

ECONOMICS

SET-A

1. Personal income includes all of the following except
 - A. Transfer payments;
 - B. Undistributed corporate profits;**
 - C. Personal income taxes;
 - D. Dividend payments
2. Nominal GDP is
 - A. The total value of goods and services net of exports
 - B. The total value of goods and services produced during periods of low unemployment
 - C. The total value of goods and services measured at current prices**
 - D. The total value of goods and services produced at full employment.
3. GDP at factor cost exceeds GDP at market price
 - A. When the factor income from abroad is negative
 - B. When depreciation on fixed capital exceeds income in investment;
 - C. When direct tax exceeds indirect tax;
 - D. When subsidies exceeds indirect taxes.**
4. The difference between Gross National Product (GNP) and Gross Domestic Product (GDP) is
 - A. Excess of subsidies over indirect taxes;
 - B. Depreciation;
 - C. Net foreign income from abroad**
 - D. Excess of indirect taxes over subsidies
5. NDP does not include
 - A. Payments made for income taxes;
 - B. Depreciation allowances;**
 - C. Undistributed profits;
 - D. The value added from intermediate goods.
6. National income is
 - A. NDP at market prices;
 - B. NDP at factor cost;
 - C. NNP at factor cost;**
 - D. GNP at market prices.
7. The difference between personal disposable income and personal income is
 - A. Indirect taxes;
 - B. Subsidies;
 - C. Transfer payments;
 - D. Personal taxes.**
8. Which of the following is an example of a government transfer payment?
 - A. Purchase of a new car for the Ministry of Finance;
 - B. Funding of a clinic to provide free vaccinations. ;
 - C. Free food coupons issued to persons in an anti-poverty program. ;**
 - D. Funding of a new bridge in an urban area

9. The net factor income earned within the domestic territory of a country must be equal to
A. Net Domestic Product at factor cost ;
B. Net Domestic Product at market price;
C. Net National Product at market price ;
D. Personal income.
10. Personal income equals personal disposable income (Y_D) plus
A. Personal savings;
B. Transfers from Government;
C. Personal income taxes;
D. Dividend payments
11. Who developed the concept of IS- LM model?
A. Hicks and Hansen
B. J. M. Keynes
C. Adam Smith
D. None of the above.
12. When rate of interest falls, level of investment will—
A. increase
B. decrease
C. no effect on investment
D. both A & B
13. The curve which shows different equilibrium levels of national income with various rates of interest is called—
A. LM curve,
B. IS curve
C. Income curve
D. None of the above
14. IS curve slopes—
A. upward
B. downward
C. horizontal
D. vertical
15. Macroeconomics is the study of
A. Inflation ;
B. Unemployment ;
C. Growth ;
D. All of A., B. and C. above.
16. In a closed economy savings are equal to at the equilibrium level of income.
A. Investments;
B. Wages;
C. Income-Investments;
D. Wages – Consumption

17. Which of the following methods is/are used for measuring national income?

- A. Output method;
- B. Expenditure method;
- C. Income method;
- D. All of A., B. and C. above.

18. The steepness of IS curve depends on---

- A. The Elasticity Of Investment Demand Curve;
- B. The Size Of The Multiplier;
- C. Demand For Money
- D. Both A&B

19. The position of IS curve depends on---

- A. Rate Of Interest,
- B. Rate Of Investment,
- C. Autonomous Expenditure
- D. None Of The Above

20. The curve which relates the level of income with the rate of interest which is determined by money-market equilibrium corresponding to different levels of demand for money is known as-

- A. IS curve
- B. LM curve
- C. Income curve
- D. None of the above.

21. LM curve slopes—

- A. Downward To The Right
- B. Upward To The Right
- C. Vertical
- D. Horizontal.

