



# VIDHVATH ACADEMY FOR COMPETITIVE EXAMS

+91 99722 58970, +91 97407 02455

## SUBJECT WISE TEST: VPT041

### INDIAN ECONOMY TEST BOOKLET

*Time Allowed: 120 mins*

*Maximum Marks: 200*

#### INSTRUCTIONS

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS BOOKLET DOES NOT HAVE ANY UNPRINTED OR TURN OR MISSING PAGES OR ITEMS, ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
  2. ENCODE CLEARLY THE TEST BOOKLET SERIES A, B, C OR D AS THE CASE MAY BE IN THE APPROPRIATE PLACE IN THE ANSWER SHEET.
  3. You have to enter your Roll Number on the Test Booklet in the Box provided alongside. Do NOT write anything else on the Test Booklet.
- 
4. This Test Booklet contains 100 items (Questions). Each item is printed in English. Each item comprises four responses (answers). You will select the response which you want to mark on the Answer Sheet. In case you feel that there is more than one correct response with you consider the best. In any case, choose ONLY ONE response for each item.
  5. You have to mark all your responses ONLY on the separate Answer Sheet provided. See direction in the answers sheet.
  6. All items carry equal marks. Attempt all items. Your total marks will depend only on the number of correct responses marked by you in the answer sheet. For every incorrect response 1/3<sup>rd</sup> of the allotted marks will be deducted.
  7. Before you proceed to mark in the Answer sheet the response to various items in the Test booklet, you have to fill in some particulars in the answer sheets as per instruction sent to you with your Admission Certificate.
  8. After you have completed filling in all responses on the answer sheet and the examination has concluded, you should hand over to Invigilator only the answer sheet. You are permitted to take away with you the Test Booklet.
  9. Sheet for rough work are appended in the Test Booklet at the end.

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ASKED TO DO SO

1. Which of the following statements correctly differentiate public goods from private goods?

1. Public goods are collectively consumed, unlike private goods.
2. There is no feasible way of excluding anyone from enjoying the benefits of public goods.
3. Public goods are produced only by the government.
4. Public goods are generally financed through the government budget.

Select the correct answer using the codes given below:

- (a) 1, 2, and 4 only
- (b) 1 and 3 only
- (c) 2 and 4 only
- (d) 1, 2, 3, and 4

2. With reference to Indian Economy, consider the following statements:

1. Bond yield is the return an investor gets on a bond.
2. An increase in interest rates may lead to a rise in bond prices.
3. Higher internal borrowing by the government may decrease the bond prices.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

3. Consider the following statements

1. Statement I: The Consumer Price Index (CPI) and Gross Domestic Product (GDP) Deflator may not always measure price changes in the same way.
2. Statement II: The goods purchased by the representative consumers do not represent all the goods produced in a country.
3. Statement III: The GDP deflator does not consider the prices of goods imported from other countries.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement-II and Statement-III are correct and both of them explain Statement-I
- (b) Both Statement-II and Statement-III are correct, but only one of them explain Statement I
- (c) Only one of the Statements II and III is correct and that explains Statement-I
- (d) Neither Statement-II nor Statement-III is correct

4. Why did a large portion of India's workforce continue to be engaged in agriculture, despite the sector's declining share in GDP from 1950 to 1990?

- (a) Ineffective land reforms
- (b) Inability of the industrial and service sectors to absorb the excess labor from agriculture
- (c) Insufficient technological advancements in agriculture
- (d) Government's policy focus on agricultural self-sufficiency

5. Consider the following statements with respect to the Monetary Policy Framework Agreement between the Government of India and Reserve Bank of India (RBI) :

1. Statement I: RBI is responsible for containing inflation targets at 4% with a band of (+/-) 2 percent in the medium term.
2. Statement II: RBI determines the inflation target once every five years under the RBI Act 1934.

