



All India Civil Services Coaching Centre

(Under the aegis of Government of Tamil Nadu)

TEST BOOKLET

Test 6 – NCERT Economy

Time Allowed: 2 Hours

Maximum Marks: 200

INSTRUCTIONS

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET
2. You have to enter your Name on the Test Booklet
3. This Test Book contains 100 items (questions). Each it 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, mark the response, which you consider the best. In any case, choose ONLY ONE response for each item.
4. You have to mark all your response ONLY on the separate sheet provided along with the Test Booklet.
5. All items Carry equal marks. There will be **penalty (negative marking)** for wrong answers marked by you in the Answer sheet.
6. There are four alternatives for the answers to every question. For each question for which a wrong answer has been given by the candidate, one third ($\frac{1}{3}$) of the marks assigned to that question will be deducted as penalty.
7. If a candidate gives more than one answer, it will be treated as a wrong answer even if one of the given answers happens to be correct and there will same penalty as above for that question.
8. If a question is left blank i.e., no answer is given by the candidate, there will be no penalty for that question.

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- Which of the following statements is/are not regarding oligopolistic Industry?
 - Firms in these industries may try to cooperate with each other.
 - The fact that there is more than one firm in an oligopoly means that there are no barriers to entry.
 - An oligopoly with two firms is called a duopoly.
 - Firms in these industries are interdependent.
- When would the industry have a long-run supply curve that slopes downwards?
 - When the industry has decreasing returns to scale.
 - When the industry has constant returns to scale.
 - When the industry has increasing returns to scale.
 - Long-run cost curve can never be downward sloping, as inflation is always positive in the long-run.
- Suppose that, because of inflation, people economize on currency and go to the bank each day to withdraw their daily currency needs. This is an example of:
 - Costs due to inflation-induced relative price variability which misallocates resources.
 - Menu costs.
 - Shoeleather costs.
 - Costs due to inflation-induced tax distortions.
- Which of the following can be grouped under the Economic Activities?
 - Tutor teaching a student free of cost.
 - Government providing scholarship.
 - Philanthropists giving out charity to NGOs.Select the Correct Answer: () using the code given below:
 - 1 only
 - 2 only
 - 2 and 3 only
 - None of the above
- In the case of an inferior good, the income elasticity of demand is:
 - Positive
 - Zero
 - Negative
 - Infinite
- Total costs in the short-term are classified into fixed costs and variable costs. Which one of the following is a variable cost?
 - Cost of raw materials
 - Cost of equipment
 - Interest payment on past borrowing
 - Payment of rent on buildings
- If a production function exhibits increasing returns to scale, it means:
 - Doubling all of the inputs more than doubles output due to the catch-up effect.
 - Doubling all of the inputs has absolutely no impact on output because the output is constant.
 - Doubling all of the inputs less than doubles output due to diminishing returns.
 - Doubling all of the inputs doubles output.
- The costs of factors of production, that has already occurred but is not necessarily shown or reported as a separate expense, are known as:
 - Implicit costs

- (b.) Explicit costs
- (c.) Fixed costs
- (d.) Variable costs

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

9. Which of the following can be described as 'Factors of Production'?

- 1. Land
- 2. Tools & machines
- 3. Skilled professionals

Select the Correct Answer: () using the code given below:

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

10. Which of the following are the ingredients for a self-sustaining virtuous cycle in an economy?

- 1. Presenting data as a public good
- 2. Emphasizing legal reforms
- 3. Ensuring policy consistency

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

11. Which of the following is/are major indicators of the State of an Economy?

- 1. Rate of GDP growth
- 2. Rate of inflation
- 3. Change in Net demand and time liabilities

Select the Correct Answer: () using the code given below:

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

12. Regarding the role of a state economy, consider the following statements:

- 1. As a "regulator", the state regulates only the production network but not the distribution network.
- 2. Under this system, the state plays the roles of the producer of both public and private goods.

