

28th May, 2023 (Shift-3)

- Q1.** Value Added Method of calculating aggregate annual value of goods and services is also called:
 (a) Product Method
 (b) Income Method
 (c) Expenditure Method
 (d) Cost and Revenue Method

- Q2.** The RBI can influence money supply by changing _____ at which it gives loan to the commercial Banks.
 (a) Promissory Rate (b) Lending Rate
 (c) Fixed Rate (d) Bank Rate

- Q3.** Match **List - I** with **List - II**.

List - I	List - II
(A) Human Capital	(I) Technical Progress
(B) Physical Capital	(II) Education and Health
(C) Human Capital formation	(III) Human well being
(D) Human Development	(IV) Growth enhancing

Choose the correct answer from the options given below:

- (a) (A)-(III), (B)-(IV), (C)-(II), (D)-(I)
 (b) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
 (c) (A)-(IV), (B)-(III), (C)-(I), (D)-(II)
 (d) (A)-(II), (B)-(I), (C)-(IV), (D)-(III)
- Q4.** At a particular price level, when aggregate demand for final goods equals aggregate supply of final goods, the product market reaches to its _____.
 (a) Ex-ante consumption
 (b) Autonomous consumption
 (c) Investment multiplier
 (d) Equilibrium level
- Q5.** Select the correct statement related to Alternate marketing channels:
 (A) In the alternate marketing channels, Farmers sell their products directly to consumers.
 (B) In the alternate marketing channels, Farmers sell their products directly to the Central Government
 (C) In the alternate marketing channels, Farmers sell their products to the Middle men
 (D) In the alternate marketing channels, Farmer sell their products directly to the whole sale market

Choose the correct answer from the options given below:

- (a) (A) Only (b) (B) Only
 (c) (C) Only (d) (D) Only

- Q6.** Adoption of new technology is called _____.
 (a) Liberalisation (b) Modernization
 (c) Globalization (d) Green Revolution

- Q7.** Match **List - I** with **List - II**.

List - I	List - II
(A) Flexible exchange rate	(I) Market forces
(B) Devaluation	(II) Pegged exchange rate
(C) Fixed exchange rate	(III) Floating exchange rate
(D) Depreciation	(IV) Government

Choose the correct answer from the options given below:

- (a) (A)-(II), (B)-(III), (C)-(I), (D)-(IV)
 (b) (A)-(I), (B)-(II), (C)-(IV), (D)-(III)
 (c) (A)-(III), (B)-(IV), (C)-(II), (D)-(I)
 (d) (A)-(IV), (B)-(I), (C)-(III), (D)-(II)

- Q8.** Which of the following will be included in the National Income of India?
 (A) Donations given to a religious institution.
 (B) Payment of Income Tax
 (C) Scholarship given to students
 (D) Profits earned by an Indian company from its branch in France
 (E) Purchase of a television set by a consumer household

Choose the correct answer from the options given below:

- (a) (A) and (B) Only (b) (B) and (C) Only
 (c) (D) and (E) Only (d) (A), (C) and (E) Only

- Q9.** Current Account components of trade in services include:
 (A) Gifts, Remittances
 (B) Net Non-Factor Income
 (C) Net Investment Income
 (D) Grants

Choose the correct answer from the options given below:

- (a) (A), (B) and (C) Only (b) (B) and (C) Only
 (c) (A) and (D) Only (d) (B), (C) and (D) Only

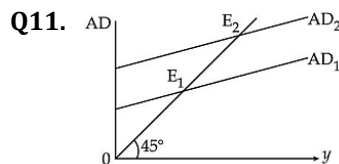
- Q10.** Which of the following items can be included in Capital Account in BOP?
 (A) An Indian buy a UK Car company
 (B) A Swedish citizen buys shares of Reliance company

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- (C) Export of Rajasthan's blue pottery to an Italian restaurant owner
(D) Apple I-phones gifted by an Indian company to its employees

Choose the correct answer from the options given below:

- (a) (B) and (C) Only (b) (C) and (D) Only
(c) (A) and (D) Only (d) (A) and (B) Only



The aggregate demand line shifts parallel upwards. The reason behind this is:

- (a) Autonomous Investment increase
(b) Autonomous Investment decreases
(c) Investment is Zero
(d) Investment is Negative

Q12. Which of the following instrument of trade protection directly raises the price of the commodity in the domestic economy?

