

Indian Economy Model Test Questions 8 in English With Answer

1. What is the necessity of monetary policy being exercised by RBI from time to time in India?
a. Reduce deficit
b. Encourage exports and maintain bops
c. Price stability
d. All of these
2. The Environmental Protection Act was legislated in
a. 1980 b. 1984 **c. 1986** d. 1990
3. Which one of the following methods is not used to collect primary data?
a. Personal contact
b. Postal enquiry
c. Through newspapers
d. Questionnaire method
4. Which one of the following methods is often used to select a representative sample from a homogeneous population?
a. Random sampling
b. Stratified sampling
c. Purposive sampling
d. Systematic sampling
5. What is the present rate of interest on CRR given by RBI?
a. 6% b. 8% c. 9% d. none of these
6. What is the minimum and maximum Cash Reserve Ratio to be maintained by a Commercial Bank?
a. Minimum 3%, Maximum 15%
b. Minimum 4%, Maximum 16%
c. Minimum 2%, Maximum 4%
d. None of these
7. One rupee currency note is printed and issued by
a. State Government
b. State Bank of India
c. Reserve Bank of India
d. Govt. of India, Ministry of Finance
8. Which is the lead bank for salem district?
a. Indian Bank
b. Indian Overseas Bank
c. Salem District Co-Operative Central Bank
d. None of these
9. The controller of Insurance is at present
a. Finance secretary
b. Deputy Governor, RBI
c. Chairman, GIC
d. Chairman, IRDA
10. At present the expenditure on Government (both central and state) as a percentage of GDP is
a. 5% b. 17% c. 24% **d. 30%**
11. The Green Revolution came on the scene around
a. mid 1960 b. mid 1950 c. mid 1970 d. mid 1980
12. Demographic pressure acts as a push factor in
a. migration
b. financial assistance
c. economic growth
d. none of these
13. Dr. Raja J. Chelliah Tax Reforms ommittee was set up in
a. August, 1990
b. September, 1992
c. August, 1991
d. June, 1993
14. When was the New Industrial Policy announced?
a. July, 1991
b. June, 1992
c. October, 1996
d. January, 1994

15. The incidence of poverty can be computed from
 a. NAS data on national accounts **b. NSS data on consumption of expenditure**
 c. Both (A) and (B) d. None of these
16. What is the correct expansion of the abbreviation of WTO?
 a. World Textile Organisation **b. World Trade Organisation**
 c. World Trusteeship Organisation d. World Transport Organisation
17. Match List I with List II correctly and select your answer using the codes given below:
- | | | | |
|-----------------|--|----------------------------------|--|
| List I | | List II | |
| a. Respondents | | 1. Person collecting Information | |
| b. Primary data | | 2. Person giving information | |
| c. Enumerator | | 3. Collection of data | |
| d. Census | | 4. First hand information | |
- Codes
- | | | | | |
|-----------|----------|----------|----------|----------|
| | a | b | c | d |
| a. | 1 | 2 | 3 | 4 |
| b. | 2 | 3 | 4 | 1 |
| c. | 1 | 3 | 2 | 4 |
| d. | 2 | 4 | 1 | 3 |
18. Which committee has recommended the establishment of National co-operative Bank of India?
 a. Narasimhan Committee **b. A.M. Khusro Committee**
 c. Indian Co-Operative Committee d. Ragarajan Committee
19. The RBI was inaugurated in April 1935 with a share capital of
 a. 15 crores **b. 5 crores** c. 10crores d. 7 crores
20. The UTI was formally established in
 a. February, 1974 **b. February, 1964**
 c. March, 1970 d. December , 1950
21. The Million Wells Scheme was launched as a sub-scheme for
 a. Jawahar Gram Samridhhi Yojana b. Swarna Jayanti Gram Swarojgar Yojana
c. National Rural Employment Programme d. Employment Guarantee Scheme
22. Dr. L.C. Gupta Committee was appointed to look into the working of
a. Stock exchange b. Insurance companies
 c. Commercial banks d. Development finance institution
23. What is the old name of the State Bank of India?
 a. India Bank b. British Bank
c. Imperial Bank of India d. None of these
24. How many banks were nationalized in July 1969?
 a. 15 b. 13 c. 11 **d. 14**
25. The economist who warned against population explosion is
 a. Alfred Marshall b. Karl Marx
c. Malthus d. Rostow
26. When was the GATT started?

