

# INDIAN ECONOMY

**Q1.**  
Which among the following policy of Life Insurance Company is related to regular old age pension?

- (a) Jivan Kishore
- (b) Jivan Chhaya
- (c) Jivan Sanchay
- (d) None of these

**Q2.**  
The decimal system of Indian currency was started in

- (a) 1950
- (b) 1955
- (c) 1957
- (d) 1960

**Q3.**  
Which of the following is not a necessary condition for the development of India?

- (a) Capital Accumulation
- (b) Resource discovery
- (c) Population growth
- (d) Technological development

**Q4.**  
The Indian economy can be most appropriately described as a :

- (a) Capitalist economy
- (b) Socialist economy
- (c) Traditional economy
- (d) Mixed economy

**Q5.**  
Under which Act Policy was the BIFR established ?

- (a) Industrial Policy of 1980
- (b) Companies Act
- (c) Sick Industrial Companies Act
- (d) MRTP Act

**Q6.**  
What is the maximum amount of investment in the shares of debentures of notified companies like the ICICI the IDBI etc. that will entitle a rebate in income tax up to 20% of the amount invested?

- (a) Rs. 80000
- (b) Rs. 60000
- (c) Rs. 20000
- (d) Rs. 10000

**Q7.**  
Which authority recommends the principles governing the grant in aid of the revenues of the states out of the Consolidated Fund of India?

- (a) Public Accounts Committee
- (b) Union Ministry of Finance
- (c) Finance Commission

(d) Interstate Council

**Q8.**  
RBI does not transact the business of which of the following state governments ?

- (a) Nagaland
- (b) Assam
- (c) J & K
- (d) Rajasthan

**Q9.**  
Which amidst the following banks was recently converted to a "Universal Bank" ?

- (a) Corporation Bank
- (b) Bank of Baroda
- (c) IDBI Bank
- (d) Canara Bank

**Q10.**  
Which of the following PSU's has been privatised?

- (a) HZL
- (b) CMC
- (c) Hotel Corporation of India
- (d) NALCO

**Q11.**  
Which amidst the following banks was converted to a Universal Bank recently?

- (a) Punjab National Bank
- (b) ICICI Bank
- (c) UTI Bank
- (d) IndusInd Bank

**Q12.**  
Who has provided the Savings Bank facility to the largest number of account holders in India?

- (a) State Bank of India
- (b) Punjab National Bank
- (c) Allahabad Bank
- (d) Post Office

**Q13.**  
The symbol of Reserve Bank of India is

- (a) Capitol of Asoka Pillar
- (b) Kuber with a purse of money
- (c) Tiger before a Palm tree
- (d) A dog sitting in a defensive state

**Q14.**  
For whom was the first departmental life insurance started ?

- (a) Army
- (b) Civil officers of Central Government
- (c) Employees of postal department
- (d) Life Insurance Corporation

**Q15.**  
The main source of revenue for a State Government in India is

- (a) Sales tax
- (b) Excise duty

- (c) Income tax
- (d) Property tax

**Q16.**

To achieve high rates of growth of national output the economy has to

- (a) reduce the rate of growth of population
- (b) borrow foreign capital
- (c) step up the rate of savings
- (d) increase the rate of investment and reduce the capital output ratio

**Q17.**

The proceeds of income tax go to

- (a) Central Government
- (b) State Government
- (c) Centre and States
- (d) Corporation authorities

**Q18.**

National income refers to

- (a) money value of goods and services produced in a country during a year
- (b) money value of stocks and shares of a country during a year
- (c) Money value of capital goods produced by a country during a year
- (d) money value of consumer goods produced by a country during a year

**Q19.**

A Scheduled Bank is one which is included in the

- (a) II Schedule of Banking Regulation Act
- (b) II Schedule of Constitution
- (c) II Schedule of Reserve Bank of India Act
- (d) None of the above

**Q20.**

What is the extent of change of the literacy rate envisaged by the end of the Xth Five Year Plan ?

- (a) From 65% to 75%
- (b) From 60% to 70%
- (c) From 50% to 55%
- (d) From 45% to 50%

**Q21.**

Which of the following Mahatma Gandhi series of currency notes issued by the RBI has "ecology" depicted on it?

