

# ECONOMICS

## Assignment – 1

1) **Consider the following statements:**

1. Smart Card is a plastic card with an embedded microchip.
2. Digital technology is primarily used with new physical communication medium such as satellite and fibre optics transmission.
3. A digital library is a collection of documents in an organized electronic form available on the Internet only.

**Which of the statements given above is /are correct?**

- A) 3 only                      B) 1 and 2  
C) 2 and 3                      D) 1, 2 and 3

2) **Consider the following statements:**

1. Reserve Bank of India was nationalized on 26 January, 1950.
2. The borrowing programme of the Government of India is handled by the Department of Expenditure, Ministry of Finance.

**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

3) **Which of the following is not a recommendation of the task force on direct taxes under the chairmanship of Dr. Vijay L. Kelkar in the year 2002?**

- A) Abolition of Wealth Tax  
B) Increase in the exemption limit of personal income to ₹ 1.20 lakh for widows  
C) Elimination of standard deduction  
D) Exemption from tax on dividends and capital gains from the listed equity

4) **Consider the following statements:**

1. The National Housing Bank, the apex institution of housing finance in India, was set up as a wholly-owned subsidiary of the Reserve Bank of India.

2. The Small Industries Development Bank of India was established as a wholly owned subsidiary of the Industrial Development Bank of India.

**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

5) **Consider the following statements**

1. The loans disbursed to farmers under Kisan Credit Card Scheme are covered under Rashtriya Krishi Beema Yojna of Life Insurance Corporation of India.
2. The Kisan Credit Card holders are provided personal accident insurance of ₹ 50,000 for accidental death and ₹ 25, 000 for permanent disability.

**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

6) **Consider the following statements:**

1. Regarding the procurement of food grains, Government of India follows a procurement target rather than an open-ended procurement policy.
2. Government of India announces minimum support prices only for cereals.
3. For distribution under Targeted Public Distribution System (TPDS), wheat and rice are issued by the Government of India at uniform central issue prices to the States/ Union Territories.

**Which of the statements given above is/are correct?**

- A) 1 and 2                      B) 2 only  
C) 1 and 3                      D) 3 only

- 7) **Consider the following statements: India continues to be dependent on imports to meet the requirement of oilseeds in the country because**
1. Farmers prefer to grow food grains with highly remunerative support prices
  2. Most of the cultivation of oilseed crops continues to be dependent on rainfall
  3. Oils from the seeds of tree origin and rice bran have remained unexploited
  4. It is far cheaper to import oilseeds than to cultivate the oilseed crops
- Which of the statements given above are correct?**
- A) 1 and 2                      B) 1, 2 and 3  
C) 3 and 4                      D) 1, 2, 3 and 4
- 8) **Which one of the following companies has started a rural marketing network called 'e-chaupals'?**
- A) ITC                              B) Dabur  
C) Proctor and Gamble  
D) Hindustan Lever
- 9) **Consider the following companies:**
1. Voltas
  2. Titan Industries
  3. Rallis India
  4. Indian Hotels
- Which of the above companies are in the Tata Group of industries?**
- A) 1 and 2                      B) 2, 3 and 4  
C) 1, 3 and 4                      D) 1, 2, 3 and 4
- 10) **In the last one decade, which one among the following sectors has attracted the highest Foreign Direct Investment inflows into India?**
- A) Chemicals other than fertilizers  
B) Services sector  
C) Food processing  
D) Telecommunication
- 11) **With reference to Indian Public Finance, consider the following statements:**
1. Disbursements from Public Accounts of India are subject to the Vote of Parliament.
  2. The Indian Constitution provides for the establishment of a Consolidated Fund, a Public Account and a Contingency Fund for each State.
3. Appropriations and disbursements under the Railway Budget are subject to the same form of parliamentary control as other appropriations and disbursements.
- Which of the statements given above are correct?**
- A) 1 and 2                      B) 2 and 3  
C) 1 and 3                      D) 1, 2 and 3
- 12) **Which one of the following statements is not correct?**
- A) Under the Targeted Public Distribution System, the families Below Poverty Line are provided 50 kg of food grains per month per family at subsidized price.
- B) Under Annapurna Scheme, indigent senior citizens of 65 years of age or above eligible for National Old Age Pension but not getting pension can get 10 kg of food grains per person per month free of cost
- C) Ministry of Social Justice and Empowerment has scheme in which indigent people living in welfare institutions like orphanages are given 15 kg of food grains per person per month at BPL rates
- D) Ministry of Human Resource Development gives financial support to Mid-day Meal Scheme for the benefit of class I to V students in Government or Government aided Schools
- 13) **Consider the following statements:**
1. The highest deciding body for planning in India is the Planning Commission of India .
  2. The Secretary of the Planning Commission of India is also the Secretary of National Development Council.
  3. The Constitution includes economic and social planning in the Concurrent List in the Seventh Schedule of the Constitution of India.
- Which of the statements given above is/are correct?**
- A) 1 and 2                      B) 2 and 3  
C) 2 only                      D) 3 only
- 14) **Consider the following statements:**
1. India does not export natural rubber Reason
  2. About 97% of India's demands for natural rubber is met from domestic production.