22. The LM curve is flatter if the interest elasticity of demand for money-

- A. High
- B. Low
- C. Both May Be Possible
- D. None Of The Above

23. Which of the following is a reason for inflation?

- A. Deficit financing
- B. Growth in per capita income
- C. Structural deficiencies
- D. All the above

24. Which of the following is an effect of inflation?

- A. Erosion in purchasing power
- B. Affects relative price of goods
- C. Increase in inequalities of income
- D. All the above

25. Consider the following statements and identify the right ones.

- i. Government can reduce indirect taxes to control inflation
- ii. There is trade-off between growth and inflation in India

- A. i only
- B. ii only
- C. Both
- D. None

26. Which of the following is not a reason for inflation?

- A. Increase in administered prices
- B. Increase in cost of capital
- C. More dependence on indirect taxes for revenue
- D. None of these

27. Which of the following can be undertaken to control inflation?

- A. Control on public expenditure
- B. Control on hoarding and black marketing
- C. Effective control on credit
- D. All the above

28. Consider the following statements and identify the right ones.

- i. For measuring overall inflation in the economy, CPI is used.
- ii. WPI was first published in 1942 for 23 commodities

- A. i only
- B. ii only
- C. Both
- D. None

29. The present base year used for WPI is

- A. 1993-94
- B. 2001-02
- C. 2004-05
- D. None of these

30. Consider the following statements and identify the right ones.

- i. There are 676 items divided into 3 parts in the WPI
- ii. All the 3 parts are given equal weightage

- A. i Only
- B. ii Only
- C. Both
- D. None

SET-B

1. Which of the following statements is correct?

A. Real GDP is the total money value of the final goods and services produced in a year with in the territory of the economy.

B. Your buying stock in the stock market is an example of investment spending

C. Potential Real GDP is always greater than Equilibrium Real GDP

D. Social security and welfare are examples of spending on infrastructure.

2. The period of the business cycle in which real GDP is increasing is called the:

A. Expansion

B. Peak

C. Recession

D. Trough

3. Assume that, in the population, 95 million people worked for pay last week, 5 million people did not work for pay but had been seeking a job, 5 million people did not work for pay and had not been seeking a job for the past several months, and 45 million were under age 16. The unemployment rate, given these numbers, is:

A. 5%

B. 8%

C. 10%

D. 20%

3. Which group constitutes maximum weightage in WPI?

A. Primary articles

B. Fuel

C. Manufactured items

D. Equal weightage

4. Who measured national income of India for very first time?

A. D.Naoroji

B. R.C.dutta

C. P.C.Mahalanabish

D. None

5. In which year National Income Committee was introduced?

A. 1990

B. 1950

C. 1949

D. 1967

6. Consider the following statements and identify the right ones.

- i. RBI has the sole right to issue currency notes
- ii. Minimum reserve system has been replaced by proportional reserve system

A. i Only

B. ii Only

C. Both

D. None

7. Which of the following is not a function of RBI?

A. Banker to government

B. Regulation of foreign exchange

C. Collection and publication of data

D. None of the above

8. Consider the following statements and identify the right ones.

- i. RBI provides advice in all monetary matters except agriculture and industrial finance.
- ii. RBI is obliged to transact business of central government and state governments including J&K

A. i Only

B. ii Only

C. Both

D. None

9. Consider the following statements and identify the right ones.

- i. RBI acts as clearing house for commercial banks.
- ii. It also grants license for setting up banking operations

A. i Only

B. ii Only

C. Both

D. None

10. The amount a bank needs to maintain in form of cash, gold and other securities before giving credit is

A. SLR

B. CRR

C. OMO

D. Bank rate

11. The percentage of demand and time liabilities that banks have to keep with RBI is

A. SLR

B. CRR

C. OMO

D. Bank rate

12. Consider the following statements and identify the right ones.

- i. RBI is the custodian of foreign exchange reserves of the country.
- ii. It also keeps the exchange rate of domestic currency at stable level.

