

INDIAN ECONOMY

Status of Indian Economy: Pre-Independence Period (1850 -1947)

1. Between the first and the 17th Century AD, India was prosperous and self-radiant and is believed to have controlled ____ of the world's wealth.

(a) One Tenth (b) One Third (c) One Fourth (d) Between one third and one fourth

2. During the time of Emperor Chandragupta Maurya, the great intellectual guru of the emperor, outlined the public policy of the State.

(a) Akbar(b) Sultan (c) Chanakya(d) Todarmal

3. Who has authored the book “Arthashastra”, a Conceptual frame work of State Craft and public Policy? (a) Chandragupta Maurya (b) Chanakya (c) Plato (d) Akbar

4. The advent of the Europeans and the rule of British from___ brought about a marked shift in the economic history of India.

(a) 1700 to 1947 (b) 1717 to 1947

(c) 1757 to 1947 (d) 1787 to 1947

5. The Indian industry stagnated under the colonial rule because:

(a) Indians were keen on building huge structures and monuments only *

(b) Deterioration was caused by high prices of inputs due to draught

(c) The Indian manufactures could not compete with the imports of cheap machine-made goods

(d) None of the above

6. In British era, what was the reason of virtual collapse of Indian agriculture?

(a) Absentee landlordism

(b) High indebtedness of agriculturists, growth of a class of exploitative money lenders

(c) Low attention to productivity enhancing measures (d) All of the above

7. In British era, which of the following factors forced many to depend on agriculture for livelihood?

(a) Large scale unemployment

(b) Absence of alternate sources of employment

(c) Both (a) and (b) (d) None of these

8. In British era, the increased pressure on land led to

(a) Sub-division and fragmentation of land holdings (b) Subsistence farming

(c) Reduced agricultural productivity and poverty (d) All of the above

9. Before 1950, the factory-based production ___ in India.

- (a) Did not exist (b) Existed in petroleum
(c) Existed in digital products (d) Existed in agriculture

10. The 'Modern' industrial enterprises in colonial India started to grow in the

- (a) Mid-16th century (b) Mid-18th century (c) Mid-19th century (d) Mid-20th century

11. At the end of the 19th century, the Indian jute mill industry was ___ the in the world in terms of the amount of raw jute consumed in production.

- (a) Largest (b) Second Largest (c) Negligible
(d) Lowest

12. Heavy industries such as the iron industry were established as early as 1814 by British capital. India's iron industry was ranked ___ in

the world in terms of output in 1930.

(a) First (b) Fifth (c) Seventh (d) Eighth

13. Just before the Great Depression, India was ranked as the ___ largest industrialised country measured by the value of manufactured products.

(a) 10th (b) 11th (c) 12th (d) 13th

14. In pre-independence era, the consequence of collapse of manufacturing sector was felt heavily on agricultural sector in the form of

(a) Overcrowding on farms

(b) Subdivision and fragmentation

(c) Subsistence farming, low productivity, lower incomes and aggravated poverty

(d) All of the above

Indian Economy: Post Independence (1947-1991)

15. The post-independence economic policy was rooted in

- (a) A capitalist mode of production with heavy industrialization
- (b) Social and economic redistribution and industrialization directed by the state
- (c) Social and economic redistribution through private sector initiatives
- (d) Industrialization led by private entrepreneurs and redistribution by state

16. At the time of independence, which of the following is correct about India?

- (a) India was overwhelmingly rural, inhabited by mostly illiterate and poor people with low life expectancy
- (b) The social structure was deeply stratified and exceedingly heterogeneous on many counts

c) India was deficient in physical financial and human capital (d) All of the above

17. Which of the following was NOT the ideology of industrialization prevailed in the early days of independence?

(a) Establishing an economic system in which the central government would have authority to design the economic strategy

(b) To carry out the necessary investments in coordination with the private sector.

(c) Systematic planning to support industrialization.