<p><b>Which of the statements given above is/are correct?</b></p> <p>A) 1 Only                      B) 2 Only C) Both 1 and 2 D) Neither 1 nor 2</p> <p>15) <b>Ama Jangal Yojna (my forest scheme) a bid to enhance forest cover in the state was launched in</b> A) Odisha                      B) Chattisgarh C) Jharkhand                  D) Assam</p> <p>16) <b>Debenture holders of a company are its</b> A) Shareholders              B) Creditors C) Debtors                      D) Directors</p> <p>17) <b>Consider the following statements: In India, stamp duties on financial transactions are</b> 1. Levied and collected by the State Government 2. Appropriated by the Union Government <b>Which of these statements is / are correct?</b> A) Only 1                      B) Only 2 C) Both 1 and 2 D) Neither 1 nor 2</p> <p>18) <b>Which one of the following statements is correct with reference to FEMA in India?</b> A) The Foreign Exchange Regulation Act (FERA) was replaced by Foreign Exchange Management Act (FEMA) in the year 2001 B) FERA was given a sunset clause of one year till 31st May, 2002 to enable Enforcement Directorate to complete the investigation of pending issues C) Under FEMA, violation of foreign exchange rules has ceased to be a criminal offence D) As per the new dispensation, Enforcement Directorate can arrest and prosecute the people for the violation of foreign exchange rules</p> <p>19) <b>As per the Human Development Index given by UNDP, which one of the following sequences of South Asian countries is correct, in the order of higher to lower development ?</b> A) India-Sri Lanka-Pakistan-Maldives B) Maldives-Sri Lanka-India-Pakistan C) Sri Lanka-Maldives-India-Pakistan D) Maldives-India-Pakistan-Sri Lanka</p>	<p>20) <b>Consider the following statements:</b> 1. India ranks first in the world in fruit production 2. India ranks second in the world in the export of tobacco. <b>Which of these statements is / are correct?</b> A) Only 1 B) Only 2 C) Both 1 and 2 D) Neither 1 nor 2</p> <p>21) <b>Function(s) of the Finance Commission is / are</b> 1. To allow the withdrawal of money out of the Consolidated Fund of India. 2. To allocate between the States the shares of proceeds of taxes. 3. To consider applications for grants-in-aid from States. 4. To supervise and report on whether the Union and State governments are levying taxes in accordance with the budgetary provisions. <b>Which of these statements is / are correct?</b> A) Only 1                      B) 2 and 3 C) 3 and 4                      D) 1, 2 and 4</p> <p>22) <b>Which one of the following statements is NOT correct?</b> A) India is the second largest producer of nitrogenous fertilizers in the world B) India is the ninth largest steel producing country in the world</p> <p>23) <b>In India, the first bank of limited liability managed by Indians and founded in 1881 was</b> A) Hindustan Commercial Bank B) Oudh Commercial Bank C) Punjab National Bank D) Punjab and Sind Bank</p> <p>24) <b>Bank credit is a liability of</b> A) Banking system      B) Borrowing public C) Borrowing government D) Borrowing public as well as borrowing government</p> <p>25) <b>The Kelkar proposals which were in the news recently were the</b> A) Recommendations for reforms in the power sector B) Recommendations for tax reforms C) Guidelines for the privatization of public sector undertakings D) Guidelines for reducing vehicular pollution, and the promotion of CNG use.</p>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

26) Consider the following statements:

1. The maximum limit of shareholding of Indian promoters in private sector banks in India is 49 per cent of the paid up capital.
2. Foreign Direct Investment up to 49 per cent from all sources is permitted in private sector banks in India under the automatic route.

Which of these statements is / are correct?

- A) Only 1                      B) Only 2  
C) Both 1 and 2            D) Neither 1 nor 2

27) Consider the following statements,

1. The new EXIM policy is liberal, market-oriented and favours global trade.
2. GATT has played a significant role in the liberalization of the economy.

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

28) Which one of the following statements is not correct?

- A) Rourkela Steel Plant, the first integrated steel plant in the Public Sector of India was set up with the Soviet Union collaboration  
B) Salem Steel Plant is a premier producer of stainless steel in India  
C) Maharashtra Elektrosnelt Ltd. is a subsidiary of the Steel Authority of India Ltd.  
D) Visakhapatnam Steel Plant is a unit of the Rashtriya Ispat Nigam Ltd.

29) Consider the following statements:

1. Poverty Reduction and Growth Facility (PRGF) has been established by the International Development Association (IDA) to provide further assistance to low-income countries facing high level of indebtedness.
2. Singapore Regional Training Institute (STI) is one of the institutes that provides training in macroeconomic analysis and policy and related subjects as a part of programme of the IMF Institute.

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

30) Consider the following statements:

1. Sensex is based on 50 of the most important stocks available on the Bombay Stock Exchange (BSE).
2. For calculating the Sensex, all the Sensex stocks are assigned proportional weightage.
3. New York Stock Exchange- is the oldest stock exchange in the world.

Which of the statements given above is/ are correct?

- A) 1 and 2 only              B) 1 and 3  
C) 2 and 3                  D) None

31) Consider the following statements:

1. Global Trust Bank has been amalgamated with the Punjab National Bank.
2. The second report of the Kelkar Committee dealing with direct and indirect taxes has maintained its original recommendations including the abolition of exemptions relating to housing loans.

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

32) If the interest rate is decreased in an economy, it will

- A) Decrease the consumption expenditure in the economy.  
B) Increase the tax collection of the government.  
C) Increase the investment expenditure in the economy.  
D) Increase the total savings in the economy.

33) With reference to 'Eco-sensitive zones' which of the following statements is/are correct?

1. Eco-sensitive zones are the areas that are declared under the wildlife (protection) Act, 1972.
2. The purpose of the declaration of Eco-sensitive zones is to prohibit all kinds of human activities in those zones except agriculture.

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



- 34) Which of the following organizations brings out the publication known as 'World Economic Outlook'?
- A) The International Monetary Fund.  
B) The United Nations Development Programme.  
C) The World Economic Forum.  
D) The World Bank.
- 35) Consider the following:
1. Increase in population
  2. Improvement in health, education and housing
  3. Migration of workers to more productive areas
  4. Capital accumulation
- Of the above, human capital formation includes:
- A) 2, 3 and 4                      B) 1, 2 and 3  
C) 2 and 3 only                 D) 2 and 4 only
- 36) Which of the following are associated with planning 'in India'?
1. The Finance Commission
  2. The National Development Council
  3. The Union Ministry of Rural Development
  4. The Union Ministry of Urban Development
  5. The Parliament.
- Select the correct answer using the code given below:
- A) 1, 2 and 5 only                B) 1, 3 and 4 only  
C) 2 and 5 only                 D) 1, 2, 3, 4 and 5
- 37) The sales tax you pay while purchasing a toothpaste is a
- A) Tax imposed by the central government.  
B) Tax imposed by the central government but collected by the state government.  
C) Tax imposed by the state government but collected by the central government.  
D) Tax imposed and collected by the state government.
- 38) What does venture capital mean?
- A) A short-term capital provided to industries.  
B) A long-term start-up capital provided to new entrepreneurs.  
C) Funds provided to industries at times of incurring losses.  
D) Funds provided for replacement and renovation of industries.
- 39) The main objective of the 12th Five Year Plan is
- A) Inclusive growth and poverty reduction.  
B) Inclusive and sustainable growth.  
C) Sustainable and inclusive growth to reduce unemployment.  
D) Faster, sustainable and more inclusive growth.
- 40) With reference to Balance of Payments, which of the following constitutes /constitute the current Account?
1. Balance of trade
  2. Foreign assets
  3. Balance of invisibles.
  4. Special Drawing Rights.
- Select the correct answer using the code given below.
- A) 1 only                              B) 2 and 3 only  
C) 1 and 3 only                    D) 1, 2 and 4 only
- 41) The Term 'Marginal Standing Facility Rate' and 'Net Demand and Time Liabilities, sometimes appearing in news, are used in relation to
- A) Banking operations  
B) Communication networking  
C) Military strategies  
D) Supply and demand of agricultural products.
- 42) What is/are the facility /facilities the beneficiaries can get from the services of business correspondent (Bank Saathi) in branchless area?
1. It enables the beneficiaries to draw their subsidies and social security benefits in their villages.
  2. It enables the beneficiaries in the rural areas to make deposits and withdrawals.
- 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
- 43) In the context of Indian economy, which of the following is/are the purpose /purposes of 'Statutory Reserve Requirements'?
1. To enable the central bank to control the amount of advances the banks can create.
  2. To make the people's deposits with banks safe and liquid.
  3. To prevent the commercial banks from making excessive profits.
  4. To force the banks to have sufficient vault cash to meet their day-to-day requirements.