- a. 1947 **b. 1948** c. 1950 d. 1956
27. The Reserve Bank of India Bulletin is published in every
 a. fortnight **b. month**
 c. six months d. year
28. Which of the following is/are not matched correctly?
 I. First Plan - 1950-55
 II. Third Plan - 1961-66
 III. Fourth Plan - 1966-77
 IV. Seventh Plan - 1985-90
 a. I and II b. III only c. I only **d. I and III**
29. Which of the following is not an objective of India's Economic Planning?
 a. Self-Reliance b. Industrial growth
 c. Employment generation **d. Population growth**
30. Human Development Index was formulated by United Nations in
a. 1990 b. 1991 c. 1996 d. 1994
31. Which one of the following is a primary group?
a. Family b. Community
 c. Caste d. Society
32. Commercial banks finance rural credit directly and through
 a. NABARD b. Rural banks
c. Cooperative Societies d. State Government
33. Which is the cheapest and safest method of sending money from one place to another place?
 a. Money order b. Mail Transfer/ Telegraphic Transfer
c. Cheque System d. None of these
34. What do you mean by Non-Performing asset?
a. Assets acquired through the court of law
 b. Idle asset
 c. Unprofitable asset
 d. None of these
35. The structure of family in rural India is
 a. Nuclear family b. Extended family
c. Joint family d. Consanguineous family
36. Consider the following statements:
 Assertion(A): The removal of poverty remains a central problem of planning in India.
 Reason(R): Development is not just about factories, dams and road, it is basically about people.
 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, 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
37. In which sector was the 'Rolling Plan' first introduced in India?

53. Name the first bank established in India
a. Bank of India
c. Bank of Hindustan
b. State Bank of India
d. Canara Bank
54. Which sector contributes more to Nest state domestic product in Tamil Nadu?
a. Primary sector
c. Tertiary sector
b. Secondary sector
d. Other sectors
55. When was Central Social Welfare Board Organised?
a. 1950
b. 1951
c. 1952
d. 1953
56. In which year was the Imperial Bank of India started?
a. 1914
b. 1919
c. 1921
d. 1942
57. What is the maximum capital and reserve required for starting a Scheduled Commercial Bank in India?
a. Rs. 5 lakhs
b. Rs. 10 lakhs
c. Rs. 7.5 lakhs
d. none of these
58. The minimum capital required for starting Regional Rural Bank in India is
a. Rs. 25 lakhs
b. Rs. 30lakhs
c. Rs. 22 lakhs
d. Rs. 40 lakhs
59. Where is the Headquarters of Asian Development Bank Situated?
a. Washington
c. Manila
b. Paris
d. Canberra
60. The largest public sector bank in India is
a. Union Bank of India
c. State Bank of India
b. Central Bank of India
d. Reserve Bank of India
61. Sugar Industry is totally
a. tiny industry
c, agro-based industry
b. medium industry
d. none of these
62. The guardian of Indian money market is
a. State Bank of India
c. Reserve Bank of India
b. Central Bank of India
d. Indian Bank
63. The first Five-year plan gave to priority to
a. agriculture and irrigation
b. large scale industries
c. unemployment and poverty
d. Communication and education
64. Which one of the following in Indirect Tax?
a. Income Tax
c. Excise duty
b. Corporate Tax
d. Wealth tax
65. First five-year plan is known as
a. Industrial plan
c. Annual Plan
d. Agricultural plan
b. Rolling plan
66. Inflation means
a. decrease in price
c. normal price
b. increase in price
d. Flutuating price
67. Iron and steel industry is categorized as
a. Small industry
b. Medium industry

codes:

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

80. Consider the following statements

- I. The expansion of the public sector was based on Industrial Policy Resolution, 1956
- II. Govt. has announced New Industrial Policy in July, 1991.
- III. Govt. has not announced any industrial policy at all.

