Indian Economy Model Test Questions 1 in English With Answer

1. Income Tax and property tax are called
   a. Direct Taxes
   b. Indirect Taxes
   c. Utility Taxes
   d. Wealth Taxes

2. The major source of revenue to the government is
   a. Tax revenue
   b. Revenue from public enterprises
   c. Administrative revenue
   d. Foreign aid

3. In a free economy inequalities of income are mainly due to
   a. free competition
   b. private property only
   c. private property and inheritance
   d. difference in the marginal productivity of labour

4. Land Ceiling Legislation was introduced by the State Government during the __________ plan
   a. II nd
   b. III rd
   c. IV th
   d. V th

5. To which categories of rural population the IRDP directed?
   a. Landless labourers
   b. Small and marginal farmers
   c. Rural artisans
   d. All of these

6. What are the causes of urbanization in India?
   a. Pressure of population in agriculture
   b. Absence of non-agricultural job in rural areas
   c. Lure of Town life
   d. All of these

7. Public dept refers to
   a. government’s dept
   b. private individual’s dept
   c. a firm’s debt
   d. debt of a foreign country

8. Inflation is caused by
   a. increase in money supply
   b. increase in production
   c. decrease in production
   d. both (A) and (C)

9. Which of the following is the most important document of the company?
   a. Memorandum of Association
   b. Articles of Association
   c. Prospectus
   d. Annual Report

10. In the case of fire insurance
    a. a fixed sum is paid at the end of the period of insurance
    b. no money is paid unless the risk happens
    c. money is paid when the event happens and the policy expires
    d. Money is paid after one month from the date of the policy

11. Audit of Joint stock companies is conducted in order to
    a. increase the profits
    b. increase the goodwill
    c. meet the statutory requirement
    d. satisfy the shareholders

12. The number of subordinates who can be successfully directed by a superior is called
a. organising  
b. span of management  
c. delegating  
d. none of these

13. The Industrial Finance Corporation of India provides assistance only to
a. large industries  
b. medium industries  
c. small scale industries  
d. government companies

14. Job evaluation is
a. ranking the workers  
b. placement of workers  
c. determining and comparing the demand of the job  
d. none of these

15. If files arranged side by side, it is called
a. horizontal filing  
b. vertical filing  
c. lateral filing  
d. suspension filing

16. Vouching relates to
a. cash receipts  
b. cash payments  
c. credit transactions  
d. all of these

17. Under instalment trading ownership passes to the buyer
a. as soon as the first instalment is paid  
b. when the last instalment is paid  
c. 30 days after the last instalment is paid  
d. depending on the agreement

18. The maximum number of partners allowed in a banking business is
a. 10  
b. 20  
c. 30  
d. 50

19. Debenture holders of a company are its
a. Members  
b. Creditors  
c. Debtors  
d. Directors

20. Which one of the following is correctly matched?
a. Delivery Order - Name of the Shipper and the Place  
b. Railway Receipt - Charter Party  
c. Way Bill - Lorry  
d. Bill of Landing - Air consignment note

21. Consider the following statements:
I. Co-operative organisations are non-profit making body  
II. Co-operative societies are functioning with the direction of their departaments  
III. The Principles of co-operation may be contrary to the Co-operative Act some times.  
IV. Co-operative Movement is the old one of the statements:
a. I alone is correct  
b. I and II are correct  
c. I,II and III are correct  
d. All are correct

22. The minimum number of members in a Co-operative society in TamilNadu is
a. Ten  
b. Fifteen  
c. twenty  
d. Twenty-five

23. A Bill of Exchange contains
a. an unconditional order  
b. a promise  
c. request to deliver goods  
d. none of these

24. The Reserve Bank of India was started in the year
25. Consider the following statements:
   I. Profit is the reward for uncertainty bearing
   II. Profit is the reward for risk bearing
   III. Profit is the reward for capital
   IV. Profit is the reward for labour

   Of the statements:
   a. I alone is correct
   b. I and II are correct
   c. I, II and III are correct
   d. All are correct

26. NABARD is a
   a. Bank
   b. Bureau
   c. Board
   d. Department

27. Match list I with list II correctly and select your answer using the codes given below:

   List I          List II
   a. Adam Smith  1. Scarcity
   b. Marshall    2. Growth
   c. Robbins     3. Welfare
   d. Samuelson   4. Wealth

   Codes:
   a. b c d
   a. 4 3 1 2
   b. 3 4 2 1
   c. 2 1 3 4
   d. 1 2 3 4

28. Barter System means
   a. Direct exchange of goods for goods
   b. Direct exchange of gold
   c. Indirect exchange of goods
   d. Indirect exchange of gold

29. Which one of the following is correctly matched?
   a. First Plan - 1952 - 1957

30. TRYSEM deals with the training of
   a. Young scientists for employment
   b. Rural youth for self employment
   c. Young students for employment
   d. Young Women for employment

31. A certain percentage of the sum assured is paid periodically according to the terms of the policy
   a. Endowment life policy
   b. Term policy
   c. Money back policy
   d. Group insurance policy

