

Marks of Objective, Short Notes, Distinguish Between, Descriptive &amp; Practical Questions

## Legend



Objective



Short Notes



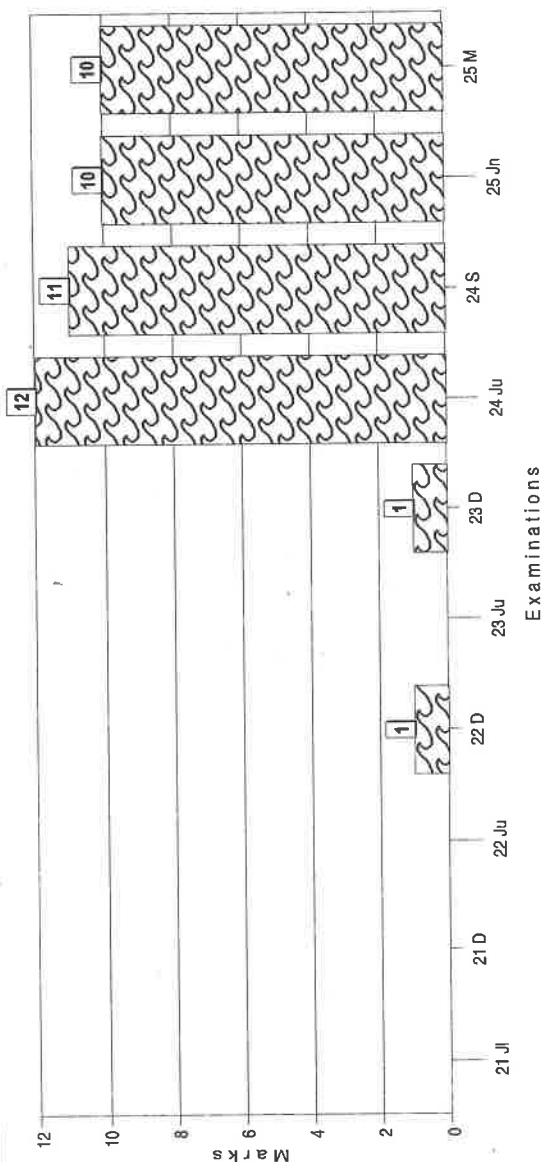
Distinguish



Descriptive



Practical



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## CHAPTER

## 10

## Indian Economy

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

Attempt	Q. No.	Attempt	Q. No.	Attempt	Q. No.
2025-Jan	7	2025-May	2		

## 2. Indian Economy: Post Independence (1947-1991)

Attempt	Q. No.	Attempt	Q. No.	Attempt	Q. No.
2024-Jun	2	2024-Jun	7	2024-Jun	11
2024-Jun	12	2024-Sep	5		

## 3. The Era of Reforms

Attempt	Q. No.	Attempt	Q. No.	Attempt	Q. No.
2022-Dec	1	2025-Jan	3	2025-May	5

## 4. The Economic Reforms of 1991

Attempt	Q. No.	Attempt	Q. No.	Attempt	Q. No.
2023-Dec	13	2024-Jun	8	2024-Sep	6
2025-Jan	4	2025-Jan	8	2025-Jan	9
2025-May	1	2025-May	3		

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**5. NITI Aayog: A Bold Step for Transforming India**

Attempt	Q. No.	Attempt	Q. No.	Attempt	Q. No.
2024-Jun	1	2024-Jun	3	2024-Jun	5
2024-Jun	6	2024-Jun	9	2024-Jun	10
2024-Sep	1	2024-Sep	2	2024-Sep	7
2024-Sep	10	2025-Jan	1	2025-Jan	2
2025-Jan	5	2025-May	4		

**6. The current state of the Indian Economy: A brief overview**

Attempt	Q. No.	Attempt	Q. No.	Attempt	Q. No.
2024-Jun	4	2024-Sep	3	2024-Sep	4
2024-Sep	8	2024-Sep	9	2025-Jan	6
2025-Jan	10	2025-May	6	2025-May	7
2025-May	8	2025-May	9	2025-May	10