- (a) Rs. 500
- (b) Rs. 100
- (c) Rs. 50
- (d) Rs. 5

**Q22.**

What has been the order of India's imports during the last three years?

- (a) US \$ 30 billion
- (b) US \$ 40 billion
- (c) US \$ 50 billion
- (d) US \$ 60 billion

**Q23.**

What is the purpose of the India Brand Equity Fund ?

- (a) To promote inbound tourism.
- (b) To make Made in India a label of quality
- (c) To organize trade fairs
- (d) To provide venture capital to IT sector.

**Q24.**

Which of the following Mahatma Gandhi series of currency notes issued by the RBI has a drawing of the Parliament House depicted on it?

- (a) Rs. 500
- (b) Rs. 100
- (c) Rs. 50
- (d) Rs. 10

**Q25.**

What are "Open Market Operations"?

- (a) Activities of SEBI registered brokers
- (b) Selling of currency by the RBI
- (c) Selling of gilt-edged securities by the Government
- (d) Sale of shares by FII's

**Q26.**

30. Why did the Government ban import of Terminator seeds?

- (a) To contain a virus which can destroy local crops
- (b) These seeds are injurious to human and animal health
- (c) These seeds contain genetically engineered properties to prevent further multiplication
- (d) These seeds multiply at very slow rates

**Q27.**

How does the consumer benefit from VAT?

- (a) It removes tax on tax and thus reduces price rise
- (b) Reduces the cost of production
- (c) With the abolition of the sales tax
- (d) Due to the exemption of small businesses from the tax within certain limits prescribed by the State

**Q28.**

Which of the following rural banks has been named after a river?

- (a) Prathama Bank
- (b) Varada Grameen Bank
- (c) Thar Anchalik Grameen Bank
- (d) Aravali Kshetriya Grameen Bank

**Q29.**

Which of the following is an open market operation of the RBI ?

- (a) Buying and selling of shares
- (b) Trading in securities
- (c) Transactions in gold
- (d) Lending to commercial banks

**Q30.**

During which Five Year Plan did India lay down the objective of the need to ensure environmental sustainability of the development strategy?

- (a) 6th Five Year Plan
- (b) 7th Five Year Plan
- (c) 8th Five Year Plan
- (d) 9th Five Year Plan

**Q31.**

Which of the following is not an objective of the monetary policy of the RBI?

- (a) Boost economic development
- (b) Direct credit in desirable direction
- (c) Control inflationary pressure
- (d) Ensure social justice

**Q32.**

Which Bank was merged in the Punjab National Bank in February 2003?

- (a) Catholic Syrian Bank Ltd.
- (b) Nainital Bank Ltd.
- (c) Nedugadi Bank Ltd.
- (d) Madurai Bank Ltd.

**Q33.**

State which amongst the following is not true about VAT?

- (a) All States have uniform VAT for the same product
- (b) State have discretion to fix the rate of tax within the four rates prescribed
- (c) It will promote production efficiency of investments
- (d) It will make our exports more competitive

**Q34.**

Reserve Bank of India keeps some securities against notes. These securities are always less in comparison to

- (a) Gold and foreign bonds
- (b) Gold
- (c) Government bonds
- (d) Gold foreign bonds and Government bonds

**Q35.**

Merchant Banking is an institution which provides finances to :

- (a) domestic whole sale trade
- (b) international trade among countries
- (c) domestic retail trade among
- (d) international aid agencies

**Q36.**

The system of issuing and monitoring of money in the market is known as

- (a) Proportional reserve ratio
- (b) Fixed reserve ratio
- (c) Minimum reserve ratio
- (d) Floating reserve ratio

**Q37.**

Which among the following Indian State does not transact its business through Reserve Bank of India?

- (a) Sikkim

(b) Jammu and Kashmir

(c) Arunachal Pradesh

(d) Mizoram

**Q38.**

Which among the following subjects is not an aim of the monetary policy of the Reserve Bank of India?

- (a) Giving impetus to economic development
- (b) Direct credit with objective criteria
- (c) To control pressure of inflation
- (d) To ensure social justice

**Q39.**

The Government of India made it obligatory on the part of all commercial banks that they should give some cash amount while purchasing Government bonds. What would you call this?

