

Combined Graduate Level Examination 2020 Tier II

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|----------------|--|
| Roll Number | |
| Candidate Name | |
| Venue Name | iON Digital Zone iDZ 2 Patliputra |
| Exam Date | 28/01/2022 |
| Exam Time | 2:00 PM - 4:00 PM |
| Subject | Paper IV General Studies Finance and Economics |

Section : Part A Finance and Accounts

Q.1 Which of the following statements is INCORRECT in the context of accounting concepts?

Ans  1.

In case of precious metals like gold, the revenue is recognised when the gold is mined and not necessarily when it is sold.

 2.

In case of sale on instalment basis under hire purchase transactions, cash received in the form of instalment is the amount of revenue recognised.

 3.

Accounting systems based on the accrual concept is also known as the Mercantile System of Accounting.

 4.

The realization concept is related to both revenues and expenses.

Question ID : 65497837679


Status : Answered


Chosen Option : 1

Q.2 Which of the following errors will reflect in the trial balance?

Ans  1.

A sum of ₹500 paid to Mr A's account posted twice in his account.

 2. Not recording a credit purchase of furniture.

 3. Treating a sale of fixed assets as a normal sale.

 4.

An amount received from Mr A credited to Mr B's account wrongly.

Question ID : 65497837693


Status : Answered

Chosen Option : 1

Q.3 Which of the following is NOT a business transaction?

Ans  1.

XYZ Ltd. is negotiating with the customer regarding the supply of goods.

 2. XYZ Ltd. paid ₹10,000 for buying furniture for the shop.

 3.

XYZ Ltd. appreciated Mr. A and awarded a bonus of ₹5,000.

 4.

XYZ Ltd. availed a discount for prompt payment to its suppliers.

Question ID : 65497837675

Status : Answered

Chosen Option : 1

Q.4 Which of the following accounts will typically have a debit balance in the trial balance?

- Ans
- ☒ 1. Accumulated depreciation
 - ☒ 2. Purchase of stationary
 - ☒ 3. Purchases return
 - ☒ 4. Outstanding salaries

Question ID : 65497837691

Status : Not Answered

Chosen Option : --

Q.5 कैंची, पेंसिल आदि जैसी वस्तुओं पर मूल्यहास प्रभावित नहीं होता है और उन्हें कंपनी के लिए एक खर्च माना जाता है। यह कथन किस लेखांकन परिपाटी से संबंधित है?

- Ans
- ☒ 1. विवेक की परिपाटी (Convention of prudence)
 - ☒ 2. पूर्ण प्रकटीकरण की परिपाटी (Convention of full disclosure)
 - ☒ 3. भौतिकता की परिपाटी (Convention of materiality)
 - ☒ 4. रूढ़िवाद की परिपाटी (Convention of conservatism)

Question ID : 65497837681

Status : Answered

Chosen Option : 3

Q.6 Which of the following costs is NOT included while calculating the cost of the inventory?

- Ans
- ☒ 1. Fixed and variable production overheads
 - ☒ 2. Selling and marketing costs
 - ☒ 3. Trade discounts and rebates
 - ☒ 4. Taxes and import duties on purchase of raw material

Question ID : 65497837705

Status : Answered

Chosen Option : 3

Q.7 In case a Provision for Depreciation Account is NOT maintained, the correct journal entry for recording the amount of depreciation is:

- Ans**
- ☒ 1. Profit and Loss Account Dr
To Asset Account
Asset Account Dr
 - ☒ 2. To Depreciation Account
Depreciation Account Dr
 - ☒ 3. To Profit and Loss Account
Depreciation Account Dr
 - ☒ 4. To Asset Account

Question ID : **65497837702**
Status : **Answered**
Chosen Option : 4

Q.8 Match the following.

- | | |
|----------------------|---------------------------------|
| 1. Personal Accounts | a. Value of properties |
| 2. Real Accounts | b. How much money the firm owes |
| 3. Nominal Accounts | c. Heads of income and expenses |

- Ans**
- ☒ 1. 1 – b, 2 – a, 3 – c
 - ☒ 2. 1 – a, 2 – b, 3 – c
 - ☒ 3. 1 – c, 2 – b, 3 – a
 - ☒ 4. 1 – a, 2 – c, 3 – b

Question ID : **65497837689**
Status : **Not Answered**
Chosen Option : --

Q.9 Which of the following statements is true?

- Ans**
- ☒ 1. Convention of full disclosure is also known as convention of prudence.
 - ☒ 2. Accounting conventions are established by law.
 - ☒ 3. There is no personal bias in the adoption of accounting conventions.
 - ☒ 4. There is no uniformity in the application of accounting conventions in different enterprises.

Question ID : **65497837680**
Status : **Answered**
Chosen Option : 2

Q.10 When an income is received in advance, the treatment in the Profit & Loss account and balance sheet, respectively, will be:

- Ans** ☒ 1. deducted from the respective income on the credit side; shown on the liabilities side
- ☒ 2. deducted from the respective income on the credit side; shown on the assets side
- ☒ 3. added to the respective income on the credit side; shown on the assets side
- ☒ 4. added to the respective income on the credit side; shown on the liabilities side

Question ID : **65497837696**
Status : **Answered**
Chosen Option : **4**

Q.11 Receipts and payments account includes which of the following?

- (i) All receipts and payments related to the current year.
- (ii) All receipts and payments related to the previous or future year(s).
- (iii) All receipts and payments irrespective of the nature (both revenue and capital).

- Ans** ☒ 1. Only (ii)
- ☒ 2. Only (i) and (ii)
- ☒ 3. Only (i)
- ☒ 4. (i), (ii) and (iii)

Question ID : **65497837709**
Status : **Answered**
Chosen Option : **3**

Q.12 Mr. A draws a 6-month trade bill on B for ₹25,000 on 1 January 2021. After holding the bill for 2 months, A decided to discount the bill with the bank at the rate of 10% p.a. The amount of discount on the bill is _____ approximately (select the answer with the closest value).

