

**Q.1)** Which among the following steps is most likely to be taken at the time of an economic recession?

- Cut in tax rates accompanied by increase in interest rate
- Increase in expenditure on public project
- Increase in tax rates accompanied by reduction of interest rate
- Reduction of expenditure on public projects

**Q.2)** It is a method of economic planning that focuses on guiding the economy towards specific goals using forecasts and policy measures. It encourages private participation in the economy.

Which of the following best describes the above type of planning?

- Normative Planning
- Systems Planning
- Indicative Planning
- Target Planning

**Q.3)** Consider the following statements regarding the Producer Price Index (PPI):

**Statement-I:** It has replaced Wholesale price index for measuring inflation in most of the G-20 countries.

**Statement-II:** It excludes taxes, trade margins, and transport costs for better measurement of inflation at the production level.

**Statement-III:** It includes the price of imported goods while calculating the index.

Which one of the following is correct in respect of the above statements?

- Both Statement II and Statements III are correct and both of them explain Statement I.
- Both Statement II and Statement III are correct but only one of them explains Statement I.
- Only one of Statements II and III is correct and that explains Statement I.
- Neither Statement II nor Statement III is correct

**Q.4)** In the context of Indian economy, "Bracket Creep" refers to the situation where:

- inflation pushes taxpayers into higher income tax slabs, increasing their tax burden even if their real income remains the same.
- inflation in the economy exceeds the prescribed limits due to sudden supply side constraints.
- prices of goods increase at a very slow but continuous pace.
- increase in the tax rates beyond certain limits reduces the overall revenue of the government.

**Q.5)** Consider the following information regarding the various prominent statues located in India:

Statue	Located in State	Dedicated To
1. Statue of Social Justice	Andhra Pradesh	Ramanujacharya
2. Statue of Unity	Gujarat	Sardar Vallabhbhai Patel
3. Statue of Equality	Tamil Nadu	Dr. B.R. Ambedkar
4. Statue of Belief	Rajasthan	Adi Shankaracharya

In how many of the above rows is the given information correctly matched?

- Only one
- Only two
- Only three
- All four

**Q.6)** In the context of macro-economics, which of the following best describes the term "Biflation"?

- The simultaneous occurrence of inflation and deflation in different sectors of the economy.
- The period of hyperinflation followed by rapid deflation.
- The situation where both unemployment and inflation rates are high.
- The scenario where inflation is concentrated in specific sectors while other sectors remain stable.

**Q.7)** With reference to the planning in India, consider the following statements regarding the Twenty Point Programme (TPP):

1. It was launched during the Fifth Five-Year Plan.
2. The Prime Minister Office has been given the responsibility of monitoring all the items under the programme.

Which of the above statements is/are correct?

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

**Q.8)** Tax Buoyancy is the responsiveness of tax revenue growth to the changes in the -

- a) Gross Domestic Product of a country.
- b) tax rates in a country.
- c) tax base in a country.
- d) rate of inflation in a country.

**Q.9)** Consider the following statements:

**Statement-I:** Core inflation is generally more stable than headline inflation.

**Statement-II:** The headline inflation includes the prices of fuel and food items whereas the core inflation does not include them.

Which one of the following is correct in respect of the above statements?

- a) Both Statement-I and Statement-II are correct and Statement-II explains Statement-I.
- b) Both Statement-I and Statement-II are correct and Statement-II does not explain Statement-I.
- c) Statement-I is correct but Statement-II is incorrect.
- d) Statement-I is incorrect but Statement-II is correct.

**Q.10)** Which of the following statements regarding the Akash NG (Akash New Generation) missile is correct?

- a) It is a new generation air-to-air missile.
- b) It has an interception range of up to 150 km.
- c) It is powered by a scramjet rocket propulsion system.

- d) It is equipped with Active Electronically Scanned Array (AESA) multi-function radar.

**Q.11)** The Eighth Five Year Plan is different from the earlier ones. The critical difference lies in the fact that:

- a) it has a considerably larger outlay compared to the earlier plans
- b) it has a major thrust on agricultural and rural development
- c) considerable emphasis is placed on infrastructure growth
- d) industrial licensing has been abolished

**Q.12)** Which one of the following concepts explains the inter-relationship between inflation and interest rates in the economy?

- a) Lorenz Curve
- b) Phillips Curve
- c) Fisher Effect
- d) Laffer Curve

**Q.13)** Which of the following statements is correct with reference to the 'tax expenditure'?

- a) It is the tax revenue loss borne by the government due to the existence of a large informal sector.
- b) It is the revenue foregone by the government due to special tax provisions, like exemptions and deductions.
- c) It is the tax revenue lost by the government exchequer due to evasion by companies.
- d) It is the expenditure incurred by the government to collect both direct and indirect taxes.