<p>Select the correct answer using the code given below:</p> <p>A) 1 only                      B) 1 and 2 only C) 2 and 3 only              D) 1,2,3 and 4</p> <p>44) Which of the following constitute capital Account?</p> <ol style="list-style-type: none"> <li>1. Foreign loans</li> <li>2. Foreign direct investment</li> <li>3. Private remittances.</li> <li>4. Portfolio investment.</li> </ol> <p>Select the correct answer using the codes given below:</p> <p>A) 1,2 and 3                      B) 1,2 and 4 C) 2,3 and 4                      D) 1,3 and 4</p> <p>45) Distinguished unemployment generally means</p> <ol style="list-style-type: none"> <li>A) Large number of people remains unemployed</li> <li>B) Alternative employment is not available</li> <li>C) Marginal productivity of labour is zero.</li> <li>D) Productivity of workers is low.</li> </ol> <p>46) Consider the following statements,</p> <ol style="list-style-type: none"> <li>1. Inflation benefits the debtors.</li> <li>2. Inflation benefits the bondholders.</li> </ol> <p>Which of the statements given is/are correct?</p> <ol style="list-style-type: none"> <li>A) 1 only                      B) 2 only</li> <li>C) both 1 and 2              D) neither 1 nor 2</li> </ol> <p>47) The balance of payments of a country is a systematic record of</p> <ol style="list-style-type: none"> <li>A) All import and export transactions of a country during a given period of time, normally a year.</li> <li>B) Goods exported from a country during a year.</li> <li>C) Economic transaction between the governments of one country to another.</li> <li>D) Capital movements from one country to another.</li> </ol> <p>48) The reserve bank of India regulates the commercial banks in matters of</p> <ol style="list-style-type: none"> <li>1. Liquidity of assets</li> <li>2. Branch expansion</li> <li>3. Merger of banks.</li> <li>4. Winding of banks.</li> </ol> <p>Select the correct answer using the codes given below:</p> <p>A) 1 and 4 only                      B) 2,3 and 4 only C) 1,2 and 3 only D) 1,2,3 and 4</p>	<p>49) An increase in the bank rate generally indicates that the</p> <ol style="list-style-type: none"> <li>A) Market rate of interest is likely to fall.</li> <li>B) Central bank is no longer making loans to commercial banks.</li> <li>C) Central bank is following an easy money policy.</li> <li>D) Central bank is following a tight money policy.</li> </ol> <p>50) In India, deficit financing is used for raising resources for</p> <ol style="list-style-type: none"> <li>A) Economic development.</li> <li>B) Redemption of public debt.</li> <li>C) Adjusting the balance of payments.</li> <li>D) Reducing the foreign debt.</li> </ol> <p>51) Consider the following liquid assets.</p> <ol style="list-style-type: none"> <li>1. Demand deposits with the banks.</li> <li>2. Time deposits with the banks.</li> <li>3. Savings deposits with the banks.</li> <li>4. Currency</li> </ol> <p>The correct sequence of these assets in the decreasing order of liquidity is</p> <ol style="list-style-type: none"> <li>A) 1-4-3-2                      B) 4-3-2-1</li> <li>C) 2-3-1-4                      D) 4-1-3-2</li> </ol> <p>52) In the context of Indian Economy, 'open market operations' refers to</p> <ol style="list-style-type: none"> <li>A) Borrowing by scheduled banks from the RBI.</li> <li>B) Lending by commercial banks to industry and trade,</li> <li>C) Purchase and sale of government securities by the RBI.</li> <li>D) None of these.</li> </ol> <p>53) Priority sector lending by banks in India constitutes the lending to</p> <ol style="list-style-type: none"> <li>A) Agriculture</li> <li>B) Micro and small enterprises</li> <li>C) Weaker sections</li> <li>D) All of the above</li> </ol> <p>54) To obtain full benefits of demographic dividend, what should India do?</p> <ol style="list-style-type: none"> <li>A) Promoting skill development</li> <li>B) Introducing more social security schemes</li> <li>C) Reducing infant mortality rate</li> <li>D) Privatization of higher education.</li> </ol>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- 55) A rise in general level of prices may be caused by
1. An increase in the money supply
  2. A decrease in the aggregate level of output
  3. An increase in the effective demand
- Select the correct answer using the codes given below:
- A) 1 only                      B) 1 and 2 only  
C) 2 and 3 only              D) 1, 2 and 3
- 56) Sustainable development is best defined as:
- A) Sustained growth of GDP for a longer period
  - B) Meeting the needs of the present generation without compromising the needs of future generation
  - C) Having low poverty ratio and high standard of living for a long period
  - D) High savings and capital formation resulting in high rate of growth
- 57) Which one of the following is likely to be the most inflationary in its effect?
- A) Repayment of public debt.
  - B) Borrowing from the public to finance a budget deficit.
  - C) Borrowing from banks to finance a budget deficit.
  - D) Creating new money to finance a budget deficit.
- 58) Supply of money remaining the same when there is an increase in demand for money, there will be
- A) A fall in the level of prices.
  - B) An increase in the rate of interest
  - C) A decrease in the rate of interest.
  - D) An increase in the level of income and employment.
- 59) 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.
- 60) Which of the following grants/grant direct credit assistance to rural households?
1. Regional rural banks.
  2. National bank for agriculture and rural development.
  3. Land development banks.
- Select the correct answer using the codes given below:
- A) 1 and 2 only              B) 2 only  
C) 1 and 3 only              D) 1, 2 and 3
- 61) Which of the following can be said to be essentially the parts of inclusive governance?
1. Permitting the non-banking financial companies to do banking.
  2. Establishing effective district planning committees in all the districts.
  3. Increasing the government spending on public health.
  4. Strengthening the mid-day meal scheme.
- Select the correct answer using the codes given below:
- A) 1 and 2 only              B) 3 and 4 only  
C) 2, 3 and 4 only          D) 1, 2, 3 and 4
- 62) How does the national rural livelihood mission seek to improve livelihood options of rural people?
1. By setting up a large number of new manufacturing industries and agribusiness centres in rural areas.
  2. By strengthening 'self help groups' and providing skill development.
  3. By supplying seeds, fertilizers, diesel pump sets and micro –irrigation equipment free of cost to farmers.
- Select the correct answers using the codes given below:
- A) 1 and 2 only              B) 2 only  
C) 1 and 3 only              D) 1, 2 and 3
- 63) The multi – dimensional poverty index developed by oxford poverty and human development initiative with UNDP support covers which of the following?
1. Deprivation of education, health, assets and services at household level.
  2. Purchasing power parity at national level.
  3. Extent of budget deficit and GDP growth rate at national level.