- (a) Statutory Liquidity Ratio
- (b) Cash Reserve Ratio
- (c) Minimum Reserve Ratio
- (d) Floating Reserve Ratio

**Q40.**

The receipts of which of the following taxes duties are not shared with the States?

- (a) Tax on income except agriculture
- (b) Corporation tax
- (c) Surcharge on income tax
- (d) Capital gain tax

**Q41.**

The national income of a country is

- (a) Government annual revenue
- (b) Total productive income
- (c) Surplus of the public sector enterprise
- (d) Export (Loan) Import

**Q42.**

Under the minimum reserve system the Reserve Bank of India as the sole authority of note issue is required to maintain assets worth not less than

- (a) 115 crores of rupees
- (b) 85 crores of rupees
- (c) 200 crores of rupees
- (d) 210 crores of rupees

**Q43.**

Which amongst the following taxes collected by the Union is NOT mandated to be assigned to the States?

- (a) Terminal taxes on goods or passengers carried by railway sea or air
- (b) Taxes on railway fares and freights
- (c) Taxes on consignment of goods
- (d) Service Tax

**Q44.**

One of the objectives of Industrial Licensing Policy in India was to ensure :

- (a) creation of adequate employment opportunities.
- (b) free flow of foreign capital In Indian Industries.
- (c) use of modern technology.

(d) balanced Industrial development across regions.

**Q45.**

Currency notes of Rs. 2 denomination and above are liabilities of

- (a) Government of India
- (b) Reserve Bank of India
- (c) State Bank of India
- (d) All of the above

**Q46.**

The famous slogan "GARIBI HATAO" (Remove Poverty) was launched during the

- (a) First Five Year Plan (1951-56)
- (b) Second Five Year Plan (1956-61)
- (c) Third Five Year Plan (1961-66)
- (d) Fourth Five Year Plan (1966-71)

**Q47.**

The highest body which approves the Five Year Plan in India is the

- (a) Planning Commission
- (b) National Development Council
- (c) Finance Ministry
- (d) Union Cabinet

**Q48.**

RBI does not transact the business of which State Government?

- (a) Nagaland
- (b) Jammu and Kashmir
- (c) Punjab
- (d) Assam

**Q49.**

In the budget figures of the Government of India interest payments subsidies pensions social services and the like are parts of the

- (a) Plan Expenditure
- (b) State Government Expenditure:
- (c) Public Debt in the form of Capital Expenditure
- (d) Non-plan Expenditure

**Q50.**

Who coined the term Hindu rate of growth for Indian economy?

- (a) A.K. Sen
- (b) Kirit S. Parikh
- (c) Raj Krishna
- (d) Montek Singh Ahluwalia

**Q51.**

Which of the following Indian banks became the first to touch a market capitalisation of Rs.100000 Crore in India ?

- (a) ICICI
- (b) HDFC
- (c) SBI

(d) PNB

**Q52.**

The Commission in India dealing with minimum support price procurement price etc in connection with agricultural goods is the

- (a) Planning Commission
- (b) Agricultural Costs and Prices Commission
- (c) Agricultural Price Commission
- (d) National Marketing Commission

**Q53.**

Which one of the following is not correct ?

- (a) First Five Year Plan 1951-56
- (b) Second Five Year Plan 1956-61
- (c) Third Five Year Plan 1961-66
- (d) Fourth Five Year Plan 1966-71

**Q54.**

In the post independence period economic reforms were first introduced in India under

- (a) P.V. Narasimha Rao Government (1990)
- (b) Indira Gandhi Government (1980)
- (c) Rajiv Gandhi Government (1985)
- (d) Janata Party Government (1977)

**Q55.**

The Report of Vijay Kelkar Committee relates to

- (a) Trade Reforms
- (b) Centre State Financial Relations
- (c) Disinvestment in Public Sector Enterprises
- (d) Tax Reforms

**Q56.**

ICI is the name associated with

- (a) a MNC which manufactures chemicals
- (b) Indian Cement Industry
- (c) Chamber of Commerce and Industry
- (d) a private sector bank

**Q57.**

With the inclusion of Shipping Corporation of India recently in the list of Navratna PSEs their number now stands at

- (a) 15
- (b) 16
- (c) 17
- (d) 18

**Q58.**

Nextzone an information technology SEZ is being established at

- (a) Panki in Uttar Pradesh
- (b) Panvel in Maharashtra
- (c) Bangalore in Karnataka
- (d) Secunderabad in Andhra Pradesh

**Q59.**

When was the Jawahar Rozgar Yojna launched ?