Which of the above statements is/are correct?

- (a.) 1 only

13. Suppose that, because of inflation, a business in Chennai must calculate, print, and mail a new price list to its customers each month. This is an example of:

- (a.) Shoe leather costs.
- (b.) Costs due to confusion and inconvenience.
- (c.) Costs due to inflation-induced tax distortions.
- (d.) Menu costs

14. When demand is perfectly inelastic, an increase in price will result in:

- (a.) A decrease in total revenue.
- (b.) An increase in total revenue.
- (c.) No change in total revenue.
- (d.) A decrease in quantity demanded.

15. Which of the following statements regarding the impact of population growth on productivity is true?

- (a.) There is no evidence, yet, that rapid population growth stretches natural resources to the point that it limits growth in productivity.
- (b.) Rapid population growth may promote technological progress, increasing productivity.
- (c.) Rapid population growth may dilute the capital stock, lowering productivity.
- (d.) All of the above

16. Which of the following is not a necessary requirement for economic development?

- 1. Temperate climate
- 2. Natural resources
- 3. An adequate capital base
- 4. Technological advancement

Select the correct answer using the code given below:

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

17. To increase the growth, which of the following can be considered good policy?

1. Encouragement of saving and investment
2. Nationalization of major industries
3. Adopting dear money policy
4. Encouragement of research and development
5. Promotion of free trade

Select the correct answer using the code given below:

- (a.) 1, 4 and 3 only
- (b.) 1, 4, and 2 only
- (c.) 1, 4, and 5 only
- (d.) All of the above

18. Which of the following is a stage of growth as per Rostow's model?

1. Preconditions for take-off
2. Age of creative destruction
3. Age of high mass consumption
4. The learning curve
5. Drive to maturity
6. Traditional society

Select the correct answer using the code given below:

- (a.) 1, 2, 3, 4 and 5 only
- (b.) 1, 3, 5 and 6 only
- (c.) 2, 3, 4, 5 and 6 only
- (d.) All of the above

19. A major dependency theorist Andre Gunder Frank suggests that the following economic activities have contributed to underdevelopment:

1. Workers migrating from villages to foreign-dominated urban complexes.
2. Forming an unskilled labour force to work in factories and mines and on plantations.
3. Replacing indigenous enterprises with technologically more advanced, global, subsidiary companies.

Which of the above statements are correct?

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

20. Consider the following statements regarding the policy changes made under the agriculture

sector during the Liberalisation, Privatisation, and Globalisation reforms in India:

1. Increase in import duties on agricultural products.
2. Lifting of Quantitative Restrictions on imports of agricultural products.

Which of the above statements is/are correct?

- (a.) 1 only
- (b.) 2 only
- (c.) Both 1 and 2
- (d.) Neither of the two

21. With reference to the concept of 'growth with equity', consider the following statements:

1. It is assessed by the market value of goods and services produced within the territory.
2. It aims to promote both economic growth and social equality.

Which of the above statements is/are incorrect?

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

22. Consider the following statements regarding the impact of economic reforms in India:

1. It has increased the income and quality of consumption of only high-income groups.
2. The growth has been concentrated only in some select areas in the service sector.

Which of the above statements are correct?

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

23. Consider the following statements regarding the Jobless Growth in India:

1. It is a situation when the economy is not able to produce more goods and services with a proportionate increase in employment opportunities.
2. It is a situation when the GDP of a country increases without an increase in employment opportunities.

Which of the above statements is/are correct?

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

(d.) Neither 1 nor 2

24. Consider the following statements regarding the difference between economic growth and economic development:

1. Economic growth is only a quantitative concept whereas economic development is both a quantitative as well as a qualitative concept.
2. Economic development accounts for the structural, institutional and technical changes in the economy while economic growth does not.

Which of the above statements is/are correct?