(d) Lowest level of industrialization of the economy

18. The Industrial Policy Resolution (1948) aimed at

(a) Market oriented economic reforms and opening up of economy

- (b) A shift from state led industrialization to private sector led industrialisation
- (c) An expanded role for the public sector and licensing to the private sector
- (d) An expanded role of private sector a limited role of public sector

19. Which of the following economic philosophy was the guiding force for planning in 1950's?

- (a) The then prime minister Nehru's visualization to build a socialistic society with emphasis on heavy industry
- (b) The Gandhian philosophy of small scale and cottage industry and village republics
- (c) Both (a) and (b)
- (d) None of the above

20. In independent India, the comprehensive import controls were maintained until

- (a) 1955
- (b) 1962
- (c) 1966
- (d) 1970

21. Rapid industrialization of the economy was the cornerstone of whose development strategy?

(a) Nehru (b) Patel (c) Indira (d) None of these

22. The Industrial Policy Resolution of 1956 though provided a comprehensive framework for industrial development, was lopsided as its guiding principle supported enormous expansion of the scope of the

(a) Private Sector (b) Public sector (c) Both (a) and (b) (d) None of these

23. In Industrial Policy Resolution (1956), a natural outcome of the undue priority for public sector was the

(a) Dampening of private initiative by and enterprise

(b) Private investments were discouraged

(c) Negative consequences of industrial growth

(d) All of the above

24. The 'Hindu growth rate' is a term used to refer to

(a) The high rate of growth achieved after the new economic policy of 1991

(b) The low rate of economic growth of India from the 1950's to the 1980's, which averaged around 3.5 per cent per year

(c) The low growth of the economy during British period marked by an average 3.5 per cent

(d) The growth rate of the country because India is referred to as 'Hindustan'

25. In 1954, India signed a long-term agreement with the US for food aid. What was the name of this agreement?

(a) PL-480 (b) PL-440 (c) PL-420 (d) PL-400

26. The Industrial Policy Resolution (1948) envisaged

- (a) An expanded role for the public sector
- (b) Licensing to the private sector
- (c) Both (a) and (b)
- (d) None of these

27. The policies in 1950's were guided by

- (a) Nehruvian philosophy of visualizing a socialistic society with emphasis on heavy industries
- (b) Gandhian philosophy of stressing on small scale and cottage industry and village republics
- (c) Both (a) and (b)
- (d) None of these

28. Which one of the following is a feature of green revolution?

- (a) Use of soil friendly green manure to preserve fertility of soil
- (b) Grow more crops by redistributing land to landless people

(c) High yielding varieties of seeds and scientific cultivation

(d) Diversification to horticulture

29. The strategy of agricultural development in India before green revolution was

(a) High yielding varieties of seeds and chemical fertilizers to boost productivity

(b) Institutional reforms such as land reforms

(c) Technological up gradation of agriculture

(d) All the above

30. The objective of introducing Monopolies and Restrictive Trade Practices Act, 1969 was

(a) To ensure that the operation of the economic system does not result in the concentration of economic power in hands of a few

(b) To provide for the control of

monopolies

(c) To prohibit monopolistic and restrictive trade practice

(d) All the above.

31. The economic performance during the period of 1965-81 is the worst in independent India's history the decline in growth during this period is attributed mainly to decline in productivity. Which of the following factors contributed to the decelerated growth that lasted two decades?

(i) The license-raj, the autarchic policies that dominated the 1960s and 1970s

(ii) The external shocks of three wars (in 1962, 1965, and 1971) (iii) The major droughts (especially 1966 and 1967)

(iv) The oil shocks of 1973 and 1979

(a) (i) only (b) Both (i) and (ii) (c) (i), (ii) and (iii) (d) (i), (ii), (iii) and (iv)

32. The government nationalized 14 banks in _____ and then followed it up with nationalizing another 6 in _____

(a) 1967, 1977 (b) 1969, 1980

(c) 1980, 1969 (d) None of the above

33. Which of the following is NOT the part of major reforms in 1980's?

(a) De-licensing of 25 broad categories of industries, granting of the facility of 'broadbanding' to allow flexibility and rapid changes in the product mix of industries without going in for fresh licensing

(b) Increase in the asset limit of MRTP firms from 20 crore to 100 crore, introduction of modified value-added (MODVAT)

(c) Extension of the Open General License (OGL), export incentives, Liberalisation of imports, reduction in tariffs and removal of price and distribution controls on cement and aluminum

d) Establishment of planning commission

34. In which year, the policy of reservation of many products for exclusive manufacture by

the small scale sector was initiated with the objective of promotion of small-scale industries.