Which of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect

- (d) Statement-I is incorrect but Statement-II is correct
6. Which of the following best describes the term 'Liquidity Coverage Ratio'?
- It is an indication of the provision made against bad loans from the profit generated by the banks.
  - It is a key financial metric that calculates a company's ability to repay its debt obligations by selling its assets.
  - It is the ratio of a bank's capital in relation to its risk weighted assets and current liabilities.
  - It refers to the proportion of highly liquid assets held by a bank to meet its short-term obligations.
7. Country A has a lower nominal Gross Domestic Product (GDP) than Country B, but its GDP at Purchasing Power Parity (PPP) is higher. Which of the following is the most likely explanation for this?
- The overall cost of goods and services in Country A is higher than in Country B.
  - Country A's currency is significantly undervalued compared to Country B's currency.
  - Goods and services in Country A are relatively cheaper than in Country B.
  - Country A has a larger workforce than Country B.
8. Which of the following taxes are levied on imports in India?
- Customs duty
  - Integrated Goods and Services Tax (IGST)
  - Central Goods and Services Tax (CGST)
- Select the correct answer using the codes given below:
- 1 only
  - 2 only
  - 1 and 2 only
  - 1 and 3 only
9. Which of the following instruments are used by the Reserve Bank of India for sterilization of Forex inflows?
- Open Market Operations (OMO)
  - Liquidity Adjustment Facility (LAF)
  - Forex Swaps
  - Balances of the Government of India with the Reserve Bank
  - Cash Reserve Requirements
- Select the correct answer using the code given below:
- 1, 2 and 3 only
  - 1, 2, 4 and 5 only
  - 2, 3 and 5 only
  - 1, 2, 3, 4 and 5
10. Consider the following:
- Rupee Securities
  - Deposits
  - Notes Issued
  - Loans and Advances
- Which of the above are considered as the assets of the Reserve Bank of India (RBI)?
- 2 and 4 only
  - 1 and 3 only
  - 2 and 3 only
  - 1 and 4 only
11. National Disposable Income (NDI) is a measure of:
- The total income earned by households in a country.
  - The total value of goods and services produced in a country.
  - The maximum amount of goods and services a domestic economy has at its disposal.
  - The total government spending on public goods and services.
12. Consider the following statements regarding Regional Rural Banks (RRBs) in India:
- Narasimham Working Group recommended the establishment of RRBs.
  - The share capital of an RRB is held by the Central Government and the

concerned State Government in equal proportion.

3. RRBs are exempted from following the Priority Sector Lending (PSL) norms.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

13. Which of the following terms best describes the government policies intended to reduce deficits and the accumulation of debt?

- (a) Fiscal Stimulus
- (b) Quantitative Tightening
- (c) Debt Management
- (d) Fiscal Consolidation

14. Which of the following can be the possible effects of higher Fiscal Deficit in an economy?

- 1. Decrease in bond yield
  - 2. Increase in interest rates
  - 3. Decreased tax on goods and services
- Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

15. With reference to the Indirect Taxes, consider the following statements:

- 1. They are levied on goods and services
- 2. The burden of indirect taxes can not be shifted.
- 3. They are generally proportionate in nature.
- 4. They have a limited reach.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

16. Which of the following is the most likely impact of monetisation of the budget deficit?

- (a) Decreased money supply
- (b) Increased inflation
- (c) Increased household consumption
- (d) Decreased private investment

17. With reference to the Monetary Policy Committee (MPC) in India, consider the following statements:

- 1. It consists of six members with the RBI Governor as its chairperson.
- 2. It determines the policy repo rate required to achieve the inflation target.
- 3. The Chairperson of MPC has a casting vote in the event of a tie.

Which of the statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

18. Consider the following statements:

- 1. Statement I: Import substitution is always considered as an effective strategy for achieving economic growth and development.
- 2. Statement II: Import substitution can promote domestic industrialization, reduce dependence on foreign imports, and create jobs.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

19. With reference to Non-Banking Financial Companies (NBFCs), consider the following statements:

1. NBFCs form part of the Payment and Settlement system.
2. They can engage in the acquisition of securities issued by the Government.
3. The NBFCs cannot accept demand deposits.
4. All NBFCs must be registered with the Reserve Bank of India.

Which of the statements given above are correct?

- (a) 1, 2 and 4 only
- (b) 2 and 3 only
- (c) 3 and 4 only
- (d) 1, 2, 3 and 4

20. Consider the following statements regarding Domestic Systemically Important Banks (D-SIBs):

1. D-SIBs are financial institutions that are large enough where they cannot be allowed to fail.
2. The banks are recognized as D-SIBs by the Reserve Bank of India.
3. As of now, only State Bank of India (SBI), ICICI Bank and HDFC Bank have been identified under the category of D-SIBs.

How many of the statements given above is/ are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

21. Consider the following:

1. Investment in shares
2. Interest payments on market loans
3. Loans by the Central government to Union Territory Governments
4. Borrowing by the Government from the market
5. Grants given to Local governments

How many of the above forms a part of the Capital Expenditure under the Union Budget of India?

- (a) Only two

(b) Only three

(c) Only four

(d) Only five

22. Which of the following taxes are generally considered Direct Taxes?

- (a) Income tax, value added tax, corporate income tax, and wealth and property tax
- (b) Goods and services tax, income tax, value added tax, and corporate income tax
- (c) Income tax, corporation tax, wealth tax, and property tax
- (d) Corporate income tax, wealth tax, property tax, and goods and services tax

23. Which of the following bodies is responsible for recommending appointments of Whole-Time Directors (WTDs) and Non-Executive Chairpersons (NECs) on the Boards of Public Sector Banks, Financial Institutions, and Public Sector Insurers?