**Q.14)** With reference to the economic theory, the Pigou Effect explains how:

- a) deflationary conditions in the economy boosts consumption and employment.
- b) higher interest rates in the economy lead to reduced consumption.
- c) high inflation levels lead to reduction in overall saving rates in the economy.
- d) price drop of goods decreases the demand for such goods.

**Q.15)** Which of the following statements is/are correct regarding the recently launched XPoSat Mission?

1. It has been launched primarily to provide internet services to geographically remote and challenging areas.
2. The Mission carries two payloads namely POLIX (Polarimeter Instrument in X-rays) and XSPECT (X-ray Spectroscopy and Timing).

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

**Q.16)** 'Deflationary Gap' is a situation when-

- a) aggregate demand is more than supply in an economy.
- b) there is a severe and prolonged economic downturn.
- c) real GDP of an economy is less than potential GDP
- d) nominal GDP of an economy is more than real GDP

**Q.17)** With reference to Wholesale Price Index (WPI), consider the following statements:

1. It is published by the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation.
2. It does not include services in its calculation and primarily tracks price movements of goods at the wholesale level.
3. The effective prices for Manufactured Products used for compilation of WPI do not include indirect taxes.

Which of the statements given above is/are correct?

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

**Q.18)** Consider the following pairs:

Term	Description
1. Tax inversion	A practice when a company sells assets to another for the sake of generating higher sales and later buying back.

2. Round tripping	A practice where company shifts its headquarter/legal residence in a low tax country.
3. Base erosion and profit shifting	A practice when multinational companies (MNCs) shift their profits from higher-tax countries to low or no tax countries.

How many pairs given above are correctly matched?

- a) Only one
- b) Only two
- c) All three
- d) None

**Q.19)** Consider the following features:

1. Rising level of unemployment in an economy.
2. Stagnant growth in spite of higher consumer spending.
3. Increased Non-Performing Assets in Banking sector.
4. Rise in inflation and interest rates in an economy.

How many of the above features are associated with Recession in an economy?

- a) Only one
- b) Only two
- c) Only three
- d) All four

**Q.20)** Consider the following statements:

1. The United Nations Environment Programme (UNEP) was established as an outcome of the UN Conference on Environment and Development also known as the Earth Summit.
2. The UN Environment Assembly (UNEA) serves as the world's highest-level decision-making body for matters related to the environment.
3. The membership of UNEA includes all members of the United Nations.

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

**Q.21)** Rise in the price of a commodity means

- a) rise in the value of currency only
- b) fall in the value of currency only
- c) rise in the value of commodity only
- d) fall in the value of currency and rise in the value of commodity

**Q.22)** Consider the following:

- 1. Carbon tax
- 2. Tobacco tax
- 3. Fuel cess

How many of the above are examples of Pigouvian tax?

- a) Only one
- b) Only two
- c) All three
- d) None

**Q.23)** Consider the following statements regarding the Goods and Services Tax (GST) Council:

- 1. The Union Minister of State in charge of Revenue serves as the ex-officio Vice-Chairman of the council.
- 2. It is responsible for recommending the date on which Goods and Services Tax (GST) shall be levied on aviation turbine fuel.
- 3. It shall establish a mechanism to adjudicate any dispute between two or more states arising out of the recommendations of the council.

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

**Q.24)** Which of the following factors can lead to demand-pull inflation in an economy?

- 1. Surge in government capital expenditure and welfare spending.
- 2. Increase in policy interest rates by the central bank.
- 3. Rapid rise in wages and employment levels in the economy.
- 4. Hike in Corporate tax.

Select the correct answer using the code given below.

- a) 1 and 2

- b) 1 and 3
- c) 2 and 3
- d) 3 and 4

**Q.25)** Consider the following countries:

- 1. Egypt
- 2. Saudi Arabia
- 3. Yemen
- 4. Oman
- 5. Ethiopia

How many of the above countries share a land border with the Red Sea?

- a) Only two
- b) Only three
- c) Only four
- d) All five

**Q.26)** Consider the following statements:

**Statement-I:** Value Added Tax (VAT) eliminates cascading by providing for set off for taxes paid on inputs and only taxing value addition.

**Statement-II:** The Value Added Tax is a single point tax on sale of the product.

Which one of the following is correct in respect of the above statements?

- a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I.
- b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I.
- c) Statement-I is correct but Statement-II is incorrect.
- d) Statement-I is incorrect but Statement-II is correct.

**Q.27)** Consider the following statements about the Securities Transaction Tax (STT) in India:

- 1. It is a direct tax which is charged on the sale and purchase of securities in the stock exchange.
- 2. The revenue collected from it is shared between the Centre and the States.

