



All India Civil Services Coaching Centre

(Under the aegis of Government of Tamil Nadu)

TEST BOOKLET

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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- Consider the following statements regarding the Marginal Standing Facilities:
 - MSF can be used by a bank after it exhausts its eligible security holdings for borrowing, i.e., SLR.
 - Banks can get the credit on both MSF and Repo rates but MSF rate is always higher than the Policy Repo Rate.
 - Higher the MSF rates, lower is the liquidity in market.Which of the above statements is/are correct?
 - 1 and 3 only
 - 2 only
 - 2 and 3 only
 - 1, 2 and 3
 - Consider the following statements about the Call Money Rate:
 - It is the rate at which short term and long term funds are borrowed and lent in the money market.
 - A tight liquidity condition leads to a fall in call money rate.
 - It has maturity period of 1 day only.Which of the above statements is/are correct?
 - 1 only
 - 2 only
 - 1 and 3 only
 - 3 only
 - Consider the following statements:
 - Under cash reserve ratio (CRR), a commercial banks have to hold a certain minimum amount of deposits as reserves with itself.
 - Statutory Liquidity Ratio is the minimum percentage of deposits that a commercial bank has to maintain in the form of liquid cash, gold or other securities with itself.
 - Banks earn a fixed interest on the money that is set aside as CRR.
- Which of the statements given above is/are correct?
- 1 only
 - 1 and 2 only
 - 2 only
 - 1, 2 and 3
- RBI increases the monetary base but still money supply does not increase correspondingly, what could be the reason behind this?
 - Banks may be depositing the excess money with RBI rather than lending to the public.
 - People's tendency of depositing money in the banks are high.Select the correct answer using the code given below:
 - 1 only
 - 2 only
 - Both 1 and 2
 - Neither 1 nor 2
- Which of the following are the liabilities of Reserve Bank of India?
 - Market Stabilisation Scheme bonds
 - Treasury bills
 - Notes held with Banks
 - Reserve Tranche Position (Reserve Bank position with International Monetary

Fund)

5. Paid-up Capital and Reserve Fund

Select the correct answer using the code given below:

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

6. Which of the following can increase the liquidity in an economy?

- 1. Purchasing Government Securities through Open market operations
- 2. Decreasing Discount Rate
- 3. Increasing reverse repo rate and decreasing Repo Rate

Select the correct option using the code given below:

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

7. With reference to the concept of 'Helicopter money', consider the following statements:

- 1. It refers to non-repayable money transfer from the central bank to the government.
- 2. It aims at increasing the money supply by purchasing government or other financial securities to spark economic growth.

Which of the above statements is/are correct?

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

8. Consider the following statements regarding 'employment elasticity':

- 1. It is a measure of the percent change in employment associated with a unit percentage point change in economic growth.
- 2. Construction has higher employment elasticity than agriculture.

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

9. Regarding revenue receipts consider the following list:

- 1. Profits and dividends which the government gets from its public sector undertakings.
- 2. External grants.
- 3. Interests received by the government from a firm situated in India.
- 4. Interests received by the government from a firm situated in the USA.

Which of the list are included in the non-tax revenue receipt?

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

10. Which of the following statements regarding the multi-dimensional poverty index is incorrect?

- (a) Global multi-dimensional poverty index (G-MPI) analyses poverty on a person-by-person basis.
- (b) Under G-MPI, the percentage of deprivations experienced by an individual is used to determine the depth of their poverty.
- (c) If a person is deprived in a five or more of ten (weighted) indicators, the global MPI identifies them as 'MPI poor'.
- (d) National Multidimensional Poverty Index 2021 has been released by NITI Aayog.

11. Which of the following are the state collected taxes that have been subsumed under Goods and Services Tax (GST)?

- 1. Countervailing Duty
- 2. Central Sales Tax

3. Taxes on lottery, betting and gambling
4. Luxury tax
Select the correct answer using the code given below:

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

12. Which of the following are the examples of Revenue Expenditure of Government?

- 1. Salaries and pension of employees
- 2. Grants given to state governments even if some of them may be used for the creation of capital assets
- 3. Interest payment on loans taken by the government
- 4. Repayment of loans

Select the correct answer using the code given below:

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

13. Which among the following is/are effect(s), when the fiscal deficit ratio is too high?

- 1. A lesser amount of money left in the market for private entrepreneurs to borrow
- 2. Higher borrowing by the government
- 3. Low interest rates in the economy

Select the correct answer using the codes given below:

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

14. Which of the following can be accounted as Capital Receipts in the Annual Financial Statement?

- 1. Collection and appropriation of direct tax
- 2. Borrowings by the government through the sale of Treasury Bills

3. Loans received from foreign bodies
4. Taxes and profits from state enterprises
Select the correct answer using the code given below:

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

15. The term "Fiscal Consolidation" is frequently seen in the news. Which of the following measures are envisaged by the government to achieve fiscal consolidation in India?