- (a) Bank Board Bureau
- (b) Reserve Bank of India
- (c) NITI Aayog
- (d) Financial Services Institutions Bureau

24. With reference to the various components of the Government budget, consider the following statements:

1. Revenue receipts are redeemable claims on the government.
2. Capital receipts either reduce the government liability or create assets for the government.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

25. Which of the following best describes the term "Psychic income"?

- (a) The monetary value of goods and services consumed.

- (b) The satisfaction derived from the consumption of goods and services.
- (c) The income earned from employment or investments.
- (d) The intangible benefits of material possessions.

**26.** Consider the following statements regarding the Marginal Standing Facility (MSF):

1. It refers to the facility under which banks can borrow funds overnight from the Reserve Bank of India without any collateral.
2. Under the MSF, the banks can borrow up to 10% of their net demand and time liabilities (NDTL).
3. The facility is available for both Scheduled Commercial Banks and Scheduled Urban Cooperative Banks.

Which of the statements given above is/are not correct?

- (a) 1 and 3 only
- (b) 1 and 2 only
- (c) 1, 2 and 3
- (d) None

**27.** Consider the following statements regarding the 'High Powered Money' in the context of India:

1. It represents the total liability of the Reserve Bank of India (RBI)
2. It includes currency in circulation, deposits of banks with the RBI, and other deposits with the RBI.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**28.** Which of the following best describes the term "Bank Run"?

- (a) A situation where banks hold excess cash reserves.
- (b) A situation where a bank closes its branches after being convicted of fraud.

- (c) Non-compliance by banks with the guidelines provided by the RBI under Prompt Corrective Action (PCA).
- (d) A situation where a large number of customers withdraw their deposits simultaneously from a bank.

**29.** "Also known as the Architect of Indian Planning, he established the Indian Statistical Institute in Calcutta and started a journal called Sankhya." Who among the given personalities is referred to in the above statement?

- (a) Dhananjay Ramchandra Gadgil
- (b) Jawahar Lal Nehru
- (c) Prasanta Chandra Mahalanobis
- (d) Kakkadan Nandanath Rajan

**30.** In the context of the taxation system, consider the following taxes:

1. Excise duty
2. Sales tax
3. Commodities transaction tax

Which of the above is/are usually considered regressive in nature?

- (a) 1 only
- (b) 1 and 3 only
- (c) 1 and 2 only
- (d) 1, 2, and 3

**31.** The Union Budget 2024-25 introduced a new Long-Term Capital Gains (LTCG) tax regime, where the tax rate is lower but the indexation benefit has been removed. What does the term "indexation benefit" imply in this context?

- (a) Reduction in the tax liability of individuals or businesses payable to the government.
- (b) Process of linking tax rates to a general price index to adjust for inflation over time.
- (c) Exemption allowing individuals or entities to continue activities permitted prior to new regulations or laws.
- (d) Adjustment of the purchase price of an asset to account for inflation, reducing the tax burden on capital gains.

**32.** With reference to the “Ways and Means Advances” in India, consider the following statements:

1. It is a source of long-term financing for the Government to meet its fiscal deficit.
2. It is available only to the Central government and not to state governments.
3. It can be used to meet the temporary mismatches in the government’s receipts and payments.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

**33.** With reference to land reforms in independent India, which one of the following statements is not correct?

- (a) The abolition of intermediaries led to a significant increase in agricultural output.
- (b) Land ceiling legislation was aimed at reducing the concentration of land ownership.
- (c) The land reforms were implemented uniformly across all states of India.
- (d) The poorest of the agricultural laborers did not benefit significantly from land reforms.

**34.** Consider the following financial entities :

1. Private Scheduled Commercial Banks
2. Regional Rural Banks
3. Primary Dealers

How many of the above financial entities are permitted by the RBI to participate in the Liquidity Adjustment Facility (LAF) auctions?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

**35.** In the context of the Fiscal Responsibility and Budget Management (FRBM) Act, consider the following statements:

1. Central Government is not allowed to borrow from the Reserve Bank of India (RBI) except by way of Ways and Means advances to meet temporary cash requirements.
2. RBI, in general, cannot subscribe to primary issues of Central Government securities.
3. Central Government must present a Medium-term Fiscal Policy Statement with the Annual Budget, setting targets for key fiscal indicators for the next three years.

Which of the statements given above is/are correct?

- (a) 3 only
- (b) 1 and 2 only
- (c) 1 and 3 only
- (d) 1, 2, and 3

**36.** Which of the following best describes the ‘Internal and Extra Budgetary Resources’ of the government?

- (a) Funds obtained through External Commercial Borrowing.
- (b) Capital raised through Small Saving deposit schemes.
- (c) Financing secured by Public Sector Undertakings (PSUs) via loans and equity issuances.
- (d) Revenue collected from interest payments on loans given to states.

