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 committee was set up in
    a. August, 1990  
    b. September, 1992  
    c. August, 1991  
    d. June, 1993

14. When was the New Industrial Policy announced?
    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. 10 crores   d. 7 crores

20. The UTI was formally established in

21. The Million Wells Scheme was launched as a sub-scheme for
   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?
Economics & Commerce

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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?
a. Agricultural sector  
b. Industrial sector  
c. Trade sector  
d. Defence sector  

38. Human Development Index (HDI) was formulated by the  
a. 1990  
b. 1991  
c. 1996  
d. 1994  

39. Which one of the following methods is to reduce income inequalities in India?  
a. Estate duty  
b. Wealth tax  
c. Capital gains tax  
d. Ceiling on holdings  

40. Who finally approves the five-year plan?  
a. Parliament and state legislatures  
b. National Development Council  
c. Planning Commission  
d. The President  

41. Villages in India are the backbone of our  
a. economy  
b. culture  
c. food  
d. dance  

42. The Reserve Bank of India was nationalized in  
a. 1927  
b. 1947  
c. 1949  
d. 1962  

43. The main obstacle to the economic development of India is  
a. population  
b. unemployment  
c. low production  
d. all of these  

44. Green revolution was introduced in the year  
a. 1957  
b. 1962  
c. 1965  
d. 1966  

45. The first Bank established in India was  
a. Punjab National Bank  
b. Traders Bank  
c. State Bank of India  
d. Bank of Hindustan  

46. In which year was cycle rickshaw introduced in the world?  
a. 1850  
b. 1847  
c. 1972  
d. 1867  

47. Most of India’s exports are  
a. food products  
b. fabrics  
c. industrial  
d. beverages  

48. The second nationalization of six banks took place on  
a. April 1, 1974  
b. April 15, 1980  
c. March 31, 1985  
d. September 30, 1989  

49. Consumer day is celebrated on  
a. March 5  
b. March 10  
c. March 15  
d. March 20  

50. The Vyas Committee which has submitted its report recently, is related with  
a. Mutual fund  
b. Co-operative Sector  
c. Price Control  
d. Agricultural Credit  

51. The Omkar Goswami Committee was setup to study  
a. Industrial location  
b. Industrial pollution  
c. Industrial infrastructure  
d. Industrial sickness  

52. What is the percentage of the accumulated loss at the end of any financial year to its net worth for a company to be ‘sick’?  
a. 100%  
b. 75%  
c. 50%  
d. 20%
53. Name the first bank established in India
   a. Bank of India  b. State Bank of India  
   c. Bank of Hindustan  d. Canara Bank

54. Which sector contributes more to Nest state domestic product in Tamil Nadu?
   a. Primary sector  b. Secondary sector  
   c. Tertiary 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. 30 lakhs  c. Rs. 22 lakhs  d. Rs. 40 lakhs

59. Where is the Headquarters of Asian Development Bank Situated?

60. The largest public sector bank in India is
   a. Union Bank of India  b. Central Bank of India  c. State Bank of India  d. Reserve Bank of India

61. Sugar Industry is totally
   a. tiny industry  b. medium industry  c. agro-based industry  d. none of these

62. The guardian of Indian money market is

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?

65. First five-year plan is known as
   a. Industrial plan  b. Rolling plan  c. Annual Plan  d. Agricultural plan

66. Inflation means
   a. decrease in price  b. increase in price  c. normal price  d. Flutuating price

67. Iron and steel industry is categorized as
   a. Small industry  b. Medium industry
c. Cottage industry  

68. Reserve Bank of India was established in the year
   a. 1935  
   b. 1947  
   c. 1950  
   d. 1953

69. Goods of an industry which are used in another industry for further production is called
   a. Genetic goods
   b. Luxury goods
   c. Consumer goods
   d. Capital goods

70. If there is no agreement regarding sharing of profit or loss, all partners share
   a. on the basis of capital contribution
   b. equality
   c. on the basis of managerial ability
   d. all of these

71. A bank who acts as banker to the Government is called
   a. State Finance Corporation
   b. Industrial Development Bank of India
   c. Reserve Bank of India
   d. Co-operative Bank

72. The committee on Panchayat Raj Institution is
   a. Vaidyanathan Committee
   b. Goswami Committee
   c. Ashok Mehta Committee
   d. Narashimhan Committee

73. Entrepot trade means
   a. Export trade
   b. Re-export trade
   c. Internal trade
   d. wholesale trade

74. The major emphasis in the first five-year plan was on
   a. employment generation
   b. agriculture
   c. export promotion
   d. industry

75. NICEF was established in the year
   a. 1946
   b. 1956
   c. 1949
   d. 1954

76. Which one of the following is correct
   a. Human Development Index - United Nations
   b. PQLI
   c. Social indicators - India
   d. Welfare measures - Morris

77. World Trade Organisation was started in the year
   a. 1984
   b. 1994
   c. 1995
   d. 1996

78. Which of the following statements is correct regarding Indira Awas Yojana?
   a. Soil and water conservation works
   b. Construction of rural roads
   c. Providing houses at free of costs to the members of SC/ST and free bonded labourers
   d. Land development and waste land development

79. Match List I with List II correctly and select your answer using the codes given below:
   List I  
   a. IFCI
   b. ICICI
   c. IDBI
   d. EXIM Bank
   List II
   1. 1955
   2. 1964
   3. 1948
   4. 1971
codes:

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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                               List II
   a. 1st Five-Year Plan  1. 1961-66
   b. 3rd Five-Year Plan  2. 1985-90
   c. 5th Five-Year Plan  3. 1951-56
   d. 7th Five-Year Plan  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 Paciolo  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