

MPSC Meghalaya LDA: Indian Economy High-Yield Guide

(50 Solved High-Probability MCQs)

Meghalaya Exam Economy Series

Part I: High-Yield Economic Notes

- **Economy Sectors:** Primary (Agriculture, Mining), Secondary (Manufacturing), Tertiary (Services, Banking).
- **Indian Economy Ranking:** Fourth largest in the world by PPP (as per the PDF period).
- **Workforce:** Approximately 58.2% of the Indian population was engaged in agriculture (2011-12 data).
- **Key Ratios:**
 - *Current Ratio:* Current Assets divided by Current Liabilities.
 - *Gross Profit Ratio:* Most important for Sales Tax Dept.
 - *Net Profit Ratio:* Most important for Income Tax Dept.
- **Accounting Terms:** 'Dr.' and 'Cr.' originate from Latin words *debere* and *credere*.
- **Market Structures:** *Monopoly* exists when there is a single seller.

Part II: Practice MCQs

1. In 2011-12, what percentage of India's working population was engaged in agriculture? **[Ans: (c) 58.2%]**
 - (a) 17.5%
 - (b) 45.0%
 - (c) 58.2%
 - (d) 70%
2. Indian economy growth decelerated in 2008-09 to 6.7% due to: **[Ans: (b) Global economic crisis]**
 - (a) Internal war
 - (b) Global economic crisis
 - (c) High inflation
 - (d) Failure of monsoon
3. Which sector is also known as the 'Service Sector'? **[Ans: (c) Tertiary Sector]**
 - (a) Primary Sector
 - (b) Secondary Sector
 - (c) Tertiary Sector
 - (d) Quaternary Sector
4. A 'Monopoly' market is characterized by: **[Ans: (a) A single seller]**

- (a) A single seller
 - (b) A single buyer
 - (c) Many sellers
 - (d) Two sellers
5. The Current Ratio of a company is calculated by: **[Ans: (b) Current Assets / Current Liabilities]**
- (a) Total Assets / Total Debt
 - (b) Current Assets / Current Liabilities
 - (c) Net Profit / Sales
 - (d) Sales / Assets
6. The abbreviation 'Dr.' (Debit) comes from the Latin word: **[Ans: (a) Debere]**
- (a) Debere
 - (b) Credere
 - (c) Debitator
 - (d) Ducere
7. Which ratio is most important for the Income Tax Department from a control point of view? **[Ans: (b) Net Profit Ratio]**
- (a) Gross Profit Ratio
 - (b) Net Profit Ratio
 - (c) Liquidity Ratio
 - (d) Debt-Equity Ratio
8. A Public Limited Company primarily tries to maximize: **[Ans: (c) Wealth of Shareholders]**
- (a) Number of employees
 - (b) Tax payments
 - (c) Wealth of Shareholders
 - (d) Social welfare
9. Which state is the major rubber producing state in India? **[Ans: (d) Kerala]**
- (a) Meghalaya
 - (b) Assam
 - (c) Tamil Nadu
 - (d) Kerala
10. As per the Economic Survey 2012-13, total government debt was: **[Ans: (b) 51.7% of GDP]**
- (a) 30% of GDP
 - (b) 51.7% of GDP
 - (c) 65% of GDP
 - (d) 10% of GDP
11. Depreciation Account is classified as a: **[Ans: (c) Nominal Account]**
- (a) Real Account
 - (b) Personal Account

- (c) Nominal Account
 - (d) Asset Account
12. The basis of accounting where transactions are recorded when they occur is: **[Ans: (b) Accrual basis]**
- (a) Cash basis
 - (b) Accrual basis
 - (c) Credit basis
 - (d) Hybrid basis
13. 'Goodwill' is recorded in books only when: **[Ans: (a) It is valued/purchased]**
- (a) It is valued/purchased
 - (b) The company is famous
 - (c) Profits are high
 - (d) Every year end
14. In the context of the Sales Tax Department, which ratio is most important? **[Ans: (a) Gross Profit Ratio]**
- (a) Gross Profit Ratio
 - (b) Net Profit Ratio
 - (c) Current Ratio
 - (d) Quick Ratio
15. According to the 2012-13 report, what was India's share in World exports? **[Ans: (b) 1.6%]**
- (a) 5.0%
 - (b) 1.6%
 - (c) 0.5%
 - (d) 10.2%
16. Which year saw the growth rate of Indian GDP slide down to 5.0%? **[Ans: (c) 2012-13]**
- (a) 2008-09
 - (b) 2010-11
 - (c) 2012-13
 - (d) 2002-03
17. Agriculture and allied activities contributed how much to national income in 2008? **[Ans: (b) 17.5%]**
- (a) 58.2%
 - (b) 17.5%
 - (c) 25.0%
 - (d) 10%
18. In developed economies like UK and USA, what percentage of population is in agriculture? **[Ans: (a) 1 to 4%]**
- (a) 1 to 4%
 - (b) 10 to 15%