Of the statements:

- a. I alone is correct
- b. II alone is correct
- c. I and II are correct**
- d. All are correct

81. Which one of the following is correctly matched?

- a. Industrial policy statement - 2002
- b. Report on the committee on disinvestment of shares (Rangarajan Committee) - 1987**
- c. Common Minimum Programme of United Front Govt. - 1996
- d. Start of tenth Five-Year Plan - 2005

82. For which purpose is the finance commission appointed?

- a. To make recommendation for devolution of non-plan revenue resources**
- b. To earn foreign exchange
- c. to recommended measures for profit making public sector enterprises
- d. to impose taxes

83. Existence of joint family system in India promotes

- a. full employment
- b. disguised unemployment
- c. unemployment
- d. structural unemployment**

84. Basic needs like food, clothing and shelter are _____ needs.

- a. Physical
- b. Social**
- c. Psychological
- d. Cultural

85. The first Five-Year plan gave importance to

- a. agriculture**
- b. industries
- c. employment opportunity
- d. reducing poverty

86. Agriculture gives rise to _____ employment.

- a. cyclical
- b. structural
- c. seasonal**
- d. professional

87. Custodian of foreign exchange is

- a. Foreign Exchange Bank
- b. Foreign Bank
- c. State Bank of India
- d. Reserve Bank of India**

88. Which of the following is correct?

- a. Classification follows tabulation

b. Classification precedes tabulation

- c. Both are done simultaneously
d. None of these

89. Which of the following does not suit the underdeveloped countries?

- a. Lack of technology
b. **Low population**
c. Lack of capital formation
d. Low level employment opportunity

90. In the banks of India for which type of deposit is higher rate of interest paid

- a. Recurring deposit
b. Fixed deposit
c. **Senior citizen's fixed deposit**
d. Current deposit

91. The Lead Bank Scheme was recommended by

- a. Tandon Committee
b. Vaguls Committee
c. Sivaraman Committee
d. **Gadgil Committee**

92. What was the target rate of increase in national income in the Five Five-Year Plan?

- a. 23%
b. **11%**
c. 9%
d. 12%

93. Sequential file organization is most appropriate for which of the following applications?

- a. Grocery store check-out
b. Checking bank A/c
c. **Payroll**
d. Airline reservations

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

List I

- a. 1st Five-Year Plan
b. 3rd Five-Year Plan
c. 5th Five-Year Plan
d. 7th Five-Year Plan

List II

1. 1961-66
2. 1985-90
3. 1951-56
4. 1974-79

codes

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

95. Public expenditure and public revenue are referred to

- a. Public policy
b. Government policy
c. Welfare policy
d. **Fiscal policy**

96. which one of the following is correctly matched?

Name of the Programme	Year of Launching
a. Integrated Rural Development Programme	1977
b. Training Rural Youth for Self Employment	1979
c. National Rural Employment Programme	1980
d. Jawahar Rozgar Yojana	1988

97. who invented Double Entry system of Book-keeping?

- a. **Luca Pacciola**
b. Keynes
c. Hawtrey
d. Gunnar Myrdall

98. Which system of banking is followed in India?
- a. Unit banking
 - b. Branch banking**
 - c. Merchant Banking
 - d. Mixed Banking
99. What do you mean by 'Entrepot' trade?
- a. Export trade
 - b. Import trade
 - c. Import of goods for re-export**
 - d. none of these
100. Sarkaria Commission was appointed
- a. to find a solution to the Punjab crisis
 - b. to examine Centre-State relations**
 - c. to resolve Kaveri water dispute
 - d. to examine the nexus between politicians and criminals