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 3

64) Which of the following is/are among the noticeable features of the recommendations of the thirteenth finance commission?

1. A design for the goods and services tax, and a compensation package linked to adherence to the proposed design.
2. A design for the creation of lakhs of jobs in the next ten years in consonance with India's demographic dividend.
3. Devolution of a specified share of central taxes to local bodies as grants.

Select the correct answers using the codes given below:

- A) 1 only                      B) 2 and 3 only  
C) 1 and 3 only              D) 1,2 and 3

65) What is/are the policy initiative (s) of government of India to promote the growth of manufacturing sector?

1. Setting up of national investment and manufacturing zones.
2. Providing the benefits of 'single window clearance'.
3. Establishing the technology acquisition and development fund.

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 3

66) In India, in the overall index of industrial production, the indices of eight core industries have a combined weight of 37.90%. Which of the following are among those eight core industries?

1. Cement
2. Fertilizers
3. Natural gas
4. Refinery production
5. Textiles

Select the correct answer using the codes given below:

- A) 1 and 5 only              B) 2, 3, and 4 only  
C) 1, 2, 3, 4 and 5          D) 1,2,3 and 4 only

67) The Endeavour of janani suraksha yojana 'programme is

1. To promote institutional deliveries.

2. To provide monetary assistance to the mother to meet the cost of delivery.
3. To provide for wage loss due pregnancy and comfort.

Which of the statements given above is /are correct?

- A) 1 and 2 only              B) 2 only  
C) 3 only                      D) 1,2 and 3

68) Consider the following:

1. Hotels and restaurants
2. Motor transport undertaking
3. Newspaper establishments
4. Private medical institutions

The employees of which of the above can have the 'social security 'coverage under employee's state insurance scheme?

- A) 1,2 and 3 only              B) 4 only  
C) 1,3 and 4 only              D) 1,2,3 and 4

69) How do district rural development agencies (DRDA) help in the reduction of rural poverty in India?

1. DRDA acts as panchayati raj institutions in certain specified backward regions of the country.
2. DRDA undertakes area specific scientific study of the causes of poverty and malnutrition and prepares detailed remedial measures.
3. DRDAs secure inter sectoral and inter – departmental coordination and cooperation for effective implementation of anti-poverty programmes.
4. DRDAs watch over and ensure effective utilization of the funds intended for anti-poverty programmes.

Which of the statements given above is/are correct?

- A) 1,2 and 3 only              B) 3 and 4 only  
C) 4 only                      D) 1,2,3 and 4

70) The reserve Bank of India (RBI) acts as a banker's bank. This would imply which of the following?

1. Other banks retain their deposits with the RBI.
2. The RBI lends funds to the commercial banks in times of need.
3. The RBI advises the commercial banks on monetary matters.



Select the correct answers using the codes given below:

- A) 2 and 3 only      B) 1 and 2 only  
C) 1 and 3 only      D) 1,2 and 3

71) Under which of the following circumstances may 'capital gains' arise?

1. When there is an increase in the sales of a product.
2. When there is a natural increase in the value of the property owned.
3. When you purchase a painting and there is a growth in its value due to increase in its popularity.

Select the correct answer using the codes given below:

- A) 1 only      B) 2 and 3 only  
C) 2 only      D) 1,2 and 3

72) Which of the following measures would result in an increase in the money supply in the economy?

1. Purchase of government securities from the public by the central bank.
2. Deposit of currency in commercial banks by the public.
3. Borrowing by the government from the central bank.
4. Sale of government securities to the public by the central bank.

Select the correct answer using the codes given below:

- A) 1 only      B) 2 and 4 only  
C) 1 and 3      D) 2,3 and 4

73) The essence of financial inclusion is to ensure delivery of financial services which include

1. Bank accounts for savings and transactional purposes.
2. Low cost credit for productive, personal and other purposes.
3. Financial advisory services.
4. Insurance facilities.

Choose the correct answer using the codes given below:

- A) 1 only      B) 2 and 3 only  
C) 1 and 4      D) 1,2, 3 and 4

74) Consider the following statements,

The price of any currency in international market is decided by the

1. World bank
2. Demand for goods/ services provided by the country concerned.
3. Stability of the government of the concerned country.
4. Economic potential of the country in question.

Which of the statements given above are correct?

- A) 1,2,3 and 4      B) 2 and 3 only  
C) 3 and 4 only      D) 1 and 4 only

75) Fiscal deficit in the Union Budget means:

- A) The sum of budgetary deficit and net increase in internal and external borrowings.
- B) The difference between current expenditure and current revenue
- C) The sum of monetized deficit and budgetary deficit
- D) Net increase in Union Government borrowings from the Reserve Bank of India

76) India has experienced persistent and high food inflation in the recent past. What could be the reasons?