**37.** With reference to Payments Banks, consider the following statements:

1. A payments bank aims to enhance financial inclusion, especially through savings accounts and payments services.
2. A payments bank is not allowed to give any form of loan or issue a credit card.
3. A payments bank can accept NRI Deposits.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 1 only
- (c) 1 and 3 only
- (d) 3 only

38. In the context of the taxation system, consider the following taxes:

1. Tax on carbon emission
2. Tax on luxury goods
3. Tax on sin goods like tobacco and alcohol

Which of the above can be considered as a Pigouvian Tax?

- (a) 3 only
- (b) 1 and 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

39. Consider the following pairs:

Type of Government	Deficit Description
--------------------	---------------------

1. Effective Revenue Deficit: Fiscal deficit minus the interest payments
2. Primary Deficit: Revenue Deficit minus the grants for the creation of capital assets
3. Monetized Deficit: Government deficit financed by borrowing from RBI.

How many of the pairs given above are correctly matched?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

40. In the context of Goods and Services Tax (GST), consider the following statements:

1. Input Tax Credit of Central GST (CGST) can be used for paying State GST (SGST) liabilities.
2. Input Tax Credit from goods transactions can be used for paying GST liabilities for a service transaction.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

41. How does the Standing Deposit Facility (SDF) differ from the fixed rate reverse repo (FRRR)?

1. SDF is a tool of the Reserve Bank of India to inject liquidity, whereas FRRR is used for absorbing excess liquidity.
2. The SDF is available on all days of the week, while the FRRR is only available on certain days.
3. The SDF does not require any collateral, while the FRRR does.

How many of the above statements are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

42. With reference to Peer to Peer lending, consider the following statements:

1. Peer to peer lending is also referred to as crowd lending.
2. P2P-NBFCs lending is capped at 50 lakh.
3. P2P lending is regulated by SEBI in India.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 2 only
- (c) 1 and 3 only
- (d) 1, 2 and 3

43. Which of the following liabilities of the Central government are part of the "Public debt"?

1. Government securities issued in the open market
2. Treasury bills issued to Commercial Banks
3. External debt raised by the government
4. Public Account Liabilities.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 1, 2 and 3 only



(d) 1, 2, 3 and 4

44. The Government of India seeks to compare the volume of production in the Indian economy across two different years. Which of the following indicators is most suitable for this comparison?

- (a) Real GDP
- (b) Nominal GDP
- (c) Nominal GNP
- (d) GDP Deflator

45. Consider the following:

- 1. Opening a Bank account
- 2. Buying a life insurance policy
- 3. Investing in Mutual Fund

In India, how many of the above activities require mandatory Know Your Customer (KYC) verifications?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

46. Consider the following pairs:

Region mentioned in the News: Country

- 1. Point Pedro: Philippines
- 2. La Cumbre Volcano: Ecuador
- 3. Shaksgam valley: Afghanistan

How many of the above pairs are correctly matched?

- (a) Only one pair
- (b) Only two pairs
- (c) All three pairs
- (d) None

47. Consider the following statements:

- 1. Statement I: When the Reserve Bank of India (RBI) reduces the Statutory Liquidity Ratio (SLR), Scheduled Commercial Banks may lower their lending rates.
- 2. Statement II: A reduction in the SLR allows banks to hold more funds, which can be used for lending.

Which of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct, and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct, but Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct, but Statement-II is incorrect
- (d) Statement-I is incorrect, but Statement-II is correct

48. With reference to the calculation of Gross Domestic Product, considering the following items:

- 1. Resale of goods
- 2. Social security benefits
- 3. Exports from Exclusive Economic Zones
- 4. Black-market activities

How many of the above are included in the calculation of Gross Domestic Product of an economy?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

49. Which of the following best describes the 'Production Possibility Set' of an economy?

- (a) It refers to the total output that an economy can produce when all resources are fully and efficiently employed.
- (b) It represents all possible combinations of two goods that can be produced in an economy, given its resource constraints and technology level.
- (c) It indicates the maximum production of one good when all resources are allocated exclusively to its production.
- (d) It is a graphical representation of the relationship between the demand and supply of goods in an economy.

50. Consider the following statements:

- 1. Statement I: A demand curve usually slopes downward.

