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Test Booklet Series

TEST BOOKLET

C

GENERAL STUDIES (P) 2020 – Test–2983

Time Allowed: Two Hours

Maximum Marks: 200

INSTRUCTIONS

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS BOOKLET DOES **NOT** HAVE ANY UNPRINTED OR TURN OR MISSING PAGES OR ITEMS, ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. ENCODE CLEARLY THE TEST BOOKLET SERIES **A, B, C** OR **D** AS THE CASE MAY BE IN THE APPROPRIATE PLACE IN THE ANSWER SHEET.
3. You have to enter your Roll Number on the Test Booklet in the Box provided alongside. **Do NOT** write anything else on the Test Booklet.
4. This Test Booklet contains **100** items (Questions). Each item is printed in **English**. Each item comprises four responses (answers). You will select the response which you want to mark on the Answer Sheet. In case you feel that there is more than one correct response with you consider the best. In any case, choose **ONLY ONE** response for each item.
5. You have to mark all your responses **ONLY** on the separate Answer Sheet provided. See direction in the answers sheet.
6. All items carry equal marks. Attempt all items. Your total marks will depend only on the number of **correct responses** marked by you in the answer sheet. For **every incorrect** response **1/3rd of the allotted marks** will be deducted.
7. Before you proceed to mark in the Answer sheet the response to various items in the Test booklet, you have to fill in some particulars in the answer sheets as per instruction sent to you with your Admission Certificate.
8. After you have completed filling in all responses on the answer sheet and the examination has concluded, you should hand over to Invigilator only the answer sheet. You are permitted to take away with you the Test Booklet.
9. Sheet for rough work are appended in the Test Booklet at the end.

DO NOT OPEN THIS BOOKLET UNTIL YOU ARE ASKED TO DO SO

1. In the context of the exchange rate, the term "dirty floating" refers to
 - (a) determining the exchange rate completely by the market forces.
 - (b) supplying fake currency notes in an exchange rate of a country.
 - (c) buying and selling of foreign currencies by the Central bank from the country's exchange reserve to stabilize the domestic currency.
 - (d) supplying of local currency in the domestic exchange rate due to hyperinflation.

2. Consider the following statements regarding the Marginal Standing Facility (MSF):
 1. It refers to the rate at which banks can borrow funds overnight from the Reserve Bank of India without any collateral.
 2. Under the MSF, the banks can borrow up to 10% of their net demand and time liabilities (NDTL).
 3. The facility is available only for the scheduled commercial banks.
 Which of the statements given above is/are **not** correct?
 - (a) 1 and 3 only
 - (b) 2 only
 - (c) 1, 2 and 3
 - (d) None

3. With reference to the recently unveiled 'National Policy for Treatment of Rare Diseases', consider the following statements:
 1. It aims to cover rare diseases that are prevalent amongst the population of India.
 2. A registry of rare diseases will be maintained by the Indian Medical Association.
 3. It has for the first time defined rare diseases suited to India.
 Which of the statements given above is/are correct?
 - (a) 1 and 3 only
 - (b) 2 and 3 only
 - (c) 1 only
 - (d) 1, 2 and 3

4. Which of the following are the "factors of production" used in the production of goods and services in economic activity?
 1. Land
 2. Labor
 3. Money
 4. Capital
 5. Entrepreneurship
 Select the correct answer using the code given below.
 - (a) 1, 2 and 4 only
 - (b) 1, 2, 3, 4 and 5
 - (c) 3 and 5 only
 - (d) 1, 2, 4 and 5 only

5. Which of the following entities can be declared as wilful defaulter by a bank?
 1. A person who has defaulted in repayment obligation even when he has capacity to pay.
 2. A company that has diverted funds for purposes other than for which it was borrowed.
 3. A person who has sold the assets bought by the lender's fund without informing the bank.
 Select the correct answer using the code given below.
 - (a) 1 and 2 only
 - (b) 2 and 3 only
 - (c) 1 and 3 only
 - (d) 1, 2 and 3

6. With reference to Bru (Reang) tribe in India, consider the following statements:
 1. It is the largest indigenous tribal group residing in Arunachal Pradesh.
 2. Recently, they have been given permanent resident status in the state of Tripura.
 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