**MODEL QUESTIONS****1.1 Status of Indian Economy: Pre Independence Period (1850 -1947)**

- During the pre-independence period, the Indian economy was primarily characterized by:
  - Rapid industrialization and urbanization
  - Agricultural dominance and dependence on traditional industries
  - High levels of foreign direct investment and technological advancements
  - Modern banking systems and well-developed financial markets
- The colonial policies of the British Raj during this period led to:
  - Promotion of Indian industries and protectionism
  - Liberalization of trade and unrestricted foreign investments
  - The decline of traditional Indian industries and exploitation of resources
  - Equal economic opportunities for Indians and British citizens
- What was the impact of the Great Depression of the 1930s on the Indian economy?
  - The Indian economy remained largely unaffected by the global economic crisis
  - India's agriculture sector thrived during the Great Depression
  - The Great Depression caused significant economic hardships and unemployment in India
  - India became a major exporter of manufactured goods during the Depression
- The growth of the Indian National Movement during this period was partly fueled by:
  - Widespread support for British colonial policies
  - A decline in the desire for independence among Indians
  - Economic grievances and discontent with British economic exploitation
  - The British government's focus on modernizing the Indian economy
- What was the role of Indian agriculture during the pre-independence period?
  - Indian agriculture was highly mechanized and technologically advanced
  - Agriculture played a minor role in the economy with the focus on industrialization
  - Indian agriculture was the backbone of the economy, employing the majority of the population
  - Agriculture was primarily focused on cash crops for export to British markets
- During the pre-independence period (1850-1947), the Indian economy was primarily characterized by:
  - High industrialization and urbanization
  - Self-sufficiency and a robust agricultural sector

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- (c) Extensive foreign direct investment (FDI) from European countries  
(d) An export-oriented economy with a strong manufacturing base
7. The dominant sector in the Indian economy during the pre-independence period was:  
(a) Manufacturing and heavy industries  
(b) Services and financial sector  
(c) Agriculture and allied activities  
(d) Information Technology (IT) and software development
8. The economic policies of the British colonial rule in India during the pre-independence period were focused on:  
(a) Promoting domestic industries and protecting them from foreign competition  
(b) Encouraging agricultural modernization and land reforms  
(c) Exporting raw materials to Britain and importing manufactured goods  
(d) Attracting foreign investment and multinational corporations
9. The Indian economy during the pre-independence period faced challenges such as:  
(a) High inflation and rising fiscal deficits  
(b) Rapid industrialization and urbanization  
(c) Limited access to modern technology and infrastructure  
(d) Abundant foreign investments leading to economic dependency
10. The economic policies of the British colonial rule in India had a significant impact on the country's:  
(a) High industrialization and technological advancement  
(b) Import substitution and promotion of domestic industries  
(c) Development of a skilled labor force and educational system  
(d) Deindustrialization and decline of traditional handicrafts
- 1.2 Indian Economy: Post-Independence (1947-1991)**
1. What was the economic policy adopted by India after independence in 1947, which emphasized self-sufficiency and import substitution?  
(a) Export-oriented industrialization  
(b) Privatization and liberalization  
(c) Import substitution and planned economy  
(d) Foreign direct investment and globalization
2. Which of the following was a significant feature of the Indian economy during the post-independence period?  
(a) Rapid industrialization and urbanization  
(b) Extensive foreign direct investment and multinational corporations  
(c) Dominance of the services sector and information technology  
(d) Mixed economy with a public sector-led approach
3. What was the purpose of the Five-Year Plans introduced by India during the post-independence period?  
(a) To promote foreign trade and attract foreign investments  
(b) To encourage private sector dominance in the economy  
(c) To achieve rapid industrialization and economic growth through planned development  
(d) To reduce government intervention and promote free market policies
4. Which major economic event took place in India in 1991, leading to significant economic reforms?  
(a) Nationalization of banks and financial institutions  
(b) Adoption of import substitution policies  
(c) Liberalization and opening up of the Indian economy  
(d) Introduction of the Green Revolution in agriculture
5. What were the primary objectives of the economic reforms in India in 1991?  
(a) To strengthen the public sector and promote socialism  
(b) To attract foreign direct investment and multinational corporations  
(c) To achieve rapid economic growth and integration with the global economy  
(d) To prioritize the agricultural sector and promote rural development
6. After gaining independence in 1947, India adopted a development model that emphasized:  
(a) A free-market economy and minimal government intervention  
(b) Import substitution and self-reliance through industrialization  
(c) Attracting foreign direct investment (FDI) to boost economic growth  
(d) Rapid expansion of the agricultural sector and rural development