- (a)1985
- (b)1987
- (c)1989
- (d)1991

**Q60.**

Reserve Bank of India was nationalised in

- (a)1947
- (b)1948
- (c)1949
- (d)1951

**Q61.**

Which is not the objective of Public Procurement and Distribution system followed by Indian Government ?

- (a) Maintain price stability through creation of buffer stocks
- (b) Protect the interests of both consumers and poor farmers
- (c) Control the production of food grains
- (d) Reduce personal and regional inequality in the distribution

**Q62.**

Where is the Indian Institute of Foreign Trade Located ?

- (a) New Delhi
- (b) Hyderabad
- (c) Mumbai
- (d) Ahmedabad

**Q63.**

The Centre for Agricultural Marketing is located at

- (a) Jaipur
- (b) New Delhi
- (c) Nagpur
- (d) Hyderabad

**Q64.**

Per capita income is obtained by dividing National Income by

- (a) Total population of the country
- (b) Total working population
- (c) Area of the country
- (d) Volume of capital used

**Q65.**

Token privatisation or deficit privatisation of public sector units occur when the government sells

- (a) 5% of shares
- (b) 10% of shares
- (c) 15 % of shares
- (d) 20% of shares

**Q66.**

The Narasimhan Committee (1991) on financial reforms proposed for establishment of a

- (a) Four tier hierarchy of the Banking structure
- (b) Three tier hierarchy of the Banking structure
- (c) Two tier hierarchy of the Banking structure
- (d) Unified control by the apex institutions

**Q67.**

The Planning Commission of India was constituted in the year

- (a)1942
- (b)1947
- (c)1950
- (d)1955

**Q68.**

Which plan gave emphasis on removal of poverty for the first time ?

- (a) Fourth
- (b) Fifth
- (c) Sixth
- (d) Seventh

**Q69.**

EXIM Policy 2002-07 has set a target to achieve a share in the global trade by 2007 at

- (a) 0.5 per cent
- (b) 1.0 percent
- (c) 1.5 per cent
- (d) 2.0 per cent

**Q70.**

Where is the biggest private sector power project in India located?

- (a) Rajahmundry in Andhra Pradesh
- (b) Neyveli in Tamil Nadu
- (c) Korba in Madhya Pradesh
- (d) Dabhol in Maharashtra

**Q71.**

What is the "Gram Samridhi Yojana" in replacement of

- (a) Indra Awas Yojana
- (b) Jawahar Rozgar Yojana
- (c) Prime Ministers Employment Scheme.
- (d) I.R.D.P

**Q72.**

The largest share of India's national income originates in the

- (a) Primary sector
- (b) Secondary sector
- (c) Tertiary sector
- (d) Any of the above

**Q73.**

Among the tax revenues of the Union Government what is the largest source?

- (a) Income Tax
- (b) Corporation Tax
- (c) Central Excise
- (d) Customs Duty

**Q74.**

In which sector of the Indian economy is productivity the highest

- (a) Manufacturing
- (b) Transport Communication and Commerce
- (c) Agriculture

(d) Other sectors

**Q75.**

To achieve economic self-reliance was the main objective of which Five Year Plan?

- (a) First Five Year Plan
- (b) Second Five Year Plan
- (c) Third Five Year Plan
- (d) Fourth Five Year Plan

**Q76.**

The preparation of National Income Estimates is the responsibility of the

- (a) Planning Commission
- (b) National Development Council
- (c) National Sample Survey Organisation
- (d) Central Statistical Organisation

**Q77.**

Commercial banking system in India is

- (a) mixed banking
- (b) unit banking
- (c) branch banking
- (d) None of these

**Q78.**

The gift edged market in the capital market of India refers to

- (a) long-term private securities
- (b) market dealing in existing securities.
- (c) market for corporate securities
- (d) market for Government securities

**Q79.**

Which of the following yields the largest revenue to the Government of India?