- Ans** ☒ 1. ₹938
- ☒ 2. ₹450
- ☒ 3. ₹833
- ☒ 4. ₹1,250

Question ID : **65497837712**
Status : **Not Answered**
Chosen Option : **--**

Q.13 Which of the following statements is correct?

- Ans** ☒ 1. Bank will draw a bill on a customer at the time of overdraft.
- ☒ 2. Oral bill of exchange is also valid.
- ☒ 3. In case of endorsement of bill, endorser debits endorsee and credits bills receivable account.
- ☒ 4. If the bill is assigned by the drawer, it is invalid.

Question ID : **65497837711**
Status : **Not Answered**
Chosen Option : **--**

Q.14 What will be the journal entry for recording this transaction?

Returned goods to Mr. B of ₹500 and paid to Mr. B ₹4,000 in full settlement for buying goods worth ₹5,000.

- Ans**
- | | |
|--------------------------|--------|
| Mr. B A/c Dr | ₹4,500 |
| ✗ 1. | |
| To Cash A/c | ₹4,000 |
| To Discount Received A/c | ₹500 |
| Mr. B A/c Dr | ₹5,000 |
| To Cash A/c | ₹4,000 |
| ✓ 2. | |
| To Return Outwards A/c | ₹500 |
| To Discount Received A/c | ₹500 |
| Mr. B A/c Dr | ₹5,000 |
| ✗ 3. | |
| To Purchases A/c | ₹4,000 |
| To Return Outwards A/c | ₹500 |
| Mr. B A/c Dr | ₹4,000 |
| ✗ 4. | |
| To Cash A/c | ₹4,000 |

Question ID : **65497837688**

Status : **Answered**

Chosen Option : **2**

Q.15 X and Y are partners in a partnership firm without any agreement. X has withdrawn ₹55,000 out of his capital as drawings. What is the interest on drawings that may be charged from X by the firm?

- Ans**
- ✗ 1.** Interest at the rate of 6% per month
- ✗ 2.** Interest at the rate of 6% per annum
- ✓ 3.** No interest to be charged
- ✗ 4.** Interest at the rate of 5% per annum

Question ID : **65497837697**

Status : **Answered**

Chosen Option : **3**

Q.16 Which of the following statements is correct?

- Ans**
- ✗ 1.** When the closing inventory is overstated, net income for the accounting period will be understated, ceteris paribus.
- ✗ 2.** The periodic inventory system requires continuous update of each purchase/sale transaction.
- ✓ 3.** When the beginning inventory is overstated, net income for the accounting period will be understated, ceteris paribus.
- ✗ 4.** FIFO matches the current costs with current revenue.

Question ID : **65497837706**

Status : **Not Answered**

Chosen Option : **--**

Q.17 A machine is purchased for ₹8,000 and is wrongly recorded in the purchases account. Due to this error, the trial balance will:

- Ans**
- ☒ 1. show a difference of ₹4,000
 - ☒ 2. not show any difference
 - ☒ 3. show a difference of ₹16,000
 - ☒ 4. show a difference of ₹8,000

Question ID : 65497837690

Status : Answered

Chosen Option : 2

Q.18 A laptop worth ₹12,000 purchased for the daughter of a partner was debited to the general expenses account with ₹2,000. In the rectifying entry, the drawings account should be debited with:

- Ans**
- ☒ 1. ₹2,000
 - ☒ 2. ₹10,000
 - ☒ 3. ₹14,000
 - ☒ 4. ₹12,000

Question ID : 65497837692

Status : Answered

Chosen Option : 2

Q.19 Which of the following statements is INCORRECT for financial accounting?

- Ans**
- ☒ 1. Accounting information is based on estimates.
 - ☒ 2. Accounting provides complete information about all the events of the firm.
 - ☒ 3. Accounting records only historical events.
 - ☒ 4. Financial statement discloses only material items in detail.

Question ID : 65497837677

Status : Answered

Chosen Option : 2

Q.20 A state of deterioration, damage done to a building or other property during tenancy can be referred to as:

- Ans**
- ☒ 1. dilapidation
 - ☒ 2. depletion
 - ☒ 3. depreciation
 - ☒ 4. obsolescence

Question ID : 65497837701

Status : Answered

Chosen Option : 3

Q.21 The methods of depreciation prescribed by the sec 32 of the Income Tax Act 1961, are:

- i) Units of production method
- ii) Written down value method
- iii) Sum of years' digits method

Ans ✓ 1. Only (ii)

✗ 2. Only (i)

✗ 3. Only (i) and (ii)

✗ 4. (i), (ii) and (iii)

Question ID : 65497837703

Status : Not Answered

Chosen Option : --

Q.22 Which of the following statements is true in the context of capital and revenue expenditure?

Ans ✓ 1. Legal fees to acquire property is capital expenditure.

✗ 2.

Overhaul expenses of a second-hand machine purchased are revenue expenditure.

✗ 3.

Amount spent for the replacement of a worn-out part of a machine is capital expenditure.

✗ 4.

Expenses in connection with obtaining a license for running a cinema are revenue expenditure.

Question ID : 65497837699

Status : Not Answered

Chosen Option : --

Q.23 A not-for-profit organisation pays a rent for the building as ₹1,000 per month. However, the rent for the last two months has not been paid. What will be the amount shown in the receipt & payment account and income & expenditure account, respectively?

Ans ✗ 1.

₹10,000 in both the receipt & payment account and income & expenditure account

✗ 2.

₹12,000 in both the receipt & payment account and income & expenditure account

✓ 3.

₹10,000 in the receipt & payment account; ₹12,000 in the income & expenditure account

✗ 4.