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

25. Consider the following statements:

1. GDP Per capita is used to measure the productivity of a country's workforce.
2. Disposable income is calculated by adding subsidies and deducting taxes from personal income.
3. Gross Value Added (GVA) includes the gross value of the output produced by the firm excluding the value of intermediate goods.

Which of the above statements is/are correct?

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

26. Which of the following economic problems explain the concept of poverty?

1. Low capital formation
2. Lack of infrastructure
3. Lack of demand
4. Pressure of population
5. Lack of social/ welfare nets

Select the Correct Answer using the code given below:

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

27. A rise in per capita income does not automatically imply an increase in economic welfare because:

1. Distribution of income is not known
2. Rate of economic growth is not known
3. Per capita income suffers from the limitation of averages

Which of the above statements is/are correct?

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

28. Which of the following statements about the Product Approach of National Income Accounting is/are correct?

1. The National Income is calculated by adding the value of final goods from all the sectors of an economy during a given accounting year.
2. This approach is also called output method or inventory method.

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

29. Which of the following indices is/ are released by the Central Statistical Organization?

1. Consumer Price Index (CPI)
2. Wholesale Price Index (WPI)
3. Index of Industrial Production (IIP)

Select the Correct Answer: () using the code given below:

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

30. In the context of Net Domestic Product (NDP), which among the following statements is correct?

- (a.) $NDP = GDP + \text{Depreciation}$
- (b.) $NDP = GDP - \text{Depreciation}$
- (c.) Depreciation Rates are announced by RBI.
- (d.) NDP is higher than GDP

31. Consider the following statements regarding the Net National Product (NNP) at Market Price:

1. It includes the value of depreciation.
2. It measures output produced by the country's citizens in the domestic territory and abroad.

Which of the above statements is/are correct?

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

32. Which of the following are implications of a deflationary effect on an economy?

1. Unemployment rises and wages decline.
2. Demand for goods increases.
3. Drop-in lending of banks.

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

33. Consider the following statements regarding Headline Inflation:

1. It is a measure of the total inflation within an economy.
2. It is affected by areas of the market which may experience sudden inflationary spikes such as food, vegetables or energy.

Which of the above statements is/are correct?

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

34. An Escrow account is an:

- (a.) Account opened by a registered political party to manage its electoral expenses.
- (b.) Account of a government subsidiary in an offshore bank.
- (c.) Account in a bank that is held by the third party on behalf of two other parties that are in the process of completing a transaction.
- (d.) Account which is seized by the Financial Action Task Force (FATF).

35. With reference to the SWIFT norms, consider the following statements:

1. It aims to provide services for financial crime compliance like Know Your Customer (KYC).
2. It is a secure financial message carrier through a standardized system of codes.

Which of the above statements is/are incorrect?

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

36. Before enactment of the Insolvency and Bankruptcy Code, 2016 the recovery mechanisms available to the lenders were:

- (a.) Lok Adalat
- (b.) SARFAESI Act
- (c.) Debt Recovery Tribunal
- (d.) All of the above

37. Consider the following statements regarding the objectives of bank nationalization:

1. To break the nexus between the banks and the big businesses.
2. To ensure the balanced flow of credit.
3. To provide stability to the banking system by preventing bank failures and speculative activities.

Which of the above statements are correct?

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

38. The RBI controls the money supply in the economy by various tools. These tools can be classified as quantitative or qualitative. In this context, consider the following statements:

1. Quantitative tools control the extent of the money supply in the economy.
2. Qualitative tools encourage or discourage lendings by commercial banks.

Which of the above statements is/are correct?

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

39. Consider the following statements regarding the Statutory Liquidity Ratio (SLR):

1. The commercial banks are required to keep a certain amount of money under SLR with Reserve Bank of India (RBI).
2. Cash, gold owned by the banks and investment in the government securities are SLR's components.

Which of the above statements is/are correct?