2. Statement II: Marginal utility from consuming each additional unit of a commodity declines as its consumption increases.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I  
 (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I  
 (c) Statement-I is Correct but Statement-II is incorrect  
 (d) Statement-I is incorrect but Statement-II is correct

51. In the context of National Income Accounting, consider the following statements:

1. While Gross Value Added (GVA) focuses on the supply side, Gross Domestic Product (GDP) focuses on the demand side.
2. GVA is calculated at basic prices, whereas GDP is calculated at market prices.
3. GVA is generally calculated on a sector-wise basis, whereas GDP is generally calculated for the entire economy.

Which of the statements given above are correct?

- (a) 1 and 2 only  
 (b) 2 and 3 only  
 (c) 1 and 3 only  
 (d) 1, 2, and 3

52. For banks, a higher Statutory Liquidity Ratio (SLR) is generally preferred over a higher Cash Reserve Ratio (CRR) because:

1. SLR assets can be more easily liquidated compared to CRR assets.
2. SLR assets generate interest, whereas CRR balances do not.

Which of the statements given above is/are correct?

- (a) 1 only

- (b) 2 only  
 (c) Both 1 and 2  
 (d) Neither 1 nor 2

53. Consider the following parameters:

1. Life expectancy at birth
2. Literacy rate
3. Expected years of schooling for children entering school
4. Gross National Income (GNI) per capita
5. Access to basic amenities

Which of the above are included in the Human Development Index (HDI) of United Nations Development Programme?

- (a) 1, 2, and 3 only  
 (b) 1, 3, and 5 only  
 (c) 1, 2, and 5 only  
 (d) 1, 3, and 4 only

54. Which of the following statements best describes the term “Fiscal Slippage”?

- (a) A situation where the government's fiscal deficit increases beyond the target level set in the budget.  
 (b) The process by which the government reduces its fiscal deficit to maintain macroeconomic stability.  
 (c) A scenario where public sector revenues exceed government expenditure during a financial year.  
 (d) A situation where tax revenues fall short of non-tax revenues in the fiscal budget.

55. An important objective of the Government Budget is the “Stabilization function”, which refers to:

- (a) Government's role in providing public goods and services to ensure economic efficiency  
 (b) Government's role in directly controlling wages and prices to ensure economic stability.  
 (c) Government's intervention to adjust aggregate demand in the economy to correct fluctuations in income and Employment.

- (d) Government's intervention for redistribution of income through taxation and transfer payments to ensure social equity.

56. In the context of Government Budgeting, consider the following data-sets:

1. Actual data of the year 2022-23
2. Provisional data of the year 2023-24
3. Budgetary estimates for the year 2024-25

How many of the above datasets were included in the recently presented Union Budget 2024-25?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

57. With reference to the Non-Performing Assets (NPAs) and their categorisation, consider the following statements:

1. Substandard Assets are NPAs where the principal or interest is overdue for less than 12 months.
2. Doubtful Assets are NPAs where the principal or interest is overdue for 12 to 36 months.
3. Loss assets are those assets which are un-collectible and of such little value that its continuance as a bankable asset is not warranted.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

58. With reference to the types of goods in an economy, consider the following statements:

1. Final goods can include both capital goods and consumer goods.
2. Non-durable consumer goods are always intermediate goods.
3. Durable consumer goods are considered capital goods as they undergo depreciation.

4. Part of the final output that comprises capital goods is considered as the Gross Investment of the economy.

How many of the statements given above are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

59. What does the Lorenz Curve represent in economics?

- (a) The relationship between inflation and unemployment.
- (b) The distribution of income or wealth within an economy.
- (c) The trade-off between economic growth and environmental sustainability.
- (d) The relationship between interest rates and investment.

60. Which of the following statements is/are correct regarding the Small Finance Banks (SFBs) in India?

1. They are required to maintain the Cash Reserve Ratio (CRR), but are exempted from maintaining the Statutory Liquidity Ratio (SLR).
2. They must allocate 75% of their adjusted net bank credit (ANBC) to the Priority Sector.
3. They cannot accept demand deposits.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 2 only
- (c) 1 and 3
- (d) 3 only

61. Which of the following statements correctly differentiates between Cess and Surcharge in the Indian taxation system?

- (a) Cess is a tax levied on specific goods or services for a particular purpose, while a Surcharge is an additional charge levied on taxpayers for general revenue purposes.

- (b) Cess is shared between the Central and State Governments, while a Surcharge is entirely allocated to the States.
- (c) Both Cess and Surcharge are imposed to fund specific government schemes, but only the Surcharge is meant for redistribution to the States.
- (d) Surcharge is applied only on indirect taxes, whereas Cess is applicable only on direct taxes.

**62.** Consider the following sectors:

1. Agriculture
2. Micro, Small and Medium Enterprises
3. Export Credit
4. Education
5. Capital Market Investments
6. Renewable Energy

How many of the following sectors are covered under the Priority Sector Lending (PSL) guidelines issued by the Reserve Bank of India (RBI)?

