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/ householder 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?
14. The lead bank scheme was introduced during

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
28. D. Subba Rao is the Governor of Reserve Bank of India. What does ‘D’ stand for?
   a. Durvi   b. Duvvi   c. Divivi   d. Duvvuri
   29. The GDP growth target of 10th plan was
   a. 8.7%   b. 9%   c. 9.3%   d. 8%
   30. The first Planning Commission of India was set up in
   31. Which of the following non-economic factors determine the economic development of a country?
      I. Social set up   II. Religion
      III. Caste   IV. Entrepreneur
      Of these:
      a. I and II are correct   b. I, III and IV are correct
      c. I, II and III are correct   d. IV alone is correct
   32. The foremost economic problem of India’s agricultural labourers is
      a. low income   b. heavy indebtedness
      c. poor standard of living   d. absence of organized activity
   33. Industrial sickness is nothing but
      a. any one part of the factory is being affected
      b. unable to pay back the dept
      c. unable to create surplus income and running the industry only by receiving the debt
      d. change in the ownership of industry
   34. The indicator(s) of development according to modern ideology is/are
      a. growth in national income   b. growth in per capita income
      c. high rate of capital   d. all of these
   35. New Entrepreneurs Agency was established in
   36. Female literacy rate is below 30% (2001 census) in the districts of
      a. Kerala   b. Tamil Nadu
      c. Uttar Pradesh   d. Karnataka
   37. During the second Five-year plan period, the planners worked out the capital output ratio at
      a. 1 : 5 : 1   b. 5 : 4 : 1   c. 2 : 3 : 1   d. 4 : 3 : 7
   38. The expansion of HDI is
      a. Hindi Development Institute   b. Human Development Index
      c. Human Development Investment   d. None of these
   39. Who is the Governor of Reserve Bank of India at present?
      a. B.Y. Reddy   b. C. Rangarajan
      c. Bimal Jalan   d. D. Subbarao
   40. Who is the chairman of 12th Finance Commission?
      a. C. Rangarajan   b. K.C. Panti
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 General 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. 7th rank
   b. 3rd rank
   c. 4th rank
   d. 9th 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)
b. Both (A) and (R) are true and (R) is not correct explanation of (A)
c. (A) is true but (R) are false
d. (A) is true but (R) is false

64. The Special Economic Zone Act was passed in Indian Parliament in
   a. May 2005  
   b. April 2004
   c. May 2008  
   d. April 2007

65. Which is the largest public sector bank in India?
   a. Indian Bank  
   b. Indian Overseas Bank
   c. Canara Bank  
   d. State Bank of India

66. The first ‘Special Economic Zone’ created in Tamil Nadu is in
   a. Coimbatore  
   b. Chennai  
   c. Madurai  
   d. Salem

67. Which of the following is a direct tax?
   a. Sales tax  
   b. Excise duty
   c. Customs duty  
   d. None of these

68. Double counting means
   I. Counting the value of a product at the final stage of production.
   II. Counting the value of a product at each stage of production
   III. Counting the value of a product more than once
   a. I only  
   b. III only
   c. I and II  
   d. I and III

69. Which Five Year Plan gave importance to development of basic and heavy industries?
   a. I  
   b. II  
   c. III  
   d. IV

70. The planning commission was set up in
   a. 1947  
   b. 1948
   c. 1949  
   d. 1950

71. When was Agricultural Price Commission set up?
   a. 1950  
   b. 1955
   c. 1965  
   d. 1975

72. When was National Agricultural Insurance Scheme introduced?
   a. 1979-1980  
   b. 1989-1990
   c. 1999-2000  
   d. 2009-2010

73. The architect of the Second Five Year Plan
   a. Jawaharlal Nehru  
   b. Indira Gandhi
   c. V.V. Giri  
   d. P.C. Mahalanobis

74. SARFAESI Act was introduced for the purpose of
   a. controlling stock exchanges  
   b. regulating capital markets
   c. streamlining the financial system  
   d. enabling the banks to realize their views

75. What is Broad money?
   a. Currency with public + demand deposits of the public
   b. Currency with public + post office savings deposits
   c. Currency with public + time deposits of public with banks + demand deposits
   d. Currency with public + derived deposits

76. Disposable income is equal to
   a. personal income minus subsidies  
   b. personal income minus taxes
   c. personal income minus transfer payment  
   d. national income minus depreciation
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. 3rd  
b. 4th  
c. 5th  
d. 6th  

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 M3= M1+  
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 increase 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  

<table>
<thead>
<tr>
<th>List I</th>
<th>List II</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. GNP</td>
<td>1. Value of output produced by factors of production by domestic residents</td>
</tr>
<tr>
<td>b. GDP</td>
<td>2. GNP - depreciation</td>
</tr>
<tr>
<td>c. NNP</td>
<td>3. GDP - depreciation</td>
</tr>
<tr>
<td>d. NDP</td>
<td>4. GDP + Income from abroad</td>
</tr>
</tbody>
</table>

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

87. An example of indirect tax is
88. The non tax revenue of the Central Government does not include
   a. fiscal services       b. dividend and profits
   c. economic services     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    b. GDP market price
   c. GDP constant 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     b. Corporate income taxes
   c. Depreciation charges       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


c. Total of factor incomes  d. Profits of the Public sector