- A. i Only
- B. ii Only
- C. Both
- D. None

13. Which of the following is not a function of RBI?

- A. Branch licenses and expansion
- B. Supervision of assets and liabilities
- C. Reconstruction and liquidity
- D. None of the above

14. For bank rate to be effective, which of the following conditions are to be fulfilled?

- A. Banks should be ready to avail rediscounting facility from RBI
- B. Banks should have adequate quantity of credit instruments that can be rediscounted
- C. Banks do not have surplus cash and depend on RBI for extraordinary needs
- D. All the above

15. The buying, selling of treasury bills, government and other securities by RBI is called

- A. Cash reserve ratio
- B. Statutory liquidity ratio
- C. Open market operations
- D. None of the above

16. Which of the following is a union tax?

- A. Corporation tax
- B. Taxes on agricultural income
- C. Capitation taxes
- D. Land revenues

17. Which of the following is not a union tax?

- A. Taxes on railway freights and fares
- B. Stamp duties on financial documents
- C. Tolls
- D. A and B only

18. Consider the following statements and identify the right ones.

- i. Central government does not have exclusive power to impose tax which is not mentioned in state or concurrent list.
- ii. The constitution also provides for transferring certain tax revenues from union list to states.

- A. i Only
- B. ii Only
- C. Both
- D. None

19. The tax levied by the union government on income of individuals is known as

- A. Personal income tax
- B. Interest tax
- C. Wealth tax
- D. Corporation tax

20. The tax on net income of companies is

- A. Personal income tax
- B. Interest tax
- C. Wealth tax
- D. Corporation tax

21. Consider the following statements and identify the right ones.

- i. Wealth tax is collected from productive as well as unproductive assets
- ii. Estate duty was a type of inheritance tax of large estates

- A. i Only
- B. ii Only
- C. Both
- D. None

22. Which of the following taxes is/are withdrawn or abolished?

- A. Interest tax
- B. Estate duty
- C. FBT
- D. All the above

23. The most important source of revenue to the G.O.I is

- A. Corporate tax
- B. Service tax
- C. Excise duty
- D. None of the above

24. The tax levied on the interstate trade of goods is

- A. Sales tax
- B. Excise tax
- C. Service tax
- D. Central sales tax

25. Consider the following statements and identify the right ones.

- i. The 14th finance commission is headed by C. Rangarajan
- ii. The recommendations of the commission will come into effect from April, 1, 2015

- A. i Only
- B. ii Only
- C. Both
- D. None

26. The difference between revenue expenditure and revenue receipts is

- A. Revenue deficit
- B. Fiscal deficit
- C. Budget deficit
- D. Primary deficit

27. The difference between revenue deficit and grants for creation of capital assets is called

- A. Fiscal deficit
- B. Budget deficit
- C. Effective revenue deficit
- D. Primary deficit

28. The difference between total expenditure and total receipts is

- A. Fiscal deficit
- B. Budget deficit
- C. Primary deficit
- D. Revenue deficit

29. The difference between total expenditure and total receipts except loans and other liabilities is called

- A. Fiscal deficit
- B. Budget deficit
- C. Primary deficit
- D. Revenue deficit

30. The difference between fiscal deficit and interest payment during the year is called

- A. Fiscal deficit
- B. Budget deficit
- C. Primary deficit
- D. Revenue deficit

SET-C

1. A type of unemployment in which workers are in-between jobs or are searching for new and better jobs is called _____ unemployment:

A. Frictional

B. Cyclical

C. Structural

D. Turnover

2. Which of the following is a "loser" from unexpected inflation?

A. Business Man

B. Salaried Person

C. Borrower

D. None of these

3. The Phillips curve describes the relationship between:

A. The Federal Budget Deficit And The Trade Deficit

B. Savings And Investment

C. The Unemployment Rate And The Rate Of Inflation

D. Marginal Tax Rates And Tax Revenues

4. An asset is liquid when it is:

A. Being traded frequently

B. Is money or easily converted into money

C. Earning a good rate of return

D. All of the above

5. A bank has Rs. 5 million in cash. The minimum reserve ratio is 20%. What is maximum potential increase in total deposits:

A. 0

B. 5m

C. 10m

D. 25m

6. Which of the following organizations looks after the credit needs of agriculture and rural development in India?

A. FCI

B. IDBI

C. NABARD

D. ICAR

7. Which of the following estimates the National Income in India?
A. Central Statistical Organization
B. National Income Committee
C. Planning commission
D. Reserve Bank of India
8. In India which of the following taxes is levied by the state governments?
A. Excise duty on liquor
B. Capital gains tax
C. Customs tax
D. corporation tax
9. Which industry employs the largest number of women in India?
A. Tea
B. Textile
C. Jute
D. Coal
10. SEBI stands for
A. Science and Engineering Board of India
B. Securities and Exchange Board of India
C. Social Equity Bureau of India
D. Science and Educational Board of India
11. With which of the following lies the basic regulatory authority for mutual funds and stock markets?
A. Reserve bank of India
B. Government of India
C. SEBI
D. Stock Exchanges
12. With which aspect of commerce are 'Bulls and Bears' associated?
A. Foreign Trade
B. Stock Exchange market
C. Banking
D. International Finance
13. State Financial Corporations give assistance mainly to develop
A. Small And Medium Scale Industries
B. Agricultural Farms
C. Cotton Industry
D. Large Scale Industries
14. In which of the following fields was the first co-operative movement in India initiated?
A. Agricultural Credit
B. Farming Activities
C. Consumer Co-Operation
D. Agricultural Marketing

15. Which of the following taxes is a progressive tax?

- A. Income Tax
- B. Custom Tax
- C. Sales Tax
- D. Excise Duty

16. Which of the following taxes is/are levied by the Union and collected and appropriated by the states?

- A. Stamp Duties
- B. Passenger And Good Tax
- C. Estate Duty
- D. Taxes On Newspapers

17. Chelliah Committee of 1992 deals with the overhauling of our

- A. Public Sector Undertakings
- B. Financial System
- C. Tax System
- D. Patents And Copyrights

18. What is the money value of goods and services produced in a country within a year by the citizen called?

- A. GNP
- B. Net National Output
- C. Net National Product At Market Prices
- D. Gross National Product At Market Prices

19. In India, inflation is measured by

- A. Wholesale Price Index Number
- B. Consumer Price Index
- C. Consumer Price Index For Agricultural Workers Only
- D. National Income Deflation

20. National income is the

- A. Net National Product at Market price
- B. Net National product at factor cost
- C. Net Domestic Product At Market Price
- D. Net Domestic Product At Factor Cost

21. Through open market operations, the RBI purchase and sell

- A. Foreign Exchange
- B. Gold
- C. Government Securities
- D. All Of These

22. What is Net National Product?

- A. The Money Value Of Final Goods And Services Produced Annually In The Economy
- B. The Money Value Of Annual Service Generation In The Economy
- C. The Money Value Of Tangible Goods Produced Annually In The Economy
- D. The Money Value Of Tangible Goods Available In The Economy

23. Deflation is
A. Deficit Budget
B. Reduction In Taxation
C. Contraction In Volume Of Money Or Credit That Results In A Decline Of Price Level
D. Increase In Public Expenditure
24. Bank rate means
A. Interest Rate Charged By Moneylenders
B. Interest Rate Charged By Scheduled Banks
C. Rate Of Profit Of The Banking Institution
D. The Official Rate Of Interest Charged By The Central Bank Of The Country
25. The Government of India acquired the ownership and control of major banks in 1969 whose deposits were not less than
A. Rs 40 crore
B. Rs 50 crore
C. Rs 60 crore
D. Rs 80 crore
26. Which of the following is known as plastic money?
A. Bearer Cheques
B. Credit Cards
C. Demand Drafts
D. Gift Cheques
27. To get the Net National Product, we deduct what from the Gross National Product?
A. Direct Taxes
B. Imports
C. Interim Payments
D. Depreciation
28. What is the main purpose of currency?
A. Standard Of Postponed Payments
B. Standard Of Money
C. Medium Of Exchange
D. None Of These
29. Which of the following is not a direct tax?
A. Estate Duty
B. Agricultural Income Tax
C. State Excise
D. Corporation Tax
30. Land development banks in India are owned by the
A. RBI
B. State Governments
C. Commercial Banks
D. Cooperative Societies

