

Economy 2017

1. Consider the following statements:

The nation-wide 'Soil Health Card Scheme' aims at

1. expanding the cultivable area under irrigation.
2. enabling the banks to assess the quantum of loans to be granted to farmerson the basis of soil quality.
3. checking the overuse of fertilizers in farmlands.

Which of the above statements is/are correct ?

- (a) 1 and 2 only (b) 3 only
(c) 2 and 3 only (d) 1, 2 and 3

Ans: B

2. Who among the following can join the National Pension System (NPS)?

- (a) Resident Indian citizens only
(b) Persons of age from 21 to 55 only
(c) All State Government employees joining the services after the date of notification by the respective State Governments
(d) All Central Governments Employees including those of Armed Forces joining the services on or after 1st April, 2004

Ans: C

Exp: *The Central Government had introduced the National Pension System (NPS) with effect from January 1, 2004 (except for armed forces).*

- *Subsequently, various State Governments adopted this architecture and implemented NPS with effect from different dates.*
- *Eligibility – Any citizen of India, whether resident or non-resident, subject to the following conditions. Individuals who are aged between 18 – 60 years, including NRIs . After attaining 60 years of age, you will not be permitted to make further contributions to the NPS accounts.*

3. What is/are the most likely advantages of implementing 'Goods and Services Tax (GST)'?

1. It will replace multiple taxes collected by multiple authorities and will thus create a single market in India.

2. It will drastically reduce the 'Current Account Deficit' of India and will enable it to increase its foreign exchange reserves.
3. It will enormously increase the growth and size of economy of India and will enable it to overtake China in the near future.

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 3

Ans: A

Exp: *Statements 2 and 3 are probable but not deterministic.*

4. 'Broad-based Trade and Investment Agreement (BTIA)' is sometimes seen in the news in the context of negotiations held between India and

- (a) European Union
(b) Gulf Cooperation Council
(c) Organization for Economic Cooperation and Development
(d) Shanghai Cooperation Organization

Ans: A

Exp: *The EU and India have negotiated an ambitious Broad-based Trade and Investment Agreement since 2007.*

5. Consider the following statements:

1. India has ratified the Trade Facilitation Agreement (TFA) of WTO.
2. TFA is a part of WTO's Bali Ministerial Package of 2013.
3. TFA came into force in January 2016.

Which of the statements given above is/are correct?

- (a) 1 and 2 only (b) 1 and 3 only
(c) 2 and 3 only (d) 1, 2 and 3

Ans: A

Exp: *WTO members concluded negotiations at the 2013 Bali Ministerial Conference on the landmark Trade Facilitation Agreement (TFA), which entered into force on 22 February 2017 following its ratification by two-thirds of the WTO membership. The TFA*

contains provisions for expediting the movement, release and clearance of goods, including goods in transit. It also sets out measures for effective cooperation between customs and other appropriate authorities on trade facilitation and customs compliance issues. It further contains provisions for technical assistance and capacity building in this area. It came into being in Feb, 2017.

6. What is the importance of developing Chabahar Port by India?
- India's trade with African countries will enormously increase.
 - India's relations with oil-producing Arab countries will be strengthened.
 - India will not depend on Pakistan for access to Afghanistan and Central Asia.
 - Pakistan will facilitate and protect the installation of a gas pipeline between Iraq and India.

Ans: C

Exp: *The port will make way for India to bypass Pakistan in transporting goods to Afghanistan using a sea-land route. At present, Pakistan does not allow India to transport through its territory to Afghanistan. It has, however, recently allowed some Afghan shipments to come to India.*

This will also give momentum to the International North-South Transport Corridor of which both are initial signatories along with Russia. Iran is the key gateway in this project. It entails the ship, rail, and road routes for moving freight between India, Russia, Iran, Europe and Central Asia. The route primarily involves moving freight from India, Iran, Azerbaijan and Russia. The objective of the corridor is to increase trade connectivity between major cities such as Mumbai, Moscow, Tehran, Baku, Astrakhan etc.

7. Which of the following has/have occurred in India after its liberalization of economic policies in 1991?
- Share of agriculture in GDP increased enormously.
 - Share of India's exports in world trade increased.
 - FDI inflows increased.
 - India's foreign exchange reserves increased enormously.

Select the correct answer using the codes given below:

- 1 and 4 only
- 2, 3 and 4 only
- 2 and 3 only
- 1, 2, 3 and 4

Ans: B

Exp: *Share of agriculture in GDP is decreasing*

8. With reference to 'National Investment and Infrastructure Fund', which of the following statements is/are correct?
- It is an organ of NITI Aayog.
 - It has a corpus of Rs. 4,00,000 crore at present.

Select the correct answer using the code given below :

- 1 only
- 2 only
- Both 1 and 2
- Neither 1 nor 2

Ans: D

Exp: *NIIF has been structured as a fund of funds and set up as Category II Alternate Investment Fund (AIF) under the Securities and Exchange Board of India (SEBI) Regulations. Total corpus of the fund is Rs. 40,000 Crore.*

9. The Global Infrastructure Facility is a/an
- ASEAN initiative to upgrade infrastructure in Asia and financed by credit from the Asian Development Bank.
 - World Bank collaboration that facilitates the preparation and structuring of complex infrastructure Public-Private Partnerships (PPPs) to enable mobilization of private sector and institutional investor capital.
 - Collaboration among the major banks of the world working with the OECD and focused on expanding the set of infrastructure projects that have the potential to mobilize private investment.
 - UNCTAD funded initiative that seeks to finance and facilitate infrastructure development in the world.

Ans: B

Exp:

- The World Bank (WB) has launched the GIF to specifically cater to the infrastructure needs of the emerging economies and developing countries.*
- The GIF will channel money towards bankable infrastructure project in such countries.*
- GIF also places importance on sustainable development. Its key focus will be on climate friendly infrastructure investments and projects that will boost trade.*
- Key Objectives :*
 - Mobilizing the private sector: Concentrating on financing and implementation modalities that draw together the comparative advantages of*

the public and private sectors to expand investment and improve infrastructure services.

- *Collaborating for best results: Mobilizing partners' technical and financial resources in an innovative and flexible way to achieve greater leverage and address the complex infrastructure financing challenges that are beyond the resources of any individual partner.*

10. Consider the following statements:
1. Tax revenue as a percent of GDP of India has steadily increased in the last decade.
 2. Fiscal deficit as a percent of GDP of India has steadily increased in the last decade.

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

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Either 1 nor 2

Ans: A

Exp: *Fiscal Deficit has decreased in the last decade.*

11. Consider the following statements:
1. National Payments Corporation of India (NPCI) helps in promoting the financial inclusion in the country.
 2. NCPI has launched RuPay, a card Payment scheme.

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

Ans: C

Exp: *RuPay is an Indian domestic card scheme conceived and launched by the National Payments Corporation of India (NPCI). It was created to fulfil the Reserve Bank of India's desire to have a domestic, open loop, and multilateral system of payments in India. National Payments Corporation of India (NPCI) helps in promoting the financial inclusion in the country*

12. Which of the following statements best describes the- term 'Scheme for Sustainable Structuring of Stressed Assets (S4A)', recently seen in the news?
- (a) It is a procedure for considering ecological costs of developmental schemes formulated by the Government.
 - (b) It is a scheme of RBI for reworking the financial structure of big corporate entities facing genuine difficulties.

- (c) It is a disinvestment plan of the Government regarding Central Public Sector Undertakings.
- (d) It is an important provision in 'The Insolvency and Bankruptcy Code' recently implemented by the Government.

Ans: B

Exp: *In order to strengthen the lenders' ability to deal with stressed assets and to put real assets back on track by providing an avenue for reworking the financial structure of entities facing genuine difficulties, the Reserve Bank of India has issued guidelines on a 'Scheme for Sustainable Structuring of Stressed Assets'.*

13. Consider the following statements:
1. The Standard Mark of Bureau of Indian Standards (BIS) is mandatory for automotive tyres and tubes.
 2. AGMARK is a quality Certification Mark issued by the Food and Agriculture Organisation (FAO).