7. During the post-independence period, the Indian government implemented a series of economic plans known as:
    - (a) The Open Door Policy
    - (b) The Import-Export Strategy
    - (c) The Five-Year Plans
    - (d) The Globalization Initiative
  8. The Green Revolution in India, initiated in the 1960s, aimed to:
    - (a) Promote industrialization and urbanization in rural areas
    - (b) Achieve self-sufficiency in food production through agricultural modernization
    - (c) Encourage foreign direct investment (FDI) in the agricultural sector
    - (d) Develop a strong services sector and modernize the financial system
  9. During the post-independence period, the Indian economy faced challenges such as:
    - (a) High inflation and fiscal deficits
    - (b) Limited access to international trade and foreign markets
    - (c) Over-reliance on foreign direct investment (FDI) for economic growth
    - (d) A strong and stable currency leading to export competitiveness
  10. In 1991, India initiated significant economic reforms known as "Liberalization, Privatization, and Globalization" (LPG). The key objectives of these reforms were to:
    - (a) Promote self-sufficiency and import substitution in all sectors
    - (b) Expand the public sector and nationalize industries for economic growth
    - (c) Attract foreign direct investment (FDI) and open up the economy to global markets
    - (d) Implement protectionist trade policies to shield domestic industries from foreign competition
- 1.3 The Era of Reforms**
1. When did India initiate its major economic reforms and liberalization measures?
 

(a) 1951	(b) 1971
(c) 1981	(d) 1991
  2. What was the primary objective of the economic reforms introduced in 1991?
    - (a) To promote import substitution
    - (b) To achieve self-sufficiency in food production
    - (c) To accelerate economic growth and improve efficiency
    - (d) To increase government control over the economy.
  3. Which sector witnessed significant deregulation and liberalization during the era of economic reforms in India?
    - (a) Agriculture and rural development
    - (b) Heavy industries and infrastructure
    - (c) Information Technology (IT) and Business Process Outsourcing (BPO)
    - (d) Services and financial sector
  4. What was the major change in India's trade policy during the era of economic reforms?
    - (a) Shift towards import substitution
    - (b) Strict control on imports to protect domestic industries
    - (c) Opening up the economy to global trade and reducing import tariffs
    - (d) Imposition of export restrictions to conserve resources
  5. Which economic concept became central to India's economic strategy during the era of reforms?
    - (a) Import substitution
    - (b) Planned development
    - (c) Self-sufficiency
    - (d) Liberalization and globalization
  6. The era of economic reforms in India began in which year?
    - (a) 1947
    - (b) 1975
    - (c) 1985
    - (d) 1991
  7. The economic reforms in India in 1991 were initiated to address the challenges of:
    - (a) High inflation and fiscal deficits
    - (b) Economic stagnation and low growth rates
    - (c) Over-reliance on agricultural sector and rural development
    - (d) Trade deficits and balance of payments crisis