1. Due to a gradual switchover to the cultivation of commercial crops, the area under the cultivation of food grains has steadily decreased.
2. As a consequence of increasing incomes, the consumption patterns of the people have undergone a significant change.
3. The food supply chain has structural constraints.

Which of the statements given above are correct?

- A) 1 and 2 only      B) 2 and 3 only  
C) 1 and 3 only      D) 1,2 and 3

77) Which one of the following statements appropriately describes the 'fiscal stimulus'?

- A) It is a massive investment by the government in manufacturing sector to ensure the supply of goods to meet the demand surge caused by rapid economic growth.
- B) It is an intensive affirmative action of the government to boost economic activity in the country.

- C) It is government's intensive action on financial institutions to ensure disbursement of loans to agriculture and allied sectors to promote greater food production and contain food inflation.  
D) It is an extreme affirmative action by the government to pursue its policy of financial inclusion.
- 78) Consider the following actions which the government can take:  
1. Devaluing the domestic currency.  
2. Reduction in the export subsidy.  
3. Adopting suitable policies which attract greater FDI and more funds from FIIs.  
Which of the above action/ actions can help in reducing the current account deficit?  
A) 1 and 2 only                      B) 2 and 3 only  
C) 3 only                              D) 1 and 3 only
- 79) Which one of the following is not a feature of 'value Added tax'?  
A) It is a multi-point destination based system of taxation.  
B) It is a tax levied on value addition at each stage of transaction in the production –distribution chain.  
C) It is a tax on the final consumption of goods or services and must ultimately be borne by the consumer.  
D) It is basically a subject of the central government and the state governments are only a facilitator for its successful implementation.
- 80) A 'closed' economy is an economy in which  
A) The money supply is fully controlled  
B) Deficit financing takes place.  
C) Only exports take place.  
D) Neither exports nor imports take place.
- 81) With what purpose is the government of India promoting the concept of 'Mega Food Parks'?  
1. To provide good infrastructure facilities for the food processing industry.  
2. To increase the processing of perishable items and reduce wastage.  
3. To provide emerging and eco-friendly food processing technology to enterprises.  
Select the correct answer using the codes given below:  
A) 1 only                              B) 1 and 2 only  
C) 2 and 3 only                      D) 1,2 and 3
- 82) All revenues received by the union government by way of taxes and other receipts for the conduct of government business are credited to the  
A) Contingency fund of India.  
B) Public accounts.  
C) Consolidated fund of India.  
D) Deposits and advances fund.
- 83) Microfinance is the provision of financial services to people of low income groups. This includes both the consumers and self employed.  
The service rendered under microfinance is/ are:  
1. Credit facility.                      2. Savings facility.  
3. Insurance facility.  
4. Fund transfer facilities.  
Select the correct answer using the codes given below:  
A) 1 only                              B) 1 and 4 only  
C) 2 and 3 only                      D) 1,2,3 and 4
- 84) Among the following who are eligible to benefit from the 'Mahatma Gandhi National Rural Employment Guarantee Act '?  
A) Adult members of only the scheduled caste and scheduled tribe household.  
B) Adult members of below poverty line (BPL) household.  
C) Adult members of households of all backward communities.  
D) Adult members of any household.
- 85) What is the difference between 'vote on – account' and 'interim budget'?  
1. The provision of a 'vote –on account' is used by a regular government. While an 'interim budget' is a provision used by a caretaker government.  
2. A ' vote-on –account ' only deals with the expenditure in government 's budget ' includes both expenditure and receipts .  
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

- 86) Regarding the International Monetary Fund which one of the following statements is correct?  
 A) It can grant loans to any country.  
 B) It can grant loans to only developed countries.  
 C) It grants loans to only member countries.  
 D) It can grant loans to the central bank of a country.
- 87) In the context of Indian economy consider the following statements,  
 1. The growth rate of GDP has steadily increased in the last five years.  
 2. The growth rate in per capita income has steadily increased in the last five years.  
 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
- 88) The burden of a tax will tend, in general, to be greater for the consumer, than the producer in the case of a commodity for which:  
 A) Demand is elastic and supply is inelastic  
 B) Demand is inelastic and supply is elastic  
 C) Demand and supply are inelastic  
 D) Demand and supply are elastic
- 89) Why is the offering of 'teaser loans' by commercial banks a cause of economic concern?  
 1. The teaser loans are considered to be an aspect of subprime lending and banks may be exposed to the risk of defaulters in future.  
 2. In India, the teaser loans are mostly given to inexperienced entrepreneurs to set up manufacturing or export units.  
 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
- 90) Which of the following can aid in furthering the government's objective of inclusive growth?  
 1. Promoting self-help groups.  
 2. Promoting micro, small and medium enterprises.  
 3. Implementing the right to education Act.  
 Select the correct answer using the codes given below:  
 A) 1 only                      B) 1 and 2 only  
 C) 2 and 3 only              D) 1, 2 and 3
- 91) Why is the government of India disinvesting its equity in the central public sector enterprises (CPSEs)?  
 1. The government intends to use the revenue earned from the disinvestment mainly to pay back the external debt.  
 2. The government no longer intends to retain the management control of the CPSEs.  
 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
- 92) Blue Revolution is related to  
 A) Fish production          B) Milk production  
 C) Oil production            D) Food production
- 93) The lowering of Bank Rate by the Reserve Bank of India leads to  
 A) More liquidity in the market.  
 B) Less liquidity in the market.  
 C) No change in the liquidity in the market.  
 D) Mobilization of more deposits by commercial banks.
- 94) Which of the following terms indicates a mechanism used by commercial banks for providing credit to government?  
 A) Cash reserve ratio.  
 B) Debt service obligation.  
 C) Liquidity adjustment facility.  
 D) Statutory liquidity ratio.
- 95) Which one of the following statements is an appropriate description of deflation?  
 A) It is a sudden fall in the value of a currency against other currencies.  
 B) It is a persistent recession in both the financial and real sectors of economy.  
 C) It is a persistent fall in the general price level of goods and services.  
 D) It is a fall in the rate of inflation over a period of time.
- 96) The SEZ Act, 2005 which came into effect in February 2006 has certain objectives. In this context, consider the following:  
 1. Development of infrastructure facilities.  
 2. Promotion of investment from foreign sources.  
 3. Promotion of exports of services only.