- 1. Increasing efficiency of tax administration
- 2. Enhancing Tax: GDP ratio
- 3. Extension of the Direct Benefit Transfer scheme

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

16. With reference to the term 'Fiscal Drag', which one of the following statements is correct?

- 1. It is a damper on the economy caused by excessive spending by the Government.
- 2. Fiscal drag implies a lowering average tax rate over time for constant real income.
- 3. It can be seen as an automatic fiscal stabilizer as it controls a rapidly expanding economy from overheating.

Select the correct answer using the code given below:

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

17. The government recently imposed a windfall tax on the export of diesel, petrol and air turbine fuel. With reference to the windfall tax in India, consider the following statements:

1. When a company benefits from something that they are not responsible for, the financial gain that ensues is called windfall profits.
2. It is very likely that the windfall tax will increase the price of fuel in India.
3. It is typically a one-time tax over and above the normal rates of tax.

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

18. With respect to Balance of Trade, which of the following statement is/are correct?

1. Balance of trade is the difference between the value of a country's imports and exports for a given period.
2. The Balance of Payment (BOP) combines only public investments to find out the money inflow and outflow in an economy over a specific period.
3. Positive Balance of Payment (BOP) indicates deficit.

Select the correct answer using the code given below:

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

19. Consider the following statements regarding the Countervailing Duty:

1. Countervailing Duty is a specific kind of duty imposed by the government on imported products.
2. It is imposed to make subsidies given by the exporter country ineffective in the importing country.
3. The duty increases the price of the product and brings it at par with the market prices prevailing in the domestic market.

Which of the above statements is/are correct?

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

20. Which of the following statements regarding the capital and current account convertibility in India is/are correct?

1. A fully convertible currency would mean a reduced burden of foreign debt.
2. India has allowed full current account convertibility since 1993.
3. To bring full capital account convertibility in India, internationalization of Rupee is a prerequisite.

Select the correct answer using the code given below:

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

21. Which of the following defines the concept of Balance of Payments most appropriately?

- (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) It records the net export levels of goods and services and transfer payments.

22. Which of the following statement correctly defines the term 'Soft Currency'?

- (a) A legal tender which is digitally traded across the financial system of a country.
- (b) A Centrally backed digital crypto asset.
- (c) A legal tender which is hyper sensitive and fluctuates frequently.

(d) Fiduciary money backed up by trust between the payer and payee.

23. Consider the following statements regarding Predatory Dumping:

1. Predatory dumping refers to foreign companies non-competitively pricing their products at a loss.
2. Predatory dumping is illegal under World Trade Organization (WTO) rules.
3. Anti-dumping measures are considered protectionism, as predatory dumping is not a fair trade practice.

Which of the above statements is/are incorrect?

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

24. Consider the following statements:

1. Sale of government stake to the tune of 49% is called minority stake sale.
2. De-nationalization is the sale transfer of entire state ownership to the private sector.
3. Strategic Disinvestment always involves transfer of managerial control.

Which of the above statements is/are correct?

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

25. Which of the following statements is/are correct regarding the Pradhan Mantri Fasal Bima Yojana?

1. It aims to provide financial support to farmers suffering crop loss or damage arising out of all non-preventable natural calamities.
2. It is mandatory for the farmers to take insurance coverage under the scheme.
3. Banks have to ensure that eligible loanee farmers are not deprived of any benefit

under the Scheme due to error otherwise, the concerned agencies shall have to make good of all such losses.

Select the correct answer using the code given below:

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

26. While calculating the MSP of a crop, which of the following determinants are analysed by the Commission for Agricultural Costs & Prices?

