

Indian Economy Model Test Questions 4 in English With Answer

1. The main proposal of Dunkel Draft with reference to agriculture is
 - a. **reduction in agriculture subsidy**
 - b. introduction of modern methods of cultivation
 - c. promotion of agriculture marketing
 - d. none of these
2. Economic development depends on
 - a. quantity of human resources
 - b. **quality of human resources**
 - c. area of land
 - d. none of these
3. Rural Poverty is due to
 - a. lack of adequate employment
 - b. surplus labour
 - c. low wage rate
 - d. **all of these**
4. Census in India is conducted every
 - a. 5 years
 - b. **10 years**
 - c. 12 years
 - d. 3 years
5. The important objective of the development of the Co-operative sector are
 - a. prevention of concentration of economic power
 - b. wider dispersal of ownership of productive resources
 - c. active involvement of people in the development programme
 - d. **all these**
6. Family planning in India has to face a number of obstacles in rural areas because of
 - a. **Psychological factors and social orthodoxy**
 - b. unawareness of the use of family planning
 - c. corruption by the administrators
 - d. none of these
7. A strategy of industrialization and development of the industries was adopted in
 - a. First Five Year Plan
 - b. **Second Five Year Plan**
 - c. Third Five Year Plan
 - d. Fifth Five Year Plan
8. Mixed Economy means
 - a. **private sector and public sector functional together**
 - b. production by the private sector alone
 - c. means of production under Government Control
 - d. traditional social activities
9. Tax revenue is distributed between the Central and State Government by the
 - a. Planning Commission
 - b. Election Commission
 - c. **Finance Commission**
 - d. Public Accounts Committee
10. In recent years, the Indian Economy has been characterized as a
 - a. backward economy
 - b. developed economy
 - c. **developing economy**
 - d. none of these
11. Which of the following is the most important objective of five year planning of India?
 - a. Reducing price instability
 - b. Increasing capital economy
 - c. **Increasing per capital income**
 - d. Reducing inequality of income and wealth
12. Central Banking functions in India are performed by the

- a. **Reserve Bank of India**
c. Bank of India
13. Which item earns maximum foreign exchange for India?
a. **Leather and leather goods**
c. Medicines
14. Indian agriculture is at present
a. commercial
c. export surplus
15. Inflation is calculated by Finance Ministry on the basis of
a. consumer price index
c. **wholesale price index**
16. Poverty line is an indicator of
a. rural population
c. **low food intake**
17. India's recent industrial development is due to
a. low interest rate
c. privatization
18. What is dual pricing?
a. Wholesale price & retail price
b. Pricing by agents and pricing by retailers
c. **Price fixed by the government and price fixed in the open market**
d. None of these
19. The father of Economics is
a. J.M.Keynes
c. Malthus
- b. Central Bank of India
d. State Bank of India
- b. Spices
d. Rice
- b. industrial
d. **self sufficient with little surplus**
- b. cost of living index
d. retail price index
- b. unemployment
d. weak government
- b. larger number of entrepreneurs
d. **liberal industrial policy**
- b. **Adam Smith**
d. David Ricardo
20. Which of the following statement is not true?
a. Commercial banks keep some cash with the Central Bank
b. Inflation results in increase in cost of living
c. Reserve Bank is the Central Bank of India
d. **Reserve Bank gives loan to any member of the public**
21. The market price of the commodity is determined
a. by demand
c. by Government officials
- b. by supply
d. **by the equilibrium of demand and supply**
22. The paper money is issued in India by
a. The Commercial Bank
c. Government of India
- b. State Bank of India
d. **Reserve Bank of India**
23. The Hundi is a kind of
a. **written promise to pay**
c. an Indian form of bill
- b. an order to pay
d. a crossed cheque
24. The bank rate is fixed by the
a. Government
- b. Commercial Bank