7. Which of the following negatively affects the exchange rate of a domestic currency?
1. Increase in exports
 2. Increase in imports
 3. Lower interest rate
 4. Higher inflation rate
- Select the correct answer using the code given below.
- (a) 1 and 4 only
 - (b) 2, 3 and 4 only
 - (c) 1, 2 and 3 only
 - (d) 2 and 3 only
8. Which of the following parameters form the basis for the difference between Non-Banking Financial Companies (NBFCs) vis-a-vis Banks?
1. NBFCs cannot accept demand deposits.
 2. NBFCs do not form part of the Payment and Settlement System.
 3. NBFCs are not under the purview of the deposit insurance facility of Deposit Insurance and Credit Guarantee Corporation.
- Select the correct answer using the code given below.
- (a) 1 only
 - (b) 1 and 2 only
 - (c) 2 and 3 only
 - (d) 1, 2 and 3
9. Which of the following indicators is/are included in the Human Development Index?
1. Income inequality
 2. Gross National Income per capita
 3. Expected years of schooling
 4. Mean years of Higher Education
- Select the correct answer using the code given below.
- (a) 1 and 4 only
 - (b) 2 and 3 only
 - (c) 1, 2 and 3 only
 - (d) 1, 2, 3 and 4

10. Consider the following statements regarding Futures Contract:
1. It is a contract between two parties where they agree to buy and sell a particular asset at a predetermined future date and price.
 2. They do not trade on a centralized stock exchange.
- 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
11. Which of the following is/are included in the Terms of Reference (TOR) of the Fifteenth Finance Commission?
1. To use the population data of 2001 while making its recommendations.
 2. To allocate non-lapsable funds for defense and internal security of India.
 3. To propose performance-based incentives for States with respect to the progress made in promoting ease of doing business.
- Select the correct answer using the code given below.
- (a) 3 only
 - (b) 1 and 2 only
 - (c) 2 and 3 only
 - (d) 1 and 3 only
12. A negotiable instrument is a piece of paper that entitles a person to a sum of money and which is transferable from person to person by mere delivery or by endorsement and delivery. Which of the following are negotiable instruments?
1. Promissory Note
 2. Cheque
 3. Currency Note
 4. Bill of exchange
- Select the correct answer using the code given below.
- (a) 1 and 3 only
 - (b) 1, 2 and 4 only
 - (c) 2 and 4 only
 - (d) 1, 3 and 4

- 13.** Which of the following is/are the possible impacts of the devaluation of a currency in a country?

1. It may help in combating inflation.
2. It may lead to an increase in aggregate demand for domestically produced goods.
3. It may lead to an improvement in the current account balance.

Select the correct answer using the code given below.

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

- 14.** Which of the following is/are correct regarding the National Cyber Crime Reporting Portal?

1. It enables citizens to report cybercrimes online through the portal.
2. It connects the law enforcement agencies of different States, districts and police stations for dealing with cybercrimes.
3. It is an initiative of the Ministry of Home Affairs, Government of India.

Select the correct answer using the code given below.

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

- 15.** In the context of Indian economy, consider the following types of bank deposits:

1. Current account deposits
2. Fixed deposits
3. Recurring deposits

Which of the deposits given above is/are types of demand deposits?

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

- 16.** Which of the following is an example of "Pigovian Tax"?

- (a) Tax on Diesel
- (b) Education Cess
- (c) Value Added Tax (VAT)
- (d) Compulsory contribution for disaster relief

- 17.** Which of the following are eligible to participate in the Liquidity Adjustment Facility (LAF) auctions?

1. Private Scheduled Commercial Banks
2. Foreign Scheduled Commercial Banks
3. Regional Rural Banks
4. Primary Dealers
5. NBFCs

Select the correct answer using the code given below.

- (a) 1, 2 and 3 only
- (b) 1, 3 and 5 only
- (c) 2, 3 and 4 only
- (d) 1, 2, 4 and 5 only

- 18.** Consider the following statements regarding foreign exchange reserves of India:

1. The components of foreign exchange reserves in India include Gold and foreign currency assets only.
2. An increase in foreign exchange reserves usually has an inflationary effect on the economy.