(a) 1967 (b) 1969 (c) 1971 (d) 1973

The Era of Reforms

35. The first wave of liberalization starts in India

(a) In 1951 (b) In 1980's (c) In 1990's (d) In 1966

36. On which date the Securities and Exchange Board of India (SEBI) was established as a non-statutory body on through a resolution of the Government of India?

(a) April 1, 1982 (b) April 12, 1982 (c) April 1, 1988 (d) April 12, 1988

37. The number of capital goods items included in the OGL list expanded steadily reaching

1,329 in April 1990. What is the full form of

OGL? (a) Open General License (b) Other

Goods List (c) Open Goods List (d) Other

General List

38. The sequence of growth and structural change in Indian economy is characterized by

- (a) The historical pattern of prominence of sectors as agriculture, industry, services
- (b) The historical pattern of prominence of sectors as industry, services, agriculture
- (c) Unique experience of the sequence as agriculture, services, industry
- (d) All the above are correct

39. Based on the Real Effective Exchange Rate (REER), the rupee was depreciated by about 30 per cent from

- (a) 1980-81 to 1990-91
- (b) 1982-83 to 1990-91
- (c) 1985-86 to 1989-90
- (d) None of these

40. The budget for 1986 introduced policies of

- (a) Cutting taxes further
- (b) Liberalizing imports
- (c) Reducing tariffs
- (d) All of the above

The Economic Reforms of 1991

41. In 1991, the foreign exchange reserves touched the lowest point with a reserve which was barely sufficient for two weeks of imports. What was the status of reserves at that time?

- (a) \$5.2 billion (b) \$4.2 billion
(c) \$3.2 billion (d) \$1.2 billion

42. The economic condition of India in the year 1991 was very miserable. Which of the following is NOT the reason behind the major economic reforms in the economy?

- (a) Poor performance of public sector (b) Deficit in Balance of Payment
(c) Rise in foreign exchange reserves (d) Huge burden of taxes

43. To manage the economic crises of 1991, Indian Government approached World Bank and IMF. What is the amount of loan received by India? (a) \$10 billion (b) \$7 billion

(c) \$5 billion (d) None of these

44. Which of the following was the objective of the LPG reforms, taken in 1991?

(a) Reorientation of the economy from a centrally directed and highly controlled one to a 'market friendly' or market-oriented economy

(b) Macroeconomic stabilization by substantial reduction in fiscal deficit

(c) Both (a) and (b) (d) None of these

45. In the context of the new economic policy of 1997, the term 'dis- investment' stands for

(a) A policy whereby government in- vestments are reduced to correct fiscal deficit

(b) The policy of sale of portion of the government shareholding of a public sector enterprise

(c) The policy of public partnership in private enterprise

(d) A policy of opening up government monopoly to the private sector

46. Which of the following is a part of fiscal reforms of 1991?

(a) Introduction of a stable and transparent tax structure

(b) Ensuring better tax compliance

(c) Reduction in subsidies and abolition of unnecessary subsidies

(d) All of the above

47. Which one of the following is NOT correct about fiscal reforms of 1991? (a) Thrust on curbing government expenditure

(b) Substantial increase in subsidies and addition in many subsidies

(c) Disinvestment of part of government's equity holdings in select public sector undertakings

(d) Encouraging private sector participation

48. What was the focus of monetary and fiscal sector reforms (1991)?

- (a) Reducing the burden of non-performing assets on government banks
- (b) Introducing and sustaining competition
- (c) Deregulating interest rates
- (d) All of the above

49. In line with the recommendations of the Narasimham Committee Report, 1991, what was done as regards Statutory Liquidity Ratio (SLR) and Cash Reserve Ratio (CRR)?