- c. **Central Bank** d. Stock Exchanges
25. Budget is the
 a. proposal of taxation b. annual financial statement of income
 c. money bill d. **annual financial statement of income and expenditure**
26. How many Commercial banks have been so far nationalized since 1969?
 a. 20 b. 14 c. 12 d. 27
Note: 19 in 2010
27. What is the percentage contribution of industry to employment?
 a. 10 b. 40 c. 60 d. **20**
28. Which of the following is not a country practicing mixed economy?
 a. U.K b. **Italy** c. India d. U.S.A.
29. The largest state in population in India's
 a. Madhya Pradesh b. Bihar
 c. West Bengal d. **Uttar Pradesh**
30. India is
 a. an advanced country b. a backward country
 c. an underdeveloped country d. **a developing country**
31. Consider the following statements:
 I. Indian agriculture is a gamble in the monsoon
 II. Agriculturists in India follow old technology
 a. II is true b. II is false c. Both are true d. **Both are true**
32. Which of the following features of Indian Economy cause problems in the measurement of National income?
 I. Illiteracy II. Growth of public sector
 III. Non-monetized consumption in the villages IV. People holding multiple jobs
 a. I and II b. **I, II and IV** c. I, II and III d. II, III and IV
33. The estimated amount of black money in 1996 was
 a. Rs. 3,40,000 Cr b. Rs. 4,00,000 Cr
 c. **Rs. 5,50,000 Cr** d. Rs. 3,00,000 Cr
34. Which one of the following is not an employment programme?
 a. **National Rural Development Programme**
 b. Integrated Rural Development Programme
 c. Jawahar Rozgar Yojana
 d. Training of Rural Youth for Self-employment
35. In Tamil Nadu, a large quantity of water is used by
 a. **Agricultural Sector** b. Industrial Sector
 c. Households d. Mining Sector
36. Indian Agriculture is having the following features
 I. Disguised unemployment II. High productivity
 III. Majority of large farmers IV. Gamble in the Monsoon

- a. I and II only b. II and III only c. II and IV only d. **I and IV only**

37. Which Bank serves as a Banker's Bank?

- a. State Bank of India **b. Reserve Bank of India**
c. Union Bank of India d. Central Bank of India

38. Which one of the following is not an effective solution to solve the problem of poverty in India?

- a. Control of population growth b. Increase the production of necessities of life
c. Equitable distribution of incomes d. Increasing the salaries of the workers

39. Inflation means

- a. very high prices **b. rising prices**
c. falling prices d. very low prices

40. Match List I with list II and select the correct answer using the codes given below:

List I

- a. Rajmanner Committee
b. Dutt Committee
c. Wanchoo Committee
d. Chakravarty Committee

List II

1. Industrial Licensing
2. Direct Taxes
3. Central and State fiscal relation
4. Monetary System

Codes:

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

41. The sickness of some of the industries in India is mainly due to

- a. Shortage of raw material b. labour problem
c. transport problem **d. mis-management**

42. Disguised unemployment in India is mainly related to

- I. Agricultural sector II. Rural area
III. Factory sector IV. Urban area

Choose the correct answer:

- a. I and II are correct** b. II and IV are correct
c. III and IV are correct d. I and III are correct

43. Which term is not related to International Trade?

- a. O. E. C. D b. O. P. E. C **c. G. D. P** d. E. E. C

44. Which of the following are priority objectives of the Eighth plan?

- I. Universalisation of elementary education
II. Growth and diversification of Agriculture
III. Containment of population growth
IV. Gradual privatization of public sector undertakings.

- a. I, II and IV are correct **b. II, III and IV are correct**
c. I, III and IV are correct d. I, II and III are correct

57. The aim of starting Industrial estates is
 a. to attract foreign investors
 c. to promote large scale industries
b. to help small entrepreneurs
 d. to help sick industrial units
58. A budget is
a. an estimate of the expenditure and receipts of Government for one year
 b. a record of the past performance of Government
 c. a forecast of Government's future financial targets
 d. a statements about the performances of public enterprises
59. Amartya Sen was awarded Nobel prize in
 a. Chemistry
 c. Medicine
b. Economics
 d. Physics
60. Income Tax Rebate for senior citizens in the budget of 1994-95 qualifies people who are
 a. 58 and above b. 60 and above **c. 65 and above** d. 70 and above
61. Trade Related Intellectual property Rights (TRIP) is a part of
 a. Shimla Agreement
 c. SAARC agenda
 b. Rights guaranteed in the constitution of India
d. GATT agenda
62. Minimum Needs Programme was introduced during the
a. Sixth Plan
 c. Third Plan
 b. Eighth plan
 d. No such programme was introduced
63. The Regulated Market aims at getting the farmers
 a. loans
c. fair prices
 b. more consumers
 d. free lands
64. 'GATT' has been replaced by
 a. ILO b. ITA c. WOTT **d. WTO**
65. 'Land to the tiller' involves
 a. abolition of Zamindari System
 c. tenancy reforms
 b. ceiling of land holding
d. all of these
66. Which one is not the feature of agricultural labourers?
 a. They are unorganized
c. They are skilled and highly productive
 b. They are migratory in character
 d. They are poor
67. Which one does not accept deposit from public?
 a. State Bank of India
 c. Indian Overseas Bank
 b. Indian Bank
d. Reserve Bank of India
68. Due to which of the following problems the currency of a nation meets strong pressure?
 a. Capital flight
 c. Savings in banks discouraged
 b. People shift to gold
d. All of these
69. Among these which one is the negative effect of Green Revolution?
 a. Area of land attitude cultivation increased
c. Depletion of forest and pasture ands
 b. A change in the attitude of the farmers
 d. Generate market surplus
70. Which one represents joint supply?
a. Birds and Cages
 b. Radio Sets and TV sets

