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SUBJECT WISE TEST: VST011 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.
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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 $1/4^{\text{TH}}$ 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 about coal use in India is not correct?
 - (a) Coal accounts for more than 50% of India's energy needs.
 - (b) Odisha is the largest producer of lignite coal in India.
 - (c) India's per capita coal consumption is lower than developed countries.
 - (d) Coal imports are unrestricted under India's current import policy

2. Regarding the Milk Production in India, consider the following statements:
 1. India is the highest milk producer in the world.
 2. India contributes to around 54% of global milk production.
 3. The Indian dairy sector is growing by 6% per year.

How many of the above statements are correct?

- (a) Only one
 - (b) Only two
 - (c) All three
 - (d) None
3. Consider the following statements with reference to the types of economies:
 1. A capitalist economy is one in which the government decides what goods are to be produced in accordance with the needs of society.
 2. A socialist economy is one in which the goods produced are distributed among people on the basis of their purchasing power.

Which of the statements given above is/are incorrect?

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

4. Regarding the Gross Value Added (GVA), consider the following statements:
 1. GVA measures the value producers add to goods and services during production.

2. It's calculated by adding the cost of inputs to the total output.
 3. If we deduct the depreciation from GVA we get Net Value Added (NVA).
- How many of the above statements are correct?

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

5. Consider the following pairs:

GI Tag	State
1. Adi Kekir	Arunachal Pradesh
2. Tangail Saree	West Bengal
3. Kachchhi Kharek	Gujarat

How many of the pairs given above are correctly matched?

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

6. Consider the following statements:

1. India's Gross Domestic Product (GDP) is calculated using three distinct methods.
2. The factor cost method indicates how different areas of the economy are performing, such as trade, investments etc.
3. The expenditure-based method assesses the performance of different industries.

How many of the statements given above are correct?

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

7. The Gross National Income (GNI) is the GDP of a country added to its Net Factor Income from Abroad. Which of the following items is/are counted in the segment 'Income from Abroad'?
 1. Private Remittances
 2. Interest on External Loans
 3. External Grants

Select the correct answer using the code given below:

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

8. Which of the following are means of Deficit Financing?

- 1. External Aids
- 2. Printing Currency
- 3. Internal borrowings

Select the correct answer using the code given below:

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

9. Consider the following statements:

- 1. Nominal Gross domestic product (GDP) is the GDP measured at constant prices.
- 2. Real GDP is the nominal GDP adjusted for Inflation.

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

10. Consider the following statements about the Revenue Expenditure:

- 1. It is expenditure incurred for purposes other than the creation of physical or financial assets of the central government.
- 2. The interest payments on debt incurred by the government are not included in Revenue expenditure.

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

11. Consider the following statements:

- 1. The fiscal deficit excluding the interest liabilities for a year is the primary deficit.
- 2. Primary deficit is considered a very handy tool in the process of bringing in more transparency in the government's expenditure pattern.

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

12. With reference to the various types of economic systems, consider the following pairs:

Type of Economy	Feature
1. Capitalist economy	the economic outcomes are determined by the market forces.
2. Command economy	the government controls all economic activity and transactions.
3. Mixed economy	Co-existence of public and private sectors

Which of the pairs given above are correctly matched?

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

13. With reference to the calculation of Gross Domestic Product at Market Prices, consider the following statements:

- 1. It includes all production by a local company but excludes production by a foreign entity or the nonresidents in a country.
- 2. It excludes the net product taxes.

Which of the statements given above are correct?

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

14. With reference to the methods of calculating national income, consider the following statements:

1. The Production Method estimates national income by minimizing the net value of all production in the manufacturing sector within a year.
2. Under the Income Method, national income is calculated by summing up incomes like rent, wages, interest, and profits earned by individuals in the country.
3. The Expenditure Method calculates national income by aggregating all investment on goods made by public business enterprises during a year.

How many of the statements given above are correct?

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

15. With reference to the Gross Domestic Product (GDP) and Gross National Product (GNP), consider the following statements:

1. GDP refers to the total market value of all final goods and services produced within the domestic territory of a country, including net factor income from abroad.
2. GNP encompasses the total market value of all final goods and services produced annually by the residents of a country, whether within or outside its borders.