8. The 1991 economic reforms in India, known as "Liberalization, Privatization, and Globalization" (LPG), aimed to:
    - (a) Promote self-sufficiency and import substitution in all sectors
    - (b) Expand the public sector and nationalize industries for economic growth
    - (c) Attract foreign direct investment (FDI) and open up the economy to global markets
    - (d) Implement protectionist trade policies to shield domestic industries from foreign competition
  9. The key architect of India's economic reforms in 1991 was:
    - (a) Jawaharlal Nehru
    - (b) Indira Gandhi
    - (c) Rajiv Gandhi
    - (d) Dr. Manmohan Singh
  10. The economic reforms in India since 1991 have resulted in significant changes in various sectors of the economy, such as:
    - (a) Increased government control over industries and public sector enterprises
    - (b) Reduced focus on foreign direct investment (FDI) and international trade
    - (c) Deregulation and opening up of industries to private and foreign participation
    - (d) Concentration on agricultural subsidies and rural development programs
- 1.4 The Economic Reforms of 1991**
1. The economic reforms of 1991 in India were primarily aimed at:
    - (a) Encouraging import substitution and self-reliance
    - (b) Promoting socialism and central planning
    - (c) Accelerating economic growth and improving efficiency
    - (d) Reducing foreign direct investment and multinational corporations
  2. The New Economic Policy of 1991 included measures related to:
    - (a) Increase in import tariffs and trade restrictions
    - (b) Nationalization of major industries and banks
    - (c) Fiscal deficit reduction and financial sector reforms
    - (d) Expansion of public sector enterprises
  3. Which international financial institution played a significant role in providing financial assistance and support during India's economic crisis in 1991?
    - (a) World Trade Organization (WTO)
    - (b) International Monetary Fund (IMF)
    - (c) World Bank
    - (d) Asian Development Bank (ADB)
  4. The industrial policy reforms of 1991 aimed to:
    - (a) Encourage import substitution and protect domestic industries
    - (b) Nationalize major industries and establish public sector monopolies
    - (c) Promote foreign direct investment and multinational corporations
    - (d) Liberalize and deregulate the industrial sector
  5. What was the major impact of the economic reforms of 1991 on India's economic growth and development?
    - (a) Slower economic growth and increased unemployment
    - (b) Higher fiscal deficit and inflation rates
    - (c) Accelerated economic growth and improved global competitiveness
    - (d) Increased trade barriers and reduced international trade
  6. The economic reforms of 1991 in India were introduced by the government to address the crisis related to:
    - (a) High inflation and fiscal deficits
    - (b) Trade deficits and balance of payments crisis
    - (c) Over-reliance on the agricultural sector
    - (d) Government control over industries
  7. Which Prime Minister of India played a crucial role in initiating the economic reforms of 1991?
    - (a) Jawaharlal Nehru
    - (b) Indira Gandhi
    - (c) Rajiv Gandhi
    - (d) P. V. Narasimha Rao
  8. The economic reforms of 1991 aimed to liberalize and open up the Indian economy by reducing:
    - (a) Foreign direct investment (FDI) inflows
    - (b) Imports of goods and services
    - (c) Export opportunities for domestic firms
    - (d) Government control and regulations in various sectors

9. One of the key components of the economic reforms of 1991 was the dismantling of the:
  - (a) Reserve Bank of India (RBI)
  - (b) Planning Commission of India
  - (c) Ministry of Finance
  - (d) Ministry of External Affairs
10. The "License Raj" in India, which required businesses to obtain various permits and licenses, was significantly relaxed as part of the economic reforms to encourage:
  - (a) Foreign direct investment (FDI) inflows
  - (b) Import substitution and self-reliance
  - (c) Entrepreneurship and private sector participation
  - (d) Agricultural modernization and rural development

#### 1.4.1 The Fiscal Reforms

1. The fiscal reforms of 1991 aimed to address which of the following issues?
  - (a) Reduce inflation and control fiscal deficit
  - (b) Increase government spending and subsidies
  - (c) Nationalize key industries and banks
  - (d) Implement protectionist trade policies
2. What measures were taken to control the fiscal deficit during the 1991 reforms?
  - (a) Increase public expenditure and welfare schemes
  - (b) Lower tax rates and increase tax exemptions
  - (c) Reduce government spending and subsidies
  - (d) Implement import tariffs and export duties
3. The 1991 fiscal reforms introduced the concept of "LPG," which stands for:
  - (a) Liberalization, Privatization, and Globalization
  - (b) Limited Profits and Gains
  - (c) Low Price Guarantee
  - (d) Local Production and Growth
4. How did the fiscal reforms impact the taxation system in India during the 1990s?
  - (a) Taxes were increased on all income levels
  - (b) Tax rates were lowered to stimulate consumption
  - (c) Tax administration was simplified and streamlined
  - (d) Corporate taxes were abolished for multinational companies
5. What was the primary goal of the fiscal reforms in 1991 regarding government finances?
  - (a) Accumulate foreign reserves to repay foreign debt
  - (b) Enhance social welfare programs and subsidies
  - (c) Achieve a surplus budget and reduce public debt
  - (d) Increase public spending to boost economic growth
6. The fiscal reforms of 1991 in India aimed to address the issue of:
  - (a) High inflation and fiscal deficits
  - (b) Trade deficits and balance of payments crisis
  - (c) Over-reliance on the agricultural sector
  - (d) Government control over industries
7. One of the key measures introduced as part of fiscal reforms was the reduction of subsidies on:
  - (a) Food and agricultural inputs
  - (b) Education and healthcare services
  - (c) Export-oriented industries
  - (d) Foreign direct investment (FDI)
8. The introduction of Value Added Tax (VAT) in India was a significant fiscal reform aimed at:
  - (a) Encouraging foreign direct investment (FDI)
  - (b) Simplifying the tax structure and promoting ease of doing business
  - (c) Expanding government control over industries
  - (d) Providing tax exemptions to certain sectors
9. The fiscal reforms of 1991 also emphasized fiscal discipline, which involved measures to:
  - (a) Increase government spending and stimulate economic growth
  - (b) Reduce government borrowing and control public debt
  - (c) Implement higher tax rates on the corporate sector
  - (d) Nationalize industries and strategic sectors

