



VIDHVATH ACADEMY FOR COMPETITIVE EXAMS

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SUBJECT WISE TEST: VPT028

INDIAN ECONOMY TEST BOOKLET

Time Allowed: 60 mins

Maximum Marks: 100

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 50 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 $1/3^{\text{rd}}$ 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. Consider the following statements regarding Goods and Services Tax (GST) Compensation Cess:

1. Goods and Services Tax (GST) introduced in 2017, is a origin based tax on the Production of goods and services.
2. States were assured compensation for loss of any revenue arising on account of the implementation of GST for a period of five years.
3. GST Compensation Cess is collected on all goods and services and was paid to states bi-monthly

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

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

2. What does capital account convertibility (CAC) mean?

- (a) The freedom to convert domestic currency into foreign currency and vice versa for trade in goods and invisibles
- (b) The weighted average of a country's currency in relation to an index or basket of other major currencies.
- (c) The unadjusted weighted average rate at which one country's currency exchanges for a basket of multiple foreign currencies.
- (d) The ability to convert domestic currency into foreign currencies and vice versa to make payments for balance of payments transactions.

3. Consider the following statements regarding Digital Payments Index :

1. The Digital Payment Index, which shows the deepening of payments through digital modes in India, is published by Ministry of Finance
2. Digital Payments Index (DPI) has been published on an Annual basis from 2021 onwards without any time lag.

3. Demand-side factors and supply-side factors of Payment infrastructure are the parameters that enable measurement penetration of digital payments in the country

Which of the statements given above is /are correct?

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

4. Which of the following statements about the Fiscal Responsibility and Budget Management (FRBM) Act is/are correct?

1. It aims to institutionalize financial discipline, reduce India's fiscal deficit, and improve macroeconomic management.
2. GoI can borrow from RBI by any means except by Ways and Means Advances (WMAs).

Select the correct answer from the codes given below:

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

5. Which of the following are the steps to be possibly taken for fiscal consolidation in India?

1. Tax reforms
2. Right-sizing of salaries
3. Rationalization of subsidies
4. Going for more borrowings

Select the correct answer from the codes given below:

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

6. Which of the following statements about Output-Outcome Framework (OOF) is/are correct?

1. It enables performance-based 'budgetary allocations'.

2. OOF covers approximately 80% of the Central Government's expenditure budget

Select the correct answer from the codes given below:

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

7. Which of the following correctly explains Golden Rule of the budget

- (a) Government should borrow only to finance current spending.
- (b) Government should borrow only for loan repayment.
- (c) Budgetary allocations are to be justified on the basis of performance of ministries.
- (d) Government should borrow only to invest and not to finance current spending.

8. Which of the following were the recommendations of FRBM review committee under N K Singh?

- 1. The debt to GDP ratio by 2022-23 should be 20% for the central government and 38.7% for the state governments.
- 2. Set up an autonomous fiscal council that deals with the preparation of multi-year fiscal forecasts, improves fiscal data quality, and could advise the government on fiscal matters.
- 3. The fiscal deficit target should be 2.5% of GDP by FY 2022-23.

Select the correct answer from the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) All of the above

9. Which of the following sequence is correct as per their preference in borrowings

- (a) External Borrowings, 2-Internal Borrowings, 3 - Printing Currency, 4 - External Aids

- (b) External Aids, 2-Internal Borrowings, 3 - External Borrowings, 4 -Printing Currency

- (c) External Aids, 2- External Borrowings, 3 - Internal Borrowings, 4 -Printing Currency

- (d) External Aids, 2- External Borrowings, 3 -Printing Currency, 4 - Internal Borrowings

10. Which of the following statements is/are correct about the Essential Commodities Act?

- 1. There is no specific definition of essential commodities in the Essential Commodities Act, 1955.
- 2. The Act aims to prevent hoarding and black marketing of foodstuffs.
- 3. This act was aimed at curbing inflation

Select the correct answer from the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) All of the above

11. Which of the following is/are correct about the Agricultural produce market committee (APMC):

- 1. APMCs are regulated by states.
- 2. Aim of APMC is to ensure farmers are safeguarded from exploitation by large retailers, as well as ensuring the farm to retail price spread does not reach excessively high levels

Select the correct answer using the codes given below:

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

12. Which of the following statements about National Agricultural Cooperative Marketing Federation of India (NAFED) are incorrect?