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. Consider the following statements regarding the population trends in developing countries:

1. Developing countries have undergone a transition from high birth and

death rates to low birth and death rates, resulting in slower population growth.

2. Due to the overall rising birth rate, the global population exceeded 10 billion in 2023.

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

17. Which of the following statements showing the relation between economic growth and economic development are incorrect?

1. Economic growth is a quantitative term, whereas economic development is a qualitative term.
2. Higher economic growth automatically brings in higher economic development.
3. GDP indicates the economic growth of an economy whereas per capita income indicates economic development

Choose the correct code among the following

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

18. Consider the following statements regarding Gross Domestic Product :

1. Gross Domestic Product (GDP) is that income or product which accrues to the economic agents who are residents of the country.
2. The income earned by the Non-Resident Indians (NRIs) will be a part of India's Gross National Product (GNP)

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

19. Which of the following statements regarding the Reserve Bank of India are correct?

1. The concept of Reserve Bank of India was based on the strategies formulated by Dr. Ambedkar in his book named "The Problem of the Rupee – Its origin and its solution".
2. RBI regulates the credit and currency system in India.
3. RBI manages the FOREX Reserves of India.
4. The Reserve Bank of India is responsible for providing the public with a sufficient supply of currency notes and coins.

Select the correct answer from the codes given below:

- (a) 1, 2 and 3 only
- (b) 2, 3 and 4 only
- (c) 1, 3 and 4 only
- (d) All of the above

20. Why printing currency is not the most appropriate means of deficit financing

1. It increases inflation proportionally.
2. Increases the government expenditure necessitating further printing of currency.

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

21. 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 by 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

22. Union Budget 2025-26 has proposed the second Asset Monetization Plan for period 2025-30. In this context, consider the following statements regarding the Asset Monetization:

1. It involves leasing existing Brownfield infrastructure assets to private entities to generate revenue for new infrastructure projects.
2. It includes the transfer of ownership of loss-making core assets to private players.

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

23. Consider the following statements regarding "Scheme Vivad se Vishwas – II":

1. It was announced in the Union Budget 2022-23 by the Union Finance Minister.
2. It is applicable to all domestic contractual disputes where one of them is either the Government of India or an organization working under its control.

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

24. The affairs of the Reserve Bank of India (RBI) are governed by which of the following?

- (a) The Department of Economic Affairs
- (b) The Governor of RBI
- (c) Central Board of Directors
- (d) Governor and the Deputy Governor of RBI

25. The National Bank for Agriculture and Rural Development (NABARD) is an example of

- (a) Specialized Bank
- (b) Commercial Bank
- (c) Cooperative banks
- (d) Universal Bank

26. If the Reserve Bank of India (RBI) increases the repo rate then,

- (a) Interest rate on bank loans decreases.
- (b) Borrowing by commercial banks from the RBI became cheap.
- (c) Money supply in the economy gets reduced.
- (d) Banks can earn higher interest on their excess funds deposited with the RBI.

27. Consider the following banking services:

- 1. Merchant Banking
- 2. Cash management services
- 3. Project finance
- 4. Loan syndicator
- 5. Trust services

How many of the above are considered as 'wholesale banking services'?

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

28. Consider the following financial instruments:

- 1. Repurchase Agreements
- 2. Treasury Bills
- 3. Commercial Paper
- 4. Certificate of Deposit

How many of the above are traded in the money market?

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

29. With reference to the money market, consider the following statements:

- 1. It is considered a safe place to invest due to the high liquidity of securities.
- 2. It provides long-term financing for businesses.

Which of the above given statements are correct?

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

30. Consider the following statements regarding Gross Value Added (GVA) and its relation to GDP:

- 1. Gross Value Added (GVA) is GDP plus indirect taxes.
- 2. The basic price of a commodity is calculated after deducting indirect taxes from its market price.
- 3. GVA helps us determine the GDP-tax link.