SET-D

1. What is the tax slab for zero tax rate?
A. **Upto INR 3 lakhs**
B. Between INR 5 and 10 lakhs
C. Between INR 3 and 5 lakhs
D. None of the above
2. Budget 2017 has proposed _____ as the front office for issuing passports in far flung areas.
A. Airport
B. Telegraph office
C. **Post office**
D. Railway Station
3. Union Budget 2017 has pegged fiscal deficit for 2017-2018 as?
A. **3.2 Per cent**
B. 3.3 Per cent
C. 3.4 Per cent
D. 3.5 Per cent
4. Which is the fourth budget of the Modi Government and the 87th budget?
A. Budget 2015
B. Budget 2016
C. **Budget 2017**
D. Budget 2018
5. How much has been allocated for the infrastructure sector for 2017-2018?
A. **INR 3,96,314**
B. INR 3,96,134
C. INR 3,96,124
D. INR 3,96,214
6. Union Budget 2017 has introduced SANKALP which stands for?
A. **Skill Acquisition and Knowledge Awareness for Livelihood Promotion Programme**
B. Skill Acquisition and Knowhow Awareness for Livelihood Promotion Programme
C. Skill Acquisition and Knowledge Awareness for Livelihood Promoting Programme
D. None of the above
7. Which budget has given the highest ever allocation for MGNREGA?
A. Budget 2016
B. Budget 2015
C. **Budget 2017**
D. Budget 2014
8. According to the Union Budget, transaction above how much will not be permitted in cash?
A. **INR 3 lakhs (Now 2lakhs)**
B. INR 4 lakhs
C. INR 5 lakhs
D. INR 6 lakhs

9. In order to limit lack of transparency in electoral funding, one person will now be allowed to donate more than how much?
- A. INR 4000
 - B. INR 3000
 - C. INR 2000
 - D. INR 1000
10. Which national agency will be phased out in the next fiscal, as per the Budget 2017?
- A. NITI Aayog
 - B. Foreign Investment Promotion Board
 - C. Securities Exchange Board of India
 - D. None of the above
11. What is the percentage of FDI through automatic route at present according to the Budget?
- A. 60 Per cent
 - B. 70 Per cent
 - C. 80 Per cent
 - D. 90 Per cent
12. 100 percent village electrification is being targeted by the Budget by?
- A. May 1, 2018
 - B. May 1, 2019
 - C. June 1, 2018
 - D. July 1, 2018
13. Allocation for PM's Employment Generation and Credit Support schemes has been increased by how many times?
- A. 2
 - B. 3
 - C. 4
 - D. 5
14. Indian Railways will focus on which of the following areas for the coming fiscal, as per the Budget?
- A. Passenger Safety
 - B. Cleanliness
 - C. Women Security
 - D. Only a and b
15. Which of the following is correct?
- A. DigiGaon will provide telemedicine, education and skills through digital technology
 - B. BharatNet Project allocation has been increased by INR 10,000 crores.
 - C. All of the above
 - D. None of the above
16. Which is true about the BHIM App?
- A. Cashback scheme has been announced for individuals
 - B. Referral bonus schemes have been announced for individuals
 - C. Cashback scheme has been announced for merchants
 - D. Only b and c

17. Agriculture sector will grow by what percent in 2017-2018, as per Budget 2017?

A. 3.8

B. 4.1

C. 4.5

D. 4.6

18. Which facility was announced for senior citizens in Budget 2017-2018?

A. Aadhaar-enabled smart cards

B. BHIM App

C. Shakti Kendras

D. None of the above

19. As per the budget, a dedicated micro-irrigation fund for More Crop Per Drop will have an allocation of?

A. INR 10000 crore

B. INR 5000 crore

C. INR 6000 crore

D. INR 8000 crore

20. Which of the following subjects will be omitted from the Seventh Schedule?

1) Entry 54 from State List

2) Entry 55 from State List

3) Entry 92 and 92C from Union List

A. 1, 2

B. 2, 3

C. 1, 3

D. All of the above

21. What shall constitute quorum of the GS Council meeting?

A. One half of the total number of its members

B. Two-thirds of the total number of its members

C. One Fourth of the total number of its members

D. One Third of the total number of its members

22. Which article spells formation of GST Council?

A. 270

B. 246A (2)

C. 269A (1)

D. 279A

23. What is Revenue Neutral Rate?

A. Tax rate to get more amount of money on changing tax laws

B. Tax rate to get same amount of money despite changing tax laws

C. Tax rate to get more amount of money without changing tax laws

D. To get more money by keeping the tax rates same

24. Which of the following is/are true?

- 1) Both the State and Centre will have power to make laws on taxation of goods and services.
- 2) Parliament's law will not override a state law on GST.