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

Ans: A

Exp: *The Product Certification Scheme of BIS aims at providing Third Party Guarantee of quality, safety and reliability of products to the customer.*

Presence of ISI certification mark, known as Standard Mark, on a product is an assurance of conformity to the specifications.

Under Product Certification, Mandatory certification is there for Automobile Accessories such as Automotive vehicles –Tubes and pneumatic tyres

AGMARK (Agricultural Mark) is a certification issued by Directorate of Marketing and Inspection for agricultural produce.

14. What is/are the advantage/advantages of implementing the 'National Agriculture Market' scheme?
1. It is a pan-India electronic trading portal for agricultural commodities.
 2. It provides the farmers access to nationwide market, with prices commensurate with the quality of their produce.

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

Ans: C

Exp: *National Agriculture Market (NAM) is a pan-India electronic trading portal which networks the existing APMC (Agricultural produce market Committee) mandis to create a unified national market for agricultural commodities.*

NAM created a unified market through online trading platform, both, at State and National level and promotes uniformity, streamlining of procedures across the integrated markets, removes information asymmetry between buyers and sellers and promotes real time price discovery, based on actual demand and supply, promotes transparency in auction process, and access to a nationwide market for the farmer, with prices commensurate with quality of his produce and online payment and availability of better quality produce and at more reasonable prices to the consumer.

15. With reference to 'Quality Council of India (QCI)', consider the following statements:
1. QCI was set up jointly by the Government of India and the Indian Industry.
 2. Chairman of QCI is appointed by the Prime Minister on the recommendations of the industry to the Government.

Which of the above statements is/are correct?

- (a) 1 only (b) 2 only
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans: C

Exp: *Formed in 1997, the Quality Council of India was set-up by the Confederation of Indian Industry, the Federation of Indian Chambers of Commerce and Industry, and the Associated Chambers of Commerce and Industry.*

QCI is governed by a Council comprising of 38 members including the Chairman and Secretary General. The Council has an equal representation of Government, Industry and other Stakeholders.

The chairman selection is approved by the PM upon suggestion from the body stakeholders.

16. What is the purpose of setting up of Small Finance Banks (SFBs) in India?
1. To supply credit to small business units
 2. To supply credit to small and marginal farmers
 3. To encourage young entrepreneurs to set up business particularly in rural areas.

Select the correct answer using the code given below:

- (a) 1 and 2 only (b) 2 and 3 only
(c) 1 and 3 only (d) 1, 2 and 3

Ans: A

Exp: *RBI's guidelines for Small Banks*

Eligibility – Professionals with 10 years of experience in banking / finance / Micro Finance Institutions.

The minimum capital requirement is Rs 100 crore (minimum paid-up equity capital).

Local focus and ability to serve smaller customers will be a key criterion in licensing such banks.

The bank shall primarily undertake basic banking activities of accepting deposits and lending to small farmers, small businesses, micro and small industries, and unorganized sector entities. It cannot set up subsidiaries to undertake non-banking financial services activities. After the initial stabilization period of five years, and after a review, the RBI may liberalize the scope of activities for Small Banks.

The area of operations would normally be restricted to few districts (near-by) of a state. However, if necessary, it would be allowed to expand its area of operations beyond contiguous districts in one or more states with reasonable geographical proximity.

Small Banks have to meet RBI's norms and regulations regarding risk management. They have to meet CRR and SLR requirements, like any other commercial bank.

The maximum loan size and investment limit exposure to single/group borrowers/issuers would be restricted to 15 per cent of capital funds.

For the first three years, 25 per cent of branches should be in unbanked rural areas.

Of the loans issued by Small Banks, 75% should be to the so-called priority sector which includes agriculture and small businesses. And half the loan portfolio of the banks should be loans and advances of up to Rs.25 lakh to micro finance businesses.

17. Which of the following is a most likely consequence of implementing the 'Unified Payments Interface (UPI)'?
- (a) Mobile wallets will not be necessary for online payments.

- (b) Digital currency will totally replace the physical currency in about two decades.
- (c) FDI inflows will drastically increase.
- (d) Direct transfer of subsidies to poor people will become very effective.

Ans: A

18. 'Recognition of Prior Learning Scheme' is sometimes mentioned in the news with reference to
- (a) Certifying the skills acquired by construction workers through traditional channels.
 - (b) Enrolling the persons in Universities for distance learning programmes.
 - (c) Reserving some skilled jobs to rural and urban poor in some public sector undertakings.
 - (d) Certifying the skills acquired by trainees under the National Skill Development Programme.

Ans: D

Exp: *Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) with the objective of this Skill Certification Scheme to enable a large number of Indian youth to take up industry-relevant skill training that will help them in securing a better livelihood.*

Recognition of Prior Learning Scheme

Individuals with prior learning experience or skills shall be assessed and certified under the Recognition of Prior Learning (RPL) component of the Scheme. RPL aims to align the competencies of the unregulated workforce of the country to the NSQF (National Skills Qualification Framework).

19. Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)?
- 1. It decides the RBI's benchmark interest rates.
 - 2. It is a 12-member body including the Governor of RBI and is reconstituted every year.
 - 3. It functions under the chairmanship of the Union Finance Minister.

Select the correct answer using the code given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 3 only
- (d) 2 and 3 only

Ans: A

Exp: *The Monetary Policy Committee would be entrusted with the task of fixing the benchmark policy rate (repo rate) required to contain inflation within the specified target level.*

It consists of 6 members. The Members of the Monetary Policy Committee appointed by the Central Government shall hold office for a period of four years.

The Governor of the Bank—Chairperson, ex officio;

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1. Regarding 'Atal Pension Yojana', which of the following statements is/are correct?
- 1. It is a minimum guaranteed pension scheme mainly targeted at unorganized sector workers
 - 2. Only one member of a family can join the scheme
 - 3. Same amount of pension is guaranteed for the spouse for life after subscriber's death.

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 3

Ans: C

Exp: *Atal Pension Yojana (APY) is open to all bank account holders who are not members of any statutory social security scheme. The minimum age of joining APY is 18 years and maximum age is 40 years. Therefore, minimum period of contribution by the subscriber under APY would be 20 years or more. No specification of family members. In case of death of subscriber pension would be available to the spouse and on the death of both of them (subscriber and spouse), the pension corpus would be returned to his nominee.*

2. Which of the following best describes the term "import cover", sometimes seen in the news?
- (a) It is the ratio of value of imports to the Gross Domestic product of a country
 - (b) It is the total value of imports of a country in a year.
 - (c) It is the ratio between the value of exports and that of imports between two countries
 - (d) It is the number of months of imports that could be paid for by a country's international reserves

Ans: D

3. Recently, which one of the following currencies has been proposed to be added to the basket of IMF's SDR?
- (a) Rouble
 - (b) Rand
 - (c) Indian Rupee
 - (d) Renminbi

Ans: D

Exp: Chinese renminbi (RMB) will be added as the fifth currency in IMF's SDR.

4. With reference to the International Monetary and Financial Committee (IMFC), consider the following statements:

1. IMFC discusses matters of concern affecting the global economy, and advises the International Monetary Fund (IMF) on the direction of its work.
2. The World Bank participates as observer in IMFC's meetings.

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

Ans: C

Exp: The IMFC advises and reports to the IMF Board of Governors on the supervision and management of the international monetary and financial system, including on responses to unfolding events that may disrupt the system. It also considers proposals by the Executive Board to amend the Articles of Agreement and advises on any other matters that may be referred to it by the Board of Governors. Although the IMFC has no formal decision-making powers, in practice, it has become a key instrument for providing strategic direction to the work and policies of the Fund.

World Bank acts as observer in the meetings.

5. Which of the following is/are included in the capital budget of the Government of India?

1. Expenditure on acquisition of assets like roads, buildings, machinery, etc.
2. Loans received from foreign governments.
3. Loans and advances granted to the States and Union Territories.