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

19. What do you understand by the term "Skewflation"?
- It is a situation in which the inflation rate is high and the economic growth rate is stagnated.
 - It is a situation in which price levels of a few goods increase at a faster rate compared to others.
 - It is inflation caused by the changes in monetary policy.
 - It refers to a price rise caused by the fiscal stimulus.

20. What measures was/were taken by the Government of India under the New Economic Policy, 1991 in a bid to promote liberalization of trade?

- Reduction of tariff rates
- Removal of licensing procedures
- Increasing import quotas

Select the correct answer using the code given below.

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

21. Consider the following pairs:

Department in Function
Finance Ministry

- Department of Expenditure : Implementation of the recommendations of the Finance Commission
- Department of Revenue : Preparation of Union Budget
- Department of Financial Services : Supervision of reforms concerning Public Sector Banks

Which of the pairs given above is/are correctly matched?

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

22. With reference to "Income elasticity of demand", which of the following statements is/are correct?

- Normal goods have a positive income elasticity of demand.
- Inferior goods have a negative income elasticity of demand.

Select the correct answer using the code given below.

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

23. In the context of bad loans, arrange the following in the increasing order of risk:

- Substandard Asset
- Doubtful Asset
- Loss Asset
- Special Mention Account

Select the correct answer using the code given below.

- 4-1-2-3
- 2-1-4-3
- 1-2-3-4
- 1-4-2-3

24. Which of the following freshwater fish, also known as "Giant Panda of the River", was recently in 2020 declared extinct?

- Chinese Paddlefish
- Mekong Giant Catfish
- Beluga Sturgeon
- Arapaima

- 25.** Consider the following statements regarding Credit Information Companies in India:
1. These companies are engaged in collecting individual's data about their debt repayment and its history and providing these inputs to financial institutions.
 2. These are regulated as per the Banking Regulation Act, 1949.
- 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
- 26.** Consider the following statements regarding the Wholesale Price Index (WPI) in India:
1. It is released by the Central Statistics Office of the Ministry of Statistics and Program Implementation.
 2. The direction of movement of the Consumer Price Index is invariably linked with the direction of the movement of the Wholesale Price Index.
- 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
- 27.** Consider the following statements with respect to the Disinvestment of Central Public Sector Enterprises (CPSEs) in India:
1. Department of Investment and Public Asset Management (DIPAM) under the Ministry of Corporate Affairs oversees the process of Disinvestment.
 2. NITI Aayog identifies and recommends CPSEs for strategic disinvestment.
 3. Capital receipts from Disinvestment have steadily increased in the last 5 years.
- Which of the statements given above is/are correct?
- (a) 2 only
 - (b) 3 only
 - (c) 1 and 2 only
 - (d) 1 and 3 only

- 28.** Consider the following passage:
- It refers to a situation when the inflation rate is high, the growth rate slows down, and unemployment stays high. It raises a dilemma for economic policy since actions designed to lower inflation may exacerbate unemployment and vice versa.
- Which of the following type of inflation is being defined in the above passage?
- (a) Skewflation
 - (b) Disinflation
 - (c) Hyperinflation
 - (d) Stagflation
- 29.** Which of the following actions can have the effect of increasing the price levels in the economy?
1. Selling of Government securities by RBI
 2. Increase in the money supply
 3. An increase in the aggregate demand
- Select the correct answer using the code given below.
- (a) 1 and 2 only
 - (b) 2 and 3 only
 - (c) 1 and 3 only
 - (d) 1, 2 and 3
- 30.** Which of the following statements is correct with respect to General Anti-Avoidance Rule (GAAR)?
- (a) It is designed to prevent tax avoidance in cross border transactions only.
 - (b) Its provisions are included in the Income Tax Act, 1961.
 - (c) Its provisions are effective from January 2019.
 - (d) As of now, there are no appellate tribunals to appeal against the decisions of tax authorities regarding GAAR provisions.

31. Consider the following statements regarding Domestic Systemically Important Banks (D-SIBs):

1. These are systemically important banks which are important because of their size and are involved in cross-jurisdictional activities.
2. The banks are recognized as D-SIBs by the Ministry of Finance.
3. As of now, only Public Sector Banks have been identified under the category of D-SIBs.