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

40. The Cash Reserve Ratio is the number of funds that the banks are bound to keep with the Reserve bank of India as a portion of their Net Demand and Time Liabilities (NDTL). In this context, consider the following statements:

1. Reduction in CRR may lead to inflation.
2. Reserve Bank pays interest on CRR balances.
3. Hike in CRR may increase the lending rates of commercial banks.

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 only.

41. Consider the following statements about the Call Money Rate:

1. It is the rate at which short term and long term funds are borrowed and lent in the money market.
2. A tight liquidity condition leads to a fall in call money rate.
3. It has a maturity period of 1 day only.

Which of the above statements is/are correct?

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

42. Consider the following statements about the Marginal Standing Facility (MSF):

1. Only scheduled commercial banks can borrow from Reserve Bank of India under this window.

2. Banks can borrow funds only up to 1% of their net demand and time liabilities (NDTL).

Which of the above statements is/are correct?

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

43. Consider the following statements regarding the functions of the Financial Market:

1. Mobilization of savings
2. Facilitating price discovery for financial assets
3. Providing liquidity to financial assets

Which of the above statements are correct?

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

44. Consider the following statements regarding the methods of floatation of new issues in the Primary market:

1. Under Private Placement, securities are not issued directly to the public but are offered for sale through intermediaries like Issuing Houses or Stockbrokers.
2. Offer through Prospectus is a direct appeal to investors to raise capital, through an advertisement in newspapers and magazines.

Which of the above statements is/are incorrect?

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

45. Central Government recently proposed setting up of Development Financial Institutions (DFIs) to solve infrastructure financing needs of the country. In this regard, consider the following statements:

1. DFIs provide long-term finance to sectors that are riskier for commercial banks.
2. Growth in the capital market has led to the decline in the prominence of DFI's in India.

Which of the above statements is/are correct?

- (a.) 1 only

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

46. Consider the following statements regarding Primary market:

1. A company can raise capital through the primary market in the form of loans and deposits.
2. It is a market for the purchase and sale of existing old 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

47. Which of the following statements is/are correct regarding the "bear market"?

1. It leads to a fall in the value of the investment.
2. Investors rush to buy stocks instead of selling.

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

48. Consider the following statements:

1. Scrip Share is a share given to the employees of the company without any charge.
2. Sweat Share is a share given to the existing shareholders without any charge.

Which of the above statements is/are incorrect?

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

49. What is the difference between primary and secondary markets?

1. Primary markets help in capital formation, while the secondary market provides liquidity to the investors.

2. When a company publicly sells new stocks and bonds for the first time, it does so in the primary capital market.

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

50. Which of the following are the functions of the Securities and Exchange Board of India (SEBI)?

1. Levying various fees and other charges on investors and traders.
2. Registering and regulating mutual funds.
3. Inspection and audit of stock exchanges and various intermediaries.

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.) 1, 2 and 3

51. With reference to financial sector regulators, consider the following statements:

1. PFRDA deals with pension funds, which are not invested in stock exchanges.
2. Commodity markets are subject to the jurisdiction of SEBI.
3. NBFCs are also subject to the jurisdiction of SEBI.

Which of the above statement is/are correct?

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

52. Main objectives of Fiscal Policy in India include:

1. To stabilize the price level
2. To maintain equilibrium in the Balance of Payments
3. To regulate magnitude of interest rates

Which of the above statement is/are correct?

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

53. With reference to the revenue deficit, consider the following statements:

1. It refers to an excess of revenue expenditure over revenue receipts during the given fiscal year
2. It indicates the inability of the government to meet its regular and recurring expenditure in the proposed budget

Which of the above statement is/are correct?

