

Indian Economy Model Test Questions 7 in English With Answer

1. Selling Creates
 - a. place utilities
 - c. possession utilities**
 - b. time utilities
 - d. none of these
2. The main objective of budgeting is
 - a. planning
 - c. control
 - b. co-ordination
 - d. all of these**
3. Consider the following statements
 - I. Bank accepts deposits
 - II. Bank issues loans and advances
 - III. Bank is one of the financial institutions
 - IV. Banks are working under the direction of the RBI
 Of the statements:
 - a. I alone is correct
 - c. I, II and III are correct
 - b. I and II are correct
 - d. All are correct**
4. Disguised unemployment exists in
 - a. Transport
 - c. Agriculture
 - b. Industry**
 - d. Banking
5. Coordination between public sector and private sector is seen in
 - a. Communism
 - c. Marxism
 - b. Mixed economy**
 - d. Capitalism
6. The Raj Committee (1972) probed into
 - a. Direct taxes
 - c. Agricultural holding tax**
 - b. Indirect taxes
 - d. Non-tax revenue
7. WTO refers to
 - a. World Traffic Organization
 - b. World Tax Organization
 - c. World Treaty Organization
 - d. World Trade Organization**
8. How many banks are nationalized in India till date
 - a. 14
 - b. 20**
 - c. 28
 - d. 32**Note:** 19 in 2010
9. Luxury goods will have
 - a. elastic demand**
 - c. unitary elastic demand
 - b. inelastic demand
 - d. none of these
10. Which of the following is considered production in economics?
 - a. Tilling of soil**
 - c. Preventing a fire accident
 - b. Singing sing before friends
 - d. Painting a picture for pleasure
11. In Monopoly, one can control
 - a. both price and output**
 - b. either price or output

- c. neither price nor output d. none of these

12. Match List I correctly with List II and select the correct answer by using the codes given below:

List I

- a. Perfect competition
- b. Duopoly
- c. Monopoly
- d. Oligopoly

List II

- 1. One seller
- 2. Few seller
- 3. Many sellers
- 4. Two sellers

Codes

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

13. Narasimha committee report is about

- a. **Reforms in Banking sector**
- b. Reforms in Insurance sector
- c. Reforms in Tax System
- d. None of these

14. SIDCO is for the development of a

- a. **Small Scale Industry**
- b. Tiny Industry
- c. Large Scale Industry
- d. Cottage Industry

15. Storage creates

- a. Place utilities
- b. **Time utilities**
- c. Form utilities
- d. Resession utilities

16. Match List I correctly with List II and select your correct answer using the codes given below:

List I

- a. Primary data
- b. Bivariate
- c. Secondary data
- d. Pie diagram

List II

- 1. Data from newspaper
- 2. 360^0
- 3. Direct observation
- 4. Two way frequency distribution

Codes

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

17. Equity shareholders of a company are

- a. **owners of the company**
- b. creditors of the company
- c. customers of the company
- d. debtors of the company

18. Market where goods are sold to the consumer is

- a. whole sale market
- b. **terminal market**
- c. primary market
- d. bartes system

19. Which of the following is relevant to the Human Resource Development

- a. Education development
- b. Women and children development
- c. Arts and cultural development
- d. all of these**

20. Match List I correctly with List II and select your correct answer using the codes given below:

List I

- a. BHEL
- b. LIC
- c. Reliance Company Ltd
- d. Indra Prastha Gas Ltd.

List II

- 1. Joint Sector
- 2. Public Limited Company
- 3. Statutory Company
- 4. Public Sector

Codes

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

21. Dumping is

- a. a form of price discrimination at home
- b. selling the product at a lower price in a foreign market**
- c. selling in the foreign market below cost
- d. selling cheaper abroad and dearer at home

22. Which of the following programme is not associated with rural areas?

- a. IRDP
- b. CRY**
- c. JRY
- d. DWCRA

23. Which of the following banks of India has initially introduced Kisan Credit Card?

- a. State Bank of India
- b. Union Bank of India
- c. Bank of Baroda
- d. The Federal Bank Ltd