Which of the statements given above is/are correct?

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

32. Recently the Union Government announced that it would start raising a part of its gross borrowing programme in the external markets. In this context, which of the following are possible impacts on the Indian economy?

1. It will decrease the crowding out of the private investment in India.
2. The domestic interest rates will increase over time.
3. Dollar-denominated sovereign bonds will increase the debt burden if the rupee depreciates.

Select the correct answer using the code given below.

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

33. Which of the following is/are correct with reference to the Coronaviruses?

1. Coronaviruses are zoonotic and are transmitted between animals and people.
2. Middle East Respiratory Syndrome (MERS) is caused by a coronavirus.
3. Recently novel coronavirus was identified from its outbreak in tribal belts of Chhattisgarh.

Select the correct answer using the code given below.

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

34. Which of the following best describes 'Provision Coverage Ratio'?

- (a) It is an indication of the provision made against bad loans from the profit generated by the banks.
- (b) It is a risk measurement that calculates a company's ability to repay its debt obligations by selling its assets.
- (c) It is the ratio of total discounted collaterals on the total loan amount requested.
- (d) It refers to the proportion of highly liquid assets held by a bank to meet its short-term obligations.

35. "It is the component of overall unemployment that results from economic upturns and downturns. It results when the overall demand for goods and services in an economy cannot support full employment. It rises during recessions and declines during economic expansions."

Which type of unemployment is being described in the above given passage?

- (a) Structural unemployment
- (b) Technological unemployment
- (c) Cyclical unemployment
- (d) Underemployment

36. Which among the following best describes "Bank Run"?

- (a) It refers to a situation when there is excess liquidity in the banks.
- (b) It is a condition when Non-performing assets (NPAs) of banks increase above the threshold limit.
- (c) It is the situation in which a bank decides to stop all its services to expand its presence by opening several new branches.
- (d) It is a situation when a large number of customers of a bank withdraw their deposits simultaneously.

37. Consider the following pairs:

<i>Type of Investment/ Investment Company</i>	<i>Regulator</i>
1. Insurance Companies	: Securities and Exchange Board of India
2. Nidhi Companies	: Reserve Bank of India
3. Collective Investment Schemes	: Ministry of Corporate Affairs

Which of the pairs given above is/are correctly matched?

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

38. With reference to the economy, which among the following best describes "Fiscal Drag"?

- (a) Reduction in the spending capacity of people due to higher inflation in the economy.
- (b) The significant economic decline during which trade and industrial activity are reduced for successive quarters.
- (c) Reduction in tax collection of the government due to tax avoidance strategies.
- (d) The greater tax burden on people when their income increases in a progressive taxation setup.

39. Consider the following statements regarding Priority Sector Lending Certificates (PSLCs):

- 1. These are tradable certificates issued by the Reserve Bank of India for banks who have failed to meet their Priority Sector Lending targets.
- 2. All Scheduled Commercial Banks, Small Finance Banks, and Payments Banks are eligible to participate in the trading of PSLC.

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

40. A rise in which of the following macro-economic variables may lead to a fall in the level of output in an economy?

- 1. Savings
- 2. Export
- 3. Government taxes

Select the correct answer using the code given below.

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

41. Miyawaki method, sometimes seen in the news, is
- a method of calculating inequality.
 - a process of distilling ethanol.
 - a method of calculating real GDP.
 - a method of afforestation.

42. Consider the following statements with respect to Union financial operations:

- The fiscal deficit has steadily increased in the last 5 years.
- There has been a consistent rise in the imposition of cess and surcharge by the government in the past 5 years.

Which of the statements given above is/are correct?

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

43. Which of the following can be referred to as "Near Money"?

- Demand Drafts
- Shares
- Real Estate
- Government Bonds

Select the correct answer using the code given below.

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

44. Operation Sankalp, recently in news, aimed to
- supply relief packages to Bangladesh for migrant Rohingyas.
 - eliminate left-wing terrorist groups in Naxal-affected areas.
 - provide aid and relief to fire-affected forest areas in Australia.
 - ensure the safe passage of Indian Vessels through the Strait of Hormuz.