- (a) Increase in both SLR and CRR
- (b) Decrease in both SLR and CRR
- (c) Increase in SLR and Decrease in CRR
- (d) Decrease in SLR and Increase in CRR

50. In which year the Securities and Exchange Board of India (SEBI) was given statutory recognition in 1992.

(a) 1988 (b) 1991 (c) 1992 (d) 1993

51. The new economic policy of 1991 manifest in (a) State led industrialization and import substitution (b) Rethinking the role of markets versus the state (c) Emphasized the role of good governance (d) Bringing about reduction in poverty and redistributive justice

52. Which of the following is not a policy reform included in the new economic policy of 1991? (a) Removing licensing requirements for all industries . (b) Foreign investment was liberalized (c) Liberalisation of international trade (d) The disinvestment of government holdings of equity share capital of public sector enterprises

53. In "New Industrial Policy" of 1991, the public sector was limited to _____ sectors based on security and strategic grounds.

a) Ten (b) Eight (c) Six (d) Five

54. The New Economic Policy put an end to the 'License Raj' by removing licensing restrictions for all industries except for 18 that 'related to:

(a) Security and strategic concerns (b) Social reasons (c) Problems related to safety and overriding environmental issues (d) All of the above

55. The trade policy reforms aimed at

(a) Dismantling of quantitative restrictions on imports and exports

(b) Focusing on a more outward oriented regime with phased reduction and simplification of tariffs

(c) Removal of licensing procedures for imports

(d) All of the above

56. In July, 1991 the Indian government devalued the rupee by between

- (a) 14 to 15 per cent
- (b) 15 to 16 per cent
- (c) 16 to 17 per cent
- (d) 18 to 19 per cent

Niti Aayog: A Bold Step for Transforming India

57. When was NITI AAYOG established?

- (a) 1st January 2013
- (b) 15th August 2013
- (c) 1st January 2015
- (d) 15th August 2015

58. The Parent agency of NITI AAYOG is

- (a) Ministry of Planning
- (b) Ministry of Industries
- (c) Ministry of Corporate Affairs
- (d) Prime Minister's Office

59. Who is the current Chief Executive officer of the NITI AAYOG?

(a) V.K. Saraswat (b) B.V.R. Subrahmanyam
(c) Vinod Paul (d) Rajiv Kumar

60. The current vice-chairperson of NITI AAYOG is (a) V.K. Saraswat (b) Amitabh Kant

(c) Vinod Paul (d) Suman Bery

61. Who amongst the following is not ex-officio member of NITI AAYOG?

(a) Amit Shah (b) Rajnath Singh (c) Nirmala Sitharaman (d) Narendra Modi

62. Who leads the NITI AAYOG as its Chairperson?

(a) President (b) Prime Minister

(c) Home Minister (d) Finance Minister

63. Think tank of the Government of India, that replaced the planning Commission, is

(a) Mission Commission (b) NITI AAYOG

(c) NITI Commission (d) None of these

64. Which of the following is the function of NITI AAYOG?

(a) Instrument to bring outside ideas into Policy-making

(b) Fostering Cooperative federalism

(c) Platform for resolution of Inter Sectoral and inter-department issues (d) All of the above

65. What is the name given to NITI AAYOG'S ambitious project to develop a nation-wide block chain network?

(a) Indo chain (b) India chain (c) Bharat chain (d) Atal chain

66. The programme "SATH" of NITI AAYOG focuses on which of the following Sector?

(a) Education and Health (b) Health and Power (c) Power and safety (d) Safety and Environment

67. The programme "SATH" focuses on Sectors "Education and Health" & to build three Role Model States. Which of the following is not selected for the programme?