1. demand and supply
2. cost of production
3. inter-crop price parity
4. a minimum of 100 percent as the margin over cost of production
5. likely implications of MSP on consumers of that product
6. price trends in the market, both domestic and international

Select the correct answer using the code given below:

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

27. Consider the following statements regarding the recently announced Animal Husbandry Infrastructure Development Fund (AHIDF):

1. Micro, Small and Medium Enterprises will also be eligible under this Central Sector Scheme.
2. Government entities and cooperatives are not eligible under AHIDF.
3. The lending rate of interest is to be fixed by scheduled banks and it should not exceed External Bench Mark Based Lending Rate.

Which of the above statements is/are correct?

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

- (d) 3 only
28. Which of the following statement regarding AgriStack is incorrect?
- It is a collection of digital databases based on land records including a unique farmer identity number for each farmer.
 - It will act as a payment gateway for expanding scope of DBT subsidies.
 - It will act as the underlying platform over which apps like Kisan Suvudha and others will run.
 - It aims to shift India's agriculture towards precision farming
29. Consider the following description:
It is the second largest employment generator in the country. It has close linkages with agriculture and the ancient culture and traditions of the country. It contributes roughly 2% to the GDP of India. Recently for its promotion, PM MITRA scheme has been launched.
Which of the following Industry has been described in the above paragraph?
- Textile Industry
 - Construction Industry
 - Tourism and Hospitality Industry
 - Gems and Jewelry Industry
30. In the context of Domestic Systemically Important Insurers (D-SIIs), consider the following statements:
- D-SIIs are subjected to additional regulatory measures to deal with the systemic risks.
 - D-SIIs are identified by the Financial Stability and Development Council (FSDC) of the Union Government.
 - Life Insurance Corporation of India (LIC) is the only Domestic Systemically Important Insurer in India.
- Which of the statements given above is/are correct?
- 1 only
 - 1 and 3 only
 - 2 and 3 only
 - 1, 2 and 3
31. Consider the following statements about the Major Port Authorities Act, 2021:
- The Act provides for the creation of a Board of Major Port Authority for each major port.
 - It empowers the Board of Major Port Authority to fix reference tariffs for various port services.
 - It provides for establishment of the Society for Affordable Redressal of Dispute-Ports (SAROD-Ports).
- Which of the statements given above is/are correct?
- 1 and 2 only
 - 1 and 3 only
 - 2 only
 - 1, 2 and 3
32. Which among the following are the possible benefits from using hydrogen as automobile fuel in India?
- Near-zero greenhouse gas emissions.
 - High fuel and energy efficiency.
 - Reduced demand for oil imports.
- Select the correct answer using the code given below:
- 1 only
 - 1 and 3 only
 - 2 and 3 only
 - 1, 2 and 3
33. Which of the following is/ are the reasons for decline in railways' share in transportation of surface freight since independence?
- Non-Competitive Tariffs
 - Small fleet size
 - Slow speeds
 - Poor last mile connectivity
- Select the correct answer using the code given below:
- 1, 2 and 3 only

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

34. With reference to the differences between hybrid annuity model (HAM) and Build-operate-transfer (BOT) Public-private partnership (PPP) models, consider the following statements:

1. While in BOT the government entirely finances the project, in HAM, the concessionaire bears the entire cost.
2. Unlike in BOT, the concessionaire has no right to collect revenue from the project in HAM.
3. In both HAM and BOT, the concessionaire designs and builds the project.

Which of the statements given above is/ are correct?

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

35. Which of the following correctly describes the impediments faced by the Steel Industry in India?

1. Saturation of the consumer demand in all steel categories
2. Large amount of NPAs and stressed assets in the industry
3. Large scrap imports
4. High power costs

Choose the correct answer using the options given below:

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

36. With reference to the Semiconductors manufacturing in India, which of the following statements is/are correct?

1. India currently imports most of its semiconductor chips requirements.
2. Chip design and manufacturing is a highly capital-intensive business.
3. Product Linked Incentive scheme provides fiscal support of up to 50% of project cost for firms looking to set up semiconductor fabrication facilities in India.
4. Government has recently set up India Semiconductor Mission as specialized and independent division of National Informatics Centre.

Choose the correct answer using the codes given below:

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

37. Farmers are using direct seeding of rice (DSR) technique to grow paddy instead of traditional 'transplanting' practice. In this context, which of the following is/are the benefits of 'Direct Seeded Method'?

1. Reduced methane emission
2. Higher yields of the rice crop
3. Solution to the issue of stubble burning
4. Lower susceptibility to Pests and insects
5. Early crop maturity

Select the correct answer using the codes given below:

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

38. With regard to challenges faced by coal sector in India, which of the following statements is/are correct?

1. Indian coal has high ash content and low sulphur content.
2. Captive producers account for less than 10 per cent of Indian coal production.