45. Consider the following:

- Mr. A is an Indian National, working in Canada and earns Rs 70 Lakh per annum and sends it to his parents in India.
- Mr. B is a Citizen of the United States working in India and sends Rs 20 Lakh per annum to the United States.
- Ms. C is an Indian National working in Delhi and earns Rs 10 Lakh per annum and sends it to her parents who are in Malaysia.

Who among the above contributes to India's GNP?

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

46. The Indian economy has witnessed a declining female labour force participation rate. Which of the following could be possible explanations for the same?

- Increase in higher education enrolment
- A decline in labour-intensive industries
- Rising household income

Select the correct answer using the code given below.

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

47. Shell companies, recently seen in the news, are:
- (a) corporations that do not have any purpose and are left to age.
 - (b) corporations without any active business operations or assets.
 - (c) corporations that are temporarily shut down during a recession.
 - (d) corporations that are located in tax havens only.
48. NEONs, recently seen in the news, are
- (a) miniaturized satellites for space research.
 - (b) permissioned blockchain digital currency proposed by Facebook.
 - (c) genetically modified version of Aedes aegypti to fight mosquito-borne diseases.
 - (d) computationally created artificial humans
49. Which of the following are included in the Capital account of the Budget?
1. Disinvestment proceeds
 2. Borrowings from RBI
 3. Loans to state governments
 4. Interest paid on loans
- Select the correct answer using the code given below.
- (a) 1 and 3 only
 - (b) 2 and 4 only
 - (c) 1, 2 and 3 only
 - (d) 2, 3 and 4 only
50. TOI 700 d, recently in news, is a/an
- (a) newly discovered Earth-size planet.
 - (b) solar-powered military drone.
 - (c) malware that recently attacked European financial institutions.
 - (d) underwater nuclear torpedo launched by China.
51. With reference to the recently launched Integrated Road Accident Database Project (IRAD), consider the following statements:
1. It aims to create a central accident database for capturing the spot accident data using mobile app.
 2. It will be implemented by the National Informatics Centre.
- 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
52. Which of the following statements best explains Zero Based Budgeting?
- (a) It takes last year's actual figures and adds or subtracts a percentage to obtain the current year's budget.
 - (b) It is a method of budgeting in which all expenses must be justified for each new period.
 - (c) It is a practice of suggesting and listing of estimated outcomes of each programmes or schemes designed.
 - (d) It is a method of calculating the income and expenditure without measuring the underlying performance.

53. Consider the following statements with reference to the Indian Data Relay Satellite System (IDRSS):

1. It is a set of satellites to track, send and receive information from other Indian satellites.
2. The satellites would be launched on the PSLV launcher to low earth orbit.

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

54. Consider the following statements regarding Accommodating transactions under Balance of Payments (BoP):

1. It refers to those transactions which are made independently of the state of the BoP.
2. The official reserve transactions are the only transaction to fall under this category of Balance of Payments.

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

55. Which of the following countries recently undertook a mass drive to cull camels which were creating havoc in nearby towns and cities in search of water owing to extreme drought in the arid landscape?

- (a) Saudi Arabia
- (b) Sudan
- (c) Australia
- (d) India

56. Which of the following is/are observed in an economy during the expansion phase of the economic cycle?

1. High-interest rates
2. Moderate to high inflation
3. Increased unemployment

Select the correct answer using the code given below.

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

57. Consider the following statements regarding frictional unemployment:

1. It is a type of unemployment that arises during workers transition from one job to another.
2. Frictional unemployment tends to fall during the recession.

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

58. Which of the following are part of transfer payments?

1. Unemployment allowance
2. Subsidies
3. Old-age pension

Select the correct answer using the code given below.