₹12,000 in the receipt & payment account; ₹10,000 in the income & expenditure account

Question ID : 65497837707

Status : Not Answered

Chosen Option : --

Q.24 Which of the following statements is INCORRECT in the context of Not-for-profit organisations?

Ans  1.

The main sources of income of such organisations are: (i) subscriptions from members, (ii) donations, (iii) grant-in-aid, etc.

 2.

The income and expenditure account lists both the revenue and capital receipts and payments (for past, current and future periods).

 3.

Final accounts for not-for-profit organisations comprise receipts and payment account; income and expenditure account; and balance sheet at the end of the year.

 4.

Not-for-profit organisations are organised as trusts/societies and have members, not owners.

Question ID : **65497837708**


Status : **Answered**

Chosen Option : **2**

Q.25 The bank passbook of Mr. P showed a credit balance of ₹924 as on 31 March 2021. When checked with cashbook the following points were noted.


1. Payment of a utility bill of ₹200 as per Mr. P's standing instructions was made, which was not reflecting in the cash book.
2. A cheque of ₹65 deposited in the bank on 28 March 2021 was not cleared till 4 April 2021.
3. Cheque drawn by and posted to a party for ₹46 by Mr. P on 31 March 2021 was presented to the bank on 12 April, 2021.

What will be the bank balance as per cash book as on 31 March 2021?

Ans  1. Debit balance of ₹1,143

 2. Debit balance of ₹1,235

 3. Credit balance of ₹705

 4. Credit balance of ₹1,189

Question ID : **65497837687**

Status : **Answered**

Chosen Option : **1**

Q.26 Cost of goods sold is equal to:

Ans  1.

Opening stock – Purchases – Closing stock + Direct expenses

 2.

Opening stock + Purchases – Closing stock + Direct expenses

 3.

Opening stock + Purchases – Closing stock – Direct expenses

 4.

Opening stock + Purchases + Closing stock + Direct expenses

Question ID : **65497837704**

Status : **Answered**

Chosen Option : **2**

Q.27 When manufacturing and trading accounts are prepared separately, manufacturing account deals with:

- Ans**
- ☐ 1. only raw materials
 - ☒ 2. raw materials and work in progress
 - ☐ 3. work in progress and finished goods
 - ☐ 4. only finished goods

Question ID : **65497837694**

Status : **Answered**

Chosen Option : **4**

Q.28 The general acceptable accounting principles (GAAPs) fulfils the conditions of

- (i) Relevance
- (ii) Objectivity
- (iii) Feasibility

- Ans**
- ☐ 1. Only (i) and (ii)
 - ☐ 2. Only (ii)
 - ☒ 3. (i), (ii) and (iii)
 - ☐ 4. Only (i)

Question ID : **65497837682**

Status : **Answered**

Chosen Option : **3**

Q.29 Match the following accounting concepts with the meaning/implications.

| Accounting Concept | Meaning/ Implication |
|-------------------------------------|---|
| (i) Money measurement concept | (a) Capital of the proprietor is considered as a liability |
| (ii) Business entity concept | (b) Fixed assets are valued on cost basis |
| (iii) Going concern concept | (c) Changes in purchasing power are ignored |

- Ans**
- ☒ 1. (i) – (a), (ii) – (b), (iii) – (c)
 - ☒ 2. (i) – (b), (ii) – (a), (iii) – (c)
 - ☒ 3. (i) – (c), (ii) – (b), (iii) – (a)
 - ☒ 4. (i) – (c), (ii) – (a), (iii) – (b)

Question ID : **65497837678**
Status : **Answered**
Chosen Option : 2

Q.30 Which of the following options is a revenue expenditure?

- Ans**
- ☒ 1. Carriage of ₹7,500 spent on machinery purchased and installed.
 - ☒ 2. Wages paid to own employees for building the foremen's offices.
 - ☒ 3. Materials purchased for extension to foremen's offices in the factory.
 - ☒ 4. Incurred expenditure of ₹25,000 on varied advertisement campaigns undertaken yearly, on a regular basis, during the peak festival season.

Question ID : **65497837700**
Status : **Not Answered**
Chosen Option : --

Q.31 Which of the following statements is correct in the context of single-entry system?

Ans ☒ 1.

Credit sales during the year can be ascertained as the balancing figure in the total creditor account.

☒ 2.

The objective of preparing a statement of affairs is to estimate the balance in the capital account on a particular date.

☒ 3.

Credit purchase during the year can be ascertained by preparing the total debtors account.

☒ 4.

Statement of affairs is reliable as it is prepared from double entry record.

Question ID : 65497837683

Status : Answered

Chosen Option : 2

Q.32 A credit balance in the bank passbook indicates a/an _____ balance, and debit balance in the cash book indicates a/an _____ balance.

Ans ☒ 1. favourable; overdraft

☒ 2. overdraft; favourable

☒ 3. favourable; favourable

☒ 4. overdraft; overdraft

Question ID : 65497837686

Status : Answered

Chosen Option : 3

Q.33 एक फर्म, विक्रेता को पूरा भुगतान करके एक भूखंड खरीदती है। हालांकि, अभी कानूनी औपचारिकताएं पूरी की जानी बाकी हैं। कानूनी औपचारिकताएं पूरी न होने के बावजूद भी, फर्म किस सिद्धांत के अनुसार इस लेन-देन को अपने बही-खातों में दर्ज करती है?