- Which of the above are the objectives of this Act?**  
 A) 1 and 2 only                      B) 3 only  
 C) 2 and 3 only                      D) 1,2 and 3
- 97) **With reference to the Non-Banking Financial companies (NBFC) in India, consider the following statements,**  
 1. They cannot engage in the acquisition of securities issued by the government.  
 2. They cannot accept demand deposits like savings account.  
**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
- 98) **Which one of the following was not stipulated in the Fiscal Responsibility and Budget Management Act, 2003?**  
 A) Elimination of revenue deficit by the end of the fiscal year.  
 B) Non- borrowing by the central government from Reserve Bank of India except under certain circumstances.  
 C) Elimination of primary deficit by the end of the fiscal year.  
 D) Fixing government guarantees in any financial year as a percentage of GDP.
- 99) **In the parlance of financial investments, the term 'bear' denotes**  
 A) An investor who feels that the price of a particular security is going to fall.  
 B) An investor who expects the price of particular shares to rise.  
 C) A shareholder or a bondholder who has an interest in a company, financial or otherwise.  
 D) Any lender whether by making a loan or buying a bond.
- 100) **In the context of Indian economy consider the following pairs:**
- | Term         | Most appropriate description |
|--------------|------------------------------|
| 1. Melt down | ----- Fall in stock prices   |
| 2. Recession | ----- Fall in growth rate    |
| 3. Slow down | ----- Fall in GDP            |
- Which of the pairs given above is/are correctly matched?**  
 A) 1 only                                  B) 2 and 3 only  
 C) 1 and 3 only                          D) 1,2 and 3





## ANSWERS WITH EXPLANATIONS

- |        |        |        |         |        |          |        |        |
|--------|--------|--------|---------|--------|----------|--------|--------|
| 1 (D)  | 2 (D)  | 3 (B)  | 4 (C)   | 5 (B)  | 6 (D)    | 7 (B)  | 8 (A)  |
| 9 (D)  | 10 (D) | 11 (B) | 12 (A)  | 13 (B) | 14 (A)   | 15 (A) | 16 (B) |
| 17 (C) | 18 (C) | 19 (C) | 20 (D)  | 21 (C) | 22 (A&B) | 23 (C) | 24 (D) |
| 25 (B) | 26 (B) | 27 (C) | 28 (A)  | 29 (A) | 30 (A)   | 31 (B) | 32 (B) |
| 33 (B) | 34 (A) | 35 (B) | 36 (D)  | 37 (D) | 38 (B)   | 39 (C) | 40 (D) |
| 41 (A) | 42 (C) | 43 (C) | 44 (B)  | 45 (C) | 46 (A)   | 47 (A) | 48 (D) |
| 49 (D) | 50 (A) | 51 (D) | 52 (C)  | 53 (D) | 54 (A)   | 55 (D) | 56 (B) |
| 57 (D) | 58 (B) | 59 (D) | 60 (C)  | 61 (C) | 62 (B)   | 63 (A) | 64 (C) |
| 65 (D) | 66 (D) | 67 (A) | 68 (D)  | 69 (B) | 70 (D)   | 71 (B) | 72 (C) |
| 73 (D) | 74 (B) | 75 (B) | 76 (B)  | 77 (B) | 78 (D)   | 79 (D) | 80 (D) |
| 81 (B) | 82 (C) | 83 (D) | 84 (D)  | 85 (B) | 86 (C)   | 87 (D) | 88 (C) |
| 89 (A) | 90 (D) | 91 (D) | 92 (A)  | 93 (A) | 94 (A)   | 95 (A) | 96 (D) |
| 97 (A) | 98 (C) | 99 (A) | 100 (D) |        |          |        |        |

1 (D)

2 (D) The Reserve Bank of India was nationalized with effect from 1st January, 1949 on the basis of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948. All shares in the capital of the Bank were deemed transferred to the Central Government on payment of a suitable compensation.

3 (B) The Task Force under the Chairmanship of Mr. Vijay L. Kelkar Direct taxes was set up to recommend measures for the simplification and rationalization of the taxes. The Task Force submitted its Final report to the Government in December, 2002. Personal Income Tax for widows and senior citizens increase in exemption limit from Rs. 50000 to 150000 and for general tax payers it should be Rs. 100000.

4 (C) National Housing Bank (NHB), a wholly owned subsidiary of Reserve Bank of India (RBI), was set up by an Act of Parliament in 1987. NHB is an apex financial institution for housing. It commenced its operations in 9th July 1988. NHB has been established with an

objective to operate as a principal agency to promote housing finance institutions both at local and regional levels and to provide financial and other support incidental to such institutions and for matters connected therewith

5 (B) Crop loans are generally disbursed by the banks through the mode of Kisan Credit Card (KCC). The Kisan Credit Card Scheme is in operation throughout the country and is implemented by Commercial Banks, Cooperative Banks and RRBs. All farmers including small farmers, marginal farmers, share croppers, oral lessees and tenant farmers are eligible for issuance of KCC. KCC holders are also covered under Personal Accident Insurance Scheme (PAIS) against accidental death/permanent disability.

6 (D) In June 1997, the Government of India launched the Targeted Public Distribution System (TPDS) with focus on the poor. Under the TPDS, States were required to formulate and implement foolproof arrangements for the identification of the poor for delivery

of food grains and for its distribution in a transparent and accountable manner at the FPS level. However, since 2001, flexibility has been given to States/UTs in the matter of fixing the retail issue prices by removing the restriction of 50 paise per kg over and above the CIP for distribution of food grains under TPDS except with respect to Anthodia Anna Yojana (AAY) where the end retail price is to be retained at Rs.2/ a kg. for wheat and Rs.3/ a kg. for rice.

7 (B)

8 (A)

9 (D)

10 (D)

11 (B)

12 (A) The Public Distribution System (PDS) evolved as a system of management of scarcity and for distribution of food grains at affordable prices. PDS is supplemental in nature and is not intended to make available the entire requirement of any of the commodities distributed under it to a household or a section of the society.

13 (B)

14 (A)

15 (A) In a bid to enhance forestcover in the state, Odisha Government, in January 2014, decided to implement 'Ama Jangal Yojana' (AJY) in a big way. The AJY (My forest project) Scheme focuses on forest restoration, promotion of sustainable management of forest by strengthening participatory forest management and improvement of livelihood of forest dependent communities.