3. Separate license is mandatory for prospecting and mining of coal blocks respectively.

Select the correct answer using the code given below:

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

39. Consider the following statements regarding One Person Company (OPC):

- 1. An OPC is exempted from conducting an annual general meeting, board meetings and quorums.
- 2. An OPC cannot be converted either to a private company or a public company.
- 3. A person can be a member in more than one OPCs.

Which of the statements given above is/are correct?

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

40. Which of the following statements is incorrect regarding National Urban Digital Mission (NUDM)?

- (a) It has been launched by the Ministry of Housing and Urban Affairs in partnership with the Ministry of Electronics and Information Technology (MEITY).
- (b) The States/ UTs which are already using e-Governance models are not covered under NUDM.
- (c) The Centre for Digital Governance (CDG) at the National Institute of Urban Affairs is the anchor institute for the NUDM.
- (d) It aims to cover all cities and towns in India by 2024.

41. Which of the following are presently the components of a Hallmark?

- 1. Bureau of Indian Standards (BIS) logo

- 2. Purity grade of the metal.
- 3. Logo of the assaying center.
- 4. Logo/code of the jeweller.
- 5. Year of Marking

Select the correct answer using the code given below:

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

42. Consider the following statements with reference to the Fixed Exchange Rate regime:

- 1. In a fixed exchange rate system, government intervenes to take care of the Balance of Payments (BoP) deficit gap by using its official reserves.
- 2. As the fixed exchange rate system gives more flexibility, governments do not need to maintain large stocks of foreign exchange reserves.
- 3. In a fixed exchange rate system, increasing the exchange rate by the government is called Revaluation.

Which of the statements given above is/are correct?

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

43. Which of the following steps can help manage inflation in India?

- 1. Expansionary monetary policy
- 2. Increase in reserve requirements
- 3. Supply management through imports
- 4. Wage controls

Select the correct answer using the codes given below:

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

44. Consider the following statements with reference to the Budget proposal regarding tax on Virtual Digital Assets:

1. A virtual digital asset is proposed to mean any information or code or token generated through cryptographic means or otherwise.
2. Any income from the transfer of any virtual digital asset will be taxed at the rate of 30 per cent.
3. Virtual Digital Assets does not include Non-fungible tokens which are cryptographic assets on a block chain with unique identification codes.

Which of the statements given above is/are correct?

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

45. Which of the following statement correctly describes the term 'Triangular Arbitrage'?

- (a) It is the trade between three ports or regions.
- (b) An arbitration process consisting of three parties who make a binding decision on the dispute.
- (c) It is a trading opportunity resulting from a pricing discrepancy among three different currencies.
- (d) It is an economic process based on the 3R principle of reducing, reusing and recycling resources.

46. Consider the following statements regarding 'Digital Gold':

1. It consists of digital certificates issued against holdings of the physical metal that can be redeemed in cash only.
2. The buying and selling of Digital Gold in India are regulated jointly by Reserve Bank of India and SEBI.

3. Returns on investment made in digital gold are exempted from short term and long term capital gain tax.

Which of the statements given above is/are correct?

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

47. Which of the following is the main objective of the Debt Service Suspension Initiative?

- (a) It is an initiative of the Reserve Bank of India to suspend the debt of Sri Lanka.
- (b) It is an initiative of the Small Industries Development Bank of India to provide temporary relief to the small businesses.
- (c) It is a new initiative of the Bank of International Settlement to ensure BASEL III norms.
- (d) It involves suspension of debt service payments to creditors in response to the pandemic crisis.

48. With reference to the World Bank, consider the following statements:

1. The Boards of Governors is the World Bank's senior decision-making body and all powers of the Bank are vested in it.
2. Some of the reserves of the World Bank come from funds raised in the financial markets.
3. The World Bank lends both to the member countries and to the private sector.
4. China is the largest shareholder of the World Bank.

Which of the statements given above is/are correct?

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

49. With reference to the National Rail Plan 2030, consider the following statements:

1. It aims to increase modal share of railways in freights to 45% by 2030.
2. The vision is to achieve 100% electrification of railways by 2024.
3. It proposes elimination of Level Crossings on all rail routes throughout India by 2030.

Which of the statements given above is/are correct?