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 3

Ans: D

Exp: Capital Budget consists of capital receipts and payments. Capital receipts are loans raised by the government from the public (which are called

market loans), borrowings by the government from the Reserve Bank and other parties through sale of treasury bills, loans received from foreign bodies and governments, and recoveries of loans granted by the Central government to state and Union Territory governments and other parties. Capital payments consist of capital expenditure on acquisition of assets like land, buildings, machinery, and equipment, as also investments in shares, loans and advances granted by the Central government to state and Union Territory governments, government companies, corporations and other parties.

6. In the context of which of the following do you sometimes find the terms 'amber box, blue box and green box' in the news?

- (a) WTO affairs
- (b) SAARC affairs
- (c) UNFCCC affairs
- (d) India-EU negotiations on FTA

Ans: A

Exp: These are WTO jargon for different kinds of subsidies given to agriculture. In a nutshell, amber box subsidies constitute all forms of domestic support deemed to be trade distorting, primarily by encouraging excessive production. Blue box subsidies are considered somewhat less trade distorting, because while they directly link production to subsidies, they also set limits on production by way of quotas, for instance. Green box subsidies were initially considered non-distorting in terms of production and trade, though it is increasingly being recognized that they are at best minimally trade distorting. Direct income support schemes unlinked to production would be typical examples of green box subsidies.

7. PradhanMantri MUDRA Yojana is aimed at
- (a) Bringing the small entrepreneurs into formal financial system
 - (b) Providing loans to poor farmers for cultivating particular crops
 - (c) Providing pensions to old and destitute persons
 - (d) Funding the voluntary organization involved in the promotion of skill development and employment generation

Ans: A

Exp: The main objectives of Mudra Bank are, to encourage entrepreneurs and small business units to expand their capabilities and operations, to reduce over indebtedness and to provide formal system of credit (finance).

8. What is/are the purpose/purposes of Government's 'Sovereign Gold Bond Scheme' and Gold Monetization Scheme?

1. To bring the idle gold lying with India households into the economy
2. To promote FDI in the gold and jewelry sector
3. To reduce India's dependence on gold imports

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 3

Ans: C

Exp: *Gold Bond and Gold Monetisation schemes combined purposes is to reduce India's gold imports and bring all the gold lying idle with individuals and households in India into the economy. However, the schemes aren't targeted at Foreign investors or boosting foreign investment.*

9. Consider the following statements:

1. New Development Bank has been set up by APEC.
2. The headquarters of New Development Bank is in Shanghai.

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

Ans: B

Exp: *New Development Bank has been established by the BRICS.*

10. 'SWAYAM', an initiative of the Government of India, aims at

- (a) Promoting the Self Help Groups in rural areas
- (b) Providing financial and technical assistance to young start-up entrepreneurs
- (c) Promoting the education and health of adolescent girls
- (d) Providing affordable and quality education to the citizens for free

Ans: D

Exp: *SWAYAM is an online platform of the Ministry of HRD through which online programmes/courses will be offered to students in India.*

11. The term 'Base Erosion and profit shifting' is sometimes seen in the news in the context of

- (a) mining operation by multinational companies in resource-rich backward areas
- (b) curbing of the tax evasion by multinational companies

(c) exploitation of genetic resources of a country by multinational companies

(d) Lack of consideration of environmental costs in the planning of development projects

Ans: B

Exp: *Base erosion and profit shifting (BEPS) refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations.*

12. Recently, India's first 'National Investment and Manufacturing Zone' was proposed to be set up in

- (a) Andhra Pradesh
- (b) Gujarat
- (c) Maharashtra
- (d) Uttar Pradesh

Ans: A

Exp: *Andhra Pradesh is set to house India's first national investment and manufacturing zone. The NIMZ will comprise a special purpose vehicle and a developer, along with the state and the central governments as stakeholders.*

13. With reference to 'Financial Stability and Development Council', consider the following statements:

1. It is an organ of NITI Aayog.
2. It is headed by the Union Finance Minister.
3. It monitors macro prudential supervision of the economy.

Which of the statements given above is/are correct?

- (a) 1 and 2 only (b) 3 Only
(c) 2 and 3 only (d) 1, 2 and 3

Ans: C

Exp: *The Chairman of the Council is the Finance Minister and its members include the heads of financial sector Regulators (RBI, SEBI, PFRDA, IRDA & FMC {now with SEBI}) Finance Secretary and/or Secretary, Department of Economic Affairs, Secretary, Department of Financial Services, and Chief Economic Adviser. The Council can invite experts to its meeting if required. The FSDC Secretariat is in the Department of Economic Affairs.*

The council will act as a co-ordination agency between the various financial sector regulators-the RBI, SEBI, IRDA and the PFRDA. This Council would monitor macro-prudential supervision of the economy, including the functioning of large financial conglomerates, and address inter-regulatory coordination issues.

14. What is/are the purpose/purposes of the 'Marginal Cost of Funds based Lending Rate (MCLR)' announced by RBI?
1. These guidelines help improve the transparency in the methodology followed by banks for determining the interest rates on advances
 2. These guidelines help ensure availability of bank credit & interest rates which are fair to the borrowers as well as the banks

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

Ans: C

Exp: *MCLR help in improving the transmission of policy rates into the lending rates of banks, these guidelines are expected to improve transparency in the methodology followed by banks for determining interest rates on advances. These guidelines are also expected to ensure availability of bank credit at interest rates which are fair to the borrowers as well as the banks. Further, marginal cost of pricing of loans will help the banks to become more competitive and enhance their long run value and contribution to economic growth.*

15. With reference to the 'Trans-Pacific Partnership', consider the following statements:
1. It is an agreement among all the Pacific Rim countries except China and Russia.
 2. It is a strategic alliance for the purpose of maritime security only.

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

Ans: D

Exp: *The TPP involves 12 Pacific Rim nations – Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam. The pact aims to deepen economic ties between these nations, slashing tariffs and fostering trade to boost growth.*

16. The term 'Core Banking Solution' is sometimes such in the news. Which of the following statements best describes/describe this term?
1. It is a networking of a bank's branches which enables customers to operate their accounts from any branch of the bank on its network regardless of where they open their accounts.

2. It is an effort to increase RBI's control over commercial banks through computerization.
3. It is a detailed procedure by which a bank with huge non-performing assets is taken over by another bank.

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 3

Ans: A

Exp: *Core Banking Solution (CBS) is networking of branches, which enables Customers to operate their accounts, and avail banking services from any branch of the Bank on CBS network, regardless of where he maintains his account. The customer is no more the customer of a Branch.*

17. There has been a persistent deficit budget year after year. Which action/actions of the following can be taken by the Government to reduce the deficit?
1. Reducing revenue expenditure
 2. Introducing new welfare schemes
 3. Rationalizing subsidies
 4. Reducing import duty

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, 3 and 4

Ans: C

Exp: *Reducing revenue expenditure and rationalizing subsidies will reduce the expenditure of the government. Whereas introducing new welfare schemes and reducing import duty will add additional burden to the government resources.*

18. The establishment of "Payment Banks" is being allowed in India to promote Financial inclusion. Which of the following statements is/are correct in this context?
1. Mobile telephone companies and supermarket chains that are owned and controlled by residents are eligible to be promoters of Payment Banks.
 2. Payment Banks can issue both credit cards and debit cards.
 3. Payment Banks cannot undertake lending activities.

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 only
- (d) 1, 2 and 3

Ans: B

Exp: Existing non-bank Pre-paid Payment Instrument (PPI) issuers; and other entities such as individuals / professionals; Non-Banking Finance Companies (NBFCs), corporate Business Correspondents(BCs), mobile telephone companies, super-market chains, companies, real sector cooperatives; that are owned and controlled by residents; and public sector entities may apply to set up payments banks.

Payment Banks can issue ATM/ debit cards but not credit cards. Payment Banks can NOT give loans.

19. With reference to 'Stand Up India Scheme', which of the following statements is/are correct?
1. Its purpose is to promote entrepreneurship among SC/ST and women entrepreneurs.
 2. It provides for refinance through SIDBI.