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

31. Which of the following components are included while calculating GDP using the Income Method?

- 1. Wages and salaries
- 2. Gross profits
- 3. Interest payments
- 4. Rent
- 5. Government subsidies

Select the correct answer using the code given below:

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

32. Consider the following statements with respect to the concept of National Income:

1. The economic territory of a country consists of territorial enclaves in the rest of the world such as embassies, consultants, and military bases.
2. The land, Infrastructure, education and Healthcare are factors of Production in Factor income.

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

33. Consider the following statements:

1. A Gini coefficient of 0 indicates perfect income inequality.
2. A K-shaped recovery deepens income inequality, with wealthier segments thriving while lower-income groups lag behind.

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

34. Which of the following is not included in the Gross Domestic Product (GDP) of a country?

- (a) National private consumption
- (b) Gross investment
- (c) Expenditures on imports
- (d) Trade balance

35. Consider the following statements regarding domestic savings in India:

1. Small saving instruments are mobilized by the state government but deposited with and managed by the central government.
2. The National Small Savings Fund is administered by the RBI.

3. National Small Savings Fund borrowings are serviced from the Consolidated Fund of India.

How many of the statements given above are correct?

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

36. Consider the following:

1. Domestic services of women
2. Barter exchanges
3. Re-exports
4. Informal sector activity

How many of the above are not fully counted while calculating the GDP of India?

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

37. Which one of the following measures will result in an increase in aggregate money supply in the Indian economy?

- (a) Increase in savings by the public in their bank account
- (b) Sale of government securities to the public by the central bank.
- (c) An increase in direct taxes in the economy.
- (d) The Central government borrowing from the Reserve Bank of India for deficit financing.

38. In the context of the Cash Reserve Ratio, consider the following statements:

1. A higher CRR leads to a reduction in the money multiplier.
2. Banks earn interest on the reserves maintained with the Reserve Bank of India under the CRR requirements.
3. CRR can be maintained in the form of either gold or cash.

Which of the statements given above is/are incorrect?

- (a) 1 only
- (b) 1 and 3 only

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

39. With reference to the "Measures of Money Supply in India," consider the following statements:

1. M1 is the least liquid measure and includes only currency held by the public.
2. M3, also known as aggregate monetary resources, is the most commonly used measure of the money supply.
3. Interbank deposits are not included in any of the money supply measures.

How many of the statements given above are incorrect?

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

40. Consider the following statements:

1. Cash Reserve Ratio (CRR) is the proportion of total deposits that a commercial bank must keep as cash reserve with the central bank.
2. Statutory Liquidity Ratio (SLR) includes only liquid assets like cash and gold.
3. During inflation, the Central Bank is likely to decrease CRR and SLR to reduce the credit creation capacity of commercial banks.

How many of the statements given above are correct?

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

41. With reference to the Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR), consider the following statements:

1. CRR is mandated by the Banking Regulation, 1949 Act whereas SLR is mandated by the Reserve Bank of India Act, 1934.

2. Both CRR and SLR are calculated on the basis of net demand and time liabilities of the banks.
3. The upper limit of SLR is decided by the Monetary Policy Committee of the RBI.

Which of the statements given above is/are incorrect?

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

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

1. The Reserve Bank of India is empowered to constitute the Monetary Policy Committee in consultation with commercial banks
2. The decisions of the MPC are not binding on the Reserve Bank of India

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

43. Consider the following statements:

1. One of the functions of the Reserve Bank of India (RBI) monetary policy is to regulate the growth rate of the money supply in the economy.
2. The Reserve Bank of India (RBI), through its monetary policy, does not influence the allocation of credit among different sectors of the economy.

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

44. Which of the following statements best describes the 'Marginal Cost of Lending Rate (MCLR)?

- (a) It is the lending rate set by the central bank on the basis of the existing rate of inflation.
- (b) It is the interest rate linked to an external benchmark, such as the repo rate or Treasury Bills.
- (c) It is the rate at which banks borrow from the central bank without considering their marginal cost of funds.
- (d) It is the benchmark lending rate determined by the banks on the basis of their internal cost of funds.