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

50. Consider the following statements with respect to the comparison between Wholesale Price Index (WPI) and Consumer Price Index (CPI):

1. While WPI takes into account the change in price of goods only, the CPI takes into account the change in price of both goods and services.
2. In WPI, more weightage is given to food items than in CPI.
3. While weights of items in the WPI are based on production values, weights of items in CPI are based on average household expenditure.
4. Unlike CPI, RBI uses WPI for setting repo rates and monetary policy.

Which of the statements given above is/are correct?

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

51. Which of the following is correct with reference to deflation in an economy?

1. A slow rate of inflation is named as deflation in the economy.
2. Deflation increases the value of money and its purchasing power.
3. Reduction in money supply may lead to deflation in the economy.

Select the correct answer using the code given below:

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

52. With reference to trends in inflation in India, consider the following statements:

1. The headline inflation has remained within the targeted limit of 4 to 6 percent in the last five years.
2. Food inflation has consistently been rising in the last five years.
3. Inflation in India has remained high in comparison to USA throughout 2021.

Which of the statements given above is/are correct?

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

53. Which of the following forms part of the non-tax revenue receipts of the government budget?

1. Interest Receipts
2. Dividend and returns from the investment made by the Government
3. Grants in aid from foreign governments

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

54. With reference to the term Discretionary fiscal stimulus, recently seen in the news, consider the following statements:

1. It refers to an increase in the fiscal deficit caused by slowing growth.
2. It acts as an automatic stabilizer.

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

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

55. Which of the following are the likely effects of contractionary fiscal policies in developing countries like India?

- 1. Increase in inflation rate
- 2. Decrease in the employment rate
- 3. Decrease in Fiscal Deficit
- 4. Slowdown in economic activities

Select the correct answer using the code given below:

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

56. Which of the following statements is/are correct regarding the Standing Deposit Facility Scheme (SDFS)?

- 1. It enables the RBI to manage excess liquidity in the economy.
- 2. It is available only against the issuance of collateral by RBI to the Banks.
- 3. SDF will enable banks to park excess liquidity with the Reserve Bank at their discretion.

Select the answer using the code given below:

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

57. Consider the following pairs regarding Capital and Revenue Budget:

- 1. Borrowing from the RBI : Capital receipt
- 2. Surplus transfer from RBI : Revenue receipt
- 3. Liabilities of the Government: Capital expenditure
- 4. Interest payment on loans: Revenue expenditure

Which of the pairs are correctly matched?

58. The Public Debt of India is comprised of

- 1. External Debt
- 2. Marketable Securities
- 3. Provident fund
- 4. National Small Savings Fund

Select the correct option using the codes given below:

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

59. Which of the following items are included in the 'non-Debt Capital Receipts' of an economy?

- 1. Recovery of loans and advances
- 2. Issue of bonus shares
- 3. Treasury bills
- 4. State provident funds
- 5. Disinvestment

Select the correct answer using the code given below:

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

60. With reference to Green Budgeting, consider the following statements:

- 1. It means using the tools of budgetary policy-making to help achieve environmental goals.
- 2. It requires environmental impact assessments to accompany new budget measures.
- 3. The Paris Collaborative, a multi disciplinary platform for research and analysis on Green Budgeting is convened by G20.

Which of the above statements is/are correct?

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

61. Consider the following statements:

1. The proceeds from disinvestment are part of government's capital receipt.
2. Minority Stake Sale happens when the Government intends to sell a part of the PSU from its overall shareholding, given that post stake sale the GOI ownership is still above 26%.
3. Asset Monetization involves creation of new sources of revenue by unlocking of value of unutilized or underutilized public assets.
4. Complete privatization is a form of majority disinvestment in which the Government does not retain any voting powers.

Which of the above statements is/are correct?

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

62. Consider the following statements regarding Primary market:

1. The primary markets are used by companies for the purpose of setting up new ventures or for expanding existing business.
2. Other than shares and debentures, a company can raise capital through the primary market in the form of loans and deposits.
3. Only large banks and financial institutions but, not individuals, are allowed to invest in the primary market.

Which of the above statements is/are correct?

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

63. Consider the following statements regarding Capital Adequacy Ratio (CAR):

1. It is the ratio of a bank's total capital to its total risk weighted assets and current liabilities.
2. Tier I capital consists mainly of share capital and disclosed reserves and it is a bank's highest quality capital because it is fully available to cover losses.
3. The requirement of CAR in India is aligned to the Basel III norms.