Ans ☒ 1. विश्वसनीय प्रस्तुति (Faithful representation)

☒ 2. संपूर्णता (Completeness)

☒ 3. तटस्थता (Neutrality)

☒ 4. सब्सटान्स ओवर फॉर्म (Substance over form)

Question ID : 65497837676

Status : Answered

Chosen Option : 1

Q.34 नीचे दिए गए आंकड़ों के आधार पर स्थिति विवरण (statement of affairs) विधि का उपयोग करते हुए लाभ की गणना किजिए।

श्रीमान A एक जनरल स्टोर के मालिक हैं और वे दोहरी प्रविष्टि प्रणाली बही नहीं रखते हैं। 31 मार्च 2020 को पूंजी ₹75,000 है। श्रीमान A ने निजी उपयोग के लिए ₹12,000 निकाले। उन्होंने व्यवसाय में ₹12,500 नई पूंजी के रूप में लगाए। 31 मार्च 2021 को उनकी आस्तियां और देयताएं इस प्रकार हैं- कुल लेनदार मूल्य ₹90,000 और कुल देनदार मूल्य ₹1,26,500, स्टॉक का मूल्य ₹24,570 और बैंक में ₹25,000 नकद।

Ans ☒ 1. ₹98,070

☒ 2. ₹86,070

☒ 3. ₹12,570

☒ 4. ₹10,570

Question ID : 65497837684

Status : Answered

Chosen Option : 4

Q.35 Which of the following statements is correct in the context of a trading account?

Ans ☒ 1.

Trading account is debited with the net purchases and credited with the net sales.

☐ 2.

Net purchases is the sum of cash, credit purchase and the amount of return outwards.

☐ 3.

Goods received on consignment basis are treated as purchases.

☐ 4.

Goods received on sale or return basis are treated as purchases.

Question ID : 65497837695

Status : Answered

Chosen Option : 3

Q.36 Which of the following statements is INCORRECT for self-balancing ledgers?

Ans ☐ 1.

Self-balancing ledger system implies a system of ledger keeping which classifies ledgers as per nature of transactions.

☐ 2.

In self-balancing system, general ledger adjustment account is prepared in each of the subsidiary ledgers.

☐ 3.

In self-balancing system, generally, three ledgers are prepared namely, debtor ledger, credit ledger and main ledger.

☒ 4.

Under sectional balancing system, if the error affects the total of debtors and creditors accounts, it is rectified by adjusting the accounts of debtors and creditors itself without any additional entries.

Question ID : 65497837714

Status : Not Answered

Chosen Option : --

Q.37 Which of the following statements is INCORRECT in the context of a journal?

Ans ☐ 1.

Journal properly records transactions like expense accruals, rectification entries, adjusting entries, opening entries and closing entries.

☐ 2.

Journal has three functions – analytical, recording and historical.

☐ 3.

Journal is divided into two types – General Journal and Special Journal.

☒ 4. Journal is often referred to as the Principal Book of Entry.

Question ID : 65497837685

Status : Answered

Chosen Option : 4

Q.38 तुलन पत्र (बैलेंस शीट) में, जब पूंजी को शीर्ष पर और वर्तमान देनदारियों को सबसे नीचे सूचीबद्ध किया जाता है, तो इसे क्या कहा जाता है?

Ans

☒ 1. स्थायित्व (permanence) के क्रम में क्रमबद्ध करना

☐ 2. प्राथमिकता (priority) के क्रम में क्रमबद्ध करना

☐ 3. चलनिधि (liquidity) के क्रम में क्रमबद्ध करना

☐ 4. महत्व (importance) के क्रम में क्रमबद्ध करना

Question ID : 65497837698

Status : Answered

Chosen Option : 4

Q.39 Which of the following is/are control account(s) maintained in the self-balancing ledger system?

- (i) Bought ledger adjustment account
- (ii) Sales ledger adjustment account
- (iii) General ledger adjustment account

Ans ☒ 1. Only (i)

☒ 2. Both (i) and (ii)

☒ 3. Only (iii)

☒ 4. Only (ii)

Question ID : 65497837713

Status : Not Answered

Chosen Option : --

Q.40 बिल की देय तिथि से पहले भुगतान करना _____ कहलाता है।

Ans ☒ 1. बिल का पुनर्बट्टा (rediscounting)

☒ 2. बिल का पृष्ठांकन (endorsement)

☒ 3. बिल का मोचन (retirement)

☒ 4. बिल का नवीकरण (renewal)

Question ID : 65497837710

Status : Answered

Chosen Option : 3

Section : Part B Economics and Governance

Q.1 The real GDP growth of the Indian economy is impacted negatively by which of the following?

- 1) Rise in inflation
- 2) Low domestic manufacturing activity
- 3) Increased government spending on infrastructure

Ans ☒ 1. Only 1, 2

☒ 2. Only 1

☒ 3. 1, 2 and 3

☒ 4. Only 1, 3

Question ID : 65497837749

Status : Answered

Chosen Option : 1

Q.2 Technological progress is expected to shift the supply curve of a firm to the _____. Imposition of unit tax is expected to shift the supply curve of a firm to the _____.

- Ans**
- ☒ 1. right; right
 - ☒ 2. right; left
 - ☒ 3. left; right
 - ☒ 4. left; left

Question ID : **65497837742**
Status : **Answered**
Chosen Option : 2

Q.3 Match the following for the percentage share of stake held in regional rural banks.

| Owners/ Shareholders | Percentage stake |
|------------------------|------------------|
| (i) Central government | (a) 50% |
| (ii) State government | (b) 35% |
| (iii) Sponsor bank | (c) 15% |

- Ans**
- ☒ 1. i – (b); ii – (a); iii – (c)
 - ☒ 2. i – (a); ii – (c); iii – (b)
 - ☒ 3. i – (a); ii – (b); iii – (c)
 - ☒ 4. i – (c); ii – (b); iii – (a)

Question ID : **65497837768**
Status : **Not Answered**
Chosen Option : --

Q.4 The Guidotti-Greenspan-IMF rule entails:

- Ans**
- ☒ 1. adequacy of foreign exchange reserves in terms of the 'import cover of three to four months' of a country's imports
 - ☒ 2. countries to hold 'liquid reserves' equal to their short-term foreign liabilities (maturing within a year)
 - ☒ 3. countries to hold 'liquid reserves' equal to their short-term foreign liabilities (maturing within 6 months)
 - ☒ 4. adequacy of foreign exchange reserves in terms of both short term external debt and a measure of the scope for capital flight (part of M2) modified by a 'probability factor' captured by a country risk index

Question ID : **65497837762**
Status : **Not Answered**
Chosen Option : --

Q.5 Which of the following statements is correct?