10. The reduction in the fiscal deficit as part of the fiscal reforms aimed to restore:
- Export competitiveness and trade surplus
  - Public sector dominance in the economy
  - Confidence in the Indian economy and attract foreign investment
  - The focus on the agricultural sector and rural development

### 1.4.2 Monetary and Financial Sector Reforms

- The primary objective of monetary and financial sector reforms in 1991 was to:
  - Increase government control over the banking sector
  - Promote excessive borrowing and lending by banks
  - Improve the efficiency and stability of the financial system
  - Nationalize private banks and financial institutions
- Which regulatory authority was established as a result of the financial sector reforms in 1935?
  - Securities and Exchange Board of India (SEBI)
  - Reserve Bank of India (RBI)
  - National Stock Exchange (NSE)
  - Insurance Regulatory and Development Authority of India (IRDAI)
- What major step was taken to liberalize the Indian banking sector during the financial reforms of 1991?
  - Nationalization of private banks
  - Restricting foreign direct investment in the banking sector
  - Allowing private sector banks to enter the industry
  - Imposing strict capital controls on banks
- The reduction in the statutory liquidity ratio (SLR) and the cash reserve ratio (CRR) aimed to:
  - Discourage bank lending and control inflation
  - Promote excessive lending by banks to boost economic growth
  - Enhance the liquidity position of banks and promote lending
  - Increase government control over the banking sector
- Which financial institution was established in 1991 to regulate and develop the Indian securities market?
  - Reserve Bank of India (RBI)
  - Securities and Exchange Board of India (SEBI)
  - National Stock Exchange (NSE)
  - Bombay Stock Exchange (BSE)
- The monetary and financial sector reforms of 1991 aimed to:
  - Control inflation by increasing government spending
  - Liberalize and modernize the financial system
  - Restrict foreign direct investment (FDI) in the banking sector
  - Promote agricultural credit and rural development
- The "Narasimham Committee" was appointed to recommend reforms in the:
  - Agricultural sector and rural credit system
  - Export and import policies
  - Industrial licensing and regulation
  - Banking and financial sector
- The introduction of the "Liquidity Adjustment Facility" (LAF) was a significant monetary reform that aimed to:
  - Control inflation by reducing the money supply
  - Provide liquidity support to banks through repo and reverse repo operations
  - Promote foreign direct investment (FDI) in the banking sector
  - Restrict credit flow to the agricultural sector
- As part of the financial sector reforms, the government encouraged the establishment of new private sector banks to:
  - Enhance competition and efficiency in the banking industry
  - Nationalize and control the banking sector
  - Reduce foreign direct investment (FDI) in the banking sector
  - Promote public sector dominance in the financial system
- The reduction in reserve requirements for banks and the introduction of prudential norms were measures to:
  - Stimulate economic growth and increase credit availability
  - Control inflation and reduce government borrowing
  - Restrict foreign direct investment (FDI) in the banking sector
  - Encourage banks to prioritize lending to large corporations