- 1. One of the objectives of NAFED is to organize, promote, and develop

marketing and storage of agricultural and forest produce.

2. NAFED is registered under the Multi State Cooperative Societies Act.
3. NAFED is also one of the procurement agencies along with FCI.
4. NAFED is the Nodal Agency to implement price stabilization measures under Operation Green

Select the correct answer from the codes given below:

- (a) 2 and 4 only
- (b) 4 only
- (c) 1 and 3 only
- (d) None of the above

13. Identify the correct statements about Mission for Integrated Development of Horticulture (MIDH):

1. It is a Central Sector Scheme for the holistic growth of the horticulture sector.
2. In 2014, CHAMAN 'Coordinated programme on Horticulture Assessment & Management using geoinformatics' was initiated under MIDH.
3. It also provides technical advice and administrative support to State Governments/ State Horticulture Missions (SHMs) for the Saffron Mission.

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) All of the above

14. Which of the following statements are correct about Operation Green?

1. It was launched by the Ministry of Agriculture.
2. Operation Greens seeks to stabilize the supply of Tomato, Onion and Potato (TOP) crops and to ensure availability of TOP crops throughout the country round the year without price volatility.

3. NAFED will be the Nodal Agency to implement price stabilization measures under 'Operations Green'

Select the correct answer from the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) All of the above

15. Consider the following statements regarding Minimum Support Price:

1. Commission for Agricultural Costs & Prices (CACP), a statutory body under the Ministry of Agriculture and Farmers Welfare, recommends MSPs for mandated crops and fair and remunerative price (FRP) for sugarcane.
2. The recommendations of the Commission for Agricultural Costs & Prices (CACP) are binding on 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

16. India is the largest producer of which of the following crops?

1. Coffee
2. Pulses
3. Cotton
4. Oil palm

Select the correct answer using the code given below:

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

17. What does the term "Seed fund" mean in the Indian economy?

- (a) Investor invests capital in a startup company in exchange for an equity stake or convertible note stake in the company

- (b) Funds provided to industries at times of incurring losses
- (c) Funds provided for replacement and renovation of industries
- (d) A short-term capital provided to directly aid startups with bio technology-based innovations

18. Consider the following statements regarding Micro Small and Medium Enterprises:

1. The existing criterion of definition of MSMEs is based on the Micro Small and Medium Enterprises development act, 2006 and it is different for manufacturing and services units.
2. A micro enterprise is an enterprise where the investment in plant and machinery or equipment does not exceed ₹1 crore and turnover does not exceed ₹5 crore
3. The National Board for Micro, Small and Medium Enterprises (NBMSME) was established by the Government without any statutory backing

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

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

19. Consider the following statements regarding Ecommerce sector in India :

1. Inventory model of e-commerce means an providing of an information technology platform by an e-commerce entity on a digital and electronic network to act as a facilitator between buyer and seller.
2. Marketplace model of e-commerce means an ecommerce activity where stocks of goods and services is owned by e-commerce entity and is sold to the consumers directly

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

20. Consider the following statements regarding Foreign Direct Investments into India :

1. Mauritius and Switzerland have emerged as top 2 sourcing nations in FDI equity flows into India in F2021-22 followed by Singapore and USA
2. The Top 2 sectors receiving highest FDI Equity Inflow during FY 2021-22 are Computer Software & Hardware and Services Sector
3. The Top 3 States receiving highest FDI Equity Inflow during FY 2021-22 are Maharashtra, Andhra Pradesh and Punjab

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

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

21. Which one of the following best describes the term Asset Monetisation?

- (a) The public sector companies selling off parts of the equity of PSEs to the public
- (b) The offering of public infrastructure to the private sector or institutional investors through structured vehicles and mechanisms.
- (c) The process of converting business from the public sector to the private sector.
- (d) The sale of a portion of the Government shareholding of a public sector enterprise (CPSE) of upto 50%, along with transfer of management control.