- (c) 20%
- (d) 50%

19. Mixed Economy means: **[Ans: (b) Co-existence of public and private sectors]**
- (a) Agriculture and Industry
 - (b) Public and Private sectors
 - (c) Rich and Poor
 - (d) Rural and Urban
20. Who is known as the 'Father of Economics'? **[Ans: (c) Adam Smith]**
- (a) J.M. Keynes
 - (b) Karl Marx
 - (c) Adam Smith
 - (d) Alfred Marshall
21. The 'Laissez-faire' policy is associated with: **[Ans: (a) Capitalist Economy]**
- (a) Capitalist Economy
 - (b) Socialist Economy
 - (c) Mixed Economy
 - (d) Traditional Economy
22. National Income in India is estimated by: **[Ans: (b) Central Statistical Organization (CSO)]**
- (a) Planning Commission
 - (b) CSO
 - (c) Finance Ministry
 - (d) RBI
23. The base year for the current series of National Income in the PDF period was: **[Ans: (c) 2004-05]**
- (a) 1993-94
 - (b) 1999-00
 - (c) 2004-05
 - (d) 2011-12
24. Which planning body was replaced by NITI Aayog? **[Ans: (b) Planning Commission]**
- (a) Finance Commission
 - (b) Planning Commission
 - (c) NDC
 - (d) Zonal Council
25. The First Five Year Plan (1951-56) gave priority to: **[Ans: (a) Agriculture]**
- (a) Agriculture
 - (b) Industry
 - (c) Education
 - (d) Railways

26. Second Five Year Plan was based on which model? **[Ans: (b) Mahalanobis Model]**
- (a) Harrod-Domar
 - (b) Mahalanobis
 - (c) Solow
 - (d) Gandhi
27. 'Garibi Hatao' slogan was given in which Five Year Plan? **[Ans: (c) Fifth Plan]**
- (a) Third Plan
 - (b) Fourth Plan
 - (c) Fifth Plan
 - (d) Sixth Plan
28. The duration of the Twelfth Five Year Plan was: **[Ans: (b) 2012-17]**
- (a) 2007-12
 - (b) 2012-17
 - (c) 2010-15
 - (d) 2015-20
29. Blue Revolution is related to: **[Ans: (c) Fish Production]**
- (a) Milk
 - (b) Agriculture
 - (c) Fish
 - (d) Oilseeds
30. White Revolution is associated with: **[Ans: (b) Verghese Kurien]**
- (a) M.S. Swaminathan
 - (b) Verghese Kurien
 - (c) Sam Pitroda
 - (d) Baba Amte
31. Which bank is known as the 'Banker's Bank' in India? **[Ans: (c) RBI]**
- (a) SBI
 - (b) PNB
 - (c) RBI
 - (d) NABARD
32. NABARD was established for the development of: **[Ans: (b) Agriculture and Rural areas]**
- (a) Heavy Industry
 - (b) Agriculture/Rural
 - (c) Export/Import
 - (d) Small Scale Industry
33. 'Statutory Liquidity Ratio' (SLR) is maintained by: **[Ans: (a) Commercial Banks]**
- (a) Commercial Banks
 - (b) RBI

- (c) Government
- (d) SEBI

34. The headquarter of RBI is located in: **[Ans: (b) Mumbai]**

- (a) New Delhi
- (b) Mumbai
- (c) Kolkata
- (d) Chennai

35. First bank to be established in India was: **[Ans: (c) Bank of Hindustan]**

- (a) SBI
- (b) RBI
- (c) Bank of Hindustan
- (d) Allahabad Bank

36. 'Bull' and 'Bear' terms are associated with: **[Ans: (b) Stock Market]**

- (a) Banking
- (b) Stock Market
- (c) Foreign Trade
- (d) Agriculture

37. Which index is associated with the Bombay Stock Exchange (BSE)? **[Ans: (a) SENSEX]**

- (a) SENSEX
- (b) NIFTY
- (c) NASDAQ
- (d) DOW JONES

38. The 'NIFTY' index is associated with: **[Ans: (b) NSE]**

- (a) BSE
- (b) NSE
- (c) SEBI
- (d) RBI

39. Devaluation of currency means: **[Ans: (b) Reduction in value relative to foreign currencies]**

- (a) Increase in value
- (b) Reduction in value
- (c) Printing more money
- (d) High inflation

40. Which is the oldest stock exchange in Asia? **[Ans: (c) BSE]**

- (a) NSE
- (b) Tokyo SE
- (c) BSE
- (d) Hong Kong SE

41. Direct Taxes in India include: **[Ans: (a) Income Tax]**

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

42. 'GST' stands for:

[Ans: (b) Goods and Services Tax]

- (a) Great Service Tax
- (b) Goods and Services Tax
- (c) General Sales Tax
- (d) Global Sales Tax

43. Who presents the Union Budget in the Parliament?

[Ans: (c) Finance Minister]

- (a) Prime Minister
- (b) President
- (c) Finance Minister
- (d) RBI Governor

44. 'Yellow Revolution' is related to:

[Ans: (b) Oilseeds]

- (a) Pulses
- (b) Oilseeds
- (c) Gold
- (d) Eggs

45. The main goal of the 'Antyodaya Anna Yojana' is: **[Ans: (a) Upliftment of the poorest of poor]**

- (a) Poorest of poor
- (b) Farmers
- (c) Women
- (d) Students

46. The 'Fiscal Policy' in India is formulated by:

[Ans: (b) Finance Ministry]

- (a) RBI
- (b) Finance Ministry
- (c) NITI Aayog
- (d) SEBI

47. What is the target of Coal production for the period 2012-17?

[Ans: (c) 795 million tonnes]

- (a) 540 million
- (b) 600 million
- (c) 795 million
- (d) 1000 million

48. The 'Accrual Basis' of accounting is:

[Ans: (a) Recording transactions when they occur]

- (a) When they occur
- (b) When cash is paid
- (c) When cash is received

(d) End of year only

49. 'Nominal Account' example:

[Ans: (b) Salary Account]

(a) Cash Account

(b) Salary Account

(c) Building Account

(d) Bank Account

50. Anticipated losses are recorded as per which principle?
Revenue / Prudence]

[Ans: (b) Matching of Cost and

(a) Full Disclosure

(b) Prudence/Matching

(c) Consistency

(d) Materiality