- Ans ☒ 1. Balance of trade is a part of balance of payment.
- ☒ 2. When exports exceed imports, there is a trade deficit.
- ☒ 3.

Any transaction resulting in a receipt from foreigners is entered as a debit and is given a negative sign in the capital account.

- ☒ 4. Trade in goods and services and net transfers result in capital account surplus.

Question ID : 65497837771

Status : Not Answered

Chosen Option : --

Q.6 _____ was launched by the Prime Minister of India in June 2015 with the focus to establish infrastructure that could ensure adequate robust sewage networks and water supply for urban transformation by implementing urban revival projects.

- Ans ☒ 1. Atal Mission for Rejuvenation and Urban Transformation
- ☒ 2. National Infrastructure Pipeline project
- ☒ 3. Niryat Rin Vikas Yojana
- ☒ 4. SMART City project

Question ID : 65497837758

Status : Answered

Chosen Option : 1

Q.7 A perfectly elastic supply curve means:

- i. a horizontal supply curve
- ii. Price Elasticity of Supply = Infinity

- Ans ☒ 1. Neither (i) nor (ii)
- ☒ 2. Both (i) and (ii)
- ☒ 3. Only (i)
- ☒ 4. Only (ii)

Question ID : 65497837736

Status : Answered

Chosen Option : 4

Q.8 _____ is an umbrella organisation for operating retail payments and settlement systems in India, an initiative of Reserve Bank of India (RBI) and Indian Bank's Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007.

- Ans ☒ 1. New Payments Corporation of India
- ☒ 2. National Payments Corporation of India
- ☒ 3. Nation Level Payments and Settlement Corporation
- ☒ 4. National Payments Company of India

Question ID : 65497837774

Status : Answered

Chosen Option : 2

Q.9 _____ in a market occurs when a small number of firms produce a _____ commodity.

- Ans
- ☐ 1. Monopoly, heterogeneous
 - ☐ 2. Monopoly, homogeneous
 - ☒ 3. Oligopoly, homogeneous
 - ☐ 4. Perfect competition, heterogeneous

Question ID : 65497837743
Status : Answered
Chosen Option : 3

Q.10 $Q = L + K$ (where Q is output, L is labour and K is capital), depicts a production function with:

- Ans
- ☐ 1. both Increasing and Constant Returns to Scale
 - ☐ 2. Decreasing Returns to Scale
 - ☐ 3. Increasing Returns to Scale
 - ☒ 4. Constant Returns to Scale

Question ID : 65497837740
Status : Not Answered
Chosen Option : --

Q.11 Human wants are _____ but the means to satisfy them are _____.

- Ans
- ☐ 1. scarce; limited
 - ☐ 2. limited; also limited
 - ☒ 3. unlimited; scarce
 - ☐ 4. restricted; scarce

Question ID : 65497837719
Status : Answered
Chosen Option : 3

Q.12 Which of the following statements is correct?

- Ans
- ☐ 1. Payments banks undertake lending activities for special sectors.
 - ☐ 2. Minimum paid-up equity capital of the payments banks shall be ₹10 crore.
 - ☒ 3. Payments banks cannot set up subsidiaries to undertake non-banking financial services activities.
 - ☐ 4. Payments banks can issue both, debit and credit cards.

Question ID : 65497837769
Status : Not Answered
Chosen Option : --

Q.13 23 सितंबर 2013 को स्वर्ण जयंती शहरी रोजगार योजना को _____ द्वारा प्रतिस्थापित किया गया था।

Ans ☒ 1.

दीनदयाल अंत्योदय योजना-राष्ट्रीय शहरी आजीविका मिशन

☒ 2.

दीनदयाल अंत्योदय योजना-राष्ट्रीय ग्रामीण आजीविका मिशन

☒ 3. जवाहरलाल नेहरू राष्ट्रीय शहरी नवीकरण मिशन

☒ 4. श्यामा प्रसाद मुखर्जी रूर्बन मिशन

Question ID : 65497837756

Status : Answered

Chosen Option : 3

Q.14 Normative economics does NOT involve:

Ans ☒ 1. value judgement

☒ 2. facts

☒ 3. opinions

☒ 4. statements relating to 'what ought to be'

Question ID : 65497837720

Status : Answered

Chosen Option : 2

Q.15 Marginal Product is defined as:

Ans ☒ 1. input per unit output

☒ 2. output per unit input

☒ 3. change in input per unit output

☒ 4. change in output per unit change in input

Question ID : 65497837738

Status : Answered

Chosen Option : 4

Q.16 For a monopolist, profit is maximised at that level of output where:

Ans ☒ 1. $MR = AR$ and MR is falling

☒ 2. $MR = MC$ and MC is falling

☒ 3. $MR = AR$ and MR is rising

☒ 4. $MR = MC$ and MC is rising

Question ID : 65497837744

Status : Not Answered

Chosen Option : --

Q.17 The Comptroller and Auditor General of India takes oath as per the form mentioned in the _____ and the salary is determined as per the provisions mentioned in the _____ of the Constitution of India.

- Ans**
- ☒ 1. 2nd schedule; 3rd schedule
 - ☒ 2. 3rd schedule; 2nd schedule
 - ☒ 3. 6th schedule; 2nd schedule
 - ☒ 4. 3rd schedule; 6th schedule

Question ID : **65497837715**
Status : **Answered**
Chosen Option : **2**

Q.18 In case of inferior goods, income elasticity of demand is _____.