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

Ans: C

Exp: The "Stand up India Scheme" is being launched now to promote entrepreneurship among Scheduled Caste/Schedule Tribe and Women for loans in the range of Rs. 10 Lakhs to Rs. 100 Lakhs. The Scheme is expected to benefit large number of such entrepreneurs, as it is intended to facilitate at least two such projects per bank branch (Scheduled Commercial Bank) on an average one for each category of entrepreneur. Refinance window through Small Industries Development Bank of India (SIDBI) with an initial amount of Rs. 10,000 crore will be provided.

20. With reference to 'Pradhan Mantri Fasal Bima Yojana', consider the following statements:
1. Under this scheme, farmers have to pay a uniform premium of two percent for any crop they cultivate in any season of the year.
 2. This scheme covers post-harvest losses arising out of cyclones and unseasonal rains.

Which of the statements given about is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: B

Exp: Under the scheme there will be a uniform premium of only 2% to be paid by farmers for all Kharif crops and 1.5% for all Rabi crops. In case of annual commercial and horticultural crops, the premium to be paid by farmers will be only 5%. Post-harvest losses arising out of cyclone and unseasonal rain have been covered nationally.

21. Which one of the following is a purpose of 'UDAY', a scheme of the Government?
- (a) Providing technical and financial assistance to start-up entrepreneurs in the field or renewable source of energy.
 - (b) Providing electricity to every household in the country by 2018
 - (c) Replacing the coal-based power plants with natural gas, nuclear, solar, wind and tidal power plants over a period of time.
 - (d) Providing for financial turnaround and revival of power distribution companies

Ans: D

Exp: UDAY (Ujwal DISCOM Assurance Yojana) scheme to provide a permanent solution for financial turnaround and revival of Power Distribution companies (discoms).

22. With reference to 'IFC Masala Bonds', sometimes given below is/are correct?
1. The International Finance Corporation, with offers these bonds, is an arm of the World Bank.
 2. They are the rupee-denominated bonds and are a source of debt financing for the public and private sector.

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

Ans: A

Exp: International Finance Corporation, the private-sector financing arm of World Bank, has launched rupee-denominated offshore bonds for Rs 1,600 crore, or about \$250 million, attracting first-time investors to overseas rupee markets.

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1. "Pradhan Mantri Jan-Dhan Yojna" has been launched for
- Providing housing loan to poor people at cheaper interest rates
 - Promoting women's Self-Help Groups in backward areas
 - Promoting financial inclusion in the country
 - Providing financial help to the marginalized communities

Ans: C

Exp: Pradhan mantri Jan Dhan Yojana is a financial inclusive programme of the government aiming at opening up at least one bank account for every household and providing insurance cover.

2. With reference to the Fourteenth Finance Commission, which of the following statements is/are correct?
- It has increased the share of States in the central divisible pool from 32 percent to 42 percent.
 - It has made recommendations concerning sector-specific grants.

Select the correct answer using the code given below:

- (a) Only 1 (b) Only 2
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans: A

Exp: 14th Finance Commission has increased the share of states in the divisible pool, but has not considered any sector-specific grants.

3. A decrease in tax to GDP ratio of a country indicates which of the following?
- Slowing economic growth rate
 - Less equitable distribution of national income

Select the correct answer using the code given below:

- (a) Only 1 (b) Only 2
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans: B

Exp: Tax GDP ratio may decline

- If tax revenue remains static or falls while GDP increases
- Transfer of income by the government is done from high income groups to low income groups through taxation.

4. In the 'Index of Eight Core Industries', which one of the following is given the highest weight?
- Coal production
 - Electricity generation

- Fertilizer production
- Steel production

Ans: B

Exp: The index of Eight Core Industries (base 2004-05=100) consists of following industries with different weight ages (1) Coal (Weight: 4.38%) (2) Crude oil (Weight: 5.22%) (3) Natural gas (Weight: 1.71%) (4) Refinery Products (Weight: 5.94%) (5) fertilizers (Weight: 1.25%) (6) Steel (Weight: 6.68%) (7) Cement (Weight: 2.41%) and (8) Electricity (Weight: 10.32%).

5. Which of the following statements is/are correct regarding National Innovation Foundation-India (NIF)?

- NIF is an autonomous body of the Department of Science and Technology under the Central Government.
- NIF is an initiative to strengthen the highly advanced scientific research in India's premier scientific institutions in collaboration with highly advanced foreign scientific institutions.

Select the correct answer using the code given below:

- (a) Only 1 (b) Only 2
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans: A

Exp: NIF is an autonomous body of the department of Science and Technology, Government of India, based on Honey Bee Network Philosophy, which provides institutional support to grassroots innovators and outstanding traditional knowledge holders from the unorganized sector of the society.

6. The Fair and Remunerative Price (FRP) of sugarcane is approved by the
- Cabinet Committee on Economic Affairs
 - Commission for Agricultural Costs and Prices
 - Directorate of Marketing and Inspection, Ministry of Agriculture
 - Agricultural Produce Market Committee

Ans: A

Exp: The cabinet committee on Economic Affairs approves the fair and remunerative price (FRP) of sugarcane, however, state governments are free to fix their own state advised price (SAP) and millers can offer any price above the FRP.

7. Which one of the following issues the 'Global Economic Prospects' report periodically?

- The Asian Development Bank
- The European Bank for Reconstruction and Development

- (c) The US Federal Reserve Bank
- (d) The World Bank

Ans: D

Exp: *The World Bank Reports the 'Global Economic Prospect', it is also called a flagship report by the World Bank Group. However, the IMF publishes the 'Global Economic Outlook'.*

8. When the Reserve Bank of India reduces the Statutory Liquidity Ratio by 50 basis points, which of the following is likely to happen?
- (a) India's GDP growth rate increases drastically
 - (b) Foreign Institutional Investors may bring more capital into our country
 - (c) Scheduled Commercial Banks may cut their lending rates
 - (d) It may drastically reduce the liquidity to the banking system

Ans: C

Exp: *In an attempt to provide more liquidity to the banking system, the Reserve Bank of India (RBI) has reduced the Statutory Liquidity Ratio (SLR) by 50 basis points to 21.50% from 22%*

This is likely to provide banks to cut their lending rates.

9. In, India, markets in agricultural products are regulated under the
- (a) Essential Commodities Act, 1955
 - (b) Agricultural Produce Market Committee Act enacted by States
 - (c) Agricultural Produce (Grading and Marking) Act, 1937
 - (d) Food Products Order, 1956 and Meat and Food Products Order, 1973

Ans: B

Exp: *Markets in Agricultural Products in India are regulated under the Agricultural produce market committee (APMC) Act enacted by the States. An agricultural produce market committee is a marketing board established by state governments of India. APMC acts run on two principles: Ensure that intermediaries (and money lenders) do not compel farmers to sell their produce at the farm gate extremely low price so that farmers are not exploited. All food produce should first be brought to the market yard and then be sold through auction.*

10. Which of the following brings out the 'Consumer Price Index Number for Industrial Workers'?
- (a) The Reserve Bank of India
 - (b) The Department of Economic Affairs
 - (c) The Labour Bureau

- (d) The Department of Personnel and Training

Ans: C

Exp: *This index is the oldest among the CPI indices as its dissemination started as early as in 1946. The history of compilation and maintenance of Consumer Price Index for Industrial workers owes its origin to the deteriorating economic condition of the workers post first world war which resulted in sharp increase in prices. As a consequence of rise in prices and cost of living, the provincial governments started compiling Consumer Price Index. The estimates were however not satisfactory. In pursuance of the recommendation of Rau Court of enquiry, the work of compilation and maintenance was taken over by government in 1943. Since 1958-59, the compilation of CPI(IW) has been started by Labour Bureau, an attached office under Ministry of Labour & Employment.*

11. The terms 'Agreement on Agriculture', 'Agreement on the Application of Sanitary and Phytosanitary Measures' and 'Peace Clause' appear in the news frequently in the context of the affairs of the
- (a) Food and Agriculture Organization
 - (b) United Nations Framework Conference on Climate Change
 - (c) World Trade Organization
 - (d) United Nations Environment Programme

Ans: C

Exp: *The end of the Uruguay Round resulted in the formation of the WTO, which established a substantial set of rules regarding trade in goods — including agricultural goods, included agreements on trade in services and on trade-related aspects of intellectual property rights, as well as a strong and comprehensive mechanism to settle trade disputes between member countries.*

The WTO oversees about 60 different agreements which have the status of international legal texts. Member countries must sign and ratify all WTO agreements on accession. Some of the most important agreements are, Agreement on Agriculture (AoA), General Agreement on Trade in Services (GATS), Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Agreement on the Application of Sanitary and Phytosanitary Measures (SPS), Agreement on Technical Barriers to Trade, Agreement on Customs Valuation, etc.