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

**Q.28)** Consider the following statements about the National Institution for Transforming India (NITI Aayog):

1. The Chief Ministers of all the states in India are members of the Governing Council of NITI Aayog.
2. Chairman of NITI Aayog is appointed by the Appointments Committee of the Union Cabinet.
3. It has the authority of allocating funds for projects of the Government of India.

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

- a) 3 only
- b) 2 and 3 only
- c) 1, 2 and 3
- d) None

**Q.29)** Consider the following:

1. High rates of unemployment
2. Decrease in purchasing power of money
3. Low levels of demand in the economy
4. Reduced income inequality

Which of the above may occur when an economy is experiencing stagflation?

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

**Q.30)** Consider the following statements regarding the North Atlantic Treaty Organization (NATO):

1. It was established by signing of the Washington Treaty.
2. Currently, all countries of the European Union are members of NATO.

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

**Q.31)** Which one of the following represents a progressive tax structure?

- a) Tax rate is the same across all incomes
- b) Tax rate increases as income increases
- c) Tax rate decreases as income increases
- d) Each household pays equal amount of tax

**Q.32)** In the context of the Consumer Food price Index (CFPI) in India, consider the following statements:

1. It is released by the Ministry of Consumers Affairs, Food and Public Distribution.
2. It is calculated on a monthly basis.
3. Cereals and related products occupy around one-third of the weight in CFPI.

Which of the statements given above are correct?

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

**Q.33)** In the context of Indian economy, consider the following statements:

**Statement - I:** The Reserve Bank of India (RBI), sets the inflation target to guide monetary policy.

**Statement - II:** The primary objective of Monetary policy according to the RBI Act, 1934, is to maintain price stability while keeping in mind the objective of growth.

Which one of the following is correct in respect of the above statements?

- a) Both Statement-I and Statement-II are correct and Statement-II explains Statement-I
- b) Both Statement-I and Statement-II are correct, but Statement-II does not explain Statement-I
- c) Statement-I is correct, but Statement-II is incorrect
- d) Statement-I is incorrect, but Statement-II is correct



**Q.34)** Consider the following information:

Plan	Based on	Primary focus
1. First Five Year Plan	Harrod-Domar Model	Agriculture
2. Second Five Year Plan	Mahalanobis Model	Rapid industrialization
3. Third Five Year Plan	Gadgil Formula	Heavy industries

In how many of the above rows is the given information correctly matched?

- a) Only one
- b) Only two
- c) All three
- d) None

**Q.35)** With reference to various technologies used in Advanced Driver Assistance Systems (ADAS), and their primary application in ADAS, consider the following pairs:

Technology used in Advanced Driver Assistance Systems (ADAS)	Application of the technology in ADAS
1. Lidar	To detect objects using radio waves
2. Ultrasonic sensors	To detect objects using high-frequency sound waves
3. Infrared sensors	To detect objects in low-light conditions.

How many of the pairs given above are correctly matched?

- a) Only one
- b) Only two
- c) All three
- d) None

**Q.36)** Suppose a scenario in the Indian Economy- “The Consumer Price Index (CPI) combined for continuous 7 months is below 0.” The scenario best reflects:

- a) Deflation
- b) Disinflation
- c) Creeping inflation
- d) Skewflation

**Q.37)** Consider the following statements with reference to Inverted Duty Structure under GST mechanism in India:

**Statement - I:** An inverted duty structure results in the accumulation of Input Tax Credit (ITC).

**Statement - II:** The inverted duty structure occurs when the tax on raw materials is higher than the tax on finished goods.

Which one of the following is correct in respect of the above statements?

- a) Both Statement-I and Statement-II are correct and Statement-II explains Statement-I
- b) Both Statement-I and Statement-II are correct, but Statement-II does not explain Statement-I
- c) Statement-I is correct, but Statement-II is incorrect
- d) Statement-I is incorrect, but Statement-II is correct

**Q.38)** Consider the following statements with reference to Arm's length principle of pricing:

1. It is a pricing mechanism under which related entities of a multinational company can set their own prices based on mutual agreements, even if they differ from market rates.
2. It is used by Tax authorities as one of the tools to curb tax evasion practises of Multinational Companies (MNCs).
3. At present, India has no law which determines the Arm's length pricing.

Which of the statements given above is/are correct?

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

**Q.39)** With reference to various Economic development plans of India, Consider the following pairs:

Name of Plan	Prepared By
1. Sarvodaya Plan	Srimana Narayana Agarwal
2. People's Plan	M.N. Roy
3. Gandhian Plan	JP Narayan

How many of the pairs given above are correctly matched?

- Only one
- Only two
- All three
- None

**Q.40)** With reference to Indian Gharial, consider the following statements:

- The Indian Gharial is listed as "Critically Endangered" on the IUCN Red List.
- One of the most prominent habitats of the Indian Gharial is Chilika Lake.
- The long and narrow snout of Gharials limits their ability to catch and feed on fishes.