Note: Bank of Baroda

24. Match List I correctly with List II and select your correct answer using the codes given below:

List I

- a. SAIL
- b. Agriculture
- c. NTC
- d. Bank of Baroda

List II

- 1. Nationalised in 1969
- 2. Silk Textile Industry
- 3. Dr. M.S. Swaminathan
- 4. Iron and Steel Industry

codes

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

25. India's balance of trade has been unfavourable

- a. due to poor foreign export
- b. because import exceeds export**
- c. due to poor export promotion

- d, due to poor quality of expert goods
26. The finance commission deals with
- the sources of raising Central Government
 - the measures to be taken for controlling public expenditure
- c. Centre-state financial relation**
- d. all are correct
27. Recently it is proposed by Central Government to encourage private ownership in the field of
- communication
 - electricity
 - insurance
- d. all of these**
28. Globalization means
- promoting co-operation among all countries
- b. extending the size of market beyond geographical territory of a country**
- increasing the total productivity of world
 - none of these
29. Economic development can be measured in terms of changes in
- real per capital income**
 - average cost of living pf the working class
 - GNP
 - none of these
30. MRTP Act applies to
- only private sector**
 - only the public sector
 - only the multinationals
 - both public and private sectors
31. The source of single largest revenue in India is
- Direct taxes
 - Indirect taxes
 - Sales Tax
- d. Excise duty**
32. Which of the following steps may be taken by a government to check inflation temporarily
- Taxes should be reduced
 - Wages of workers should be increases
- c Money supply should be reduced**
- Money supply should be increased
33. Monetary policy aims at
- increase in the circulation of money
 - creation of credit by commercial banks
- c. stability of prices**
- increase in per capital income
34. The economist who warned against population explosion is
- Adam Smith
 - Malthus**
 - Karl Marx
 - J.M. Keynes
35. Which of the following states leads in commerce and industry?
- Maharastra**
 - Tamil Nadu
 - Uttar Pradesh
 - West Bengal
36. Pick out the correct order of the following on the basis of their employment potentials:
- Railways
 - Agriculture
 - Road transport
 - Export trade
- Of the statements

- a. **II, I, III, IV** b. I, II, IV, III c. II, III, IV, I d. IV, I, III, II
37. Consider the following statements:
 Assertion(A): Disgusted unemployment is generally found in Indian Agricultural sector
 Reason(R): More and more people in rural areas are becoming literate
 Now select your answer according to the coding scheme given below:
 a. Both (A) and (R) are true and (R) is the correct explanation of (A)
b. Both (A) and (R) are correct 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
38. Expands MRTS
 a. Mass Road Transport System b. Madras Road Transport System
c. Mass Rapid Transport System d. Madras Round Trip System
39. IRBI means
 a. Industrial Rural Bank of India
 b. Investment Rural Bank of India
c. Industrial Reconstruction Bank of India
 d. None of these
40. Consider the following statements:
 I. Green Revolution means growing more and more dry lands into wet lands
 II. Green Revolution means converting more and more dry lands into wet lands
 III. Green Revolution means promoting the sale of green colour paint
 IV. Green Revolution means increasing the productivity of agriculture by using high yielding varieties of seeds.
 Of the statements
 a. I and II are correct b. II and III are correct
 c. I is correct **d. IV is correct**
41. Which is not a feature of labour as a factor of production?
 a. Labour is inseparable from labourers b. it has poor bargaining power
 c. it is less mobile **d. it is result of savings**
42. Economic order quantity refers to
 a. the maximum quantity b. the minimum quantity
 c. the average quantity **d. the order quantity that minimizes total inventory lost**
43. The most important cause of Industrial sickness is
 a. faulty planning b. **defective management**
 c. inefficient financial management d. inefficient labourers
44. Which of the following are in direct touch with the farmers?
 a. State co-operative Banks b. Central co-operative Banks
c. Primary Agricultural credit societies d. both (A) and (B)
45. Which one of the following is not an objective of India's economic planning?
a. Population growth b. Industrial growth
 c. Self-reliance d. Employment generation