- (a) Jharkhand
- (b) Madhya Pradesh
- (c) Uttar Pradesh
- (d) Odisha

68. What is the full form of "SATH"?

- (a) Sustainable Action for Trans- forming Human Capital
- (b) Suitable Action Training High- tech
- (c) Separate Augmented Theory (d) None of

69. The SATH Programme is implemented along with which of the following Knowledge Partner?

- (a) Boston Consulting Group

(b) Piramal foundation for Education Leadership

(c) Reliance Foundation

(d) Both (a) & (b)

70. What is the role of NITI Aayog in "SATH"?

- (a) Facilitator & Financer
- b) Facilitator & Coordinator
- (c) Facilitator & Knowledge Partner
- (d) Facilitator & Technical Partner

71. Which of the following is/are comes under the gamut of activities of NITI Aayog?

- (a) Design Policy & Programme Frame-work
- (b) Foster Cooperative Federalism
- (c) Monitoring & Evaluation
- (d) All of the above

72. One of the objectives of NITI AAYOG is to evolve a shared vision of national development priorities, sectors and strategies with the active involvement of States. What is the full form of NITI?

- (a) National Institution for Trans- forming India
- (b) New Institute for Training India (c) Notional Integration and Technical Integrity
- (d) NITI stands for planning

73. Which of the following is not covered under NITI Aayog's entire gamut of activities?

- (a) Design Policy & Programme framework
- (b) Foster Cooperative Federalism, Monitoring & Evaluation
- (c) Think Tank and knowledge and Innovation Hub
- (d) Co-ordination among domestic and International transactions

The Current State of The Indian Economy: A Brief Overview

74. India has the world's ___area planted under wheat, rice and cotton.

- (a) Smallest (b) Largest (c) Negligible
(d) Significantly low

75. India is the world's ___ producer of fruits, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton and sugar.

- (a) Largest (b) Second-largest (c) Third Largest
(d) Fifth

76. Indian food and grocery market is the world's ----- largest, with retail contributing 70% of the sales.

- (a) Third (b) Fourth (c) Sixth (d) None of these

77. India has the world's ___ cattle herd (buffaloes).

- (a) Largest (b) Second-largest (c) Third Largest
(d) Fifth

78. According to the latest estimates, ___ of India's population is directly dependent on agriculture for living.

(a) 30% (b) 40% (c) 47% (d) -72%

79. As per the economic survey, 2022-23, agriculture remained robust, recording a growth of 3.5 per cent in 2022-23, driven by buoyant rabi sowing and allied activities. Which of the following measures have been taken by the Government which has contributed to this robust performance of the agriculture and allied sectors?

(a) Improve market infrastructure through the impetus provided for the setting up of farmer-producer organisations

(b) Ensure certainty of returns to the farmers through price support (The Minimum Support Price (MSP) of all 23 mandated crops is fixed at 1.5 times of all India weighted average cost of production)

(c) Promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund (d) All of the above

80. India is among the top___exporters of agricultural products in the world.

(a) Three (b) Five (c) Ten (d) Eleven

81. APEEDA is entrusted with the responsibility of export promotion of Agri products. What is the full form of APEEDA?

(a) Agricultural and Processed Food Export Development Authority

(b) Agricultural and Processed Fund Enriching Development Authority

(c) Agri and Products Facilitator Export Development Authority

(d) Agri and Products Food Export Development Authority

82. As part of liberalization measures, the Government of India has allowed ____ FDI in marketing of food products and in food product E-commerce under the automatic route.

- (a) 30% (b) 40% (c) 50% (d) 100%

83. What is the name of the novel insurance scheme for financial support to farmers suffering crop loss/ damage?

- (a) Pradhan Mantri Fasal Bima Yojana (PMFBY)
(b) Pradhan Mantri Farmers Bima Yojana (PMFBY)
(c) Pradhan Mantri Financial Bima Yojana (PMFBY) (d) None of these

84. What is the name of the scheme for the holistic growth of the horticulture sector?

- (a) Ministry for Integrated Development of Horticulture (MIDH)

(b) Mission for Integrated Development of Horticulture (MIDH)

(c) Mission for Informal Development of Horticulture (MIDH)

(d) Mission for Intensified Development of Horticulture (MIDH)