- (a) Sales tax
- (b) Excise duty
- (c) Income tax
- (d) Entertainment tax

**Q80.**

The credit control operation in India is performed by

- (a) Rural banks
- (b) Commercial banks
- (c) Reserve Bank of India
- (d) State Bank of India

**Q81.**

NABARD is the name of a

- (a) Commercial bank
- (b) Financial Institution
- (c) Specialised bank to help agriculture
- (d) Non-Banking Financial Institution

**Q82.**

Banks in India were nationalized for the first time in the year

- (a) 1950
- (b) 1960
- (c) 1969

(d) 1979

**Q83.**

Fiscal policy is concerned with

- (a) Public revenue
- (b) Public expenditure and debt
- (c) Bank rate policy
- (d) Both

**Q84.**

Which of the following is the largest employer in India?

- (a) Food Corporation of India
- (b) Posts and Telegraphs Department
- (c) Indian Railways
- (d) Steel Authority of India

**Q85.**

The main objective of Antyodaya Programme is

- (a) upliftment of urban poor
- (b) upliftment of industrial workers
- (c) upliftment of rural poor
- (d) upliftment of farmers

**Q86.**

The Reserve Bank of India issues currency notes under

- (a) fixed fiduciary system
- (b) maximum fiduciary system
- (c) minimum reserve system
- (d) proportional reserve system

**Q87.**

The financial capital of India is

- (a) Mumbai
- (b) Chennai
- (c) Delhi
- (d) Chandigarh

**Q88.**

Chairman of the Eleventh Finance Commission was

- (a) A.M. Khusro
- (b) V. J. Kelkar
- (c) Deepak Parekh
- (d) Manmohan Singh

**Q89.**

India adopted the Five Year Plans from

- (a) France
- (b) former USSR
- (c) America
- (d) England

**Q90.**

In Centre State financial relations in India Gadgil Formula is used in

- (a) division of tax revenue
- (b) formulating the policy for fresh borrowings
- (c) writing off States indebtedness to the Centre
- (d) allocating Central Plan assistance between States

**Q91.**

The concept of mixed economy means

- (a) to have balanced development in the agricultural and industrial sector
- (b) simultaneous development of the rural and urban sector
- (c) to have equal distribution of wealth among the rural and the urban poor
- (d) simultaneous existence of the private and public sector

**Q92.**

Canalised list of items in foreign trade of India refers to

- (a) the items to be imported by the private agencies
- (b) list of items to be subsidized
- (c) list of items to be granted duty concession
- (d) items to be imported only by the State owned undertaking

**Q93.**

Which one of the following is not an industrial finance institution?

- (a) UTI
- (b) ICICI
- (c) NABARD
- (d) SFCs

**Q94.**

Which Indian private sector company has the largest sales turnover?

- (a) Tata Sons
- (b) Reliance Industries
- (c) ITC Ltd.
- (d) Hindustan Lever Ltd.

**Q95.**

The first state owned company from India to be listed on the New York Stock Exchange is

- (a) Videsh Sanchar Nigam Ltd.
- (b) Mahanagar Telephone Nigam Ltd.
- (c) Tata Iron and Steel Company
- (d) Wipro

**Q96.**

The largest source of revenue to the Union Government is

- (a) Income Tax
- (b) Central Excise Duty
- (c) Customs Duty
- (d) Wealth Tax

**Q97.**

Which of the following is the specialty designed scheme for the welfare of the Indian women introduced recently by General Insurance?

- (a) Rajeshwari
- (b) Bhagya Rajeshwari
- (c) Bhagya shree
- (d) Raja Lakshmi

**Q98.**

Which amidst the following is a PSU?

- (a) Bank of Rajasthan

- (b) ICICI Bank
- (c) Corporation Bank
- (d) Citibank

**Q99.**

Which from the following is not a Navaratna PSU ?

- (a) SAIL
- (b) LIC
- (c) IOC
- (d) ONGC

**Q100.**

Which amidst the following is a PSU ?

- (a) Bank of Rajasthan
- (b) Bank of India
- (c) Bank of Punjab
- (d) Karnataka Bank

**ANSWERS :**

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