22. Which of the following are correct about Pradhan Mantri Fasal Bima Yojana (PMFBY):

1. It replaced the National Agricultural Insurance Scheme (NAIS) and

Modified National Agricultural Insurance Scheme (MNAIS).

2. The objective of this scheme is to provide insurance coverage and financial support to the farmers in the event of failure of any of the notified crops as a result of natural calamities, pests & diseases.
3. PMFBY is administered by the Ministry of finance.

Select the correct answer from the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) All of the above

23. Which of the following statements are correct about Pradhan Mantri Annadata Aay Sanrakshan Abhiyan (PM-AASHA):

1. Price Support Scheme, Price Deficiency Payment Scheme, Private Procurement & Stockist Scheme and Minimum Support Price are the 4 components of PM-AASHA.
2. The Food Corporation of India (FCI) and the National Agricultural Cooperative Marketing Federation of India (NAFED) will help implement the Price Support Scheme.
3. The Scheme is aimed at ensuring remunerative prices to the farmers.

Select the correct answer from the codes given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) All of the above

24. Consider the following statements regarding Soil Health Card Scheme:

1. The Soil Health Card Scheme is implemented by the Central Government in those States and Union Territories which have approved it.
2. It contains the status of soil with respect to 12 parameters in which the

secondary nutrients are Nitrogen (N), Phosphorus (P) and Potassium (K).

3. Under the Soil Health Card Scheme, a farmer will get the soil health card once every 3 years.

Which of the statements given above is/are correct?

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

25. Consider the following statements regarding the Lithium manufacturing :

1. India currently imports all its lithium needs and China is the world's biggest supplier, with production from hard rock mines.
2. South Africa, Namibia and Botswana (Lithium triangle) in South Africa is believed to account for more than 50% of the world's proven Lithium reserves.
3. The union government has announced a production linked incentive (PLI) scheme to make lithium-ion cells to promote e-mobility in India.

Which of the Statements given above is/are correct?

- (a) 2 only
- (b) 3 only
- (c) 1 and 3 only
- (d) All of the above

26. Consider the following statements regarding start-ups ecosystem:

1. India is among the top 20 in the global innovation index, 2022 ranking for the first time.
2. India overtook South Korea to emerge as the fourth highest country in the number of unicorns after the US, UK and China in 2021.
3. Start-ups are allowed to accept up to 100% of their funding requirement from foreign venture capital investors.

Which of the statements given above is/are correct?

- (a) 2 only

- (b) 3 only
- (c) 1 and 3 only
- (d) All of the above

27. Consider the following statements regarding the Special Economic Zones (SEZs) :

1. An SEZ is a territory within a country that is typically duty-free and has different business and commercial laws chiefly to encourage investment and create employment.
2. The Baba Kalyani led committee was constituted by the Ministry of Commerce and Industry to study the existing SEZ policy of India.
3. Units in SEZs may be allowed to raise external commercial borrowing by SEZ units upto US \$ 500 million in a year without any maturity restriction through recognized banking channels.

Which of the Statements given above are Incorrect?

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

28. Consider the following statements regarding the Index of Eight Core Industries (ICI):

1. It is a production volume index that measures the individual as well as the collective production performance of eight core industries.
2. The eight-core industries have a total weight of nearly 50 percent in the Index of Industrial Production.
3. The compilation and releasing of the index are done by the Office of the Economic Adviser (OEA) with the base year 2011-12.

Which of the statements given above are correct?