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

59. Which among the following is/are *not* considered while calculating the GDP of India?
1. Salary of residents of Japan working in the Indian embassy in China.
 2. Underground Economy
 3. Salaries of Indian employees working in Embassy of Japan in India.
- Select the correct answer using the code given below.
- (a) 1 only
 - (b) 1 and 3 only
 - (c) 2 and 3 only
 - (d) 1, 2 and 3
60. Consider the following statements regarding the recently introduced External Benchmark Based Lending by the Reserve Bank of India:
1. It refers to the linking of floating rate loans of financial institutions to an external benchmark like the policy repo rate of the Reserve Bank of India.
 2. It is applicable only to banks and not NBFCs.
- 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
61. Which of the following statements is/are correct about the currency in India?
1. It has intrinsic value.
 2. The total amount of currency in circulation is backed by an equal value of gold by the RBI
 3. Anyone who does not accept Indian currency (in India) is liable for action under the Indian Penal Code.
- Select the correct answer using the code given below.
- (a) 1 only
 - (b) 1 and 3 only
 - (c) 1, 2 and 3
 - (d) 3 only
62. The National Strategy for Financial Inclusion for India 2019-2024, released recently, has been prepared by
- (a) NITI Aayog
 - (b) Department of Financial Services, Ministry of Finance
 - (c) RBI
 - (d) Financial Stability and Development Council (FSDC)
63. Consider the following statements regarding Bharat Interface for Money (BHIM):
1. It is a payment interface developed by National Payments Corporation of India (NPCI) to allow real-time fund transfer.
 2. It allows for the linking of multiple bank accounts and the option of applying in Initial Public Offer (IPO).
- 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
64. In which of the following cases will the factor cost will be greater than the market price of a product?
- (a) When subsidies are less than the indirect taxes.
 - (b) When subsidies are more than indirect taxes.
 - (c) When the labour cost increase substantially.
 - (d) When the cost of marketing and advertisement decrease.

65. With reference to the recently approved 'Green Credit Scheme', consider the following statements:

1. It aims to allow private companies and village forest communities to identify land and grow plantations.
2. Under the scheme, forests can be traded as a commodity under compensatory afforestation.

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

66. Consider the following statements with reference to the Department of Military Affairs (DMA):

1. It is a department under the Union Home Ministry.
2. It is to be headed by the Chief of Defence Staff (CDS).

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

67. With reference to 'Economic Intelligence Council', consider the following statements.

1. It is an organ of NITI Aayog.
2. It is headed by the Prime Minister.
3. It is mandated to combat the generation and laundering of black money.

Which of the statements given above is/are correct?

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

68. Recently the Bureau of Indian Standards (BIS) made it mandatory for all jewelers to sell BIS hallmarked jewelry. In this context, which of the following marks should be hallmarked on gold jewelry to prove its authenticity?

1. BIS Mark
2. Purity in carat
3. Hallmarking Centre's Identification Mark
4. Year of Jewellery Making

Select the correct answer using the code given below.

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

69. In the context of Indian banking, *e-Kuber* refers to

- (a) a single-window mechanism provided by Reserve Bank of India for granting licenses to small finance banks.
- (b) an online portal for disbursing loans related to Pradhan Mantri Mudra Yojana.
- (c) the core banking solution of the Reserve Bank of India.
- (d) an online platform for trading and mobilising idly lying gold.

70. Consider the following statements regarding currency regulation in India:

1. The Reserve Bank of India Act, 1934 vests the RBI with the responsibility of currency management and coinage.
2. The Reserve Bank of India is responsible for printing and regulating the denomination of currency notes to be circulated.

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

71. In the context of macroeconomics, 'Broad Money' includes which of the following along with currency in circulation?
- Time deposits held by commercial banks and post offices
 - Demand deposits held by Banks
 - Both (a) and (b)
 - Cash Reserves of the Banks held with RBI
72. In the context of the Indian Economy, what are Ways and Means advances?
- These are part of the infrastructure projects financing mechanism by the National Investment and Infrastructure Fund.
 - These are loans advanced by the World Bank to developing economies.
 - These are temporary loans advanced by RBI to central and state governments.
 - These are loans advanced by the IMF to overcome the financial crisis.
73. Consider the following statements regarding the recently released Periodic Labour Force Survey (PLFS), 2017 by the National Sample Survey Organisation (NSSO):
- It is the first Periodic Labour Force Survey (PFLS) to be released by the NSSO based on a new survey methodology and data collection.
 - While the unemployment rate for females is higher than males in urban areas, it is lower in the case of rural areas.
 - As per the report, Kerala has recorded the highest unemployment rate in India.
- Which of the statements given above is/are correct?
- 1 only
 - 1 and 2 only
 - 3 only
 - 1, 2 and 3

