

1.The concept of zero-based budgeting was given by:

- A. Peter A. Payer.
- B. Peter drucker
- C. Jagdish bhagwati
- D. None of these

**Answer: Option A**

Solution:

The concept of zero-based budgeting was given by Peter A. Payer.

2.Who is the author of the book Man and Economics?

- A. Myron Scholes
- B. Robert Mundel
- C. Rudi Dornbusch
- D. George Akerlof

**Answer: Option B**

Solution:

Robert Mundel is the author of the book Man and Economics.

3.What is the objective of 'Sangam Yojna 1996'?

- A. To make Sangam region of Allahabad more attractive for tourists
- B. To make Ganga water pollution free
- C. To increase the welfare of the disabled
- D. To unite, various groups of Hindus

**Answer: Option C**

Solution:

The objective of 'Sangam Yojna 1996' is to increase the welfare of the disabled.

4.The Twenty Point programme (TPP) conceived with the objective of improving quality of life of people was first initiated in:

- A. 2006
- B. 1986
- C. 1982
- D. 1975

**Answer: Option D**

Solution:

The Twenty Point programme (TPP) conceived with the objective of improving quality of life of people was first initiated in 1975.

5. Asia's first Export processing Zone (EPZ) was established in:

- A. Surat
- B. Cochin
- C. Kandla
- D. Chennai

**Answer: Option C**

Solution:

Asia's first Export processing Zone (EPZ) was established in Kandla in 1965.

6. Excess of Total Expenditure over total Receipts is :

- A. Deficit Budget
- B. Surplus Budget
- C. Balanced Budget
- D. None of the above

**Answer: Option A**

Solution:

Excess of Total Expenditure over total Receipts is Deficit Budget.

7. In India the first bank of limited liability managed by Indian and founded in 1881 was:

- A. Oudh commercial Bank.
- B. Hindustan Commercial Bank
- C. Punjab National Bank
- D. Punjab and Sind Bank

**Answer: Option A**

Solution:

In India the first bank of limited liability managed by Indian and founded in 1881 was Oudh commercial Bank.

8. Which company has started a rural marketing network called e-Chaupals?

- A. ITC
- B. Dabur
- C. Procor and Gamble
- D. Hindustan liver

**Answer: Option A**

Solution:

ITC has started a rural marketing network called e-Chaupals.

9. The first multi-purpose river valley project of independent India is:

- A. Bhakra-Nangal
- B. Damodar
- C. Hirakud
- D. Nagarjunasagar

**Answer: Option B**

Solution:

Damodar Valley Corporation (DVC) was the first multipurpose project of independent India. DVC operates several hydel power stations constructed on Damodar river.

10. India's share in textiles trade of the world is:

- A. 4%
- B. 6%
- C. 8%
- D. 10%

**Answer: Option B**

Solution:

India's share in textiles trade of the world is 6%.

11. Rice, Millet (Jawar-Bajra), Maize and cotton is the group which belongs to:

- A. Rabi crop
- B. Kharif crop
- C. Both A and B
- D. None of the above

**Answer: Option B**

Solution:

Rice, Millet (Jawar-Bajra), Maize and cotton is the group which belongs to Kharif crop.

12. The central banking functions in India are performed by the

- I. I=Central Bank of India
  - II. II=Reserve Bank of India
  - III. III=State Bank of India
  - IV. IV=Punjab National Bank
- A. I, II
  - B. II
  - C. I

D. II, III

E. IV

**Answer: Option B**

Solution:

The central banking functions in India are performed by the Reserve Bank of India.

13. Development expenditure of the Central government does not include

A. defence expenditure

B. expenditure on economic services

C. expenditure on social and community services

D. grant to states

**Answer: Option A**

Solution:

Expenditure on economic service, expenditure on social and communist services, grant to states are examples of developmental expenditures. Among the given options, defense expenditure is not an example of developmental expenditure.

14. ICICI is the name of a

A. chemical industry

B. bureau

C. corporation

D. financial institution

**Answer: Option D**

Solution:

ICICI Bank was established by the Industrial Credit and Investment Corporation of India (ICICI), an Indian financial institution, as a wholly owned subsidiary in 1994 in Vadodara.

15. Gilt-edged market means

A. bullion market

B. market of government securities

C. market of guns

D. market of pure metals

**Answer: Option B**

Solution:

The gilt-edged market is the market in government securities or the securities guaranteed (as to both principal and interest) by the government. The term gilt-edged means 'of the best quality'. It has come

to be reserved for government securities as they do not suffer from the risk of default.

16. In the last one decade, which one among the following sectors has attracted the highest foreign direct investment inflows into India?

- A. Chemicals other than fertilizers
- B. Services sector
- C. Food processing
- D. Telecommunication

**Answer: Option D**

Solution:

In the last one decade, telecommunication has attracted the highest foreign direct investment inflows into India?