12. Convertibility of rupee implies
- Being able to convert rupee notes into gold
 - Allowing the value of rupee to be fixed by market forces
 - Freely permitting the conversion of rupee to other currencies and vice versa
 - Developing an international market for currencies in India

Ans: C

Exp: *Convertibility of a currency means that domestic currency could be allowed to be converted freely into foreign currencies and vice versa. The rupee, for example has been convertible on the current account since 1994, meaning it can be changed freely into foreign currency for purposes like trade related expenses. But it is not fully convertible on Capital Account meaning that rupee cannot be converted freely for activities such as acquiring overseas assets.*

Option (b) also appears to be correct because convertibility eventually leads the exchange rate to tend towards market determined exchange rate. However, rupee is still not fully determined by market forces and there are restrictions on Capital Account and RBI also intervenes from time to time.

13. Consider the following statements:
- The Accelerated Irrigation Benefits Programme was launched during 1996-97 to provide loan assistance to poor farmers.
 - The Command Area Development Programme was launched in 1974-75 for the development of water-use efficiency.

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: B

Exp: *The Accelerated Irrigation Benefits Programme had been launched with a view to accelerate the completion of incomplete irrigation projects.*

14. 'Basel III Accord' or simply 'Basel III', often seen in the news, seeks to
- Develop national strategies for the conservation and sustainable use of biological diversity
 - Improve banking sector's ability to deal with financial and economic stress and improve risk management
 - Reduce the greenhouse gas emissions but places a heavier burden on developed countries
 - Transfer technology from developed countries to poor countries to enable them to replace the use of chlorofluorocarbons in refrigeration with harmless chemicals

Ans: B

Exp: *Basel III (or the Third Basel Accord) is a global voluntary regulatory framework on bank capital adequacy, stress testing and market liquidity risk.*

15. With reference to Indian economy, consider the following statements:
- The rate of growth of Real Gross Domestic Product has steadily increased in the last decade.
 - The Gross Domestic Product at market prices (in rupees) has steadily increased in the last decade.

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: B

Exp: *While growth of Real Gross Domestic Product declined during the last three years of the decade, GDP at market price increased steadily due to rising prices even when growth rate was small during the last three years of the decade.*

16. With reference to Indian economy, consider the following:
- Bank rate
 - Open market operations
 - Public debt
 - Public revenue

Which of the above is/are component/components of Monetary Policy?

- Only 1
- 2, 3 and 4
- 1 and 2
- 1, 3 and 4

Ans: C

Exp: *Public Debt and Public Revenue are the issues that pertain to fiscal policy.*

17. With reference to inflation in India, which of the following statements is correct?
- Controlling the inflation in India is the responsibility of the Government of India only
 - The Reserve Bank of India has no role in controlling the inflation
 - Decreased money circulation helps in controlling the inflation
 - Increased money circulation helps in controlling the inflation

Ans: C

Exp: *The decrease in supply of broad money M_3 helps in controlling inflation in India.*

18. The problem of international liquidity is related to the non-availability of
- Goods and services

- (b) Gold and silver
- (c) Dollars and other hard currencies
- (d) Exportable surplus

Ans: C

Exp: Dollars and hard currencies are used for payments in international trade, investment and liquidation of international debt. So if there is shortage of liquidity, this means scarcity of Dollars and hard currencies to carry on the above transactions.

19. There has been a persistent deficit budget year after year. Which of the following actions can be taken by the government to reduce the deficit?
1. Reducing revenue expenditure
 2. Introducing new welfare schemes
 3. Rationalizing subsidies
 4. Expanding industries

Select the correct answer using the code given below:

- (a) 1 and 3 only (b) 2 and 3 only
- (c) Only 1 (d) 1, 2, 3 and 4

Ans: A

Exp: Since the main component of comprehensive measure of budget deficit (fiscal deficit) is revenue deficit, reduction in revenue expenditure in general and rationalizing subsidies (an important component of revenue expenditure) would be useful to reduce deficit.

20. Which of the following has/have been accorded 'Geographical Indication' status?
1. Banaras Brocades and Sarees
 2. Rajasthani Daal-Bati-Churma
 3. Tirupathi Laddu

Select the correct answer using the code given below:

- (a) Only 1 (b) 2 and 3 only
- (c) 1 and 3 only (d) 1, 2 and 3

Ans: C

21. With reference to the Indian Renewable Energy Development Agency Limited (IREDA), which of the following statements is/are correct?
1. It is a Public Limited Government Company.
 2. It is a Non-Banking Financial Company.

Select the correct answer using the code given below:

- (a) Only 1 (b) Only 2
- (c) Both 1 and 2 (d) Neither 1 nor 2

Ans: C

Exp: IREDA has been awarded "Mini Ratna" (Category -I) status in 2015 by Ministry of New and Renewable

Energy (MNRE). IREDA is a Public Limited Government Company established as a Non-Banking Financial Institution in 1987 under the administrative control of MNRE to promote, develop and extend financial assistance for renewable energy and energy efficiency /conservation projects with the motto: "ENERGY FOR EVER"

Economy 2014

1. 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

Ans: B

2. 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

Ans: C

3. What are the significances of a practical approach to sugarcane production known as 'Sustainable Sugarcane Initiative'?
 1. Seed cost is very low in this compared to the conventional method of cultivation.
 2. Drip irrigation can be practiced very effectively in this.
 3. There is no application of chemical/ inorganic fertilizers at all in this.
 4. The scope for intercropping is more in this compared to the conventional method of cultivation.

Select the correct answer using the code given below:

- (a) 1 and 3 only (b) 1, 2 and 4 only
- (c) 2, 3 and 4 only (d) 1, 2, 3 and 4

Ans: B

4. 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

Ans: D

5. In the context of food and nutritional security of India, enhancing the 'Seed Replacement Rates' of various crops helps in achieving the food production targets of the future. But what is/are the constraint/constraints in its wider / greater implementation?

1. There is no National Seeds Policy in place.
2. There is no participation of private sector seed companies in the supply of quality seeds of vegetables and planting materials of horticultural crops.
3. There is a demand-supply gap regarding quality seeds in case of low value and high volume crops.

Select the correct answer using the code given below:

- (a) 1 and 2 (b) Only 3
- (c) 2 and 3 (d) None

Ans: B

6. With reference to Union Budget, which of the following, is/are covered under Non-Plan Expenditure?

1. Defence -expenditure
2. Interest payments
3. Salaries and pensions
4. Subsidies,

Select the correct answer using the code given below:

- (a) Only 1 (b) 2 nd 3 only
- (c) 1, 2, 3 and 4 (d) None

Ans: C

7. 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

Ans: C

8. 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) Only 1
- (b) 2 and 3
- (c) 1 and 3
- (d) 1, 2 and 4

Ans: C

9. What is/are the facility/facilities the beneficiaries can get from the services of Business Correspondent (Bank Saathi) in branchless areas?