74. Which of the following broadcasting channels fall under the purview of Prasar Bharti?
- Doordarshan
 - All India Radio
 - Lok Sabha TV
 - Rajya Sabha TV
- Select the correct answer using the code given below.
- 1 and 2 only
 - 1, 2 and 3 only
 - 3 and 4 only
 - 1, 2, 3 and 4
75. The term Maximum Residue Limit, often seen in the news, is used in the context of
- impurities that remain after the extraction of a metal from its ore.
 - making gold and silver alloys.
 - soil sample collection from the surface of the moon or any celestial body.
 - limits in the usage of pesticides in food crops.
76. With reference to the Annual Status of Education Report (ASER), consider the following statements:
- It provides estimates of children's schooling status and their ability to read simple text and do basic arithmetic.
 - It is a household survey limited to only rural areas.
- Which of the statements given above is/are correct?
- 1 only
 - 2 only
 - Both 1 and 2
 - Neither 1 nor 2

77. Which of the following statements correctly describes Veblen Goods?
- These are the goods for which demand increases as the price increases.
 - These are goods with no opportunity cost.
 - These are the inferior goods whose demand remains constant irrespective of change in prices.
 - These are the goods for which demand increases as the prices fall.
78. In the context of Indian economic history, which of the following was constituted as earliest?
- Securities and Exchange Board of India (SEBI)
 - National Bank for Agriculture and Rural Development (NABARD)
 - Insurance Regulatory and Development Authority (IRDA)
 - Regional Rural Banks
79. With reference to 'Open Market Sales Scheme', consider the following statements:
- It is a procurement scheme by Food Corporation of India to increase the price support given to farmers.
 - Rice and Wheat are the only two crops covered under this scheme.
- Which of the statements given above is/are correct?
- 1 only
 - 2 only
 - Both 1 and 2
 - Neither 1 nor 2
80. The maximum amount of income available within a domestic economy for the consumption of goods and savings is termed as:
- Gross Domestic Product
 - Gross National Product
 - National Disposable Income
 - Gross Value Added
81. Which of the following are non-tax revenue sources of the government?
- Disinvestment receipts
 - Spectrum fees
 - Dividends from Public Sector Undertakings
- Select the correct answer from the code given below.
- 1 and 2 only
 - 2 and 3 only
 - 1 and 3 only
 - 1, 2 and 3
82. Which of the following statements is correct with respect to the composition of national income in India?
- The share of the service sector in India's Gross Value Added (GVA) is more than 60%.
 - The share of agriculture and allied sectors has stagnated after the 1991 economic reforms.
- Select the correct answer using code given below.
- 1 only
 - 2 only
 - Both 1 and 2
 - Neither 1 nor 2

83. With reference to the public debt of India, consider the following statements:

1. It consists of internal debt, external debt, and public account liabilities.
2. In India, the share of internal debt forms a higher proportion of public debt than external debt.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 and 2

84. Consider the following statements regarding Gross Value Added (GVA) method:

1. It is a measure of total output and income in the economy.
2. RBI uses GVA at basic prices based measures to offer its growth estimates of the Indian economy.

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

85. Recently the Government of India announced tax incentives for the automobile sector. This would lead to:

- (a) Decrease in tax expenditure of the government.
- (b) Increase in revenue collection of the government.
- (c) Increase in capital receipts of the government.
- (d) Increase in tax expenditure of the government.

86. Which of the following statements best describes the term 'neutral real interest rate'?

- (a) It refers to the difference in interest rate required for achieving potential full-employment GDP from the existing GDP growth.
- (b) It is the interest rate that is equal to the prevailing inflation rate in the economy.
- (c) It is the interest rate that supports the economy at full employment GDP while keeping the inflation stable.
- (d) It is the interest rate at which the existing inflation rate in the economy is close to zero.

87. With reference to the E-Vaping products, consider the following statements:

1. Nicotine is a necessary constituent in e-vaping products.
2. No smoke is produced while using such products.
3. Production and sale of all kinds of e-vaping products has been completely banned in India

Which of the statements given above are correct?