32. Which of the following is correctly matched?
   a. Debenture - Interest
b. Share - Sole trader
c. Deposit receipt - Dividend
d. Demand Promissory Note - Share Warrant

33. Internal trade means
   a. Export
   b. Import
   c. **Trade within the country**
   d. None of these

34. In Monopoly Pricing there will be
   a. less competition
   b. perfect competition
   c. more competition
   d. **no competition**

35. What is the life blood of commerce?
   a. Export, Import
   b. **Trade**
   c. Agriculture
   d. Industry

36. Sugar Industry can be classified under
   a. Tiny Industry
   b. Medium Industry
   c. **Agro-based Industry**
   d. None of these

37. One of the basic characteristics of an under-developed economy is
   a. **70% to 90% of the population is engaged in agriculture**
   b. High rate of Investment
   c. Low population
   d. None of these

38. The period of English Five year Plan is
   a. 1992-97
   b. 1990-95
   c. 1991-96
   d. 1993-98

39. UTI is associated with
   a. Regulating Foreign Exchange Transactions
   b. Foreign Trade
   c. Road Transport
   d. **Investment Trust**

40. Environomics deals with inter-relationship between environment and
   a. Economy
   b. Development
   c. Energy
   d. Resources

41. Food for work programme was introduced during the
   a. Fourth Plan
   b. **Fifth Plan**
   c. Sixth Plan
   d. Seventh Plan

42. The State where most people are living below poverty line is
   a. Uttar Pradesh
   b. Tamil Nadu
   c. **Orissa**
   d. Bihar

43. Overdraft facility is available for those who have
   a. Saving Bank Account
   b. Fixed Deposit
   c. **Current Account**
   d. Recurring Deposit

44. The part of capital which is not represented by assets is called
   a. fixed Capital
   b. **Working Capital**
45. Custodian of foreign exchange is
   a. Foreign Exchange Bank b. State Bank of India
c. Foreign Bank d. Reserve Bank of India

46. State Bank of India was nationalised in the year

47. Single entry system of book keeping means
   a. making entry for one aspect of a transaction
   b. making entry for both aspects of a transaction
   c. incomplete double entry
d. none of these

48. The closing stock should be valued at
   a. Cost Price b. Market Price
c. Cost Price or Market Price whichever is lower
d. None of these

49. Equity shareholders are the Company’s
   a. Owners b. Creditors
c. Customers d. None of these

50. The relationship between the consignor and the consignee is that of
   a. Principal and Agent b. Debtor and Creditor
c. Buyer and Seller d. None of these

51. Consider the following statements:
   I. Bank accepts deposit
   II. Bank issues loans and advances
   III. Bank is one of the financial institutions
   IV. Bank are working under the direction of the R.B.I.
   Of the statements:
   a. I alone is correct b. I and II are correct
c. I, II and III are correct d. All are correct

52. The document which authorises to release of a portion of goods from the warehouse is called
   a. Delivery order b. Warehouse keeper’s receipt
c. Warehouse keeper’s warrant d. Railway receipt

53. Federal Finance deals with
   a. State finances b. Finances of Railways
c. Local bodies d. Centre-State financial relations

54. National income in India is computed by the
   a. Planning Commission b. Finance Commission
c. Central Statistical Organisation d. Ministry of Finance

55. Saving is determined by
   a. Capital b. Investment c. Income d. Trade

56. The book planned Economy of India I 1934 was written by
a. Morarjee Desai  b. Pandit Nehru  
c. M. Visweshwaraya  d. Dr. Dadgil

57. The Industries (Regulation and Development) Act was introduced in  
a. 1951  b. 1955  c. 1961  d. 1956

58. National Rural Employment programme was introduced during  
a. Fifth Five Year Plan  b. Second Five Year Plan  
c. Third Five Year Plan  d. Sixth Five Year Plan

59. The author who made the statement:  
“Foreign trade in an engine of Growth” was  

60. Seasonal unemployment occurs due to  
a. technological change  b. seasonal variations  
c. depression  d. inflation

61. Jawahar Rojgar Yojana was introduced in  

62. Which of the following are the main causes of slow growth of per capita income in India?  
I. High rate of capital formation  
II. High level of fiscal deficits  
III. High rate of growth of population  
IV. High capital output ratio  
a. I, II and III are correct  b. III and IV are correct  
c. I,II, III & IV are correct  d. II & IV are correct

63. Which one of the following will directly increase GNP?  
a. An Increase in investment  b. A surplus budget  
c. A fall in national dept  d. A rise in the interest rate

64. Expenditure on defence is an item of  
a. Public investment  b. Private investment  
c. Private consumption  d. Public consumption

65. Total outlay planned for public sector during the Eighth Plan (Rs. in Crores) is  
a. 2,34,000  b. 3,34,000  
c. 4,34,000  d. 5,34,000

66. Long –terms loans in India’s Co-operative structure are extended by  
a. Primary Co-operative Societies  b. Central Bank  
c. State Co-operative Banks  d. Land Development Banks