85. Paramparagat Krishi Vikas Yojana (PKVY) is the scheme for supporting and promoting

(a) Organic farming

(b) Improvement of soil health

(c) Traditional farming methods of agriculture

(d) Both (a) and (b)

86. PDMC scheme to increase water use efficiency at the farm level. What is the full form of PDMC?

(a) Per Drop More Crop

(b) Perfect Drop More Crop

(c) Perfect Development Mission Crop

(d) None of these

87. E-NAM is

(a) An electronic name card given to citizens of India

(b) National Agriculture Market with the objective of creating a unified national market for agricultural commodities.

(c) A pan-India electronic trading portal which networks the exist- ing APMC mandis

(d) Both (b) and (c) above

88. India's rank in the Global Innovation Index (GII) improved to 40th in 2022 from in 2015.

(a) 71st (b) 81st (c) 91st (d) 99th

89. The Department for Promo- tion of Industry and Internal Trade (DPIIT) has a role in the ____ of Industrial policy and strategies for industrial

development in conformity with the development needs and national objectives.

(a) Formulation

(b) Implementation

(c) Formulation and implementation (d) Critical evaluation

90. The introduction of which of the following on 1 July 2017 as a single domestic indirect tax law for the entire country has replaced many indirect taxes in India such as the excise duty, VAT, services tax, etc.

(a) CBIC (b) CBDT (c) Customs Duty

(d) GST

91. In terms of Ease of Doing Business in 2020 India ranks

(a) 63 (b) 77 (c) 45 (d) None of the above

92. ___ is to facilitate data-based decisions related to integrated planning of multimodal infrastructure, thereby reducing logistics cost.

- (a) PM Gati Shakti National Master Plan
- (b) Mission Gati Shakti National Master Plan
- (c) PM Multi-modal National Master Plan
- (d) PM Integrated Plan for Multi- Modal

93. FAME-India Scheme aims to:

- (a) Enhance faster industrialization through private participation
- (b) To promote manufacturing of electric and hybrid vehicle technology
- (c) To spread India's fame among its trading partners
- (d) None of the above

94. ___ aims at the empowerment of Micro Small and Medium Enterprises (MSMEs).

(a) Naya Bharat (b) Viksit Bharat

(c) Udyog Bharat (d) Udyami Bharat

95. The Foreign Investment Promotion Board (FIPB)

(a) A government entity through which inward investment proposals were routed to obtain required government approvals

(b) No more exists as the same is replaced by a new regime namely Foreign Investment Facilitation Portal

(c) No more exists as all inward investments are through automatic route and need no approval

(d) Is the body which connects different ministries in respect of foreign portfolio investments

96. Merchandise Exports from India Scheme was replaced by

(a) Remission of Duties and Taxes on Export Products (RODTEP) in 2021

(b) National Logistics Policy (NLP) in 2020

(c) Remission of Duties and Taxes on Export Products (RODTEP) in 2019

(d) None of the above

97. Which of the following is/are the challenges to the industrial sector?

(a) Shortage of efficient infrastructure and manpower and consequent reduced factor productivity

(b) Reliance on imports, exchange rate volatility and associated time and cost overruns

(c) Heavy losses, inefficiencies, lower productivity and unsustainable returns plaguing public sector industries

(d) All of the above

98. India is among the ___ World Trade Organization (WTO) members in service exports and imports.

(a) Top 3 (b) Top 5 (c) Top 8 (d) Top 10

99. To ensure the liberalisation of investment in various industries, the government has permitted foreign participation in telecommunication services through the Automatic Route including all services and infrastructure providers.

(a) 30% (b) 40% (c) 50% (d) 100%

100. Imports of foreign goods and entry of foreign investments were restricted in India because

(a) The government wanted people to follow the policy of 'Be Indian; Buy Indian'

(b) Because foreign goods were costly and meant loss of precious foreign exchange

(c) Government policy was directed towards protection of domestic industries from foreign competition

(d) Government wanted to preserve Indian culture and to avoid influence of foreign culture