46. Inflation implies
- a. loss to the debtors
 - b. loss to the creditors**
 - c. loss to both (A) and (B)
 - d. none of these
47. Land Development Banks provide credit to farmers of
- a. short-term needs
 - b. medium –term needs
 - c. long-term needs**
 - d. none of these
48. What is the most important aim for advertising a product?
- a. To increase the sales of the product**
 - b. To build a good business image
 - c. To maintain brand loyalty
 - d. To open opportunities for sales personnel
49. The most important reason for unemployment is
- a. growth of population
 - b. high birth rate in rural areas
 - c. the defective man power planning**
 - d. none of these
50. Which of the following is the most important reason for the unpopularity in digenous bankers in India
- a. They have diversified their business from banking
 - b. Political consciousness and awareness of the people
 - c. They charge high rates of interest**
 - d. They face competition from commercial banks
51. Consider the following
- Indirect taxes are
- I. Customs duty
 - II. Excise duty
 - III. Sales Tax
 - IV. Income Tax
- Of these
- a. I, II, III and IV are true
 - b. II, III and IV are true
 - c. I, II and III are true**
 - d. I, II and IV are true
52. The main reason for slow growth of national income of India is
- a. growth of population
 - b. **too much dependence on agriculture**
 - c. low productivity of labour
 - d. unemployment problems
53. Disguised unemployment id due to
- a. rapidly rising population on the one hand an slowly expanding opportunities in non-agricultural sectors
 - b. fall in agricultural production
 - c. illiteracy of the masses
 - d. none of these**
54. B.S. Minah’s study is connected with
- a. rural development
 - b. education
 - c. employment
 - d. poverty**
55. ICICI is the name of
- a. Financial Institution**
 - b. Chemical Industry

- c. Cotton Industry
d. Chamber of Commerce and Industry
56. SFDA is meant for
a. fish development
b. farmer development
c. fine arts development
d. finance development
57. Consider the following statements:
I. MNC means an international bank
II. MNC means an international aiding agency
III. MNC means an international airways
IV. MNC means company doing business in many countries
Of these statement
a. only I is correct
b. I, II and III are correct
c. **Only IV is correct**
d. All are correct
58. Match List I correctly with List II and select your correct answer using the codes given below:
- | | |
|-----------|---------|
| List I | List II |
| a. TANCEM | 1. 1961 |
| b. SIDCO | 2. 1970 |
| c. TAMIN | 3. 1976 |
| d. TIDCO | 4. 1965 |
- Codes
- | | | | | |
|-----------|----------|----------|----------|----------|
| | a | b | c | d |
| a. | 2 | 3 | 1 | 4 |
| b. | 1 | 2 | 3 | 4 |
| c. | 4 | 3 | 2 | 1 |
| d. | 1 | 4 | 2 | 3 |
59. Consider the following statements:
Assertion(A): Agricultural productivity of India is very low
Reason(R): Rural farmers are born in credit and die in credit
Now select your answer according to the coding scheme given below:
a. **Both (A) and (R) are true and (R) is the correct explanation of (A)**
b. Both (A) and (R) are true and (R) is not the correct explanation of (A)
c. (A) is true, but (R) is false
d. (A) is false, but (R) is true
60. Favourable balance of trade refers to
a. more imports
b. **more exports**
c. balanced imports and exports
d. none of these
61. Per capita income of India during 2001 – 2002 is
a. Rs. 16, 500
b. **Rs. 16,707**
c. Rs. 17,500
d. Rs. 17,977
Note: Rs. 37,490
62. The National Stock Exchange functions from
a. New Delhi
b. **Mumbai**
c. Nagpur
d. Kolkata