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

54. Which of the following are included in the capital account in the budget of the Government of India?

1. Expenditure on acquisition of fighter aircraft
2. Financial assistance received from the World Bank
3. Salaries of the government employees

Select the correct answer using the code given below:

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

55. Which of the following elements are contained in the Budget?

1. Estimates of revenue and capital receipt
2. Ways and Means to raise revenue
3. Estimates of expenditure
4. Details of the actual receipt and expenditure of the closing financial year

Select the correct answer using the code given below:

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

56. Which of the following statements is/are correct related to Fiscal Deficit?

1. High Fiscal Deficit crowds out the private investment in normal times
2. The Fiscal Deficit is financed through borrowing from the Central Bank

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

57. The budget deficit may lead to:

1. Rise in the National Debt
2. Fall in value of the currency
3. Increase in currency circulation

Which of the above statement is/are correct?

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

58. What steps have been taken by the Government to promote the fiscal consolidation in India?

1. Reduce borrowings from the market
2. The imposition of Goods and Service Tax (GST)
3. Purchase of foreign high-quality sovereign bonds
4. Interest cut on the Provident Fund (PF)

Select the correct answer using the code given below:

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

59. What are the components of Revenue Expenditure of the Central Government?

1. Interest paid to the states
2. Grants given to the states
3. Pension
4. Loan given to the states by the centre

Select the correct answer using the code given below:

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

60. Which of the following forms the part of the Public Account?

1. Receipts from recoveries of loans granted by the government

2. Provident Funds
3. Small Savings collections
4. Expenditure set apart for primary education
5. Reserve Funds

Select the correct answer using the code given below:

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

61. What are the possible consequences of increasing the tax rate in an economy?

1. It decreases the personal income of an individual.
2. It reduces the per-capita income and Gross Domestic Product (GDP).

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

62. Which among the following taxes has been replaced by Goods and Services Tax (GST)?

1. Central Excise Duty
2. Additional Duty of Customs
3. State VAT
4. Purchase Tax
5. Corporate Tax
6. Security Transactions Tax

Select the correct answer using the code given below:

- (a.) 1, 5 and 6 only
- (b.) 2, 3 and 4 only
- (c.) 1, 3 and 4 only
- (d.) 1, 2, 3 and 4 only

63. Which of the following is/are the part of First Generation Economic Reforms in India?

1. Promotion to Private Sector
2. Tax Reforms
3. Public Sector Reform
4. Legal Sector Reform

Select the correct answer using the code given below:

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

- (d.) 1, 2, 3 and 4

64. With reference to the Capital Gains Tax, consider the following statements:

1. It is a direct tax derived from the profit of the sale of a movable and non-movable capital asset.
2. It is applicable to only those assets which are not inherited.

Which of the above statements is/are correct?

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

65. An ad-valorem duty is a tax on the basis of :

- (a.) Advertisement expenditure
- (b.) Value of a transaction
- (c.) Unit of the commodity
- (d.) None of the above

66. Consider the following features of a tax haven nations:

1. Financial Secrecy
2. Low and Regressive Tax regime
3. Authoritarian political structure
4. Poor domestic industrial structure

Which of the above statements is/are correct?

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

67. Which of the following statement defines the term 'tax avoidance'?

- (a.) Legal minimisation of the impact of taxation
- (b.) Illegal attempt to escape the impact of taxes
- (c.) Investment to acquire something of value with the expectation that it defer taxes
- (d.) All of the above

68. Consider the following statements regarding the recommendations made by the Shome Committee that was appointed to look into the guidelines of General Anti Avoidance Rules (GAAR):

1. To protect the tax base from abusive tax planning schemes with a purpose to avoid tax
2. To correct technical/procedural defects that impair a substantive law

Which of the above statements is/are correct?

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

69. Planning spells out how the resources of a nation should be put to use. In the context of India, which of the following is/are true regarding Planning in India?

1. It was totally based on the ideology of Soviet Socialism.
2. It emphasized the active participation of both Public and Private sectors in the economy.

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

70. During the planning period in India, the Public Sector was given a leading role in industrial development. What was/were the objective(s) behind this?