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) Only 1
- (b) Only 2
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans: C

10. 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

Select the correct answer using the code given below:

- (a) Only 1
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2, 3 and 4

Ans: D

11. The terms '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

Ans: A

ECONOMY 2013

- The balance of payments of a country is a systematic record of
 - All import and export transactions of a country during a given period of time, normally a year
 - Goods exported from a country during a year
 - Economic transaction between the government of one country to another
 - Capital movement from one country to another

Ans: A

- The Reserve Bank of India regulates the commercial banks in matters of
 - Liquidity of assets
 - Branch expansion
 - Merger of banks
 - Winding-up of banks

Select the correct answer using the codes given below:

- 1 and 4 only
- 2, 3 and 4 only
- 1, 2 and 3 only
- 1, 2, 3 and 4

Ans: D

- An increase in the Bank Rate generally indicates that the
 - Market rate of interest is likely to fall
 - Central Bank is no longer making loans to commercial banks
 - Central Bank is following an easy money policy
 - Central Bank is following a tight money policy

Ans: D

- In India, deficit financing is used for raising resources for
 - Economic development
 - Redemption of public debt
 - Adjusting the balance of payments
 - Reducing the foreign debt

Ans: A

- Priority Sector Lending by banks in India constitutes the lending to
 - Agriculture
 - Micro and small enterprises
 - Weaker sections
 - All of the above

Ans: D

- To obtain full benefits of demographic dividend, what should India do?
 - Promoting skill development
 - Introducing more social security schemes
 - Reducing infant mortality rate
 - Privatization of higher education

Ans: A

- A rise in general level of prices may be caused by
 - An increase in the money supply
 - A decrease in the aggregate level of output
 - An increase in the effective demand

Select the correct answer using the codes given below:

- Only 1
- 1 and 2 only
- 2 and 3 only
- 1, 2 and 3

Ans: D

- Which one of the following groups of items is included in India's foreign-exchange reserves?
 - Foreign-currency assets, Special Drawing Rights (SDRs) and loans from foreign countries
 - Foreign-currency assets, gold holdings of the RBI and SDRs
 - Foreign-currency assets, loans from the World Bank and SDRs
 - Foreign-currency assets, gold holdings of the RBI and loans from the World Bank

Ans: B

- Which one of the following is likely to be the most inflationary in its effect?
 - Repayment of public debt
 - Borrowing from the public to finance a budget deficit
 - Borrowing from banks to finance a budget deficit
 - Creating new money to finance a budget deficit

Ans: D

- Supply of money remaining the same when there is an increase in demand for money, there will be
 - A fall in the level of prices
 - An increase in the rate of interest
 - A decrease in the rate of interest
 - An increase in the level of income and employment

Ans: B

- Economic growth in country X will necessarily have to occur if
 - There is technical progress in the world economy
 - There is population growth in X
 - There is capital formation in X
 - The volume of trade grows in the world economy

Ans: C

12. The national income of a country for a given period is equal to the
- total value of goods and services produced by the nationals
 - sum of total consumption and investment expenditure
 - sum of personal income of all individuals
 - money value of final goods and services produced

Ans: A

13. The national income of a country for a given period is equal to the
- Total value of goods and services produced by the nationals
 - Sum of total consumption and investment expenditure
 - Sum of personal income of all individuals
 - Money value of final goods and services produced

Ans: A

14. Which of the following grants/ grant direct credit assistance to rural households?
- Regional Rural Banks
 - National Bank for Agriculture and Rural Development
 - Land Development Banks

Select the correct answer using the codes given below:

- (a) 1 and 2 only (b) Only 2
(c) 1 and 3 only (d) 1, 2 and 3

Ans: C

15. Which of the following constitute Capital Account?
- Foreign Loans
 - Foreign Direct Investment
 - Private Remittances
 - Portfolio Investment

Select the correct answer using the codes given below:

- (a) 1, 2 and 3 (b) 1, 2 and 4
(c) 2, 3 and 4 (d) 1, 3 and 4

Ans: B

16. Consider the following statements:
- Inflation benefits the debtors.
 - Inflation benefits the bond-holders.

Which of the statements given above is/are correct?

- (a) Only 1 (b) Only 2
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans: A

17. Disguised unemployment generally means
- Large number of people remain unemployed
 - Alternative employment is not available
 - Marginal productivity of labour is zero
 - Productivity of workers is low

Ans: C

18. Consider the following liquid assets:
- Demand deposits with the banks
 - Time deposits with the banks
 - Savings deposits with the banks
 - Currency

The correct sequence of these decreasing order of Liquidity is

- (a) 1-4-3-2 (b) 4-3-2-1
(c) 2-3-1-4 (d) 4-1-3-2

Ans: D

19. In the context of Indian economy, Open Market Operations refers to
- Borrowing by scheduled banks from the RBI
 - Lending by commercial banks to industry and trade
 - Purchase and sale of government securities by the RBI
 - None of the above

Ans: C

ECONOMY 2012

1. Which of the following can be said to be essentially the parts of Inclusive Governance?

- Permitting the Non-Banking Financial Companies to do banking
- Establishing effective District Planning Committees in all the districts
- Increasing the government spending on public health
- 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

Ans: C

2. With reference to National Rural Health Mission, Which of the following are the jobs of 'ASHA', trained community health workers?

- Accompanying women to the health facility for antenatal care checkup
- Using pregnancy test kits for early detection pregnancy

3. Providing information on nutrition and immunization

4. Conducting the delivery of baby.

Select the correct answer using the codes given below:

(a) 1, 2 and 3 only (b) 2 and 3 only

(c) 1 and 3 only (d) 1, 2, 3 and 4

Ans: A

3. How does the National Rural Livelihood Mission seek to improve Livelihood Mission seeks to improve livelihood options of rural poor?

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 skills development

3. By supplying seeds, fertilizers, diesel pump-sets and micro-irrigation equipment free of cost of farmers.

Select the correct answer using the codes given below:

(a) 1 and 2 only (b) Only 2

(c) 1 and 3 only (d) 1, 2 and 3

Ans: B

4. 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) Only 1 (b) 2 and 3 only

(c) 1 and 3 only (d) 1, 2 and 3

Ans: D

5. 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 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 specific share of central taxes to local bodies as grants

Select the correct answer using the codes given below:

(a) Only 1

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

Ans: C

6. What is/ are the recent 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 benefit of 'single window clearance'

3. Establishing the Technology Acquisition and Development Fund.

Select the correct answer using the codes given below:

(a) Only 1 (b) 2 and 3 only

(c) 1 and 3 only (d) 1, 2 and 3

Ans: D

7. Consider the following specific stages of demographic transition associated with economic development:

1. Low birth rate with low death rate

2. High birth rate with high death rate

3. High birth rate with low death rate

Select the correct answer using the codes given below:

(a) 1, 2 and 3

(b) 3, 2 and 1

(c) 2, 3 and 1

(d) 3, 2 and 1

Ans: C

8. In India the overall Index of Industrial Production, the Indices of Eighth Core Industries have combined weight of 37.90%. Which of the following are among those Eight Core Industries?

1. Cement

2. Fertilizers

3. Natural Gas

4. Refinery products

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 and 4 only

(d) 1, 2, 3, 4 and 5

Ans: C

9. The endeavour of Janine 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 to pregnancy and confinements

- Which of the above are correct?
(a) 1 and 2 only (b) Only 2
(c) Only 3 (d) 1, 2 and 3

Ans: A

10. Consider the following:
1. Hotels and restaurants
2. Motor Transport undertakings
3. Newspaper Establishments
4. Private Medical Institutions

The Employers of which of the above can have the "Social Security coverage under Employees State Insurance Scheme?

- (a) 1, 2 and 3 only (b) Only 4
(c) 1, 3 and only 4 (d) 1, 2, 3 and 4

Ans: D

11. How do District Rural Development Agencies (DRDAs) help in the reduction of rural poverty in India?
1. DRDAs act as Panchayati Raj Institutions in certain specified backward regions of the country.
 2. DRDAs undertake area-specific scientific study of the cause of poverty and malnutrition and prepare 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 utilisation of the funds intended for anti-poverty programme.

Which of the statements given above is/ are correct?
(a) 1, 2 and 3 only (b) 3 and 4 only
(c) Only 4 (d) 1, 2, 3 and 4

Ans: B

12. The Reserve Bank of India (RBI) acts as a bankers' bank. This would imply which of the following?
1. Other bank retains 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.

