

## Indian Economy Model Test Questions 9 in English With Answer

1. Human Development Index (HDI) does not include which of the following socio-economic indicators?
  - a. **Infant mortality rate**
  - b. GNP per capita
  - c. Life expectancy
  - d. Literacy rate
2. Structural unemployment arises due to
  - a. deflationary condition
  - b. heavy industry bias
  - c. shortage of raw materials
  - d. **inadequate productive capacity**
3. Which committee fixed poverty line in India?
  - a. **Laksawala Committee**
  - b. Narshiman Committee
  - c. Rangarajan Committee
  - d. None of these
4. The Rao-Manmohan model of Economic development was initiated in the year
  - a. 1982
  - b. 1985
  - c. **1991**
  - d. 1995
5. Chronic poverty, refers to the persons/ households who have been
  - a. poor for a long duration
  - b. poor by birth
  - c. poor in terms of low food consumption
  - d. **living below the poverty line**
6. Prevention of scheduled castes from the use of public wells and from entering schools is called
  - a. **social disabilities**
  - b. religious disabilities
  - c. economic disabilities
  - d. intellectual disabilities
7. Where in India are coins minted?
  - a. Delhi, Mumbai and Kolkata
  - b. Delhi, Kolkata and Hyderabad
  - c. Mumbai, Delhi and Bangalore
  - d. **Mumbai, Kolkata and Hyderabad**
8. The reason for decrease in national income is not due to
  - a. **growth of population**
  - b. growth of production
  - c. growth of expenditure
  - d. growth of consumption
9. Population explosion is associated with
  - a. **high birth rate and low death rate**
  - b. high birth rate and high death rate
  - c. low birth rate and high death rate
  - d. low birth rate and low death rate
10. Productivity in Indian Agriculture is low because of
  - a. inefficient farming techniques
  - b. lack of cheap and easy availability of credit
  - c. absence of irrigation over a large part of the sown area
  - d. **all of these**
11. "Capital is essential only but it is not enough for the development". This was said by
  - a. Nurkse
  - b. Dorner
  - c. Adam Smith
  - d. **Marshall**
12. Which of the following is not included in the primary sector?
  - a. forestry
  - b. fishing
  - c. **water supply**
  - d. mining and quarrying
13. Among the following products exported to western countries in which India stood first?

- a. Pepper                      b. Sandal                      c. **Pearl**                      d. Ivory
14. The lead bank scheme was introduced during  
a. **1960**                      b. 1965                      c. 1968                      d. 1972
15. The basic distinction between urban and rural settlements is the  
a. **population size**                      b. population density  
c. function                      d. location
16. In export trade, letter of credit is produced by  
a. an exporter                      b. **an importer**  
c. customs authority                      d. shipping company
17. The per capita income of an economy can be calculated by  
a. **dividing GDP by population**                      b. dividing GNP by population  
c. multiplying GNP by population                      d. dividing GNP by number of people employed
18. Bank rate is raised during  
a. deflation                      b. **inflation**  
c. stable prices                      d. unemployment
19. The three tier Panchayat Raj system was introduced by  
a. Ashok Mehta Committee                      b. **Balwani Rai Mehta Committee**  
c. Reforms Committee                      d. Administrative Committee
20. The 'Great Depression' occurred in  
a. 1830                      b. **1930**                      c. 1980                      d. 1880
21. The first Five-year plan of India was launched in  
a. 1947                      b. **1951**                      c. 1956                      d. 1961
22. Which one of the following public enterprises is not a 'Navaratna' category?  
a. Oil and Natural Gas Corporation (ONGC)  
b. Mahanagar Telephone Nigam Limited (MTNL)  
c. **Bharat Sanchar Nigam Limited (BSNL)**  
d. Indian Oil Corporation (IOC)
23. The first Indian Bank was  
a. Trade Bank                      b. Imperial Bank  
c. Presidency Bank Calcutta                      d. **None of these**
24. C2C is  
a. Consumer to Consumer                      b. Customer to Customer  
c. **Customer to Consumer**                      d. All of these
25. By which type of Bank Account can the holder deposit or withdraw money many numbers of times in a day without restriction?  
a. Savings Account                      b. Fixed Deposit  
c. **Current Account**                      d. Recurring Deposit
26. Which country stands first in planning?  
a. **Soviet Russia**                      b. India  
c. America                      d. Japan
27. The first Agricultural Census in India was conducted in