- (a) Only two
- (b) Only three
- (c) Only four
- (d) Only five

**63.** With reference to the Market Stabilization Scheme (MSS) of the Reserve Bank of India (RBI), consider the following statements:

1. MSS is implemented during periods of excess liquidity in the economy.
2. Under the scheme, the RBI undertakes the sale of government securities.

Which of the above statements is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**64.** Consider the following factors for a particular good in an economy:

1. An increase in the price of a substitute good.

2. An increase in the price of a complementary good.
3. A change in consumer preferences in favour of the good.

Which of the above is/are likely to shift the demand curve for the good leftward?

- (a) 1 and 2 only
- (b) 2 only
- (c) 2 and 3 only
- (d) 1 and 3 only

**65.** In the context of a market economy, consider the following:

1. Many firms offer products that are similar but not identical.
2. High barriers to entry for new firms.
3. A high degree of price elasticity of demand.

Which of the above is/are key characteristics of monopolistic competition?

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

**66.** Which of the following statements best describes the concept of 'Period Poverty'?

- (a) A phase of economic downturn experienced periodically by nations, leading to increased poverty levels.
- (b) The trend of poverty between two consecutive years in a nation.
- (c) Poverty calculated based on the base year when a significant economic change occurred in the country.
- (d) Economic vulnerability faced by women and girls due to the financial burden of accessing menstrual products.

**67.** Consider the following:

1. Appreciation of Rupee
  2. Increase in savings rate among consumers
  3. Increase in investment expenditure
- How many of the above are likely impacts of the expansionary monetary policy by the Reserve Bank of India?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

68. Consider the following criteria used by the 15th Finance Commission for horizontal devolution of funds among the states:

1. Income distance
2. Demographic performance
3. Area
4. Tax & fiscal efforts
5. Forest & ecology

What is the correct sequence of weightage given to above criteria in descending order?

- (a) 1-2-4-3-5
- (b) 2-1-3-4-5
- (c) 3-2-1-5-4
- (d) 1-3-2-5-4

69. "State Finances: A Study of Budgets" is an annual publication released by:

- (a) NITI Aayog
- (b) Department of Economic Affairs, Ministry of Finance
- (c) Reserve Bank of India
- (d) Department of Revenue, Ministry of Finance

70. Consider the following statements regarding the Incremental Capital Output ratio (ICOR):

1. Statement I: Lower ICOR is considered beneficial for the economy.
2. Statement II: Decrease in ICOR indicates that lower investment is required to produce an additional unit of output.
3. Statement III: ICOR is an effective measure of the productivity of labor in the economy.

Which one of the following is correct in respect of the above statements ?

- (a) Both Statement-II and Statement-III are correct and both of them explain Statement-I

- (b) Both Statement-II and Statement- III are correct, but only one of them explains Statement-I
- (c) Only one of the Statements II and III is correct and that explains Statement-I
- (d) Only one of the Statements II and III is correct, but that does not explain Statement-I

71. The concept of the "invisible hand," as described by Adam Smith, primarily advocates for:

- (a) Government intervention in markets to ensure equitable distribution of resources.
- (b) A centrally planned economy where the government dictates production and consumption.
- (c) A free market economy with minimal government interference.
- (d) A mixed economy that combines elements of both market and planned systems.

72. Recently, the Reserve Bank of India approved the First Loss Default Guarantee (FLDG) programme for digital lending. What will be its implication?

- (a) Fintech platform will compensate the lender for a portion of losses if a borrower defaults.
- (b) Lender will compensate the fintech platform for a portion of losses if a borrower defaults.
- (c) Deposit Insurance and Credit Guarantee Corporation (DICGC) will partially compensate the lender in case of default.
- (d) DICGC will partially compensate the fintech platform in case of default.

73. Angel tax, often seen in the news, is levied on:

- (a) Angel investors providing fund to start-ups
- (b) Startups which are more than 5 years old and are profitable

- (c) Unlisted companies issuing shares at a price more than their fair market value
- (d) Listed startups issuing shares to the foreign investors

74. A Goldilocks economy in India would likely exhibit the following combination:

- (a) High inflation, high unemployment, and low GDP growth.
- (b) Low inflation, low unemployment, and moderate GDP growth.
- (c) High inflation, moderate unemployment, and high GDP growth.
- (d) High GDP growth, low fiscal deficit, and appreciating rupee.

75. Consider the following statements regarding the Index of Industrial Production (IIP) in India:

1. It measures short-term changes in the volume of production of a selected basket of industrial products during a given period.
2. It covers the Mining, Manufacturing, and Electricity sectors of the economy.
3. It is compiled and published by the Department for Promotion of Industry and Internal Trade (DPIIT).