- Ans**
- ☒ 1. negative
 - ☒ 2. irrelevant
 - ☒ 3. positive
 - ☒ 4. zero

Question ID : **65497837726**
Status : **Answered**
Chosen Option : **1**

Q.19 The income elasticity of demand is expected to be _____ for _____ goods.

- Ans**
- ☒ 1. greater than 1; inferior
 - ☒ 2. less than 1; luxury
 - ☒ 3. greater than 1; luxury
 - ☒ 4. equal to 0; giffen

Question ID : **65497837730**
Status : **Answered**
Chosen Option : **2**

Q.20 Which of the following statements is INCORRECT?

- Ans**
- ☒ 1. Under liquidity adjustment facility, in a reverse repo transaction RBI infuses liquidity in the system.
 - ☒ 2. Open market operations in the secondary market are carried out on the electronic Negotiated Dealing System - Order Matching (NDS-OM) platform.
 - ☒ 3. Money obtained under the Market Stabilization Scheme is kept in a separate account and not transferred to the government.
 - ☒ 4. The Market Stabilization Scheme was introduced in 2004.

Question ID : **65497837766**
Status : **Not Answered**
Chosen Option : **--**

Q.21 In which of the following years was the annual plan initiated in India by the Planning Commission, Government of India?

- Ans**
- ☒ 1. 1980
 - ☒ 2. 1956
 - ☒ 3. 1966
 - ☒ 4. 1961

Question ID : **65497837760**
Status : **Answered**
Chosen Option : **3**

Q.22 Which of the following statements is INCORRECT in the context of budget and fiscal deficit?

- Ans**
- ☒ 1. Budgetary deficit is the excess of total expenditure over total receipts.
 - ☒ 2. Deficit financing is the practice in which a government spends more money than it receives as revenue, the difference being made up by borrowing or minting new funds.
 - ☒ 3. Fiscal deficit shows the borrowing requirements of the government during the budget year.
 - ☒ 4. Primary deficit is defined as fiscal deficit of the current year plus interest payments on previous borrowings.

Question ID : **65497837770**
Status : **Answered**
Chosen Option : **4**

Q.23 Which of the following statements is INCORRECT in the context of demand function?

- Ans**
- ☒ 1. In the demand function, the independent variable is the income of the consumer.
 - ☒ 2. In the demand function, the dependent variable is the quantity demanded.
 - ☒ 3. The demand curve, in general, is downward sloping.
 - ☒ 4. The demand curve depicts the quantity demanded by the consumer at different prices.

Question ID : **65497837733**
Status : **Answered**
Chosen Option : **1**

Q.24 The Fiscal Responsibility and Budget Management Act, 2003, was assented to on _____ and commenced with effect from _____.

- Ans**
- ☒ 1. 5 July 2003; 26 August 2003
 - ☒ 2. 26 August 2003; 26 August 2004
 - ☒ 3. 26 August 2003; 5 July 2004
 - ☒ 4. 5 July 2003; 5 July 2004

Question ID : **65497837773**
Status : **Not Answered**
Chosen Option : **--**

Q.25 _____ suggested a poverty line of ₹75 per capita per year.

Ans ☒ 1. Working Group (1962)

☒ 2.

Dadabhai Naoroji in his book 'Poverty and Un-British Rule in India'

☒ 3. National Planning Committee (1938)

☒ 4. The Bombay Plan (1944)

Question ID : 65497837755

Status : Answered

Chosen Option : 3

Q.26 What is constant along an isoquant?

i. Level of Labour

ii. Level of Capital

Ans ☒ 1. Both (i) and (ii)

☒ 2. Only (ii)

☒ 3. Neither (i) nor (ii)

☒ 4. Only (i)

Question ID : 65497837737

Status : Answered

Chosen Option : 3

Q.27 Since independence, India has been a _____.

Ans ☒ 1. mixed economy

☒ 2. closed economy

☒ 3. private economy

☒ 4. capitalist economy

Question ID : 65497837746

Status : Answered

Chosen Option : 1

Q.28 The demand curve that a firm faces in a perfectly competitive market is perfectly _____; it is a _____ straight line at the market price.

Ans ☒ 1. inelastic; horizontal

☒ 2. elastic; vertical

☒ 3. inelastic; vertical

☒ 4. elastic; horizontal

Question ID : 65497837745

Status : Answered

Chosen Option : 2

Q.29 विस्तारकारी राजकोषीय नीति के तहत, सरकार _____।

- Ans
- ☒ 1. ब्याज दरें बढ़ाती है
 - ☒ 2. कर बढ़ाती है
 - ☒ 3. आरक्षित निधि अपेक्षाएं बढ़ाती है
 - ☒ 4. व्यय बढ़ाती है

Question ID : 65497837765
Status : Answered
Chosen Option : 4

Q.30 The 15th Finance Commission has recommended that for cities with a million plus population (Million-Plus cities), _____ of the grants are performance-linked through the Million-Plus Cities Challenge Fund (MCF).

- Ans
- ☒ 1. 10%
 - ☒ 2. 50%
 - ☒ 3. 100%
 - ☒ 4. 25%

Question ID : 65497837718
Status : Not Answered
Chosen Option : --

Q.31 Problem of how to produce is NOT concerned with:

- Ans
- ☒ 1. allocation of scarce resources
 - ☒ 2. choice of technique of production
 - ☒ 3. more production at less cost
 - ☒ 4. efficient use of resources

Question ID : 65497837722
Status : Answered
Chosen Option : 1

Q.32 In which of the following cases will price elasticity of demand be relatively less elastic?