Which of the above statements is/are correct?

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

64. Consider the following statements:

1. Asset reconstruction companies (ARCs) are specialized financial institution that buys the Non-Performing Assets (NPAs) from banks and financial institutions.
2. Recovery of Debt Due to Banks and Financial Institutions Act, 1993 (DRT Act) provides the legal basis for the setting up of ARCs in India.
3. National Asset Reconstruction Company Ltd (NARCL) is being created in collaboration with both public and private sector banks for taking over stressed assets of lenders.

Which of the above statements is/are correct?

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

65. Consider the following statements about Money Market instruments in India:

1. Big Corporations with considerable financial strength and ratings can issue the Commercial Papers.
2. The maturity period of Certificates of Deposits cannot be more than a year.

3. Repurchase Agreements are a formal agreement between two parties, where one party sells a security to another, with the promise of buying it back at a later date from the buyer.

Which of the above statements is/are correct?

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

66. Consider the following statements:

1. Narsimhan committee report recommended setting up of Asset Reconstruction fund to take over a portion of the loan portfolio of banks whose recovery has become difficult .
2. Narsimhan committee report recommended 'Narrow Banking Concept' where weak banks will be allowed to place their funds only in the short term and risk-free assets.
3. PJ Nayak committee recommended that each Indian resident, above the age of 18 years would have an individual, safe and secure electronic bank account.

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

67. Consider the following statements regarding Negative yield bonds:

1. They are debt instruments by which investors pay interest to the borrower to keep their money with them.
2. Negative-yield bonds attract investments during times of stress and uncertainty as investors look to protect their capital from significant erosion.
3. For the bond yields to go negative, the interest rate must be set below zero.

Which of the above statements is/are correct?

- (a) 1 only

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

68. Consider the following statements regarding Forex Reserve:

1. Forex Reserves comprise of foreign currency assets and Special Drawing Rights only.
2. Recently India became the fourth largest forex reserves holder in the world.
3. An economy's Reserve Tranche in the IMF is not a part of its forex reserve.

Which of the above statements is/are correct?

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

69. Which of the following statements is/are correct?

1. A currency issued by a government of a nation that shows less fluctuation in its exchange rate is also called as hard currency.
2. The currency of an import surplus country is more likely to become hot currency, as a result of its inflow in the market due to large imports made by the country.
3. Indian Rupee can be referred to as one of the soft-currency.

Select the correct answer using the following code:

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

70. Which of the following statements regarding state of India's Labour Force participation are correct?

1. Unemployment rate is lower in rural areas as compared to urban areas.
2. Labour Force Participation Rate is higher in rural areas as compared to urban areas.

3. Worker Population Ratio is defined as the percentage of persons working or seeking or available for work in the population.

Select the correct answer using the codes given below:

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

71. With reference to National E-mobility Mission, consider the following statements:

- 1. Under the mission, the Government has targeted the sale of 6-7 million electric and hybrid vehicles every year from 2020.
- 2. An apex body, National Council for Electric Mobility has been set up under the Chairmanship of Prime Minister of 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

72. Which of the following measures were undertaken under the Atmanirbhar Bharat Abhiyan to promote industrial output?

- 1. Collateral-free automatic loans for businesses, including MSMEs.
- 2. Opening up of all sectors, except strategic sectors to private players.
- 3. Production linked Incentive scheme for 10 champion sectors.
- 4. Liquidity injection for DISCOMs

Select the correct answer using the codes given below:

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

73. Which of the following are the issues with the Intellectual Property Rights (IPR) regime in India?

- 1. Lack of a dedicated IPR policy for development of IPRs in the country.
- 2. Patents Act, 1970 not allowing ever greening of patents in India.
- 3. Compulsory licensing which compels company owners holding patents to mass produce some drugs.
- 4. India continues to remain on USTR's 'Priority Watch List'.

Select the correct answer using the codes 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

74. Which of the following statements is incorrect?

- (a) The IT industry in India is the largest employer within the private sector.
- (b) The United States accounts for two-third of India's IT services exports.
- (c) Indian software product industry is expected to reach \$100 bn by 2025.
- (d) The first manufacturing plant of integrated chips under the Atmanirbhar Bharat initiative is being set up in Bengaluru.

75. Which of the following statements regarding the Green Revolution is/are correct?

- 1. It was implemented to make India a self-sufficient country by increasing the production of food-grains and to ensure food security in India.
- 2. Use of Bio-Fertilizers and the promotion of organic farming were also adopted during Green Revolution.
- 3. The government provided loans at a low-Interest rate and subsidised fertilizers to small farmers.