Correct

- (a) 2 and 3 only
(b) 1 and 2 only
(c) 1 and 3 only
(d) 1, 2 and 3

Ans: B

13. 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) Only 1 (b) 2 and 3 only
(c) Only 2 (d) 1, 2 and 3

Ans: B

14. 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) Only 1 (b) 2 and 4 only
(c) 1 and 3 (d) 2, 3 and 4

Ans: C

15. Which of the following would include Foreign Direct Investment on India?
1. Subsidiaries of foreign companies in India
 2. Majority foreign equity holding in Indian companies
 3. Companies exclusively financed by foreign companies
 4. Portfolio investment

Select the correct answer using the codes given below:

- (a) 1, 2, 3 and 4 (b) 2 and 4 only
(c) 1 and 3 only (d) 1, 2 and 3 only

Ans: D

16. Consider the following statement:

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.

Select the correct answer using the codes given below:

- (a) 1, 2, 3 and 4 (b) 2 and 3 only
(c) 3 and 4 only (d) 1 and 4 only

Ans: B

17. The basic aim of Lead Bank Scheme is that

- (a) Big banks should try to open offices in each district
(b) There should be stiff competition among the various nationalized banks
(c) Individual banks should adopt particular districts for intensive development
(d) All the banks should make intensive efforts to mobilize deposits.

Ans: C

18. Despite having large reserves of coal, why does India import millions of tonnes of coal?

1. It is the policy of India to save its own coal reserves for future and import it from other countries for the present use.
2. Most of the power plants in India are coal based and they are not able to get sufficient supplies of coal from within the country?
3. Steel companies need large quantity of coking coal which has to be imported.

Which of the statements given above is/are correct?

- (a) Only 1
(b) 2 and 3 only
(c) 1 and 3 only
(d) 1, 2 and 3

Ans: B

ECONOMY 2011

1. Regarding the international monetary fund, which one of the following statements is correct?

- (a) It can grant 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.

Ans: C

2. 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 in the last five years by about 30%.

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

Ans: B

3. In terms of economy, the visit by foreign nationals to witness the XIX Common Wealth Games in India amounted to

- (a) Export (b) Import
(c) Production (d) Consumption

Ans: A

4. 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 intense 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

Ans: B

5. 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 (b) 2 and 3
(c) Only 3 (d) 1 and 3

Ans: A

6. A rapid increase in the rate of inflation is sometimes attributed to the “base effect”. What is “base effect”?

- (a) It is the impact of drastic deficiency in supply due to failure of crops
(b) It is the impact of the surge in demand due to rapid economic growth

- (c) It is the impact of the price levels of previous year on the calculation of inflation rate
 (d) None of the statements (a), (b) and (c) 'given above is correct in this context

Ans: C

7. 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 sub-prime 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) Only 1
 (b) Only 2
 (c) Both 1 and 2
 (d) Neither 1 nor 2

Ans: C

8. 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) Only 1 (b) Only 2
 (c) Both 1 and 2 (d) Neither 1 nor 2

Ans: B

9. In India, which of the following have the highest share in the disbursement of credit to agriculture and allied activities?
- (a) Commercial Banks
 - (b) Cooperative Banks
 - (c) Regional Rural Banks
 - (d) Microfinance Institutions

Ans: A

10. 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) Only 1
 (b) 1 and 2 only
 (c) 2 and 3 only
 (d) 1, 2 and 3

Ans: D

11. 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) Only 1
 (b) Only 2
 (c) Both 1 and 2
 (d) Neither 1 nor 2

Ans: D

12. Economic growth is usually coupled with

- (a) Deflation
- (b) Inflation
- (c) Stagflation
- (d) Hyperinflation

Ans: B

13. 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

Ans: A

14. 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

Ans: C

15. 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

Ans: D

16. Both Foreign Direct Investment (FDI) and Foreign Institutional Investor (FII) are related to investment in a country. Which one of the following statements best represents an important difference between the two?

- FII helps bring better management skills and technology, while FDI only brings in capital
- FII helps in increasing capital availability in general, while FDI only targets specific sectors
- FDI flows only into the secondary market, while FII targets primary market
- FII is considered to be more stable than FDI

Ans: B

17. With what purpose is the government of India promoting the concept of “Mega food parks”?

- To provide good infrastructure facilities for the food processing industry.
- To increase the processing of perishable items and reduce wastage.
- To provide emerging and eco-friendly food processing technologies to entrepreneurs.

Select the correct answer using the codes given below:

- | | |
|------------------|------------------|
| (a) Only 1 | (b) 1 and 2 only |
| (c) 2 and 3 only | (d) 1, 2 and 3 |

Ans: D

18. Microfinance is the provision of financial services to people of low-income groups. This includes both the consumers and the self-employed. The service/services rendered under micro-finance is/are:

- Credit facilities
- Savings facilities
- Insurance facilities
- Fund Transfer facilities

Select the correct answer using the codes given below the lists:

- | | |
|------------------|-------------------|
| (a) Only 1 | (b) 1 and 4 only |
| (c) 2 and 3 only | (d) 1, 2, 3 and 4 |

Ans: D

19. Among the following who are eligible to benefit from the “mahatma Gandhi national rural employment guarantee act”?

- Adult members of only the scheduled caste and scheduled tribe households.
- Adult members of below poverty line (BPL) households.
- Adult members of households of all backward communities.
- Adult members of any household.

Ans: D

1. Consider the following statements;

- The Union Government fixes the Statutory Minimum Price of sugarcane for each sugar season
- Sugar and sugarcane are essential commodities under the Essential Commodities Act.

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: C

2. Which one of the following is not a feature of Limited Liability Partnership firm?

- Partners should be less than 20
- Partnership and management need not be separate
- Internal governance may be decided by mutual agreement among partners
- It is corporate body with perpetual succession

Ans: A

3. In order to comply with TRIPS Agreement, India enacted the Geographical Indications of Goods (Registration and Protection) Act, 1999. The difference/differences between a “Trade Mark” and a Geographical Indication is/are

- A Trade Mark is an individual or a company’s right whereas a Geographical Indication is community’s right
- A Trade Mark can be licensed whereas a Geographical Indication cannot be licensed
- A Trade Mark is assigned to the manufactured goods whereas the Geographical Indication is assigned to the agricultural goods/ products and handicrafts only

Which of the statements given above is/are correct?

- | | |
|-------------|----------------|
| (a) Only 1 | (b) 1 and 2 |
| (c) 2 and 3 | (d) 1, 2 and 3 |

Ans: B

4. In the context of the affairs of which of the following is the phrase “Special Safeguard Mechanisms” mentioned in the new frequently?

- United Nations Environment Programme
- World Trade Organization
- ASEAN- India Free Trade Agreement
- G-20 Summits

Ans: B

5. A great deal of Foreign Direct Investment (FDI) to India comes from Mauritius than from many major and mature economies like UK and France. Why?
- India has preference for certain countries as regards receiving FDI
 - India has double taxation avoidance agreement with Mauritius
 - Most citizens of Mauritius have ethnic identity with India and so they feel secure to invest in India
 - Impending dangers of global climatic change prompt Mauritius to make huge investments in India

Ans: B

6. Consider the following countries:
- Brazil
 - Mexico
 - South Africa

According to UNCTAD, which of the above is/are categorized as “Emerging Economies”?

- Only 1
- 1 and 3
- 2 and 3
- 1, 2 and 3

Ans: D

7. With reference to BRIC countries, consider the following statements:
- At present, China’s GDP is more than the combined GDP of all the three other countries
 - China’s population is more than the combined population of any two other countries

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: B

8. Which of the following is/are treated as artificial currency?
- ADR
 - GDR
 - SDR
 - Both ADR and SDR

Ans: C

9. Stiglitz Commission established by the President of the United Nations General Assembly was in the international news. The commission was supposed to deal with
- The challenges posed by the impending global climate change and prepare a road map
 - The workings of the global financial systems and to explore ways and means to secure a more sustainable global order
 - Global terrorism and prepare a global action plan for the mitigation of terrorism
 - Expansion of the United Nations Security Council in the present global scenario

Ans: B

10. As regards the use of international food safety standards as reference point for the dispute settlements, which one of the following does WTO collaborate with?
- Codex Alimentarius Commission
 - International Federation of Standards Users
 - International Organization for Standardization
 - World Standards Cooperation

Ans: A

11. As a result of their annual survey, the National Geographic Society and an international polling firm GlobeScan gave India top rank in Greendex 2009 score. What is this score?
- It is a measure of efforts made by different countries in adopting technologies for reducing carbon footprint
 - It is a measure of environmentally sustainable consumer behavior in different countries
 - It is an assessment of programmes/schemes undertaken by different countries for improving the conservation of natural resources
 - It is an index showing the volume of carbon credits sold by different countries

Ans: B

12. In the context of bilateral trade negotiation between India and European Union, what is the difference between European Commission and European Council?
- European Commission represents the EU in trade negotiations whereas European Council participates in the legislation of matters pertaining to economic policies of the European Union
 - European Commission comprises the Heads of State or government of member countries whereas the European Council comprises of the persons nominated by European Parliament.