### 1.4.3 Reforms in Capital Markets

1. The establishment of the Securities and Exchange Board of India (SEBI) in 1992 aimed to:
  - (a) Promote the trading of physical commodities in the market
  - (b) Regulate and develop the Indian securities market
  - (c) Encourage foreign direct investment (FDI) in the capital markets
  - (d) Promote the privatization of state-owned enterprises
2. The reforms in capital markets during 1991 allowed for:
  - (a) Increased government control over stock exchanges
  - (b) Foreign investment only in government securities
  - (c) Free pricing of shares by companies during IPOs
  - (d) Imposition of capital controls to restrict foreign investments
3. The introduction of the Depository System in India aimed to:
  - (a) Encourage physical share certificates for ease of trading
  - (b) Increase the paperwork and documentation for investors
  - (c) Facilitate electronic holding and transfer of securities
  - (d) Restrict foreign investors from participating in the market
4. The capital market reforms of the 1990s aimed to:
  - (a) Encourage foreign direct investment (FDI) in the stock market
  - (b) Liberalize and modernize the Indian stock exchanges
  - (c) Restrict access to the stock market for domestic investors
  - (d) Nationalize and control the capital market
5. The establishment of the Securities and Exchange Board of India (SEBI) was a crucial step in the capital market reforms to:
  - (a) Facilitate foreign direct investment (FDI) in the capital market
  - (b) Regulate and develop the Indian securities market
  - (c) Control government borrowing from the stock market
  - (d) Restrict foreign institutional investment in Indian companies
6. The introduction of the Depository System aimed to:
  - (a) Discourage foreign direct investment (FDI) in Indian companies
  - (b) Increase transparency and efficiency in share transactions
  - (c) Encourage public sector dominance in the capital market
  - (d) Restrict foreign institutional investment in Indian companies

7. The reforms in the primary market were focused on:
  - (a) Increasing government control over Initial Public Offerings (IPOs)
  - (b) Facilitating foreign direct investment (FDI) in IPOs
  - (c) Simplifying the process of issuing shares and raising capital
  - (d) Restricting access to IPOs for retail investors
8. The introduction of the Foreign Institutional Investor (FII) route aimed to:
  - (a) Promote foreign direct investment (FDI) in the capital market
  - (b) Control the flow of foreign capital in the stock market
  - (c) Restrict foreign participation in Indian companies
  - (d) Encourage foreign investment in the real estate sector

### 1.4.4 The 'New Industrial Policy'

1. The 'New Industrial Policy' of 1991 aimed to:
  - (a) Promote the growth of small-scale industries only
  - (b) Encourage the entry of foreign companies in all sectors
  - (c) Deregulate the industrial sector and reduce government control
  - (d) Nationalize all private industries for better management
2. Which sector was reserved exclusively for the public sector in the 'New Industrial Policy' of 1991?
 

(a) Telecommunication	(b) Information Technology (IT)
(c) Defense production	(d) Retail and consumer goods
3. The 'New Industrial Policy' introduced the concept of 'Automatic Approval' for foreign direct investment (FDI) up to what percentage in most sectors?
 

(a) 25%	(b) 40%
(c) 51%	(d) 100%
4. What was the major shift in the licensing policy under the 'New Industrial Policy'?
  - (a) Licensing was made mandatory for all industries
  - (b) Licensing was abolished for all industries
  - (c) Licensing was introduced only for large-scale industries
  - (d) Licensing was restricted to the service sector



5. The 'New Industrial Policy' aimed to promote which type of industries in India?
  - (a) Heavy industries only
  - (b) Traditional and labor-intensive industries
  - (c) Export-oriented and high-tech industries
  - (d) Industries exclusively for domestic consumption
6. The 'New Industrial Policy' of 1991 aimed to:
  - (a) Promote import substitution and self-reliance in industries
  - (b) Control foreign direct investment (FDI) in the manufacturing sector
  - (c) Liberalize and deregulate the industrial sector for economic growth
  - (d) Nationalize and centralize the control of industries
7. One of the key features of the 'New Industrial Policy' was the abolition of the Industrial Licensing System, except for:
  - (a) Industries engaged in the production of hazardous substances
  - (b) Export-oriented industries
  - (c) Small-scale industries
  - (d) Government-owned enterprises
8. The 'New Industrial Policy' aimed to attract foreign direct investment (FDI) by:
  - (a) Restricting access to certain sectors for foreign investors
  - (b) Providing tax incentives only to domestic companies
  - (c) Simplifying procedures and allowing automatic approval for most industries
  - (d) Discouraging foreign investment to protect domestic industries
9. The 'New Industrial Policy' encouraged the growth of the small-scale sector by:
  - (a) Providing them with preferential treatment over large-scale industries
  - (b) Implementing higher tariffs on imports to protect small-scale enterprises
  - (c) Exempting them from taxes and regulations
  - (d) Giving them access to easy credit and technology upgradation
10. One of the main objectives of the 'New Industrial Policy' was to create a competitive environment that would lead to:
  - (a) Monopoly control of industries by a few large corporations
  - (b) Government control and regulation of all industries
  - (c) Technological backwardness and import dependence
  - (d) Global competitiveness and efficiency in the industrial sector