Select the correct answer using the codes given below:

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

76. Consider the following statements regarding fertilizer subsidy in India :

1. The purchase is made by the farmer at a price below MRP.
2. Fertiliser subsidy ultimately goes to the fertiliser company, even though it is the farmer that benefits.
3. The companies are paid in bulk without the actual sale to the farmer so as to encourage production.

Which of the statements given above is/are correct?

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

77. Consider the following statements regarding Minimum Support Price and Fair and Remunerative Price?

1. Both are announced on the basis of recommendations of the Commission for Agricultural Costs and Prices.
2. FRP is announced after the State Advised Prices (SAP) are announced by the key sugarcane producing states, hence, FRP is higher than the SAPs.
3. Unlike MSP, FRP is governed by the statutory provisions.

Which of the above statements is/are correct?

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

78. Regarding Agri-Clinics and Agri-Business Centers, consider the following statements:

1. NABARD acts as subsidy channelizing agency for these centres.
2. Agri-Business Centres scheme covers full financial support for training and handholding, provision of loan and credit-linked back-end composite subsidy

3. Agri-Clinics are envisaged to provide expert advice and services to farmers on various aspects to enhance productivity of both crops as well as animals.

Which of the above statements is/are incorrect?

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

79. Which of the following statements regarding the Soil Health Card (SHC) scheme is/are correct?

1. It is implemented through the Department of Agriculture of all the State and Union Territory Governments.
2. Apart from containing the status of soil with respect to Macro, Micro and Secondary nutrients, the Soil Health Card also indicates fertilizer recommendations and soil amendment required for the farm.

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

80. Which of the following statements regarding National Monetization Pipeline (NMP) are correct?

1. It aims to unlock value in brownfield projects by engaging the private sector.
2. It will transfer the ownership of projects to private sector and use the funds so generated for infrastructure creation across the country.
3. Roads, railways and power sector assets will comprise over 50% of the total estimated value of the assets to be monetized.

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

81. Which of the following statements regarding land reform projects in India are correct?

1. Unique Land Parcel Identification Number (ULPIN) is a government of India project which generates a 14-digits alphanumeric unique ID for each and every land parcel in India.
2. Bhudhaar is an e-governance project of Andhra Pradesh that intends to allocate a 11 digit unique number to every land parcel in the state as part of land hub in E-Pragati programme.
3. Bhoomi is a state flagship project of the Maharashtra which intends to digitize all land records in the state to prevent corruption and manipulation of data.

Select the correct answer using the code given below:

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

82. Consider the following statements regarding food processing sector in India.

1. Pradhan Mantri Kisan SAMPADA Yojana aims to create efficient supply chain management in food processing sector from farm gate to retail outlet.
2. The share of food processing sector in India's total Gross Value added (GVA) is more than 5%.

Which of the above statements is/are correct?

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

83. What do you understand by the term "paradox of thrift"?

- (a) It indicates personal savings can be detrimental to overall economic growth during recession.
- (b) It indicates goods that are not essential to life can command a much higher price than goods that are essential to life.
- (c) It indicates that societies with abundant natural resources have worse economic outcomes than those that lack natural resources.
- (d) It refers to the possibility that standard competitive demand, with nominal wealth held constant, can be upward sloping, violating the law of demand.

84. Consider the following statements:

1. Fiat money is government-issued currency that is not backed by a physical commodity, such as gold or silver.
2. Demand deposits of banks is an example of fiduciary money.

Which of the above statements is/are correct?

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

85. The national income of a country for a given period is equal to the

- (a) total value of goods and services produced by the nationals
- (b) sum of total consumption and investment expenditure
- (c) sum of personal income of all individuals
- (d) money value of final goods and services produced

86. Which among the following steps is most likely to be taken at the time of an economic recession?

- (a) Cut in tax rates accompanied by increase in interest rate
- (b) Increase in expenditure on public project
- (c) Increase in tax rates accompanied by reduction of interest rate

(d) Reduction of expenditure on public projects

87. In which of the following situations, the GDP of a country will be nearly equal to its GNP?

1. When there is no net depreciation in the value of capital assets
2. When the net factor income from abroad is positive
3. When the factor cost become equal to market price after adjustments
4. When there is no net factor income from abroad

Select the correct answer using the code given below.