45. What is the fiscal deficit target as a percentage of GDP for 2025-26?

- (a) 1.5%
- (b) 0.3%
- (c) 0.8%
- (d) 4.4%

46. With reference to the Zero based budgeting, consider the following statements:

- 1. It is a budgeting process which allocates funds based on budgeting history.
- 2. It releases companies from rigid departments and processes, and results in significant cost reductions.

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

47. Which source contributes the most to the government's revenue in the 2025-26 Budget?

- (a) Corporation Tax
- (b) Income Tax
- (c) Borrowings & Other Liabilities
- (d) GST & Other Taxes

48. Which of the following statements is correct about the chairperson of Monetary Policy Committee (MPC)?

- (a) The chairperson of the committee is appointed by the RBI Governor
- (b) RBI Governor is the ex officio Chairperson of the committee
- (c) Finance Minister is the ex-officio chairperson of the committee
- (d) The Chairperson of the committee is appointed by the Finance Minister

49. Answer the following questions by selecting the correct/most appropriate options.

Consider the statements

- 1. The Mahalwari was devised for North-Western provinces of Bengal presidency, while the Ryotwari was devised for British territories in South.
- 2. While in Mahalwari, village headman collected and paid revenue of the whole village to the company, in Ryotwari direct settlements was made with cultivators.
- (a) Only (A) correctly explains differences between the two revenue systems.
- (b) Only (B) correctly explains differences between the two revenue systems.
- (c) Both (A) and (B) correctly explain differences between the two revenue systems.
- (d) Neither (A) nor (B) correctly explain differences between the two revenue systems.

50. Which one of the following is not included in the nondebt capital receipts of the Union Government?

- (a) Recovery of loans and advances
- (b) Disinvestment receipts
- (c) Issue of bonus shares
- (d) Dividends and profits from Public Sector Enterprises

51. Consider the following statements regarding the Fiscal Responsibility and Budget Management (FRBM) Act in India:

1. The FRBM Act was originally passed in 2003 and aimed to achieve specific fiscal targets by 2008-09.
2. The 2018-19 Budget amended the FRBM Act, shifting the target for fiscal deficit to 3% of GDP by 2020-2021, with no set target for revenue deficit.
3. The 'escape clause' introduced in 2018 allows deviations from fiscal deficit targets under certain conditions.
4. The Medium Term Expenditure Framework (MTEF) statement provides a three-year rolling target for expenditure indicators.

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

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

52. Which of the following policy statements are mandated under the Fiscal Responsibility and Budget Management Act, 2003?

1. Medium-term fiscal policy statement
2. Fiscal policy strategy instrument
3. Macroeconomic framework statement

Select the correct answer using the codes given below:

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

53. Consider the following:

1. Grants given to states
2. Profits and dividends from PSUs
3. Loans received by the government
4. Currency printing

How many of the above falls under Non-tax Revenue Receipts?

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

54. Which of the following statement is incorrect regarding "Cess"?

- (a) It is a form of tax and an additional levy by the Central Government to raise funds for specific purposes.
- (b) It is imposed by the Government only when there is a need to meet specific expenditure for the Public welfare.
- (c) If a person's income comes under the non-taxable slab of the income tax taxation slab, they are not required to pay the cess amount.
- (d) The revenue collected from the cess is initially deposited in the Public Account of India.

55. With reference to the carbon tax, consider the following statements:

1. It is a tax designed to reduce carbon dioxide emissions by imposing a financial burden on firms for each unit of CO₂ emissions they produce.
2. It is calculated based on the total volume of carbon emissions produced by a firm, irrespective of the nature of its operations.
3. The imposition of a carbon tax incentivises firms to invest more in renewable energy sources.

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

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

56. Consider the following statements:

1. The primary objective of a government budget is to maximize profits for the government.
2. Fiscal deficit is the difference between the government's total expenditure and its total receipts, excluding borrowing.
3. A budget surplus indicates that the government has borrowed heavily to finance its operations.

Which of the statements given above is/are correct?

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

57. Consider the following statements about 'Effective Revenue Deficit':

1. It was introduced in the Union Budget of 2011-12.
2. It excludes grants by the Union government for creation of capital assets.
3. It excludes the grants by the Union government for the implementation of Pradhan mantri Gram Sadak Yojana.