16 (B)

17 (C) Under the Constitution of India, the power to levy stamp duty is divided between the Union and the State. The Indian Stamp Act, 1899 is a Central enactment and States have powers to adopt the Indian Stamp Act, 1899 with amendments to the same to suit the transactions peculiar to each State. States such as Gujarat, Maharashtra, Karnataka,

Kerala and Rajasthan have their separate State Stamp Acts, while many States follow the 1899 legislation. However, where stamp duty payable on certain transactions is not covered in the respective State Stamp Act, the State/s refer to the stamp duty rates provided in the Indian Stamp Act, 1899 for such transactions.

18 (C) Under FEMA, violation of foreign exchange rules has ceased to be a criminal offence and would now be treated as a civil offence and the ED would no longer have the power to arrest persons for such offences.

19 (C)

20 (D)

21 (C) The Finance Commission is constituted by the President under article 280 of the Constitution, mainly to give its recommendations on distribution of tax revenues between the Union and the States and amongst the States themselves. Two distinctive features of the Commission's work involve redressing the vertical imbalances between the taxation powers and expenditure responsibilities of the centre and the States respectively and equalization of all public services across the States.

22 (A & B)

23 (C) The first Bank of India with Limited Liability to be managed by Indian Board was Oudh Commercial Bank. It was established in 1881 at Faizabad. This bank failed in 1958. The first bank purely managed by Indians was Punjab National Bank, established in Lahore in 1895. The Punjab national Bank has not only survived till date but also is one of the largest banks in India.

24 (D)

25 (B)

26 (B) The position was, therefore, re-examined in consultation with Government of India and the maximum limit of shareholding of Indian promoters in private sector banks has now been raised to 49 per cent of their paid up capital in order to provide a level playing

- field. Foreign Direct Investment (FDI) of up to 49% from different sources will be allowed in private sector banks of India on the automatic route. The RBI has allowed foreign investors to set up new branches in rural India and weak banks with an investment of up to 74 percent.
- 27 (C)
- 28 (A) Rourkela Steel Plant (RSP), the first integrated steel plant in the public sector in India, was set up with German collaboration with an installed capacity of 1 million tones. Subsequently, its capacity was enhanced to 1.9 million tones.
- 29 (A)
- 30 (A) The method adopted for calculating Sensex is the market capitalization weighted method in which weights are assigned according to the size of the company. Larger the size, higher the weight age. The total value of shares in the market at the time of index construction is assumed to be '100' in terms of 'points'.
- 31 (B) Global Trust Bank Ltd has been amalgamated with the Oriental Bank of Commerce. The merger took place on 14th August, 2004. Global Trust Bank Ltd provided various kinds of services to its clients prior to its amalgamation with the Oriental Bank of Commerce. The second report of the Kelkar Committee, dealing with direct and indirect taxes, has maintained its original recommendation of three tax slabs for income tax along with abolition of all exemptions except those relating to housing loans, senior citizens and women.
- 32 (B)
- 33 (B) The eco sensitive zones need to be declared in order to provide better sanctity to protected areas; as an additional tool to strengthen the buffers and corridors around the Protected Area network; and to check the negative impact of industrialization and unplanned development in and around Protected Areas.
- 34 (A) The WEO database and publication are updated and published twice a year, usually in April and September/October
- as documentation for meetings of the International Monetary and Financial Committee, and forms the main instrument of the IMF's global surveillance activities.
- 35 (B) Human Capital Human Development Human capital consider education and health as a means to increase labour productivity. Human development considers that education and health are integral to human well-being because only when people have the ability to read and write and the ability to lead a long and healthy life, they will be able to make other choices which they value. Human capital treats human beings as a means to an end; the end being the increase in productivity.
- 36 (D)
- 37 (D) Taxes on toothpaste come under CST Act, which is administered by State Government. Sales Tax is paid to the Sales Tax Authority in the state from where the goods are moved, i.e. the state from where the movement of goods begin.
- 38 (B) Money provided by investors to startup firms and small businesses with perceived long-term growth potential.
- 39 (C) The objective of the Eleventh Plan was faster and inclusive growth and the initiatives taken in the Eleventh Plan period have resulted in substantial progress towards both objectives.
- 40 (D) The current account is an important indicator about an economy's health. It is defined as the sum of the balance of trade (goods and services exports less imports), net income from abroad and net current transfers. A positive current account balance indicates that the nation is a net lender to the rest of the world, while a negative current account balance indicates that it is a net borrower from the rest of the world.
- 41 (A)
- 42 (C) This financial inclusion campaign aims at providing branchless banking services through the use of technology. Banks provide basic services like deposits, withdrawals and remittances using the services of Business

- Correspondents (BCs) also known as Bank Saathi. The initiative also enables Government subsidies and social security benefits to now be directly credited to the accounts of the beneficiaries so that they could draw the money from the Business Correspondents (BCs) in their village itself.
- 43 (C)
- 44 (B) Capital account can be regarded as one of the primary components of the balance of payments of a nation. It gives a summary of the capital expenditure and income for a country. A capital account deficit shows that more money is flowing out of the economy along with increase in its ownership of foreign assets and vice-versa in case of a surplus. The balance of payments contains the current account (which provides a summary of the trade of goods and services) in addition to the capital account which records all capital transactions.
- 45 (C)
- 46 (A)
- 47 (A) The Balance of Payments shows countries transactions with the rest of the world. It notes inflows and outflows of money and categorizes them into different sections. It is the balance of exports and imports. So option (A) is actually talking about BoT and not BoP. BoP is a more than just import and export transactions because it includes Current account (inside that balance of trade, gifts, remittance, dividend etc.) + Capital account (FDI, FII, ECB etc.
- 48 (D)
- 49 (D) Bank Rate=RBI lends money to its clients for long term loans @this interest rate. Tight monetary policy= when RBI raises the rates to decrease liquidity.
- 50 (A) Deficit financing is a pragmatic tool of economic development and has been used by Indian government to obtain necessary resources to finance the five year plans.
- 51 (D)
- 52 (C) Open market operation= when RBI buys/sells securities in open market.... in case of OMO, first party permanently sells the Government security to second party. Second party is free to do whatever it wants with that security.
- 53 (D) Priority sector refers to those sectors of the economy which may not get timely and adequate credit in the absence of this special dispensation. Typically, these are small value loans to farmers for agriculture and allied activities, micro and small enterprises, poor people for housing, students for education and other low income groups and weaker sections. Priority Sector includes the following categories: (i) Agriculture (ii) Micro and Small Enterprises (iii) Education (iv) Housing (v) Export Credit (vi) Others
- 54 (A)
- 55 (D)
- 56 (B) Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- 57 (D)
- 58 (B)
- 59 (D) National income of a country is defined as the sum of total factor incomes accruing to the residents of that country from the production activity performed by them both within and outside the economic territory in a year.
- 60 (C)
- 61 (C)
- 62 (B) The Ministry of Rural Development has decided to re-design and re-structure the ongoing Swarnjayanti Gram Swarojgar Yojana (SGSY) into National Livelihood Mission (NRLM). The idea has been conceived as a cornerstone of national poverty reduction strategy. The objective of the Mission is to reduce poverty among rural