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: A

13. Which one of the following is not related to United Nations?
- Multilateral Investment Guarantee Agency
 - International Finance Corporation
 - International Centre for Settlement of Investment Disputes
 - Bank for International Settlements

Ans: D

14. The United Nations Framework Convention on Climate Change (UNFCCC) is an international treaty drawn at
- United Nations Conference on the Human Environment, Stockholm, 1972
 - UN Conference on Environment and Development, Rio de Janeiro, 1992
 - World Summit on Sustainable Development, Johannesburg, 2002
 - UN Climate Change Conference, Copenhagen, 2009

Ans: B

15. The International Development Association, a lending agency, is administrated by the
- International Bank for Reconstruction and Development
 - International Fund for Agricultural Development
 - United Nations Development Programme
 - United Nations Industrial Development Organization

Ans: A

16. Inclusive growth as enunciated in the Eleventh-Five Year Plan does not include one of the following:
- Reduction of poverty
 - Extension of employment opportunities
 - Strengthening of capital market
 - Reduction of gender inequality

Ans: C

17. In the context of India's Five Year Plans, a shift in the pattern of industrialization, with lower emphasis on heavy industries and more on infrastructure begins in
- Fourth Plan
 - Sixth Plan
 - Eight Plan
 - Tenth Plan

Ans: B

18. Which of the following terms indicates a mechanism used by commercial banks for providing credit to the government?
- Cash Credit Ratio
 - Debt Service Obligation
 - Liquidity Adjustment Facilities
 - Statutory Liquidity Ratio

Ans: D

19. Which one of the following statements is an appropriate description of deflation?
- It is a sudden fall in the value of a currency against other currencies
 - It is a persistent recession in both the financial and real sectors of economy

- It is a persistent fall in the general price level of goods and services
- It is a fall in the rate of inflation over a period of time

Ans: B

20. With reference to the Non-banking Financial Companies (NBFCs) in India, consider the following statements:
- They cannot engage in the acquisition of securities issued by the government
 - They cannot accept demand deposits like Savings Account

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: B

21. Which one of the following was not stipulated in the Fiscal Responsibility and Budget Management Act, 2003?
- Elimination of revenue deficit by the end of the fiscal year 2007-08
 - Non-borrowing by the central government from circumstances
 - Elimination of primary deficit by the end of the fiscal year 2008-09
 - Fixing government guarantees in any financial year as a percentage of GDP

Ans: C

22. In the context of Indian economy, consider the following pairs:

<i>Term</i>	<i>Most appropriate description</i>
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?

- Only 1
- 2 and 3
- 1 and 3
- 1, 2 and 3

Ans: A

23. In India, the interest rate on savings accounts in all the nationalized commercial banks is fixed by
- Union Ministry of Finance
 - Union Finance Commission
 - Indian Bank's Association
 - None of the above

Ans: D

24. When the Reserve Bank of India announces an increase of the Cash Reserve Ratio, what does it mean?
- The commercial banks will have less money to lend
 - The Reserve Bank of India will have less money to lend
 - The Union Government will have less money to lend
 - The commercial banks will have more money to lend

Ans: A

25. In India, which of the following is regulated by the Forward Markets Commission?
- Currency Futures Trading
 - Commodities Futures Trading
 - Equity Futures Trading
 - Both Commodities Futures and Financial Futures Trading

Ans: B

26. With reference to the institution of Banking Ombudsman in India, which one of the statements is not correct?
- The Banking Ombudsman is appointed by the Reserve Bank of India
 - The Banking Ombudsman can consider complaints from Non-Resident Indians having accounts in India
 - The orders passed by the Banking Ombudsman are final and binding on the parties concerned
 - The service provided by the Banking Ombudsman is free of any fee

Ans: C

27. With reference to India, consider the following:
- Nationalization of Banks
 - Formation of Regional Rural Banks
 - Adoption of villages by Bank Branches

Which of the above can be considered as steps taken to achieve the “financial inclusion” in India?

- 1 and 2
- 2 and 3
- Only 3
- 1, 2 and 3

Ans: D

28. Consider the following statements:

The functions of commercial banks in India include

- Purchase and sale of shares and securities on behalf of customers.
- Acting as executors and trustees of wills.

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: B

29. In the parlance of financial investments, the term ‘bear’ denotes
- An investor who feels that the price of a particular security is going to fall
 - An investor who expects the price of particular shares to rise
 - A shareholder or a bondholder who has an interest in a company, financial or otherwise
 - Any lender whether by making a loan or buying a bond

Ans: D

30. Consider the following actions by the Government:
- Cutting the tax rates
 - Increasing the government spending
 - Abolishing the subsidies

In the context of economic recession, which of the above actions can be considered a part of the “Fiscal stimulus” package?

- 1 and 2
- Only 2
- 1 and 3
- 1, 2 and 3

Ans: A

31. With reference to India, consider the following statements:
- The Wholesale Price Index (WPI) in India is available on a monthly basis only
 - As compared to Consumer Price Index for Industrial Workers (CPI(IW)), the WPI gives less weight to food articles

Which of the statements given above is/are correct?

- Only 1
- Only 2
- Both 1 and 2
- Neither 1 nor 2

Ans: C

32. With reference to the National Investment Fund to which the disinvestment proceeds are routed, consider the following statements:
- The assets in the National Investment Fund are managed by the Union Ministry of Finance
 - The National Investment Fund is to be maintained within the Consolidated Fund of India
 - Certain Asset Management Companies are appointed as the fund managers
 - A certain proportion of annual income is used for financing select social sectors

Which of the statements given above is/are correct?

- 1 and 2
- Only 2
- 3 and 4
- Only 3

Ans: C

33. In India, the tax proceeds of which one of the following as a percentage of gross tax revenue has significantly declined in the last five years?
- (a) Service tax (b) Personal income tax
(c) Excise duty (d) Corporation tax

Ans: C

34. Consider the following statements:

In India, taxes on transactions in Stock Exchanges and Futures Markets are

1. levied by the Union
2. collected by the States

Which of the statements given above is/are correct?

- (a) Only 1
(b) Only 2
(c) Both 1 and 2
(d) Neither 1 nor 2

Ans: A

35. With reference to Indian economy, consider the following statements:

1. The Gross Domestic Product (GDP) has increased by four times in the last 10 years
2. The percentage share of Public Sector in GDP has declined in the last 10 years

Which of the statements given above is/are correct?

- (a) Only 1
(b) Only 2
(c) Both 1 and 2
(d) Neither 1 nor 2

Ans: B

36. An objective of the National Food Security Mission is to increase the production of certain crops through area expansion and productivity enhancement in a sustainable manner in the identified districts of the country. What are those crops?

- (a) Rice and wheat only
(b) Rice, wheat and pulses only
(c) Rice, wheat, pulses and oil seeds only
(d) Rice, wheat, pulses, oil seeds and vegetables

Ans: B

37. 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 (b) Only 3
(c) 2 and 3 (d) 1, 2 and 3

Ans: A

38. Consider the following statements:

1. The Commonwealth has no charter, treaty or constitution
2. All the territories/countries once under the British empire (jurisdiction/rule/mandate) automatically joined the Commonwealth as its members

Which of the statements given above is/are correct?

- (a) Only 1 (b) Only 2
(c) Both 1 and 2 (d) Neither 1 nor 2

Ans: A