63. The Reserve Bank of India was established in the year
 a. 1930 **b. 1935** c. 1949 d. 1950
64. The transport, education, health and housing are considered as
 a. **services** b. landscapes
 c. cultures d. industries
65. "Mein Kampf" is a book written by
 a. **Adolf Hitler** b. Alexander
 c. Lenin d. Karl Marx
66. Which of the following is a progressive tax?
 a. **Income tax** b. Sales tax
 c. Excise tax d. Customs duty
67. Match List I with List II correctly and select your answer using the codes given below:
- | | |
|--|--------------------------|
| List I | List II |
| a. Central Bank of our country | 1. Bank of Madura Ltd. |
| b. Apex Bank for industrial finance institutions | 2. NABARD |
| c. Apex institution for agricultural banks | 3. IDBI |
| d. Private Sector Bank | 4. Reserve Bank of India |
- Codes
- | | | | | |
|-----------|----------|----------|----------|----------|
| | a | b | c | d |
| a. | 4 | 3 | 2 | 1 |
| b. | 1 | 2 | 3 | 4 |
| c. | 2 | 1 | 4 | 3 |
| d. | 4 | 3 | 2 | 1 |
68. SEBI is a name of
 a. Financial Institution
 b. **Regulatory Authority for Stock Exchanges**
 c. State Export Bank
 d. None of these
69. The small scale industries producing Machinery spare parts are located largely in the following districts of TamilNadu
 a. Coimbatore, Thiruvallur, Chennai **b. Coimbatore, Salem, Namakkal**
 c. Coimbatore, Salem d. Coimbatore, Virudhunagar, Chennai
70. The one rupee notes bears the signature of
 a. **Secretary, Ministry of Finance** b. Governor, RBI
 c. Finance Minister d. None of them
71. In which year was the SDR, the international asset created by IMF?
 a. 1969 **b. 1970** c. 1980 d. 1985
72. The institution which regulates the unorganized financial sectors in India is
 a. **SEBI** b. ICICI c. GIC d. IDBI
73. Find out the percentage of expenditure of Education in GNP in India?
 a. **2%** b. 5% c. 10% d. 15%

c. Foreign Exchange Management Act

d. none of these

87. Central Government's scheme, Indira Mahila Yojana is

- I. Providing credit to women
- II. Raising of resources
- III. Information sharing
- IV. Preparation of sub-plan for women

Of these

- a. I and II are true
- b. II and IV are true
- c. I, II and III are true
- d. All are true**

88. Mid-day meal scheme in India at present is

- a. run by Tamil Nadu Govt. only
- b. also a Central Government Scheme**
- c. run by all State Government
- d. none of these

89. Agriculture is a source of

- a. employment
- b. food
- c. international trade
- d. all of these**

90. Green Revolution signifies

- a. ceiling on land holdings
- b. increase in agricultural production by use of scientific methods**
- c. new programmes
- d. more water

91. Land ceiling is a ceiling imposed by the Government on

- a. limiting the quality of property to be held**
- b. restricting ownership
- c. ceiling on poor people
- d. none of these

92. Agricultural development can be measured in terms of

- a. economic growth**
- b. productivity
- c. number of crops
- d. irrigation

93. ICICI is the name of a

- a. Chemical Industry
- b. Cotton Industry
- c. Chamber of Commerce and Industry
- d. Financial Institution**

94. Self-employment programme for urban poor was launched on (in)

- a. September 1, 1986
- b. April, 1989
- c. October, 1989**
- d. August 15, 1983

95. Jawahar Rozgar Yojana scheme includes

- a. NREP
- b. RLEGP
- c. NREP & RLEGP
- d. none of these**

96. What is the approximate value of British Pound sterling at present?

- a. Rs. 77
- b. Rs. 69**
- c. Rs. 80
- d. Rs. 45

97. The approximate value of one American Dollar is equal to

- a. Rs. 60
- b. Rs.43
- c. Rs. 50
- d. Rs. 49**

98. Consider the following statements:

Assertion(A): The burden of tax incidence is more on the lower and middle income groups.

Reason(R): The tax structure is such that taxes on commodities is predominant.

Now select your answer according to the coding scheme given below:

a. Both (A) and (R) are true and (R) is the correct explanation of (A)

b. Both (A) and (R) are true and (R) is not the correct explanation of (A)

c. (A) is true, but (R) is false

d. (A) is false, but (R) is true

99. Consider the following statements:

Assertion(A): International trade along the lines of comparative cost advantage improves allocative efficiency of existing resources.

Reason(R): International trade is an engine of growth.

Now select your answer according to the coding scheme given below:

a. Both (A) and (R) are true and (R) is the correct explanation of (A)

b. Both (A) and (R) are true and (R) is not the correct explanation of (A)

c. (A) is true, but (R) is false

d. (A) is false, but (R) is true

100. In which period of planning did our parliament members raise the slogan “Garibi Hatao” and “Growth with justice”?

a. Second plan period

b. Third plan period

c. Fourth plan period

d. Sixth plan period