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

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

58. Which of the following instruments are utilized by the government for deficit financing?

1. Treasury Bills
2. Small Saving Scheme
3. Borrowings from International financial institutions
4. Printing of money
5. Borrowings from commercial banks

Select the correct answer using the codes given below:

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

59. Regarding Goods and Services Tax (GST), consider the following statements:

1. It is a comprehensive indirect tax that was introduced in India through the 106th Constitution Amendment Act, 2016.
2. The GST Council established under Article 279A (1) Constitution, is tasked with recommending solutions for issues concerning the

implementation of the Goods and Services Tax (GST) in India.

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

60. With reference to the 'Geographical Indicating (GI)', consider the following statements:

1. GI is governed under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) at the World Trade Organization (WTO).
2. GI certification is only extended to agricultural products and not non-agricultural products.
3. Globally, China leads in GI registrations closely followed by Germany.

How many of the above statements are not correct?

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

61. Which of the following statements is true about Fiscal Deficit?

1. Fiscal deficit is the difference between the government's total expenditure and its total revenue (including borrowings).
2. A high fiscal deficit can lead to inflating, appreciating of the currency and an increase in the debt burden.

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

62. Consider the following statements regarding Gross Domestic Product (GDP):

1. Nominal GDP is adjusted for inflation and is considered a more precise

representation of a country's economic progress.

2. The formula for calculating GDP using the expenditure method is $GDP = \text{Real GDP (GDP at constant prices)} - \text{Taxes} + \text{Subsidies}$.
3. GDP calculated based on the income method is known as GDI, which stands for Gross Domestic Investment.

How many of the statements given above are correct?

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

63. Which of the following is/are components of the Net National Product (NNP) of an economy?

1. Gross Domestic Product (GDP)
2. Net Factor Income from Abroad
3. Depreciation

Select the correct answer using the code given below:

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

64. The 'Gross Domestic Product (GDP)' of an economy can be measured by which of the following methods?

1. Production Approach
2. Income Approach
3. Expenditure Approach
4. Revenue Approach

Select the correct answer using the code given below:

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

65. Which of the following can be considered as drawbacks of Gross Domestic Product (GDP) calculation?

1. It does not accurately consider aspects like the well-being of the residents of a country.
2. Exclusion of voluntary market transactions.
3. It fails to account for productive non-market activities, like an improvement in product quality.
4. It excludes factors like environment and happiness.

Select the correct answer using the code given below:

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

66. Which of the following are the functions of the Reserve Bank of India (RBI)?

1. It is the banker of the Government.
2. It is distributing agent for currency and coins issued by the Government of India.
3. It is the bank of the last resort.
4. It is the keeper of the foreign currency reserves.

Select the correct answer using the code given below:

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

67. Which of the following statements is/are correct about the Budget in India?

1. There is no constitutional requirement in India to present before the Parliament a statement of estimated receipts and expenditures of the government.
2. A Finance Bill provides details on the imposition, abolition, remission, alteration or regulation of taxes proposed in the Budget.

Select the correct answer using the code given below:

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

(d) Neither 1 nor 2

68. Which of the following statements is/are correct about World Trade Organization (WTO)?

1. The WTO was founded in 1995 as the successor organization to the General Agreement on Trade and Tariff (GATT).
2. The WTO agreements cover trade in goods only.

Select the correct answer using the code given below:

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

69. With reference to the growth of the Service Sector in India, consider the following statements:

1. The contribution of the service sector to the Indian Economy is the highest of all other sectors.
2. The labour market arbitrage is not a major factor in the current growth of the service sector in India.

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

70. Which of the following statements is/are correct about NK Singh committee on the FRBM Act?

1. The committee suggested using debt as the primary target for fiscal policy.
2. The committee proposed to create an autonomous Fiscal Council with a chairperson and two members appointed by the Centre.
3. According to the suggestions of the committee, the government must not borrow from the RBI under any conditions.