- (a) Import substitution (b) Import tariff
(c) Export subsidy (d) Import liberalization

Q13. Which year is known as "Year of Great Divide" in the history of Indian demography?

- (a) 1932 (b) 1931
(c) 1921 (d) 1882

Q14. Identify the term that means proneness to fall ill from major waterborne diseases.

- (a) Mobility (b) Maternity
(c) Malariality (d) Morbidity

Q15. Arrange the sequence of events relating to identifying the number of poor in India.

- (A) Task force on projection of minimum needs and effective demand formed
(B) Expert groups formed
(C) Planning Commission formed a study group
(D) Dadabhai Naoroji formulated the 'Jail cost of living'

Choose the correct answer from the options given below:

- (a) (B), (D), (C), (A) (b) (A), (B), (C), (D)
(c) (D), (C), (A), (B) (d) (D), (C), (B), (A)

Q16. Which is not the way to attain sustainable development?

- (a) Sticking to methods to promote inequality
(b) Spread of Awareness
(c) Use of traditional practices
(d) Use of cleaner fuel

Q17. Which apex body was set up to coordinate the activities of all institutions involved in the rural financing system?

- (a) NABARD (b) RRBs

- (c) RBI (d) SBI

Q18. Repo-Rate is the rate at which RBI lends money to commercial Banks for _____.

- (a) Long period (b) Short period
(c) Very long period (d) Market period

Q19. Match **List - I** with **List - II**.

List - I	List - II
(A) Trade includes export and import of goods	(I) Capital Account
(B) Foreign Direct Investment	(II) Invisible Trade
(C) Net sale of service products like banking and tourism	(III) Transfer Payment
(D) The Receipts of payment without providing goods and services	(IV) Current Account

Choose the correct answer from the options given below:

- (a) (A)-(III), (B)-(II), (C)-(I), (D)-(IV)
(b) (A)-(III), (B)-(IV), (C)-(I), (D)-(II)
(c) (A)-(IV), (B)-(I), (C)-(II), (D)-(III)
(d) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)

Q20. Arrange the following in chronological order of their occurrence in India.

- (A) The second stage of demographic transition began
(B) Incorporation of Tata Iron and Steel company
(C) British India first census
(D) Introduction of railways

Choose the correct answer from the options given below:

- (a) (A), (C), (B), (D) (b) (D), (B), (A), (C)
(c) (C), (B), (D), (A) (d) (D), (C), (B), (A)

Q21. The Industrial policy closely related to the trade Policy which aimed at replacing imports with domestic production is known as:

- (a) Import substitution (b) Export promotion
(c) Domestic substitution (d) Export substitution

Q22. Match **List - I** with **List - II**.

List - I	List - II
(A) Income Method	(I) Calculated at current prices
(B) Expenditure Method	(II) Calculated at constant prices
(C) Real GDP	(III) Aggregate of final expenditures
(D) Nominal GDP	(IV) Aggregate of factor incomes