1. Balanced regional growth.
2. To provide goods and services for the welfare of the society, without looking for profits.
3. To create more employment opportunities.

Select the Correct Answer: () using the code given below:

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

71. Which of the following goals were included in every Five Year Plan in India?

1. Growth
2. Privatization
3. Modernization
4. Equity
5. Self-Reliance

Select the Correct Answer: () using the code given below:

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

72. Consider the following statements regarding the Regular salaried employees:

1. They are paid wages on a regular basis.
2. They are found more in urban areas.
3. They are skilled and qualified.

Which of the above statements is/are correct?

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

73. There are many ways of measuring Poverty, one way is to determine it by the monetary value of minimum calorie intake. Consider the following statements regarding the problems identified with this approach:

1. It does not differentiate between the very poor and the other poor.
2. It does not take into consideration social factors that trigger poverty such as education and health.
3. In this mechanism, it is difficult to identify who among the poor need help the most.

Which of the above statements are correct?

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

74. Who among the following can be called as a self-employed worker?

1. Rickshaw puller who works under a rickshaw owner
2. Construction worker
3. Mechanic shop worker
4. Shoeshine boy

Select the Correct Answer: () using the code given below:

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

75. Consider the following statements regarding working women in India:

1. More number of working women are found in rural areas than in urban areas.
2. Women engaged in household activities come under the worker category.

Which of the above statements is/are correct?

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

76. Which five-year plan proposed to achieve the objectives of removal of poverty (Garibi Hatao) and attainment of self-reliance?

- (a.) Second Five Year Plan
- (b.) Third Five Year plan
- (c.) Second Five Year Plan
- (d.) Fifth Five Year Plan

77. With reference to the sectors of the economy, consider the following statements:

1. Primary Sector includes all those economic activities where there is the direct use of natural resources.
2. Secondary Sector includes all economic activities where different 'services' are produced.

Which of the above statements is/are correct?

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

78. With reference to the fisheries sector in India, consider the following statements:

1. India is the second-largest producer of fish in the world.
2. The draft Marine Fisheries Regulation and Management Bill, 2019 deals with only large fish vessels.

Which of the above statements is/are correct?

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

79. Which of the following measures were adopted during the Green Revolution?

1. Use of High Yielding seeds (HYV)

2. Increase in Irrigation Facilities

3. Use of Bio-Fertilizer

4. Expansion of Landholdings

5. Promotion of Organic Farming

Select the correct using the code given below:

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

80. Consider the following statements:

1. The primary sector is the largest employer in India.
2. Not enough jobs have been created in the secondary and tertiary sectors in India.

Which of the above statements is/are correct?

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

81. Consider the following statement about minimum support price (MSP) and procurement price (PP):

1. MSP is the price to protect the farmers while PP is to maintaining the buffer stock.
2. The government announced MSP after the sowing season of the crop while PP announced before the sowing season.

Which of the above statements is/are correct?

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

82. Which of the following characterize/s the informal sector credit in India?

1. High-interest rate
2. Debt trap
3. Easy credit access

Select the correct answer using the code given below:

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

83. Consider the following statements regarding the Unorganised Sector:

1. It is characterized by small and scattered units which are largely outside the control of the government.
2. There are no rules and regulations by the government to be followed.

Which of the above statements is/are correct?

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

84. Which of the following is/are the objectives of the disinvestment policy in India?

1. Releasing public resources locked up in non-strategic PSEs.
2. Reducing public debt.

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

85. Which trade theory holds that nations can increase their economic well-being by specializing in the production of goods they produce more efficiently than anyone else?

- (a.) The theory of comparative advantage.
- (b.) The factor endowment theory.
- (c.) The theory of absolute advantage.
- (d.) The international product life cycle theory.

86. Terms of trade in developing countries are generally unfavourable because:

1. They export primary goods
2. They import high value processed goods
3. They have poor bargaining power in international trade

Which of the statements is/are correct?