Select the correct answer using the code given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 1 and 3 only
- (d) 1, 2, and 3

76. The primary objective of the Mutual Funds Lite (MF Lite) framework introduced by SEBI is:

- (a) To introduce complex and high-risk investment strategies
- (b) To promote actively managed mutual fund schemes
- (c) To attract new players to the mutual fund industry and offer less risky investment opportunities for retail investors

- (d) To increase the regulatory burden on Asset Management Companies (AMCs)

77. Consider the following statements about the outcomes of the World Green Economy Forum 2024:

1. The forum proposed reducing the production of Sustainable Aviation Fuel (SAF) due to technological challenges.
2. The forum rejected the idea of philanthropy playing a role in climate solutions, focusing only on government-led initiatives.
3. The forum prioritized short-term goals over long-term climate actions.

Which of the above statements is/are correct?

- (a) 1 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) None of the above

78. Consider the following statements about the Eco-mark Scheme:

1. The scheme mandates the use of accurate environmental labeling to avoid misleading sustainability claims.
2. It encourages manufacturers to adopt resource-efficient and eco-friendly production methods.
3. The implementation of the scheme is managed by NITI Aayog and the Ministry of Environment.

Which of the above statements is/are correct?

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2, and 3

79. Consider the following statements regarding the conservation efforts of the Padmaja Naidu Himalayan Zoological Park:

1. The zoo plays a central role in the conservation and breeding of red pandas in India.
2. The zoo's genetic resource facility is primarily focused on tropical species.
3. It is recognized by the World Association of Zoos and Aquariums (WAZA) for its contributions to wildlife conservation.

Which of the statements given above is/are correct?

- (a) 1 and 2 only
- (b) 1, 2, and 3
- (c) 1 and 3 only
- (d) 2 and 3 only

80. Consider the following statements about bioluminescence:

1. Bioluminescence is the production of light by living organisms, primarily due to physical processes.
2. Noctiluca scintillans, also known as "sea sparkle," is a bioluminescent phytoplankton responsible for creating blue waves.

Which of the above statements is/are incorrect?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

81. Consider the following statements regarding auroras and solar activity:

1. Auroras primarily occur near Earth's poles due to the trapping of charged particles by Earth's magnetic field.
2. Auroras can be visible at mid-latitudes during periods of strong solar activity, such as geomagnetic storms.
3. Solar flares and coronal mass ejections (CMEs) reduce the likelihood of auroras being visible.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

82. Consider the following statements about the naming of cyclones:

1. Cyclone names must not be offensive or repeat names used in the past.
2. The naming process is intended to indicate the severity or impact of a cyclone.
3. Cyclones are named based on the country where they make landfall.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

83. Why Gujarat's Dinosaur Fossil Park in Balasinor is considered significant in paleontological studies?

- (a) It is the only site in India with fossils from the Jurassic period.
- (b) It is the first site in India to receive a UNESCO geo-heritage tag.
- (c) It houses fossils of mammals from the Paleocene era.
- (d) It contains one of the world's largest collections of Late Cretaceous dinosaur eggs.

84. In the context of India's efforts to eliminate tuberculosis, consider the following statements:

1. India aims to eliminate TB by 2025, ahead of the global target set for 2030.
2. The percentage of households in India facing catastrophic health costs due to TB has decreased significantly.
3. Multi-drug-resistant TB cases in India have been completely eradicated through effective treatment strategies.

Which of the statements given above are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 Only
- (d) 1, 2 & 3

85. With reference to the various initiatives under the IndiaAI Mission, consider the following statements:

1. The IndiaAI Innovation Centre will focus on developing Large Multimodal Models (LMMs) and foundational AI models tailored to sectors such as healthcare and agriculture.
2. The IndiaAI Datasets Platform is designed to provide researchers and startups with access to anonymized personal data to ensure privacy and facilitate innovation.
3. The Safe & Trusted AI pillar aims to promote ethical AI practices through the development of indigenous AI tools and frameworks for responsible use.

Which of the statements given above is/are correct?

- (a) 1 and 3 only
- (b) 2 and 3 only
- (c) 1 only
- (d) 1, 2, and 3

86. Consider the following statements regarding the One Rank One Pension (OROP) scheme:

1. OROP benefits apply uniformly to all ex-service personnel, including those discharged voluntarily after the scheme's implementation.
2. The scheme provides for arrears to be paid in four half-yearly installments for most beneficiaries.
3. Family pensioners and Gallantry awardees receive their arrears in a single installment.

Which of the above statements is correct?

- (a) 1 and 2 only
- (b) 1, 2, and 3
- (c) 1 and 3 only
- (d) 2 and 3 only

87. Consider the following statements regarding Operation Dronagiri:

1. The primary objective of Operation Dronagiri is to integrate geospatial technologies into key sectors for improved quality of life.