- (a) 1 and 3 only
- (b) 2 and 3 only
- (c) 1 and 2 only
- (d) All of the above

29. Consider the following statements regarding the Toy Sector in india :

1. The Indian toy sector is mostly fragmented with 90% of the market being unorganized.
2. The Indian toys industry has more than 1% of global market share and almost 50% of toys in India are made in china.
3. The Ministry of Education has organized 'Toycathon', a hackathon to develop toys and games based on Indian culture and ethos.

Which of the Statements given above are correct?

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) All of the above

30. Which of the following statements regarding the jute industry in India is/are correct?

1. India is the largest producer of jute, also largest in terms of acreage and trade.
2. It is mainly concentrated in eastern India because of the rich alluvial soil of Ganga-Brahmaputra delta.

Select the correct answer from the codes given below:

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

31. Consider the following statements regarding Master Direction on the treatment of Wilful Defaulters and Large Defaulters.

1. Master Direction on the treatment of Wilful Defaulters and Large Defaulters was issued by the Union Ministry of Finance.
2. Under this directive, banks and NBFCs must scrutinize all non-performing asset accounts with outstanding amounts of Rs 25 lakh and above for wilful default.

3. All RBI-regulated entities must report credit information of large defaulters to credit information companies (CICs) monthly.

How many of the above statements is/are correct?

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

- 32.** Consider the following statements regarding investments in government bonds in India.

1. The Fully Accessible Route (FAR) regulations impose no limits on investments by Non-Resident Indian retail investors.
2. NRI's can invest in Government Securities both on repatriable and non-repatriable bases, depending on the terms and conditions of the investment scheme.
3. Recently the Reserve Bank of India included new 14-year and 30-year government securities (G-Secs) under the Fully Accessible Route (FAR) category.

How many of the above statements is/are correct?

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

- 33.** Consider the following statements regarding Carry Trade.

1. It is a trading strategy where investors borrow in a country with high interest rates and reinvest in assets of another country.
2. The Japanese yen is a popular currency for taking carry trades.
3. Unwinding of Carry Trades is seen as a positive factor for equity markets worldwide.

How many of the above statements is/are correct?

- (a) Only one

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

- 34.** Consider the following statements regarding Ideas4LiFE portal.

1. The portal invites innovative ideas to promote environment-friendly behaviours and lifestyles.
2. It was launched by UNICEF YuWaah.
3. Ideas4LiFE initiative supports global initiative of Mission LiFE.

How many of the above statements is/are correct?

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

- 35.** Global Water Tech Summit 2024, recently in news was hosted by

- (a) Ministry of Jal Shakti
- (b) Central Water Commission (CWC)
- (c) Global Energy and Environment Foundation
- (d) Niti Ayog

- 36.** The United Nations Food and Agriculture Organization (FAO) and the Italian Agency for Development Cooperation (AICS) have launched two significant projects to protect the Miombo forest. Which of the following is NOT a characteristic of the Miombo Biome?

- (a) It is a type of tropical and subtropical grassland
- (b) It is found in several African countries
- (c) It is a temperate deciduous forest
- (d) It includes bush lands and savannahs

- 37.** What is the primary environmental concern associated with the discharge of ballast water by ships at new ports?

- (a) Increase in oil spills
- (b) Increase in shipwrecks
- (c) Decline in water temperature
- (d) Introduction of invasive species

38. Consider the following statements regarding Atmospheric Rivers.

1. Atmospheric rivers are short and wider bands of water vapour in the atmosphere that transports moisture from one region to another.
2. Atmospheric rivers are not concentrated to one region, but occur globally.
3. An example is the "Pineapple Express," an atmospheric river that brings moisture to the U.S. West Coast.

How many of the above statements is/are correct?

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

39. Which organization has established India's first Geothermal field development project, and where is it located?

- (a) Tata Power in Gujarat
- (b) National Thermal Power Corporation in Chhattisgarh
- (c) Oil and Natural Gas Corporation in Ladakh
- (d) Singareni Collieries Company Limited in Telangana

40. Consider the following statements regarding Tantalum:

1. Tantalum is a rare metal with a high melting point and corrosion resistance.
2. It is primarily used in the agriculture sector due to its ability to enhance crop yields.
3. India imports almost all of its Tantalum, mainly from the Democratic Republic of the Congo.