- c. Wool and Mutton
71. What is the cure for inflation?
- Decrease money supply
 - Devaluation of currency
72. Windfall profit occurs because of
- Skilled management
 - Unexpected circumstances**
73. The dominant occupation of Indians is
- Trade
 - Transport
 - Industry
 - Agriculture**
74. Mother Industry is the name given to
- iron and steel industry**
 - sugar industry
 - cotton industry
 - cement industry
75. Inflation is controlled through monetary policy by
- RBI**
 - Bank of India
 - Central Bank
 - none of these
76. AGMARK is
- a Co-operative for egg productions
 - a quality guarantee stamp for commodities like edible oils, ghee, honey etc.,**
 - a regulated agricultural market
 - farmer's co-operative
77. Transportation creates
- time utility
 - place utility**
 - both time and place utility
 - none of these
78. Which is the largest single source of central Government's earning from tax revenue?
- Excise Duty**
 - Customs Duty
 - Wealth Duty
 - Income Tax
79. Consider the following statements:
 Assertion(A): Cotton and Textile industry in Tamil Nadu is in crisis
 Reason(R): Yield of cotton is very low in Tamil Nadu.
 Now select your answer according to the coding scheme given below:
- Both (A) and (R) are false**
 - Both (A) and (R) are true
 - (A) is true, but (R) is false
 - (A) is false, but (R) is true
80. "Crop Insurance Scheme" is beneficial to the farmers, because
- under this scheme farmers are protected against risks of crop failures on payment of certain premium
 - under this scheme loans are given to the poor farmers
 - under this scheme farmers are assured of a fixed income and they are encouraged to increase production
 - under this scheme the rate of interest is low.
- Of the statements

a. I and III are correct

c. I, II and III are correct

b. II and III are correct

d. I and IV are correct

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

List I

- a. Green Revolution
- b. Milk Production
- c. Land reforms
- d. Casteless Society

List II

- 1. Operation flood
- 2. Indian agriculture
- 3. Samathuvapuram
- 4. Ceiling on land holdings

Codes:

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

82. Expands PDS

- a. Private Duty System
- c. Public Demand Society

b. Public Distribution System

d. Public Dentist Society

83. NABARD'S primary role is

- a. to provide term loans to State Co-operative banks
- b. to assist state Governments for share capital contributions
- c. to act as a refinance institution

d. all of these

84. Wanchoo Committee is associated with the following:

a. Direct taxation

b. Indirect taxation

c. Import duties

d. Export duties

85. Disguised unemployment refers to

a. persons with no jobs

b. more persons employed for a job which a few can accomplish

c. unemployment among women

d. unemployment among educated

86. In 1991 India devalued the rupee by

a. 15.5%

b. 18%

c. 22%

d. 33%

Note: In 1991 two times devalued 1st time 9%, 2nd time -11%

87. Debentures are issued to raise

a. seasonal working capital

b. cyclical working capital

c. normal working capital

d. none of these

88. Who acts as the chairman of the National Development Council?

a. Minister of planning

b. Secretary of the planning Commission

c. Minister of state for planning

d. Prime Minister

89. The Industrial Credit and Investment Corporation of India (ICICI) was established to provide financial assistance to industrial units in

a. Private Sector

b. Public Sector

- c. Joint sector**
90. The object of the fiscal policy is
 a. economic development
 c. price stability
 d. Small scale sector
 b. distribute justice
d. all of these
91. Which of the following is the largest (in terms of profit) public sector organization in India?
 a. Steel Authority of India
 b. Bharat Heavy Electricals
 c. Bharat Petroleum
d. Oil and Natural Gas Commission
92. The highly labour intensive industry in India is
 a. Iron and Steel Plants
b. Textile Mills
 c. Construction
 d. Handicrafts
93. The Green Revolution has led to
 a. increase in production
 b. increase in regional inequalities
 c. maximum benefit to the wheat crop
d. all of these
94. SIDCO is concerned with
 a. Steel production
b. Small Scale Industries
 c. Large Scale industries
 d. none of these
95. What is a financial year?
 a. March to March
b. April to April
 c. May to May
 d. January to January
96. AGMARK refers to
 a. egg production
 b. regulated agricultural market
 c. Co-operative bank
d. quality guarantee stamp for agricultural commodities
97. NABARD is a
a. Bank b. Bureau c. Board d. Department
98. A person who has an account in a bank is considered to be
 a. a Debtor **b. a Customer** c. a Creditor d. an Agent
99. Economic planning is necessary for
 a. rapid increase in national income
 b. rapid economic growth
 c. establishing socialistic society
d. all of these
100. What is meant by Industrial sickness?
a. Lack of funds for survival
 c. High cost of production
 b. More unemployment
 d. More capital required