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

87. Consider the following statements regarding the trade barriers:

1. It refers to the tax imposed on the import of goods by a country to protect domestic goods.
2. Tariff barriers are imposed on the quantity and quality of goods, whereas non-tariff barriers are imposed on the value of goods.

Which of the above statements is/are correct?

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

88. Which of the following is not a reason to erect trade barriers?

1. Reduce reliance on foreign suppliers
2. Promote rapid economic growth
3. Protect local jobs
4. Encourage local production

Which of the above statements is/are correct?

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

89. Consider the following statements regarding Forex Reserve:

1. Forex Reserves comprise of foreign currency assets and Special Drawing Rights only.
2. The adequacy of Forex Reserves can be measured by Import Cover.

Which of the above statements is/are correct?

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

90. Which of the following pairs is/are correctly matched?

1. Floating Exchange Rate – Interventions by the Government
2. Managed Exchange Rate – Market Driven
3. Fixed Exchange Rate – Currency Peg

Select the correct answer using the code given below:

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

91. Arrange the following countries in the increasing order of their share in India's exports:

1. USA
2. China
3. Singapore
4. United Arab Emirates

Select the correct answer using the code given below:

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

92. Consider the following statements about the Floating Exchange Rate System:

1. In this system, the rate of exchange is determined by forces of demand and supply of foreign exchange market.
2. Generally, there is no official intervention in the foreign exchange market.

Which of the above statements is/are correct?

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

93. India is a member of which of the following multilateral agreements?

1. Regional Comprehensive Economic Partnership (RCEP)
2. Asia-Pacific Trade Agreement (APTA)
3. Asia Pacific Economic Cooperation (APEC)

Select the correct answer using the code given below:

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

94. Arrange the following in chronological order:

1. Creation of the European Monetary Union
2. Adoption of dollarization by Ecuador
3. Establishment of the World Bank
4. Smithsonian Agreement

Select the correct answer using the code given below:

- (a.) 3-4-1-2
- (b.) 4-3-1-2
- (c.) 3-4-2-1

(d.) 4-3-2-1

95. Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is a recently signed agreement. Which of the following countries are the members of the agreement?

1. China
2. South Korea
3. Malaysia
4. Indonesia
5. Vietnam
6. Peru

Select the correct answer using the code given below:

- (a.) 1, 5 and 6 only
- (b.) 3, 5 and 6 only
- (c.) 1, 3 and 5 only
- (d.) 1, 3, 5 and 6 only

96. With reference to the International Monetary Fund, consider the following statements:

1. It tracks global economic development and lends to countries that experience the Balance of Payment crisis.
2. Quotas in IMF are based on a country's international trade and other factors
3. The value of SDR (created by IMF) is based on the basket of currencies of all P5 (UNSC members).

Which of the above statements is/are incorrect?

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

97. Consider the following statements regarding Trade in services:

1. Trade-in services include both factor income and net non-factor income.
2. WTO's General Agreement on Trade in Services (GATS) is the only set of multilateral rules covering international trade in services.

Which of the above statements is/are correct?

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

98. Consider the following statements regarding the Balance of Trade as measured in Balance of Payment of India:

1. It records transactions of both goods and services.
2. It is a component of Capital Account of the Balance of Payment.

Which of the above statements is/are correct?

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

99. Which of the following best defines the concept of Balance of Payments?

- (a.) It records the transactions in goods, services, and assets between residents of a country with the rest of the world for a specified time period.
- (b.) It records the transactions in goods, services, and assets between citizens of a country with the rest of the world for a specified time period.
- (c.) It records exports and imports in goods and services and transfer payments.
- (d.) None of the above

100. Consider the following statements regarding the Current Account Deficit (CAD):

1. It is a difference between the import and export value of the goods and services of a country only
2. The current account includes net income including interest dividends and transfers, like foreign aid.

Which of the above statements is/are correct?

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