



# INDIAN ECONOMY

## PREVIOUS YEAR QUESTIONS

- 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) Vijay 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		