Which of the statements given above is/are correct?

- 1 only
- 1 and 2
- 3 only
- 1 and 3

**Q.41)** Which one of the following functions as an automatic stabilizer in the context of fiscal and monetary policies of an economy?

- Personal income tax
- Reverse repo rate of bank
- Open market operation
- Bond price

**Q.42)** Consider the following:

Tax	Description
1. Withholding Tax	Tax deducted at the source from salaries of employees, by the employers as a part of income tax liability of the employees.
2. Tobin Tax	Tax levied on foreign exchange transactions.
3. Angel Tax	Tax imposed on incomes of high net-worth individuals who generally invest in start-up companies

How many of the above pairs are correctly matched?

- Only one
- Only two
- All three
- None

**Q.43)** With reference to Indian economy, consider the following statements::

The Inflation may:

- benefit the borrowers who have taken loans from the banks.
- increase the government tax revenue.
- benefit the individuals who deposited their money in time deposits.

How many of the statements given above are correct?

- Only one
- Only two
- All three
- None

**Q.44)** With reference to the Goods and Service Tax (GST), the reverse charge mechanism is best associated with:

- the liability to pay tax is on the recipient of the supply of goods or services.
- the liability to pay tax is on the supplier of goods and services.
- the liability to pay tax is shared equally between the supplier and the recipient.
- the liability to pay tax is reversed by the government to the supplier who is a foreign entity.

**Q.45)** With respect to investments in capital markets, which of the following statements best describes the term "Momentum Investing"?

- It involves buying securities that are undervalued and holding them for long-term gains.
- It focuses on diversifying investment portfolio across various asset classes to minimize risk.
- It involves purchasing assets that are consistently rising in price while selling assets whose prices are falling.
- It entails investing in assets based on their recent market news, expecting short-term price movements driven by news sentiment.

**Q.46)** P, Q, R, S, T, U and V are seven players in a team. R is taller than only four of them. P is shorter than Q, but taller than T, who is taller than U but shorter than V, who is shorter than Q, who is shorter than S. Who is the tallest of all?

- a) P
- b) Q
- c) S
- d) V

**Q.47)** An elevator can carry a maximum 750 kg of weight. The first two persons to enter the elevator have weights 83 kg and 72 kg. If the least weight of any person to enter the elevator was 48 kg, find the maximum number of persons the elevator would have accommodated?

- a) 12
- b) 13
- c) 14
- d) 11

**Q.48)** There are two divisions in a school, named division A and division B. The ratio of the number of students from division A to the number of students in division B is 3 : 4. As many students from division A like Mathematics as the number of students from division B who do not like Mathematics. Which of the following **cannot** be the ratio of the number of students from division A who do not like Mathematics to the number of students from division B who like Mathematics?

- a) 7 : 10
- b) 10 : 13
- c) 1 : 4
- d) 4 : 7

**Directions for the following 2 (two) items:**

Read the following **two passages** and answer the items that follow the passages. Your answers to these items should be based on the passages only

**Passage I**

Historically, the Indian Ocean was a key geography that facilitated European colonial expansion into Asia. Its relevance declined after decolonisation, particularly during the Cold War. After the Cold War, a strategic vacuum emerged in the Indian Ocean, likely due to its fragmented political construct and the lack of any remarkable contestations, regional or global. It was the twenty-first century economic rise of

India and China that brought the Indian Ocean back into the limelight. Today, the Indian Ocean Region has become a critical theatre in global geopolitics, with even external players showing heightened interest.

**Q.49)** Based on the above passage, the following assumptions have been made:

1. The Cold War led to a sustained and intense geopolitical contestation in the Indian Ocean region.
2. The economic rise of major Asian powers has been a key factor in reviving global interest in the Indian Ocean.

Which of the above assumptions is/are valid?

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

**Passage II**

Bamboo is a fast growing, versatile woody grass found across the country. It is an economic resource having immense potential for improving the quality of life of rural and urban communities with environmental regeneration qualities like carbon sequestering. Bamboo provides raw material for large industries like paper and pulp as well as for cottage and handicrafts industry. Bamboo shoots are used in the preparation of vegetables and various other dishes and many other horticultural uses. Bamboo roots, leaves, sap and ash have been used since ancient times as a remedy for minor and major ailments, particularly in Ayurvedic health care.

**Q.50)** Which of the following statements best reflects the most logical and rational inference that can be made from the passage?

- a) Bamboo's economic and ecological benefits make it a crucial resource for sustainable development and diverse industrial applications.
- b) The primary significance of bamboo lies in its use as a raw material for large-scale industries like paper and pulp.
- c) Bamboo's role in environmental regeneration is secondary to its commercial and industrial applications.
- d) Traditional uses of bamboo in medicine and food have declined due to industrialization and modernization.