A. Only 1

B. Only 2

C. Both 1 and 2

D. Neither 1 nor 2

25. What is Integrated Goods and Services Tax?

A. Tax imposed on imported goods and services

B. Tax imposed on value additions to exports

C. Tax imposed on interstate trade

D. Tax on international trade

26. Who of the following will be the members of the GST Council?

1) Union Finance Minister

2) Union Minister of State in charge of Revenue or Finance

3) Chief Ministers of States

A. 1, 3

B. 1, 2

C. 2, 3

D. All of the above

27. Taxes on services can be levied by

A. Centre

B. States

C. Centre and States both

D. None of the above

28. Which of the following is/are true regarding recent GST Bill?

1) Recent Goods and Services Tax (GST) Bill is a money bill.

2) Being a money bill, Rajya Sabha cannot move amendments to the recently passed GST Bill.

A. Only 1

B. Only 2

C. Both 1 and 2

D. Neither 1 nor 2

29. Which of the following state taxes are not included in GST?

1) State Value Added Tax

2) Luxury tax

3) Taxes on lottery, betting and gambling

A. 1, 2

B. 1, 3

C. All of the above

D. None of the above

30. Which of the following amendments have been made to the GST Bill to be presented in the Rajya Sabha?

- 1) 1% Entry tax inclusion
- 2) Full compensation to states for 5 years for any revenue loss
- 3) Independent Dispute Resolution Mechanism

A. 1, 2

B. 1, 3

C. 2, 3

D. All of the above

SET-E

1. Consider the following statements about GST

- a. Both Central and State taxes will be collected at the point of sale.
- b. The Central and State GST will be charged on the manufacturing cost.

Which of the above statements are correct?

- A. Only a
- B. Only b
- C. Both
- D. None

2. Which of the following is/are true regarding draft of the GST bill proposed?

- 1) Online purchases will not attract GST.
 - 2) The liability to pay GST will arise at the time of supply.
- A. Only 1
 - B. Only 2
 - C. Both 1 and 2
 - D. Neither 1 nor 2

3. GST contract is won by

- A. TCS
- B. Wipro
- C. Microsoft
- D. Infosys

4. Which of the following is/are correct with respect to GST Bill?

- 1) The bill has been approved by the Lok Sabha and is pending in the Rajya sabhA.
 - 2) This is a Constitution Amendment Bill so will have to be approved by two thirds of the RS members however no state consent is needed for this amendment.
- A. Only 1
 - B. Only 2
 - C. Both 1 and 2
 - D. None of the above

5. What are the taxes levied on an intra-State Supply?

- A. CGST
- B. SGST
- C. CGST and SGST
- D. IGST

6. Which of the following is not a direct tax?

- A. Wealth Tax
- B. Income Tax
- C. Estate Duty
- D. Sales Tax

7. Fiscal Policy is connected with

- A. Issue of currency
- B. Exports and imports
- C. Public revenue and expenditure
- D. None of these

8. The income tax in India is

- A. Indirect and progressive
- B. Direct and proportional
- C. Direct and progressive
- D. Indirect and proportional

9. An ad valorem duty is a tax on the basis of

- A. The price of a commodity
- B. The value added
- C. The advertisement expenditure
- D. The unit of the commodity

10. Government imposes taxes to ?

- A. Check the accumulation of wealth among the rich
- B. Run the machinery of state
- C. Uplift weaker sections
- D. None of these

11. To know whether the rich are getting richer and the poor getting poorer, it is necessary to compare

- A. The availability of food grains among two sets of people, one rich and the other poor, over different periods of time
- B. The distribution of income of an identical set of income recipients in different periods of time
- C. The wholesale price index over different periods of time for different regions
- D. The distribution of income of different sets of income recipients at a point of time

12. Which of the following are the main causes of slow rate of growth of per capita income in India?

- 1. High capital - output ratio
- 2. High rate of growth of population
- 3. High rate of capital formation
- 4. High level of fiscal deficits