2. It relies entirely on government funding with no private sector collaboration.

3. The Geospatial Innovation Cell is an oversight body for the operation.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

88. Consider the following statements about the features of the Eklavya Platform:

1. The platform focuses on modern warfare concepts and emerging military trends.
2. It replaces all physical training courses for the Indian Army.
3. Registration for the platform is restricted to senior-level officers.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

89. With reference to the European Space Agency's Moonlight Lunar Communications and Navigation Services (LCNS), consider the following statements:

1. The Moonlight programme will deploy a constellation of around five satellites to provide high-speed communication and navigation support on the Moon.
2. The initial services of Moonlight are expected to begin by the end of 2028, with full operational capabilities anticipated by 2030.
3. The programme focuses primarily on the Moon's equatorial regions, avoiding areas like the South Pole due to extreme conditions.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only



- (c) 2 and 3 only
- (d) 1, 2, and 3

90. Which of the following best describes vaccine-derived poliovirus (VDPV)?

- (a) A type of polio virus that only causes mild symptoms and cannot lead to outbreaks
- (b) A mutated form of the weakened virus from the oral polio vaccine (OPV), which can cause outbreaks in under-immunized areas
- (c) A strain that originates from wild poliovirus in poorly sanitized areas
- (d) A newly discovered strain of poliovirus resistant to all current vaccines

91. Consider the following statements regarding allulose:

- 1. Allulose is 100% as sweet as regular sugar, making it a perfect substitute for sugar in the same quantities.
- 2. Allulose can aid in weight management due to its nearly zero-calorie content.
- 3. It is classified as a "novel food" in the European Union, meaning its approval status is still pending.
- 4. Allulose is widely approved and recognized as safe for consumption without any reported side effects.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

92. Consider the following statements about seaplanes and their characteristics:

- 1. All Seaplanes are capable of operating on both water and land, making them highly versatile for regional connectivity.
- 2. Floatplanes are designed to operate on both fresh and salt water due to their specialized hull structure.

- 3. Flying boats are primarily used for cargo transport in regional water-based operations.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

93. Consider the following statements regarding criteria for EU membership:

- 1. A country must have stable institutions that guarantee democracy and rule of law.
- 2. It is mandatory for all EU members to adopt the euro as their currency upon joining.
- 3. A country must demonstrate the capacity to adopt EU laws and regulations.

Which of the above statements is/are correct?

- (a) 1 and 2 only
- (b) 1, 2 and 3
- (c) 2 and 3 only
- (d) 1 and 3 only

94. Consider the following statements regarding the UNCCD's Drought Atlas:

- 1. It is a collaborative effort between the UNCCD and the European Commission Joint Research Centre.
- 2. It focuses exclusively on drought management in developing countries.
- 3. It provides insights into the impact of poor land management practices on drought risks.

How many of the above statements are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

95. Consider the following statements:

- 1. BBIN energy grid facilitates trade connectivity between India, Myanmar, and Bangladesh.

2. India supports e-governance projects in neighboring countries to boost trade facilitation.
3. The Kaladan Multimodal Project includes both waterways and roadways.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

**96.** Consider the following statements about the removal of the Deputy Chairperson of the Rajya Sabha:

1. It is governed by Article 67(b) of the Constitution.
2. It requires a joint session of Parliament for approval.
3. The motion must be submitted with at least 7 days' notice.
4. A no-trust motion must secure a simple majority in the Rajya Sabha to succeed.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

**97.** What is the primary function of the National Judicial Data Grid (NJDG)?

- (a) To provide online certified copies of judgments
- (b) To enable real-time statistics on pending and disposed cases
- (c) To facilitate e-filing and e-payment gateways
- (d) To provide cloud storage for court records

**98.** Consider the following statements regarding National Commission for Minority Educational Institutions (NCMEI):

1. It has appellate jurisdiction as per Supreme Court rulings.

2. It operates under the Ministry of Minority Affairs.

Which of the above statements is/are incorrect?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**99.** Consider the following statements regarding Sambhal Mosque:

1. The Sambhal Mosque was constructed during the reign of Mughal Emperor Babur.
2. The architecture of the mosque is entirely unique and bears no resemblance to other Mughal-era mosques.

Which of the above statements is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

**100.** Consider the following statements regarding the Vijayanagara Empire's contributions to hydrology:

1. The Vijayanagara rulers built reservoirs by damming rivers and streams.
2. The Tungabhadra tank system remains a significant feat of ancient water engineering.
3. Irrigation projects were aimed at sustaining agricultural production and preventing droughts.
4. The Vijayanagara Empire pioneered the karez system for groundwater extraction.

Which of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four