	BPL by promoting diversified and gainful self-employment and wage employment opportunities which would lead to an appreciable increase in income on sustainable basis		in the late nineties to Swarnajayanthi Gram Swarozgar Yojana (SGSY) and Sampoorna Gramin Rozgar (SGRY)
63	(A)	70	(D)
64	(C) A major concern is with a plethora of conditionalities imposed by the Commission. Besides the conditions on GST compensations discussed above, there are several conditions stipulated for achieving fiscal consolidation and incentivising local bodies. There are questions on design, implementation, and monitoring of these conditions.	71	(B)
65	(D)	72	(C)
66	(D) The Eight Core Industries comprise nearly 38 % of the weight of items included in the Index of Industrial Production (IIP). The combined Index of Eight Core Industries stands at 165.9 in October, 2014, which was 6.3 % higher compared to the index of October, 2013. Its cumulative growth during April to October, 2014-15 was 4.3 %. Coal, Crude Oil, The Natural Gas, Petroleum Refinery Products, Fertilizer, Steel, Cement and Electricity.	73	(D) Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low income groups at an affordable cost.
67	(A) Janani Suraksha Yojana (JSY) is a safe motherhood intervention under the National Rural Health Mission (NRHM) being implemented with the objective of reducing maternal and neo-natal mortality by promoting institutional delivery among the poor pregnant women.	74	(B)
68	(D)	75	(B) Fiscal deficit is incurred when the government's total expenditure exceeds its total revenue.
69	(B) District Rural Development Agency (DRDA) is an Agency to implement Centrally sponsored Schemes of Ministry of Rural Development, Government of India, set up under Society Registration Act 1860. Rural Poverty alleviation is the mandate of the DRDA. Gram Swaraj, the dream of the Father of Nation is the vision of DRDA. Initial tryst of eighties with integrated Rural Development Programme (IRDP) [to skilled category] and Jawhar Rozgar Yojana (JRY) [to unskilled category] were transformed	76	(B)
		77	(B)
		78	(D)
		79	(D)
		80	(D) An economy in which no activity is conducted with outside economies. A closed economy is self-sufficient, meaning that no imports are brought in and no exports are sent out. The goal is to provide consumers with everything that they need from within the economy's borders. A closed economy is the opposite of an open economy, in which a country will conduct trade with outside regions.
		81	(B) Mega Food Park Scheme is the flagship program of the Ministry of Food Processing Industries, Government of India. Mega Food Park Scheme proposes a demand driven/ pre-marketed model with strong backward/ forward linkages and sustainable supply chain.
		82	(C) All revenues raised by the government, money borrowed and receipts from loans given by the government flow into the consolidated fund of India
		83	(D) Microfinance is a general term to describe financial services to low-income individuals or to those who do not have access to typical banking services. Microfinance is also the

- idea that low-income individuals are capable of lifting themselves out of poverty if given access to financial services. While some studies indicate that microfinance can play a role in the battle against poverty, it is also recognized that is not always the appropriate method, and that it should never be seen as the only tool for ending poverty.
- 84 (D) The MGNREG Act 2005 provides enhancement of livelihood security, giving at least 100 days of guaranteed wage employment in every financial year to every household, whose adult members volunteer to do unskilled manual work.
- 85 (B) Vote-on-account deals only with the expenditure side of the government's budget. The government gives an estimate of funds it requires to meet the expenditure that it incurs during the first three to four months of an election financial year until a new government is in place.
- 86 (C)
- 87 (D)
- 88 (C) The more inelastic one's relative supply and demand, the larger the tax burden one will bear.
- 89 (A) A teaser loan is usually an adjustable –rate mortgage with an artificially low initial interest rate. An adjustable-rate mortgage loan in which the borrower pays a very low initial interest rate, which increases after a few years. Teaser loans try to entice borrowers by offering an artificially low rate and small down payments, claiming that borrowers should be able to refinance before the increases occur.
- 90 (D)
- 91 (D)
- 92 (A) Blue Revolution is the water equivalent of the green revolution and primary refers to the management of water resources that can steer humanity to achieve drinking water and crop irrigation security. It deals with aquaculture and water preservation for human use.
- 93 (A) The repo rate is the rate at which RBI lends to banks (against the collateral of bonds). The lower the rate, the lesser the cost of money, the easier it is to borrow money, therefore more money into the economy, fuelling of growth (and if there is too much fuel without growth - inflation). The higher the rate, by the same logic, reduction in inflation (and if this is mishandled - recession).
- 94 (A)
- 95 (A) A general decline in prices, often caused by a reduction in the supply of money or credit. Deflation can be caused also by a decrease in government, personal or investment spending. The opposite of inflation, deflation has the side effect of increased unemployment since there is a lower level of demand in the economy, which can lead to an economic depression. Central banks attempt to stop severe deflation, along with severe inflation, in an attempt to keep the excessive drop in prices to a minimum.
- 96 (D)
- 97 (A) A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 and is engaged in the business of loans and advances, acquisition of shares/stock/bonds/debentures/ securities issued by Government or local authority or other securities of like marketable nature, leasing, hire-purchase, insurance business, chit business. It does not include any institution whose principal business is that of agriculture activity, industrial activity, sale/purchase/construction of immovable property.
- 98 (C)
- 99 (A) An investor who believes that a particular security or market is headed downward. Bears attempt to profit from a decline in prices. Bears are generally pessimistic about the state of a given market.
- 100 (D)