A. 1, 2

B. 2, 3, 4

C. 1, 4

D. All of the Above

13. Which of the following governmental steps has proved relatively effective in controlling the double digit rate of inflation in the Indian economy during recent years

A. Containing budgetary deficits and unproductive expenditure

B. Streamlined public distribution system

C. Enhanced rate of production of all consumer goods

D. Pursuing an export -oriented strategy

14. One of the reasons for India's occupational structure remaining more or less the same over the years has been that

A. Productivity in agriculture has been high enough to induce people to stay with agriculture

B. People are largely unaware of the significance of transition from agriculture to industry for economic development.

C. Investment pattern has been directed towards capital intensive industries.

D. Ceilings-on land holdings have enabled more people to own land and hence their preference to stay with agriculture

15. Which of the following is correct regarding the Gross Domestic Savings in India?

A. Contribution of Household sector is the largest

B. Contribution of Government sector is the largest

C. Contribution of Corporate sector is the largest

D. None of these.

16. Which Committee recommended abolition of tax rebates under section 88 ?

A. Chelliah Committee

B. Kelkar Committee

C. Shome Committee

D. None of the above

17. CENVAT was related to—

A. Sales Tax

B. Excise Duty

C. Custom Duty

D. Service Tax

18. Which percentage of Central Taxes have been recommended by the 12th Finance Commission to be transferred to States?

- A. 28.5%
- B. 29.5%
- C. 30.5%
- D. 31.5%

19. VAT was imposed—

- A. Directly on consumer
- B. On final stage of production
- C. On first stage of production
- D. On all stages between production and final sale

20. Govt. has decided to provide interest subsidy on housing loan upto Rs. one lakh to the urban poor during 11th five year plan. The granted interest subsidy is of—

- A. 5%
- B. 7.5%
- C. 10%
- D. 12.5%

21. Competition (Amendment) Bill, 2007 has replaced—

- A. VAT
- B. MRTP
- C. Securities Contracts (Regulation) Bill, 2005
- D. Electricity Act, 2003

22. Which of the following concepts represents the extra revenue a firm receives from the services of an additional unit of a factor of production?

- A. Total revenue
- B. Marginal physical product
- C. Marginal revenue product
- D. Marginal revenue

23. Income from taxes is divided-

- A. State's income from taxes is shared by Centre
- B. Income of some taxes of the Centre is shared by States
- C. States and the Centre have independent sources of income and no sharing
- D. None of the above

24. Minimum wage should be determined-

- A. Less than prevailing wage rates
- B. Higher than equilibrium rate in the market
- C. Minimum Physical and Social needs may be fulfilled
- D. None of the above

25 Pigou's concept of equilibrium firm is a-

- A. Completely new concept, having nothing to do with Marshallian representative firm
- B. Revised version of Marshallian representative firm
- C. Marshall's representative firm is a revised version of Pigou's equilibrium firm
- D. None of the above

26. Tax on Banking Cash Transactions (withdrawals) over a certain threshold in a single day was introduced in the Union Budget of which year?

- A. 2002 - 03
- B. 2004 - 05
- C. 2005 - 06
- D. 2006 – 07

27. Which among the following is not a committed expenditure of the Government of India?

- A. Interest payments
- B. Pay and allowances
- C. Transfers to States and Union Territories
- D. Loans and advances to States and Union Territories

28. The Laffer curve explains the relationship between which of the following?

- A. Tax rates and tax revenue
- B. Tax rates and employment
- C. Tax rates and income
- D. Tax rates and government expenditure

29. If in a year, the gross fiscal deficit of a government is Rs. 3, 00,000 crores, and interest payments are Rs. 80,000 crores, what is the primary deficit of the government in the year?

- A. Rs. 23,000 crores
- B. Rs. 45,000 crores
- C. Rs. 70,000 crores
- D. Rs. 2, 20,000 crores

30. Consider the following components of money supply in India

1. Currency in circulation.
2. Banker's deposits with the RBI
3. Other deposits with the RBI
4. Demand deposits of banks

Which of the above are the components of Reserve Money?

- A. 1 and 3
- B. 1, 2 and 3.
- C. 1, 2 and 4
- D. 2, 3 and 4