Which of the above statements is/are correct?

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

41. Consider the following statements regarding NATS 2.0 Portal.

1. The portal aims to enhance the skilling and employability of youth in sectors like IT, manufacturing, and automobiles.
2. It was launched by the Ministry of Skill Development and Entrepreneurship (MSDE).
3. The initiative supports the National Education Policy (NEP) 2020's goals of integrating vocational and general education.

How many of the above statements is/are correct?

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

42. The Bharatiya Vayuyan Vidheyak is set to replace the British Era Aircraft Act 1934. Which of the following are the provisions under Bharatiya Vayuyan Vidheyak?

1. The Central Government is empowered to make rules to implement international civil aviation conventions.
2. The Central Government can suspend, cancel, or restrict licenses or certifications with a hearing opportunity for affected parties.
3. Cancellation of the second appeal provision, that was there between the initial appeal and final appeal.

How many of the above statements is/are correct?

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

43. What are the two main modules offered by the e-Sankhyiki Portal?

- (a) Data Catalogue Module and Macro Indicators Module
- (b) Consumer Price Index Module and National Accounts Statistics Module

- (c) Data Visualization Module and Download Module
- (d) Security Audit Module and SSL Technology Module

44. Which of the following is NOT a component of the National Handloom Development Programme aimed at supporting the handloom sector?

- (a) Financial assistance for upgraded looms and accessories
- (b) Provision of solar lighting units for weavers
- (c) Subsidies for large-scale industrial textile manufacturing
- (d) Marketing of handloom products in domestic and overseas markets

45. Consider the following statements regarding Nano-MIND technology.

1. The technology enables the selective activation of targeted brain circuits, surpassing current brain manipulation methods.
2. The technology uses magnetic fields and magnetized nanoparticles.
3. The technology can help in creating new treatments for neurological disorders.

How many of the above statements is/are correct?

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

46. Consider the following statements regarding Genetic screening.

1. Genetic screening is a tool used to identify individuals at higher risk for developing certain disorders or carrying specific genes for these disorders.
2. It offers insights into personal traits like food allergies, vitamin and mineral needs of a person.
3. Genetic screening can help in increasing the performance of athletes.

How many of the above statements is/are incorrect?

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

47. The Okavango Delta in Botswana is known for which of the following features?

- (a) It is a seasonal floodplain that becomes a lush animal habitat during floods.
- (b) It is a permanent, year-round swamp.
- (c) It is a desert region with little to no vegetation.
- (d) It is a mountainous region with snow-capped peaks.

48. Consider the following statements regarding Lake Turkana, recently in news.

1. Lake Turkana is the largest desert lake in the world.
2. Known for its unique greenish-blue colour.
3. It is located in South America.

How many of the above statements is/are correct?

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

49. Consider the following statements regarding Surajya Recognition & Ranking Framework.

1. Surajya Recognition & Ranking Framework was launched by the Quality Council of India (QCI).
2. It aims to promote excellence among states and enhance citizens' quality of life.
3. The framework evaluates performance across various pillars like Education, Health, Prosperity, and Governance.

How many of the above statements is/are correct?

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

50. The Defence Research and Development Organisation (DRDO) successfully conducted the maiden flight test of the long-range glide bomb (LRGB) "Gaurav" on August 13, 2024. Which of the following statements is correct regarding the Gaurav glide bomb?

- (a) It is a 500 kg class glide bomb capable of hitting targets at short distances.
- (b) It is a sea-launched 1,000 kg class glide bomb designed for naval warfare.
- (c) It is an air-launched 1,000 kg class glide bomb capable of hitting targets at long distances, using a highly accurate hybrid navigation scheme.
- (d) It is a ground-launched missile with a hybrid propulsion system.