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- Choose the correct answer from the options given below:
- (a) (A)-(I), (B)-(II), (C)-(III), (D)-(IV)
 (b) (A)-(II), (B)-(III), (C)-(IV), (D)-(I)
 (c) (A)-(IV), (B)-(III), (C)-(II), (D)-(I)
 (d) (A)-(III), (B)-(IV), (C)-(I), (D)-(II)
- Q23.** Arrange the following statements relating to open market operations in the correct sequence.
 (A) There by resulting in an increase in money supply
 (B) Central bank pays for it by giving a cheque
 (C) Central bank buys a government bond in the open market
 (D) This increases the total amount of reserves in the economy
- Choose the correct answer from the options given below:
- (a) (A), (B), (C), (D) (b) (B), (A), (C), (D)
 (c) (D), (C), (B), (A) (d) (C), (B), (D), (A)
- Q24.** The book 'General Theory of Employment, Interest and Money', has been written by the distinguished economist.
 (a) Adam Smith (b) J.M. Keynes
 (c) A.C. Pigou (d) David Ricardo
- Q25.** What needs to be subtracted from gross fiscal deficit to get gross primary deficit?
 (a) Revenue Expenditure
 (b) Net Interest Liabilities
 (c) Recovery of Loans
 (d) Non-tax Revenue
- Q26.** Investment in education, health, migration and information are the sources of:
 (a) Physical capital formation
 (b) Human capital formation
 (c) Economic growth
 (d) Productivity
- Q27.** Arrange the sequence of events relating to establishment of equilibrium in the economy.
 (A) This will cause unintended decumulation of inventories
 (B) This process continues till ex-ante aggregate demand becomes equal to ex-ante aggregate supply
 (C) The producers will respond by increasing output
 (D) If ex-ante demand for final goods by firms and households is greater than the output the producers plan to produce in a given year
 (E) When output increases, both employment and income rise
- Choose the correct answer from the options given below:
- (a) (A), (C), (B), (E), (D) (b) (D), (A), (C), (E), (B)
 (c) (A), (E), (C), (B), (D) (d) (D), (C), (B), (E), (A)
- Q28.** Given $AD = \bar{C} + \bar{I} + CY$, change in autonomous consumption will lead to:
 (A) Change in equilibrium level of income
 (B) Change in aggregate demand
 (C) Change in Investment
 (D) Change in aggregate demand and no change in equilibrium level of income
 (E) Change in marginal propensity to consume
- Choose the correct answer from the options given below:
- (a) (D) Only (b) (A) and (B) Only
 (c) (C) and (D) Only (d) (B) and (E) Only
- Q29.** RBI can influence money supply by changing the Bank rate. An increase in Bank rate can be termed as:
 (a) Contractionary monetary policy
 (b) Expansionary monetary policy
 (c) Contractionary fiscal policy
 (d) Expansionary fiscal policy
- Q30.** Investment in education turns human resources into _____.
 (a) Human Development
 (b) Human Capital
 (c) Human Capital Formation
 (d) Physical Capital
- Q31.** Some Scholars question the usefulness of India being a member of the _____ organization as a major volume of international trade occurs among the developed nations. Identify the organization.
 (a) World Trade Organisation
 (b) United Nations
 (c) International Monetary Fund
 (d) World Bank
- Q32.** If Trade Deficit is ₹ 2000 crores and imports is worth ₹ 4000 crore, then the value of exports will be:
 (a) Zero (b) ₹ 4000 crore
 (c) ₹ 2000 crore (d) ₹ 6000 crore
- Q33.** Which of the following is not included in the strategy of sustainable development?
 (a) Wind energy (b) Solar energy
 (c) Bio compost (d) Land degradation
- Q34.** Revenue Receipts in the government budget include:
 (A) Government Borrowings
 (B) Tax Revenue
 (C) Interest receipts on loans by government
 (D) Dividends earned by government on its investment

Choose the correct answer from the options given below:

- (a) (A), (B), (C) and (D) Only
- (b) (B), (C) and (D) Only
- (c) (C) and (D) Only
- (d) (A) and (D) Only

Q35. 'Swarn Jayanti Shahri Rozgar Yojana' aims at creating _____ opportunities in urban areas.

- (a) Livelihood
- (b) Housing
- (c) Pension
- (d) Self employment

Q36. One kind of deficit in the annual Budget will have to be financed through borrowings. It indicates the total borrowing requirements of the government from all sources it is known as:

- (a) Money deficit
- (b) Fiscal deficit
- (c) Macro deficit
- (d) Micro deficit

Q37. When Cash Reserve Ratio is 20% then with the deposit of ₹ 1000, Money creation will be ₹ 5000, Money multiplier is:

- (a) 0.5
- (b) 0.05
- (c) 5
- (d) $\frac{1}{5}$

Q38. Receipts of the Government that are non-redeemable and cannot be reclaimed from the Government, are under which type of revenues of Government?