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

88. In the context of economy, which of the following statement(s) is/are correct?

1. In case of substitute goods, an increase in the price of the product leads to an increase in the quantity demanded of its substitutes.
2. Cross elasticity between two items will be infinite when they are perfect substitutes.
3. There is a direct relationship between the price of a particular commodity and demand for its complementary item.
4. The goods are said to be strong complements when the cross elasticity between them is only slightly below zero.

Select the correct answer using the codes given below:

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

89. The money multiplier in an economy increases with which one of the following?

- (a) Increase in the Cash Reserve Ratio in the banks

(b) Increase in the Statutory Liquidity Ratio in the banks

(c) Increase in the banking habit of the people

(d) Increase in the population of the country

90. With reference to Priority sector lending (PSL), consider the following statements:

1. Loans under PSL can be given to Renewable Energy projects.
2. Provisions of PSL lending are not applicable to Small Finance Bank (SFB).
3. Regional Rural Banks needs to provide 75% of ANBC as PSL

Which of the statements given above is/are correct?

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

91. Consider the following statements:

Other things remaining unchanged market demand for a good might increase if:

1. Price of its substitute increases
2. Price of its complement increases
3. The good is an inferior good and income of the consumers increases
4. Its price falls

Which of the above statements are correct?

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

92. In the context of international trade, which of the following items are categorized as Non-tariff barriers?

1. Local content requirement
2. Custom Duty
3. Import Quotas
4. Sanitary and phytosanitary regulations
5. Ad Valorem duty

Select the correct answer using the code given below:

- (a) 1, 3 and 4 only

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

93. Which one of the following is the reason for the phenomenon of jobless growth witnessed in India?

- 1. Jump from primary to tertiary sector in sectoral reallocation of economic activity.
- 2. Growth in capital intensive sectors rather than labour intensive sectors.
- 3. Lack of focus on higher education.
- 4. Medium-type industries which produce high output are missing

Select the correct answer using the code given below:

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

94. If another global financial crisis happens in the near future, which of the following action / policies are most likely to give some immunity to India?

- 1. Not depending on short-term foreign borrowings
- 2. Opening up to more foreign banks
- 3. Maintaining full capital account convertibility

Select the correct answer using the code given below:

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

95. Which of the following measures are taken by the government to increase human capital?

- 1. Providing internship opportunities to fresh graduates.
- 2. Ensuring Universal Access at all levels of school education
- 3. Increasing expenditure on Health care system

- 4. Improve physical infrastructural facilities in towns cities.
- 5. Enhancing human relations between people and institutions.

Select the correct answer using the code given below.

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

96. Which of the following factors influence the demand side of a commodity in the market?

- 1. Income of consumers
- 2. Prices of factors of production
- 3. Changes in Prices of substitute goods
- 4. Number of consumers in the market
- 5. Taste and Preferences of the consumers
- 6. State of Technology

Select the correct answer using the code given below:

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

97. Which among the following is the correct description of the passive funds that were recently in news?

- (a) It is a type of mutual fund that leverages the price differential in the cash and derivatives market to generate returns.
- (b) It is a pooled investment vehicle that invests primarily in bonds and other debt instruments.
- (c) It is a fund that accumulates capital to be paid out as a pension for employees when they retire.
- (d) It is an investment vehicle that tracks a market index to determine what to invest in.

98. Consider the following statements with reference to the Non-resident external deposits:

1. Non-Resident External Rupee Account deposits are held in both Indian rupee and foreign currencies.
2. Non-Resident Ordinary Rupee Account is the account held by Indians ordinarily living abroad.
3. Only term deposits of one to three years maturity is allowed under Foreign Currency Non-Resident deposits.

Which of the statements given above is/are correct?

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

99. With reference to the liquidity trap, consider the following statements:

1. It is a situation where fiscal policy fails to have any impact on economic growth.
2. Increase in the supply of money has no effect on bond purchase in such situations.
3. It is a situation where the savings rate is high.
4. Increased interest rates and government spending can help the economy from coming out of the liquidity trap.

Which of the statements given above is/are correct?

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

100. Which of the following are the correct reasons behind the high food inflation in the recent past in India?

1. Rise in price of crude oil
2. Rising per capita income
3. Conflict between Russia and Ukraine

4. Greater diversion of food crops for biofuel production
5. Increasing cost of agricultural labour
6. Climate change

Select the correct answer from the code given below:

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