

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. Vth
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
c. delegating
- b. span of management**
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
c. determining and comparing the demand of the job
b. placement of workers
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
d. all of these
b. cash payments
c. credit transactions
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 departments
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

- a. 1932 **b. 1935** c. 1945 d. 1950
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
 b. Third Plan - 1964 - 1969
 c. Sixth Plan - 1981 - 1986
d. Eighth Plan - 1992 - 1997
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**

- c. Watered Capital
45. Custodian of foreign exchange is
a. Foreign Exchange Bank
c. Foreign Bank
46. State Bank of India was nationalised in the year
a. 1947 **b. 1955** c. 1950 d. 1960
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
c. M. Visweshwaraya
- b. Pandit Nehru
 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 is an engine of Growth" was
 a. Keyanes b. Marshall
c. D.H. Robertson d. Pigou
60. Seasonal unemployment occurs due to
 a. technological change **b. seasonal variations**
 c. depression d. inflation
61. Jawahar Rojgar Yojana was introduced in
 a. 1975 b. 1981 c. 1965 **d. 1989**
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 debt 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. Subsidies

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

a. 1947 and 1951

b. 1963 and 1966

c. 1966 and 1969

d. 1971 and 1974

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:

a. I & II

b. I,II & III

c. I,II & IV

d. I,II,III & IV

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

a. Commission for Agricultural Costs and Prices.

b. Agricultural Costs Commission

c. Rural Price Commission

d. Minimum Support Price Commission

75. SIDCO is related to the development of

a. Small Industries

b. Steel Industries

c. Soap Industries

d. Sugar Industries

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:

a. I & III

b. II & IV

c. I,II & III

d. I,III & IV

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 |
| c. Agricultural Prices Commission | 3. 1970 |
| d. Industries (Development and Regulation) Act | 4. 1985 |

Codes:

- | | | | | |
|-----------|----------|----------|----------|----------|
| | a | b | c | d |
| a. | 4 | 2 | 3 | 4 |
| b. | 4 | 3 | 1 | 2 |
| c. | 3 | 4 | 2 | 1 |
| d. | 2 | 3 | 4 | 1 |

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. Charkravarthi Committee | 4. Monetary System |

Codes:

- | | | | | |
|-----------|----------|----------|----------|----------|
| | a | b | c | d |
| a. | 4 | 3 | 2 | 1 |
| b. | 1 | 2 | 4 | 3 |
| c. | 1 | 2 | 3 | 4 |
| d. | 4 | 1 | 3 | 2 |

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
- c. Central Statistical Organisation**
- d. National Council of Applied Economic Research

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

- a. SBI Mutual Fund
- b. GIC Mutual Fund