17. Devaluation of a currency means

- A. fall in exchange value of a country by market forces
- B. reduction in external value/exchange value of currency by the government
- C. reduction in currency value due to wear and tear
- D. all of the above

**Answer: Option B**

Solution:

When the country follows a fixed exchange rate regime the government constantly has to revalue and devalue the currency in order to maintain the pegged exchange rate. When there is upwards market pressure on the currency to appreciate, the central bank will artificially devalue the currency by buying up foreign reserves.

18. In the second nationalization of commercial banks, \_\_\_ banks were nationalized.

- A. 4
- B. 5
- C. 6
- D. 8

**Answer: Option C**

Solution:

In the second nationalization of commercial banks, 6 banks were nationalized.

19. Since independence, both development and non-development expenditures have increased; the increase in the former being a little more than in the other. Non-development expenditure involves

- I. I=interest payments
  - II. II=subsidies
  - III. III=defence
  - IV. IV=irrigation
- A. I, II
  - B. I
  - C. I, II, III
  - D. II, III, IV

**Answer: Option C**

Solution:

Since independence, both development and non-development expenditures have increased; the increase in the former being a little more than in the other. Non-development expenditure involves interest payments, subsidies and defence.

20. Depreciation means

- A. closure of a plant due to lock out
- B. closure of a plant due to labour trouble
- C. loss of equipment over time due to wear and tear
- D. destruction of a plant in a fire accident

**Answer: Option C**

Solution:

Depreciation means a reduction in the value of an asset over time, due in particular to wear and tear.

21. Deficit financing leads to inflation in general, but it can be checked if

- A. government expenditure leads to increase in the aggregate supply in ratio of aggregate demand
- B. only aggregate demand is increased
- C. all the expenditure is denoted national debt payment only
- D. All of the above

**Answer: Option D**

Solution:

Deficit financing leads to inflation in general, but it can be checked if government expenditure leads to increase in the aggregate supply in ratio

of aggregate demand, only aggregate demand is increased and all the expenditure is denoted national debt payment only.

22.If all the banks in an economy are nationalized and converted into a monopoly bank, the total deposits

- A. will decrease
- B. will increase
- C. will neither increase nor decrease
- D. None of the above

**Answer: Option C**

Solution:

If all the banks in an economy are nationalized and converted into a monopoly bank, the total deposits will neither increase nor decrease.

23.India changed over to the decimal system of coinage in

- A. April 1995
- B. April 1957
- C. April 1958
- D. April 1959

**Answer: Option B**

Solution:

India shifted to decimal system of coinage in April 1957. 'Naya paisa' is the legend that can be seen in the new coins printed between 1957-1964.

24.The association of the rupee with pound sterling as the intervention currency was broken in

- A. 1990
- B. 1991
- C. 1992
- D. 1993

**Answer: Option C**

Solution:

The association of the rupee with pound sterling as the intervention currency was broken in 1992.

25.On which one of the following is the benefits received principle of taxation to achieve optimality bases?

- A. Marginal benefit received
- B. Total benefit received
- C. Average benefit received
- D. Ability to pay for the benefit

**Answer: Option D**

Solution:

On ability to pay for the benefit is the benefits received principle of taxation to achieve optimality bases.

26. One of the reasons for India's occupational structure remaining more or less the same over the years has been that

A. investment pattern has been directed towards capital intensive industries

B. productivity in agriculture has been high enough to induce people to stay with agriculture

C. ceiling on land holdings have enabled more people to own land and hence their preference to stay with

D. people are largely unaware of the significance of transition from agriculture to industry for economy

**Answer: Option A**

Solution:

One of the reasons for India's occupational structure remaining more or less the same over the years has been that investment pattern has been directed towards capital intensive industries.

27. Gross domestic capital formation is defined as

A. flow of expenditure devoted to increased or maintaining of the capital stock

B. expenditure incurred on physical assets only

C. production exceeding demand

D. net addition to stock after depreciation

**Answer: Option D**

Solution:

Gross domestic capital formation refers to the net increase in the physical asset by the household, public, and government sector within the measurement period of the economy. Dec 26, 2019

28. On July 12, 1982, the ARDC was merged into

A. RBI

B. NABARD

C. EXIM Bank

D. None of the above

**Answer: Option B**

Solution:

On July 12, 1982, the ARDC was merged into NABARD.



29. Which of the following is the most appropriate cause of export surplus?

- A. Country's exports promotion value
- B. Country's stringent import policy
- C. Developments in national and international markets
- D. None of the above

**Answer: Option C**

Solution:

Developments in national and international market is the most appropriate cause of export surplus.

30. If the cash reserve ratio is lowered by the RBI, its impact on credit creation will be to

- A. increase it
- B. decrease it
- C. no impact
- D. None of the above

**Answer: Option A**

Solution:

If the cash reserve ratio is lowered by the RBI, its impact on credit creation will be to increase it.