67. The core slogan of the Seventh Plan was  
a. food, work and productivity  b. free education for children  
c. five percent growth rate of national income  
d. community development programmes

68. Which of the following are among the non-Plan expenditures of the Government of India?  
I. Defence expenditures
II. Subsides
III. All expenditures linked with the previous plan periods
IV. Interest payment
Of the statements:
a. I and II are correct  b. I and III are correct
c. II and IV are correct  d. I, II, III & IV are correct

69. India had a plan holiday between

70. Which sector’s contribution of National Income is declining in India in recent years?
a. Primary  b. Secondary  c. Tertiary  d. All the above

71. Large Scale industries are those industries where the investment on plan and machinery needed is
   a. 10 lakhs  b. 20 lakhs  c. 30 lakhs  d. more than 35 lakhs

72. Which of the following socio-economic factors tend to keep birth rate in India at a high level
   I. Poverty  II. Joint family system  III. Urbanisation  IV. University of marriage
   Select your answer:

73. Which of the following are the cause of low productivity in Indian Agriculture?
   I. Land ceiling  II. Rainfed areas  III. Rural industrialisation  IV. Sub-division and fragmentation of land holding
   Select your answer:
a. II & IV  b. I & II  c. II & III  d. I & IV

74. The new name of Agricultural Prices Commission is

75. SIDCO is related to the development of

76. CART was set up in 1982 to
   a. Promote apple research  b. improve the bullock-cart  c. provide advanced research and training to veterinary doctors
   d. improve technology of rural industries

77. Which of the following programmes were started during the Sixth Five Year Plan?
   I. NREP  II. RLEGP  III. IRDP  IV. JRY
   Select your answer:

78. Match List I with List II correctly and select your answer using the codes given below
List I                          List II

a. MRTP                        1. 1951
b. Long term Fiscal Policy     2. 1965
d. Industries (Development and Regulation) Act 4. 1985

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79. Match List I with List II correctly and select your answer using the codes given below:

List I (Committee)                          List II (Purpose)

a. Dutt                                    1. Industrial Licensing Committee
b. Wanchoo Committee                       2. Direct Taxes
   c. Rajamannar Committee                  3. Centre-State Fiscal Relation
   d. Charkravarthy Committee               4. Monetary System

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80. Disguised unemployment refers to
   a. persons with on jobs
   b. more persons employed for a job which few can accomplish
   c. unemployment among women
   d. unemployment of people above 60 years of age

81. Food for work programme was introduced during the

   a. Fourth Plan                          b. Fifth Plan
   c. Sixth Plan                           d. Seventh Plan

82. Which one of the following is correctly matched?

   a. Russia - Dinar
   b. Iraq - Lira
   c. Japan - Yen
   d. Brazil - France

83. The national income in India is estimated by the

   a. Indian Standards Institution           b. Indian Statistical Institution

84. Which of the following is the largest Mutual Fund Organisation in India?

   a. SBI Mutual Fund
   b. GIC Mutual Fund

Learning Leads To Ruling
85. India suffered from first oil shock in
86. The ‘Garibi Hatao’ Slogan was coined during the
87. The open market operations refer to the sale and purchase by the RBI of
88. The Dunkel Draft was first submitted in its comprehensive form for consideration in
89. Indian rupee was last devalued in
90. Which of the following factors led to the failure of the Third Plan?
   I. Chinese aggression  II. Indo-Pak conflict
   III. Devaluation of rupee  IV. Poor monsoons
   Select your answer:
   a. I & III only  b. III & IV only  c. I,II & IV only  d. I,II, III & IV
91. Which of the following features of Indian Economy cause problems in the measurement at national income?
   I. Illiteracy  II. Rapid growth of public sector
   III. Non-monetised consumption in the villages  IV. People holding multiple jobs.
   Select your answer:
92. The purpose of the tenancy reform legislation was to
   I. Chinese aggression  II. Indo-Pak conflict
   III. Devaluation of rupee  IV. Poor monsoons
   Select your answer:
   a. I & III only  b. III & IV only  c. I,II & IV only  d. I,II,III&IV
93. Per capita income has been the highest so far in
   a. Maharashtra  b. Tamil Nadu
   c. Punjab  d. West Bengal
94. The major factor that determines industrial productivity is
   a. Technological  b. Financial
   c. Natural  d. Managerial
95. The important factor that hinders industrialization in underdeveloped countries is
   a. Political policy  b. Public administration
   c. Economic environment  d. International forces
96. The important factor responsible for low productivity in agriculture is
   a. demographic factor  b. technological factor
c. institutional factors  

d. structural factor

97. A noticeable feature of our industrial development has been the  
a. growth of small scale sector  
b. establishment of Iron and Steel Industries  
c. creation of employment opportunities  
d. growth of public sector

98. The most important source of energy in India is  
a. Nuclear energy  
b. Petroleum  
c. Coal  
d. Hydro-electricity

99. The backbone of all economic activities is  
a. Agriculture  
b. Finance  
c. Industry  
d. Education

100. The most rigidly government controlled industry in India is  
a. Cement  
b. Sugar  
c. Cotton  
d. Paper