- c. Kelkar  
d. Madhavan Ravindra
41. Which of the following is not correctly matched?  
**a. Central Vigilance Commission - Kripalani Committee**  
 b. Father of All India Service - Sardar Vallabhai Patel  
 c. Secretary Genral of Non-Aligned - Dr. Rajendra Prasad  
 d. Union Public Service Commission - A.M. Khusru
42. Agricultural holding tax was recommended by  
 a. John Mathai Committee  
 b. Bhoothalingam Committee  
 c. Wanchoo Committee  
**d. Raj Committee**
43. Indra Awas Yojana (IAY) scheme aimed at  
 a. providing loan assistance  
**b. providing houses at free of cost**  
 c. providing transport facilities  
 d. none of these
44. Which commodity forms the single largest item if India import?  
 a. Capital goods  
 b. Food and allied products  
 c. Gold  
**d. Oil(fuel)**
45. As per RBI stipulation domestic banks are required to provide \_\_\_\_\_percent of their net bank credit to priority sector  
**a. 32**      b. 40      c. 10      d. 25
46. The new agricultural technology can best be described as  
 a. Land augmenting  
**b. Labour augmenting**  
 c. Labour displacing  
 d. Both land and labour augmenting
47. The socialist pattern of society was first articulated in the  
 a. first five year plan  
 b. Annual plan  
**c. Second plan**  
 d. Eighth plan
48. The Eleventh five year plan was implemented during the period  
 a. 2005-2010      b. 2002-2007      c. **2007-2012**      d. 2006-2011
49. According to the National Human Development Report (NHDR) 2001, Tamil Nadu scored the  
 a. 7<sup>th</sup> rank      **b. 3<sup>rd</sup> rank**      c. 4<sup>th</sup> rank      d. 9<sup>th</sup> rank
50. Who among the following computed National Income on the basis of scientific method?  
 a. Prof. Mahalanobis  
 b. Dr. K.N. Raj  
**c. Dr. V.K. R.V. Rao**  
 d. Dr. Vakil
51. The Rajiv Gandhi Udyami Mitra Yojana was launched in  
 a. 2006      b. 2007      **c. 2008**      d. 2009
52. The National Rural Employment Programme was implemented in Tamil Nadu in the year  
**a. 1980**      b. 1990      c. 1970      d. 1960
53. Economic drain theory was populated by  
 a. The Britishers in India  
**b. Dadabhai Naoroji**  
 c. Vera Anstey  
 d. V.V. Bhatt
54. The policy RBI follows for control of inflation is  
**a. increase in Repo rate and CRR**      b. decrease in Repo rate and increase in CRR  
 c. decrease in Repo rate and CRR      d. decrease in bank rate

55. Consider the following statements:

Assertion (A): Increased spending on civil administration and defence expenditure in India's national income is an unwelcome feature.

Reason(R): The contribution of these sector does not generate durable income yielding assets to the country.

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

a. Both (A) and (R) are true, but (R) is not the correct explanation of (A)

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

c. (A) and (R) are false

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

56. Prime Minister Employment Generation Program (PMEGP) was implemented in India by merging the schemes of

**a. PMRY and REGP**

b. NREP and IRDP

c. IAY and IRDP

d. SFDA and MFAL

57. The most dominant contributor to GDP in recent years is

a. agriculture

b. industry

**c. services**

d. exports

58. Which of the following is a feature of Tamil Nadu economy?

a. High rural – urban migration

b. Low man-farm employment

**c. High urbanization**

d. Low urbanization

59. Which one of the following sectors is the major contributor(s) to Tamil Nadu state's gross domestic product?

a. Agriculture & Allied sectors

b. Secondary sector

**c. Service sector**

d. Informal sector

60. When there is increase in economic development the share of tertiary (service) sector in National Income will

**a. increase**

b. decrease

c. remain constant

d. remain proportional

61. Who was not the member of the first National Income Committee of 1949 ?

a. P.C. Mahalanobis

b. D.R. Gadgil

**c. Dadabhai Naoroji**

d. V.K. R.V. Rao

62. India is a member of which of the following?

a. Asian Development Bank

b. Asia- Pacific Economic Corporation

**c. Colombo Plan**

d. Organization for Economic Co-operation and

Development

63. Consider the following statements

Assertion(A): Regional disparities in development have been continuously decreasing in India due to planning.

Reason(R): New technology in Indian agriculture is size neutral but not resource neutral.

