Nadu Power Supply Corporation Ltd.
   c. Tamil Nadu, Newsprint Paper Ltd.
   d. None of these

98. A “debenture” is
   a. an invoice
   b. a debit note
   c. an acknowledgement of debt
   d. none of these

99. ‘One man one vote’ is the basic principle for
   a. partnership
   b. company
   c. co-operative organization
   d. public enterprises

100. An audit program is
    a. an internal check
    b. a detailed plan
    c. an internal audit
    d. an internal control