- Ans
- ☒ 1. Goods on which consumers spend a small proportion of their income
 - ☒ 2. Goods whose consumption can be postponed
 - ☒ 3. Goods which have close substitutes
 - ☒ 4. Goods which can be put to multiple use

Question ID : 65497837729
Status : Answered
Chosen Option : 4

Q.33 विदेश में काम कर रहे एक रिश्तेदार द्वारा भेजे जाने वाले धन (विप्रेषण) को _____ शामिल किया जाता है।

- (i) व्यक्तियों को किए जाने वाले हस्तांतरण भुगतान के रूप में
- (ii) राष्ट्रीय आय में

- Ans
- ☒ 1. केवल (ii)
 - ☒ 2. (i) और (ii) दोनों
 - ☒ 3. न तो (i) और न ही (ii)
 - ☒ 4. केवल (i)

Question ID : 65497837752
Status : Answered
Chosen Option : 2

Q.34 The supply curve of cars is expected to shift rightwards with:

- i. an increase in the price of cars
- ii. a decrease in fuel prices

- Ans
- ☒ 1. Neither (i) nor (ii)
 - ☒ 2. Both (i) and (ii)
 - ☒ 3. Only (ii)
 - ☒ 4. Only (i)

Question ID : 65497837735
Status : Answered
Chosen Option : 3

Q.35 _____ happens when a government sells only a part of its stake in a public sector company and retains the majority of it.

- Ans
- ☒ 1. Privatisation
 - ☒ 2. Disinvestments
 - ☒ 3. Devolution
 - ☒ 4. Nationalisation

Question ID : 65497837761
Status : Answered
Chosen Option : 2

Q.36 _____ मौद्रिक नीति तब अपनाई जाती है जब यह माना जाता है कि उच्च ब्याज दरों की आवश्यकता है, सामान्यतः ऐसा मुद्रास्फीति का सामना करने या तीव्र आर्थिक विकास को रोकने के लिए किया जाता है।

- Ans
- ☒ 1. प्रतिचक्रीय (Countercyclical)
 - ☒ 2. शांतिवादी (Dovish)
 - ☒ 3. युद्धकारी (Hawkish)
 - ☒ 4. उदार (Accommodative)

Question ID : 65497837764
Status : Answered
Chosen Option : 1

Q.37 The supply curve of a normal good is _____ sloping. It depicts _____ on the x-axis and _____ on the y-axis.

- Ans
- ☒ 1. upward; price; quantity supplied
 - ☒ 2. downward; quantity supplied; price
 - ☒ 3. upward; quantity supplied; price
 - ☒ 4. downward; price; quantity supplied

Question ID : 65497837734
Status : Answered
Chosen Option : 3

Q.38 निम्नलिखित में से कौन सा ऊर्जा का अंतिम स्रोत है?

- Ans
- ☒ 1. पेट्रोलियम
 - ☒ 2. प्राकृतिक गैस
 - ☒ 3. विद्युत
 - ☒ 4. सौर विकिरण

Question ID : 65497837759
Status : Answered
Chosen Option : 4

Q.39 The full form of GIFT City, India's first International Financial Services Centre (IFSC) is:

- Ans
- ☒ 1. Gujarat Indian Finance Technology-City
 - ☒ 2. Gujarat International Finance Tec-City
 - ☒ 3. Gandhinagar International Finance Tec-City
 - ☒ 4. Gujarat International Finance Technical-City

Question ID : 65497837757
Status : Not Answered
Chosen Option : --

Q.40 Which of the following statements is INCORRECT?

- Ans
- ☒ 1. Nominal Exchange Rate is the price of one unit of foreign currency in terms of domestic currency.
 - ☒ 2. When exports exceed imports, there is a trade deficit.
 - ☒ 3. The Balance of Payments records a country's transactions with the rest of the world.
 - ☒ 4. When the real exchange rate is one, the countries are said to be in purchasing power parity.

Question ID : 65497837772
Status : Answered
Chosen Option : 2

Q.41 Which of the following statements is true?

- Ans**
- ☐ 1. Marginal Product Curve is a U-shaped curve.
 - ☐ 2. Marginal Product Curve is an L-shaped curve.
 - ☐ 3. Average Product Curve is a U-shaped curve.
 - ☒ 4. Total Product Curve is positively sloped.

Question ID : 65497837739

Status : **Answered**

Chosen Option : 3

Q.42 The _____ Method of measuring national income is also known as the 'flow of product' approach by Prof. Samuelson.

- Ans**
- ☐ 1. Product
 - ☒ 2. Expenditure
 - ☐ 3. Value added
 - ☐ 4. Income

Question ID : 65497837751

Status : **Answered**

Chosen Option : 3

Q.43 As per the CAG (DPC's) Act, 1971, the Comptroller and Auditor General of India:

- (i) audits all receipts into and expenditure from the Consolidated Fund of India and of each State and of each Union Territory, having a Legislative Assembly
- (ii) audits all transactions of the Union and of the States relating to Contingency Funds, and Public Accounts
- (iii) audits receipts and expenditure of bodies or authorities substantially financed from Union or State revenue
- (iv) audits accounts of bodies or authorities by request

- Ans**
- ☐ 1. Only (i) and (ii)
 - ☐ 2. Only (i), (ii) and (iii)
 - ☐ 3. Only (i) and (iii)
 - ☒ 4. (i), (ii), (iii) and (iv)

Question ID : 65497837716

Status : **Not Answered**

Chosen Option : --

Q.44 Price elasticity of demand measures the extent to which quantity demanded of a commodity changes in response to change in:

- Ans**
- ☐ 1. consumer's income only
 - ☐ 2. any of its quantitative determinants
 - ☐ 3. prices of other goods only
 - ☒ 4. own price only

Question ID : 65497837728

Status : **Answered**

Chosen Option : 4

Q.45 The cross elasticity of demand means responsiveness of the quantity demanded of a good to a change in:

- Ans**
- ☒ 1. consumer's income
 - ☒ 2. its own price
 - ☒ 3. producer's income
 - ☒ 4. price of other goods

Question ID : **65497837731**

Status : **Answered**

Chosen Option : **4**

Q.46 According to the theory of demographic transition, a country (underdeveloped and technologically backward) passes through three stages. Which of the following options is the first stage of this theory?