Select the correct answer using the code given below:

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

71. Which of the following factors lead to the development of the service sector in an economy?

1. Development of agriculture and industry
2. Rise in income
3. New technologies

Select the correct answer using the code given below:

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

72. Consider the following statements about macro and micro economics:

1. Microeconomics takes top-down approach to analyze economy while macroeconomics takes a bottom-up approach.
2. Microeconomics tries to understand the choices which consumers make and the income they earn, macroeconomics tries to understand the dynamics of inflation and growth.

Which of the above given statements are true?

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

73. Which of the following is/are true about Liberal economics?

1. Free Markets
2. Support for free trade
3. Individual liberty
4. Limited role of government.

Select the correct answer using the codes given below:

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

74. With respect to the types of goods and services, consider the following:

1. National Defence
2. Roads
3. Government administration
4. Clothes
5. Tickets for cinema hall

Which of the above are examples of public good?

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

75. Consider the following:

1. Fall in Consumer Spending
2. Reduced Government revenues
3. Increased Tax Compliance
4. Increase of Foreign Investment in India

Which of the above is the most likely outcome when taxes are reduced by the government?

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

76. Consider the following options:

1. Buying and selling something
2. Doing business
3. Visiting religious places for prayer
4. Giving alms to beggars at places of worship

How many of the above options can be considered as examples of economic activities?

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

77. Which of the following organizations publishes the 'World Economic Outlook Report'?

- (a) World Economic Forum
- (b) World Bank
- (c) International Monetary Fund

(d) United Nations Conference on Trade and Development

78. Consider the following reports:

1. Global Financial Stability Report
2. World Economic Outlook
3. Global Economic Prospects (GEP) Report
4. Global Competitiveness Report

How many reports given above are released by the International Monetary Fund (IMF) organization?

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

79. The 'Global Economic Prospects' report is released by which of the following organisations?

- (a) Organisation for Economic Co-operation and Development
- (b) World Economic Forum
- (c) International Monetary Fund
- (d) World Bank

80. Consider the following statements:

1. The Tenth Five-Year Plan introduced "monitorable targets" for both the central government and the states for the first time.
2. The Eleventh Five-Year Plan considered Governance as a factor of development and identified heavy industries as the key economic driver.
3. The Twelfth Five-Year plan aimed to achieve Universal Health Coverage (UHC) as its primary long-term goal.

Which of the statements given above are correct?

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

81. Consider the following statements:

1. The Nehru-Mahalanobis strategy emphasized on scientific development

of agriculture and rapid growth of cottage and village industries.

2. The Gandhian strategy emphasized on investment in heavy industries in order to achieve industrialization for rapid economic development.

Which of the following statements is/are correct?

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

82. With reference to the development of small scale industries after independence, consider the following statements:

1. The Mahalanobis committee was formed in 1955 to emphasize upon the development of small scale and cottage industries.
2. In India, the small scale industries are defined based on amount of investment.

Which of the above statements is/are incorrect?

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

83. With reference to the economic growth in India, the term 'Hindu rate of growth' relates to which of the following?

- (a) High rate of economic growth after the economic reforms of 1991
- (b) Economic slowdown and recession due to financial crisis of the 1990s
- (c) The slow rate of economic growth between 1960s and 1980s.
- (d) Slow economic growth witnessed during COVID pandemic

84. With reference to planning in India, consider the following statements:

1. The idea for economic planning in India started with Vishveshwarya plan.

2. The first development plan was formulated in 1931 by National Planning committee of the Indian National Congress.

3. The Sarvodaya plan was based on Gandhian ideal of small cottage industries.

How many of the above statements are correct?

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

85. Consider the following pairs:

Economic Plans Formulated by

1. Sarvodaya Plan Jaiprakash Narayan
2. Gandhian Plan M.N.Roy
3. Peoples Plan M.G. Ranade
4. Bombay Plan Capitalists

How many of the above pairs are correctly matched?

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

86. With reference to India's economic planning, consider the following statements regarding the first five-year plan initiated in 1951:

1. The focus of the first five-year plan was on heavy industry development.
2. The plan was based on the Harrod-Domar model.
3. The plan aimed at reducing India's dependency on food grain imports.