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

88. 'Ethical Veganism', a term is recently seen in the news, is best described as:

- (a) making changes in one's dietary habits to include only vegetarian and milk products.
- (b) adopting a lifestyle and choices which aim to avoid the suffering of animals.
- (c) incorporating only locally and ethically produced plant based food in ones diet.
- (d) restricting oneself to only raw fruits and vegetables.

89. Which of the following can lead to the condition of Fiscal Slippage in an economy?

1. Farm loan waivers
2. Decline in tax collection
3. Increase in disinvestment proceeds

Select the correct answer using the code given below.

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

90. Consider the following statements regarding Pradhan Mantri Paridhan Rozgar Protsahan Yojana (PMRPY):

1. It provides for contributing to the Employees Provident Fund Scheme by the government on behalf of the employees.
2. All establishments registered with Employees' Provident Fund Organisation (EPFO) are eligible for availing benefits under the scheme.
3. It is being implemented by the Ministry of Labour and Employment.

Which of the statements given above is/are correct?

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

91. 'Vazhukku maram', 'Mallar kambam', 'Uri adithal', sometimes seen in the news, are:

- (a) organic farming techniques and cropping practices.
- (b) traditional games played during harvest festivals.
- (c) epic tamil poems of sangam age.
- (d) folk dances prevalent in southern India

92. Consider the following statements with reference to the National Infrastructure Pipeline:

1. It is a proposed natural gas pipeline that will extend across major cities of the country.
2. The funding of the National Infrastructure Pipeline will be jointly made by the Centre, states and the private sector.

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

93. With reference to GDP Deflator and the Consumer Price Index (CPI), which of the following statements is/are correct?

1. CPI includes imported goods while GDP Deflator does not.
2. Weights of goods in CPI are constant while those in GDP Deflator varies with the level of production of goods.

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

94. In the context of insolvency and bankruptcy resolution in India, which of the following statement best describes the concept of *Waterfall mechanism*?

- (a) It refers to the minimum threshold of capital for a corporate for initiating insolvency proceeding against it.
- (b) It refers to the order of priority for repayment to creditors in the event of a liquidation.
- (c) It refers to those cases of insolvencies where the creditors make a windfall gain from the insolvency proceeds.
- (d) It refers to the mechanism where the promoters of the corporates are barred from participating in the insolvency proceedings.

95. Consider the following pairs:

Deficit	Description
1. Effective Revenue Deficit	: Fiscal deficit - interest payments
2. Primary Deficit	: Revenue Deficit - grants for the creation of capital assets
3. Monetised Deficit	: Government deficit financed by borrowing from the RBI.

Which of the pairs given above is/are correctly matched?

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

96. Consider the following statements with respect to Gross fixed capital formation (GFCF):

- 1. Higher the growth rate of GFCF, higher would be the productive capacity of the economy.
- 2. GFCF in India has steadily increased in the last 5 years.

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

97. In the context of Public finance, which of the following statements best describes a Sinking fund?

- (a) It is a type of fund that is created and set up for repaying debt.
- (b) It is a fund developed to receive the proceeds from the sale of sick PSUs.
- (c) It is a special fund designed to provide loans to insolvent firms.
- (d) It is a fund that receives the unclaimed deposits in small savings schemes in Post offices.

98. Which of the following expenditures are considered as Non-Developmental expenditure?

- 1. Expenditure on Administration
- 2. Maintenance of law and order
- 3. Cost of tax collection

Select the correct answer using the code given below.

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

99. Consider the following statements regarding an inverted Bond Yield curve:

- 1. It reflects the yield for a shorter tenure bond becomes less than that for a longer tenure bond.
- 2. An inverted bond yield curve may be suggestive of recession in the economy.

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

100. In the context of Indian economy, what is Economic Capital Framework?

- (a) It is a part of the annual budget documents, intended to be placed before the parliament, outlining the various strategies for capital generation.
- (b) It is a framework developed by the RBI to determine the appropriate level of risk provisions and distribution of profits between the RBI and the Union Government.
- (c) It is the annual submission of RBI under the Basel Committee outlining the former's commitments.
- (d) It is the framework developed by the NITI Aayog that guides the sharing of revenues between the Centre and the states.