- Ans**
- ☒ 1. Both birth rate and death rate are high
 - ☒ 2. Both birth rate and death rate are low
 - ☒ 3. High birth rate and low death rate
 - ☒ 4. High death rate and low birth rate

Question ID : **65497837753**

Status : **Answered**

Chosen Option : **1**

Q.47 India's health infrastructure and health care is a tier system comprising:

- (i) Primary level
- (ii) Secondary level
- (iii) Tertiary level

- Ans**
- ☒ 1. Only (i)
 - ☒ 2. Only (iii)
 - ☒ 3. (i), (ii) and (iii)
 - ☒ 4. Only (i) and (ii)

Question ID : **65497837748**

Status : **Answered**

Chosen Option : **3**

Q.48 Which of the following is a core concept studied in microeconomics?

- i. Consumer Behaviour
- ii. Behaviour of Firms
- iii. Aggregate Level of Output and Inflation in the Economy

Ans ☒ 1. Only (i) and (ii)

☐ 2. Only (ii) and (iii)

☐ 3. Only (i) and (iii)

☐ 4. Only (i)

Question ID : 65497837721
Status : Answered
Chosen Option : 4

Q.49 Which of the following is correct?

Ans ☒ 1. Real GDP is the NDP at constant price + Depreciation

☐ 2.

Disposable income = Personal income + Personal direct taxes

☐ 3.

GDP at factor cost = GDP at market price + income tax – Subsidies

☐ 4.

According to the Income Method, GNP = Wages and salaries + Rent + Dividends + Undistributed corporate profits + Mixed incomes + Direct and indirect taxes – Depreciation – Net income from abroad

Question ID : 65497837750
Status : Answered
Chosen Option : 1

Q.50 Which of the following is NOT an agency function of the bank?

Ans ☐ 1. Payment of tax

☐ 2. Payment of rent

☐ 3. Collection of dividends

☒ 4. ATM facilities

Question ID : 65497837767
Status : Answered
Chosen Option : 4

Q.51 _____ was a policy introduced to promote equity in Indian agriculture. The purpose was to _____ concentration of land ownership in a few hands.

Ans ☐ 1. Green Revolution; reduce

☐ 2. Export Promotion; enhance

☒ 3. Land Ceiling; reduce

☐ 4. Operation Flood; reduce

Question ID : 65497837747
Status : Answered
Chosen Option : 3

Q.52 Which of the following statements is correct in the context of Special Drawing Rights (SDR)?

Ans ☒ 1.

The SDR was initially defined as equivalent to 0.888671 grams of fine gold.

☒ 2. The SDR is the currency of the IMF.

☒ 3. The SDR currency value is calculated on an annual basis.

☒ 4.

The SDR basket of currencies includes the US Dollar, Euro, Japanese Yen, Pound Sterling.

Question ID : **65497837763**

Status : **Not Answered**

Chosen Option : --

Q.53 The demand curve gives the quantity demanded by the consumer at each _____.

Ans ☒ 1. income level

☒ 2. expenditure level

☒ 3. utility level

☒ 4. price level

Question ID : **65497837725**

Status : **Answered**

Chosen Option : 4

Q.54 Which of the following is NOT an assumption of production possibility curve?

Ans ☒ 1. Resources are given and fixed

☒ 2. Resources do not have alternate uses

☒ 3. Resources are fully and efficiently utilised

☒ 4. Technology remains constant

Question ID : **65497837723**

Status : **Answered**

Chosen Option : 2

Q.55 The law of demand holds good when:

Ans ☒ 1. tastes and preferences of consumers are not constant

☒ 2. own price of the commodity is assumed to be constant

☒ 3.

all determinants of demand, other than own price of the commodity, remain constant

☒ 4. prices of related goods are allowed to change

Question ID : **65497837727**

Status : **Answered**

Chosen Option : 3

Q.56 Which of the following is NOT a feature of indifference curves (for normal goods)?

- Ans**
- ☒ 1. They are downward sloping.
 - ☒ 2. They can never intersect each other.
 - ☒ 3. Higher indifference curves mean greater utility.
 - ☒ 4. They always have a constant slope.

Question ID : **65497837732**
Status : **Answered**
Chosen Option : **4**

Q.57 Which of the following statements is/are true?

A - In perfect competition, average revenue is equal to market price.

B - In perfect competition, marginal revenue is equal to market price.

- Ans**
- ☒ 1. Both A and B are true
 - ☒ 2. Only A is true
 - ☒ 3. Neither A nor B is true
 - ☒ 4. Only A is not true

Question ID : **65497837741**
Status : **Answered**
Chosen Option : **1**

Q.58 When an economy is operating inside the production possibility curve, it indicates that:

- Ans**
- ☒ 1. potential output < actual output
 - ☒ 2. potential output = actual output
 - ☒ 3. potential output is unattainable
 - ☒ 4. potential output > actual output

Question ID : **65497837724**
Status : **Answered**
Chosen Option : **4**

Q.59 As per the 15th Finance Commission final report, submitted on 9 November 2020, the Commission has recommended that _____ of the net proceeds of Union taxes should be shared with the States.

- Ans**
- ☒ 1. 40%
 - ☒ 2. 41%
 - ☒ 3. 42%
 - ☒ 4. 45%

Question ID : **65497837717**
Status : **Answered**
Chosen Option : **1**

Q.60 Use of synthetic rubber leads to decline in the demand for natural rubber and thus causes _____ unemployment in rubber plantations.

- Ans**
- ☐ 1. disguised
 - ☐ 2. casual
 - ☐ 3. cyclical
 - ☒ 4. structural

Question ID : **65497837754**

Status : **Answered**

Chosen Option : **3**