- (a) Capital Receipts
- (b) Tax Revenue
- (c) Revenue Receipts
- (d) Non-tax Revenue

Q39. If the value of nominal GDP is ₹ 5500 and of real GDP is ₹ 2200, what is the value of GDP Deflator?

- (a) 0.4
- (b) 2.50
- (c) 1.75
- (d) 2.25

Q40. National Income can also be called:

- (a) Net National Product at Market Price
- (b) Gross National Product at Factor Cost
- (c) Net National Product at Factor Cost
- (d) Gross National Product at Market Price

Directions 41-45 Read the following passage and answer, question.

A consumer is a rational individual who knows, what is good and bad for him/her. So, he always tries to achieve the best to get maximum satisfaction. Thus, the consumer chooses the set of bundles as per his preference which is best for him. The consumer always prefers to move to a point on the highest possible indifference curve given on the budget set. The slope of the budget line is the rate at which the consumer is able to substitute one good for the other in the market.

Q41. The indifference curve is:

- (a) Positive
- (b) Upward
- (c) Concave
- (d) Convex

Q42. All the points on Indifference curve represent:

- (a) The same price
- (b) Bundles which are considered indifferent by the consumer
- (c) Straight line
- (d) Bundles which are considered same by the consumer

Q43. A rational consumer is the one who has:

- (a) Many sets of bundles
- (b) Monotonic preference
- (c) With high budget
- (d) Not ready to substitute one good for the other

Q44. Which is an example of substitute good?

- (a) Pen and ink
- (b) Car and petrol
- (c) Tea and Coffee
- (d) Shoes and socks

Q45. If the budget line is tangent to an indifference curve at a point, absolute value of the MRS and the Budget line are _____ at that point.

- (a) More
- (b) High
- (c) Less
- (d) Same

Directions 46-50 Read the following passage and answer, question.

The Chipko Movement, aimed at protecting forests in the Himalayas. In Karnataka, a similar movement took a different name, 'Appiko', which means to hug. On 8 September 1983, when the felling of trees was started in Salkani forest in Sirsi district, 160 men, women and children hugged the trees and forced the woodcutters to leave. They kept vigil in the forest over the next six weeks. Only after the forest official assured the volunteers that the trees will be cut scientifically and in accordance with the working plan of the district, did they leave the trees.

When commercial feeling by contractors damaged a large number of natural forests, the idea of hugging the trees gave the people hope and confidence that they can protect the forests. On this particular incident, with the felling discontinued, the people saved 12,000 trees. Within months, this movement spread to many adjoining districts.

Indiscriminate felling of trees for fuel wood and for industrial use has led to many environmental problems. Twelve years after setting up of a paper mill in Uttar Kanara area, bamboo has been wiped out from that area. "Broad-leaved trees which protected the soil from the direct onslaught of rain have been removed, the soil washed away, and bare laterite soil left behind. Now nothing grows but a weed", says a farmer. Farmers also complain that rivers and rivulets dry up quicker, and that rainfall is becoming erratic. Diseases and insects earlier unknown are now attacking the crops.

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- Q46.** Chipko movement or Appiko started in Karnataka when:
- (a) Film shooting started in Salkani forest
 - (b) Karnataka Government made Salkani forest as Public Park
 - (c) Feeling of the trees started at Salkani forest
 - (d) People started to move in Salkani forest with their vehicles
- Q47.** Indiscriminate felling of trees has led to many _____ problems.
- (a) Environmental
 - (b) Agricultural
 - (c) Industrial
 - (d) Chemical
- Q48.** In Chipko movement and Appiko movement, men, women and children saved the trees by:
- (a) Shouting at the wood cutters
 - (b) Gave money to the wood cutters
 - (c) Made moves in the forest with dogs
 - (d) Hugging the trees till wood cutters left
- Q49.** Setting up of paper mills in different areas using bamboo as raw material leads to the soil becoming:
- (a) Clay soil
 - (b) Alluvial soil
 - (c) Red soil
 - (d) Laterite soil
- Q50.** Indiscriminate felling of trees for industrial use has led to the problem of:
- (a) Diseases and Insects attacking the crops
 - (b) People buying more goods produced by industry
 - (c) Profits to the Industry
 - (d) Migration to foreign countries