How many of the statements given above are correct?

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

87. With reference to the 'Second Five-year plan', consider the following statements:

1. P.C. Mahalanobis played an important role in its formulation.

2. The plan emphasized rapid industrialization, particularly in heavy and basic industries.
3. It put more emphasis on capital goods, which resulted in a scarcity of essential commodities.

Which of the statements given above are correct?

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

88. Consider the following statements:

1. The first centralized and integrated Five-Year plan was implemented by the Soviet Union.
2. The economic and social planning is a State subject in the Indian Constitution.

Which of the statements given above are correct?

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

89. Which of the following were the measures adopted in India for the promotion of globalization during the economic reforms?

1. Reduction of import duties.
2. Encouragement of foreign investment.
3. Licensing regimes for various industries were introduced.
4. Encouragement of foreign technology agreements.

Select the correct answer using the code given below:

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

90. Which of the following statements is correct regarding economic changes that occurred in India after the liberalization of economic policies in 1991?

- (a) The government implemented a protectionist strategy, restricting foreign investment.
- (b) There was a marked increase in foreign direct investment across various sectors.
- (c) The dominance of the public sector in the economy was reinforced.
- (d) The agricultural sector underwent complete deregulation with no government intervention.

91. Consider the following statements with reference to the New Economic Policy of India, 1991:

1. The stabilisation measures were long-term measures aimed at maintaining a sufficient foreign exchange reserves.
2. Structural reform policies were short-term measures to reinvigorate the economy.

Which of the statements given above are correct?

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

92. Which of the following was not an objective of the land reforms in India?

- (a) Removing institutional discrepancies of the agrarian structure inherited from the past.
- (b) To remove the issue of socio-economic inequality in the country.
- (c) Increasing agricultural production
- (d) To promote contract farming in India, while improving faster Agricultural finance.

93. SVAMITVA scheme recently seen in news, is related to which of the following?

- (a) It aims to provide the 'Record of Rights' to village household owners possessing houses in inhabited areas in villages.

- (b) It promotes the allotment of houses under Pradhan Mantri Awas Yojana to rural women.
- (c) It provides subsidy to farmers for installation of solar power plants.
- (d) It is an awareness campaign for promotion and conservation of groundwater in rural areas.
- 94.** Consider the following statements regarding the Sagarmala initiative of the government:
1. The Sagarmala programme is the flagship programme of the Ministry of Road, Transport and Highways.
 2. It aims to reduce logistics costs for EXIM and domestic trade with minimal infrastructure investment.
- 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
- 95.** Which city has become home to India's first textile machine park?
- (a) Indore, Madhya Pradesh
(b) Surat, Gujarat
(c) Kanpur, Uttar Pradesh
(d) Jaipur, Rajasthan
- 96.** Recently, who has been awarded the title of Grandmaster by FIDE, the International Chess Federation?
- (a) Vaishali Ramesh Babu
(b) Surya Sekhar Ganguly
(c) Savitha Shri Baskar
(d) Tania Sachdev
- 97.** Which regulatory body in India recently approved changes in mutual fund regulations to prevent front-running?
- (a) Reserve Bank of India (RBI)
(b) Securities and Exchange Board of India (SEBI)
(c) National Stock Exchange (NSE)
(d) Pension Fund Regulatory and Development Authority (PFRDA)
- 98.** Pension Department has recently launched an online portal for government retirees. what is the name of the portal?
- (a) Abhyukt portal
(b) Vriddhi portal
(c) Bhavishya portal
(d) Vikas portal
- 99.** Which statement is best related to the concept of the Kuznets curve?
- (a) It shows the relationship between economic growth and inequality.
(b) It shows the relationship between inflation and unemployment.
(c) It represents the distribution of income in an economy.
(d) It represents the relationship between tax rates and tax revenue collected by the governments.
- 100.** With reference to sprinkler irrigation, consider the following statements:
1. It is used mostly in the fields that are level, uniform and located in non windy areas.
 2. This type of irrigation is most suited for sandy soils while almost all crops are suitable for this system of irrigation.
- Which of the statements given above are correct?
- (a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2