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

a. Both (A) and (R) are true, but (R) is not the correct explanation of (A)



77. Annual rate of inflation of all commodities is 2009-10 was  
 a. 14.4%                      b. 10%                      **c. 8%**                      d. 11%
78. What is the rank of Tamil Nadu in economic growth among the states in India during 2009-10?  
 a. 3<sup>rd</sup>                      **b. 4<sup>th</sup>**                      c. 5<sup>th</sup>                      d. 6<sup>th</sup>
79. The largest contribution to GDP still comes from  
 a. agriculture                      b. manufacturing industries  
 c. construction                      **d. services**
80. Which one of the following factors does not influence velocity of circulation of money?  
 a. Quantity of money                      b. Selling cost of business firms  
**c. Credit facilities**                      d. Business conditions
81. Commonwealth Bank of \_\_\_\_\_ in August 2010, opened its first Branch in India in Mumbai  
 a. Denmark                      **b. Australia**  
 c. Canada                      d. Ireland
82. Which one of the following comes under NBFIs?  
 a. Commercial Bank                      b. Co-operative Bank  
**c. UTI**                      d. None of these
83. In money supply  $M_3 = M_1 +$   
**a. net time deposits of banks**                      b. total deposits with Post Office savings bank  
 c. net demand deposits of banks                      d. none of these
84. Inflation is most often caused by  
 a. supply side forces increase costs to producers  
 b. demand side forces which depress the level of consumer spending  
**c. rapid expansion of money supply**  
 d. unreasonable wage demands by labour unions
85. An increases in the growth rate of money supply is most likely to be followed by  
 a. recession                      b. decline in economic activity  
 c. recession and decline in economic activity                      **d. inflation**
86. Match List I correctly with List II and select your answer using the codes given below:  
 Concepts of National Income  
 List I                      List II  
 a. GNP                      1. Value of output produced by factors of production by domestic residents  
 b. GDP                      2. GNP- depreciation  
 c. NNP                      3. GDP\_ depreciation  
 d. NDP                      4. GDP + Income from abroad
- codes
- |           |          |          |          |          |
|-----------|----------|----------|----------|----------|
|           | a        | b        | c        | d        |
| a.        | 2        | 3        | 1        | 4        |
| b.        | 3        | 4        | 1        | 2        |
| <b>c.</b> | <b>4</b> | <b>1</b> | <b>2</b> | <b>3</b> |
| d.        | 1        | 2        | 3        | 4        |
87. An example of indirect tax is

- a. Income tax  
c. Wealth Tax
- b. Sales tax**  
d. Gift tax
88. The non tax revenue of the Central Government does not include  
a. fiscal services  
c. economic services
- b. dividend and profits**  
d. customs duties
89. If the GDP is measured at the price prevailing at a point of time, then it is called  
a. GDP current price  
**c. GDP constant price**
- b. GDP market price  
d. (A)+(B)+(C)
90. The product method of measuring GDP involves  
a. incomes generated from the production of goods and services  
**b. adding up the value of everything produced in the country during the year**
- c. adding up all expenditures of final output  
d. none of the above
91. A higher interest rate might induce households to \_\_\_\_\_ but businesses to \_\_\_\_\_  
**a. save more, borrow less**                      b. save less, borrow more  
c. save more, borrow more                      d. save less, borrow less
92. A developing economy has the following features  
a. Low per capita income, chronic unemployment occupational pattern  
b. Population pressure  
c. Only (A)  
**d. (A) and (B)**
93. Deflation refers to a condition of \_\_\_\_\_ prices.  
**a. falling**    b. rising  
c. constant    d. moderate
94. Which is the correct sequence of various sectors in GDP of India in the descending order?  
a. Primary sector, Secondary Sector, Tertiary sector  
b. Primary sector, Tertiary sector, Secondary sector  
c. Secondary sector, Tertiary sector, Primary sector  
**d. Tertiary sector, Secondary sector, Primary sector**
95. The National Food Security Act was gazette in  
**a. September, 2013**                                      b. August 2013  
c. September 2012                                      d. August 2012
96. Net National Income (NNI) does not include  
a. Indirect business taxes  
c. Depreciation charges
- b. Corporate income taxes  
**d. The rental value of house-owners**
97. Till which Five Year Plan, employment strategy had been growth linked?  
**a. Fifth Five Year Plan**                                      b. Sixth Five Year Plan  
c. Seventh Five Year Plan                                      d. Eighth Five Year Plan
98. Given below are two statements, one labeled as assertion (A) and the other labeled as:  
Assertion(A): India's Public Sector helped in the development of a sound industrial base,



Reason (R): Public Sector is under State Information Appropriate Policies and providing financial and other support has helped the Public Sector.

- a. (A) is correct but (R) is wrong      **b. Both (A) and (R) are correct**  
c. (A) is wrong but (R) is correct      d. Both (A) and (R) are wrong
99. Rate of saving is measured as a proportion of Gross Domestic Product (GDP) at  
a. Constant prices      **b. Market prices**  
c. Relative prices      d. None of the above
100. National Income is  
a. Income of the Central Government      **b. Income of the Central & State Government**  
c. Total of factor incomes      d. Profits of the Public sector