### 1.4.5 Trade Policy Reforms

1. The trade policy reforms in India during the 1991 economic reforms aimed to:
  - (a) Promote import substitution and restrict foreign trade
  - (b) Increase tariffs on imported goods to protect domestic industries
  - (c) Liberalize and open up the economy to international trade
  - (d) Nationalize all foreign companies operating in India
2. Which organization is responsible for formulating and implementing India's foreign trade policy?
  - (a) Ministry of Finance
  - (b) Reserve Bank of India (RBI)
  - (c) Ministry of Commerce and Industry
  - (d) Securities and Exchange Board of India (SEBI)
3. The introduction of Export-Import (EXIM) Policy in India aimed to:
  - (a) Discourage exports and promote domestic consumption
  - (b) Streamline the import of luxury goods and technologies
  - (c) Facilitate and promote exports and imports for economic growth
  - (d) Imposition of high tariffs on both exports and imports
4. Which trade policy measure was taken to promote Special Economic Zones (SEZs) in India?
  - (a) Imposing higher tariffs on goods produced in SEZs
  - (b) Restricting the import of raw materials for SEZs
  - (c) Providing tax incentives and duty exemptions for SEZs
  - (d) Discouraging foreign investment in SEZs
5. What was the major objective of India's trade policy reforms during the 1990s?
  - (a) Increase reliance on domestic production and reduce imports
  - (b) Promote a closed and self-sufficient economic model
  - (c) Encourage export-oriented growth and attract foreign investments
  - (d) Isolate the Indian economy from the global market
6. The trade policy reforms of the 1990s aimed to:
  - (a) Encourage import substitution and self-reliance
  - (b) Restrict foreign direct investment (FDI) in trade activities
  - (c) Liberalize and open up the Indian economy to global markets
  - (d) Nationalize and centralize trade activities

7. One of the key measures introduced as part of the trade policy reforms was the reduction of:
  - (a) Export incentives and subsidies
  - (b) Tariffs and import restrictions
  - (c) Foreign direct investment (FDI) in trade sectors
  - (d) Access to international markets for Indian exporters
8. The trade policy reforms aimed to promote export-led growth by:
  - (a) Discouraging exports and focusing on domestic consumption
  - (b) Providing subsidies to import-dependent industries
  - (c) Encouraging foreign direct investment (FDI) in export-oriented industries
  - (d) Providing incentives and concessions to boost exports
9. The introduction of the Export-Import (EXIM) Policy aimed to:
  - (a) Restrict imports and promote self-reliance
  - (b) Control foreign direct investment (FDI) in the export sector
  - (c) Facilitate foreign trade and simplify import-export procedures
  - (d) Promote domestic industries through higher tariffs on imports
10. The trade policy reforms of the 1990s were driven by the objective of:
  - (a) Isolating the Indian economy from global markets
  - (b) Reducing foreign competition and protecting domestic industries
  - (c) Integrating India into the global economy and enhancing competitiveness
  - (d) Increasing government control and regulation of trade activities
3. During the post-reform period, if the GDP growth rate in a particular year was 7.2%, what was the approximate average growth rate of the previous three years if it was 6.5%, 6.8%, and 6.9% respectively?
  - (a) 6.2%
  - (b) 6.4%
  - (c) 6.7%
  - (d) 6.9%
4. In the post-reform period, if the GDP growth rate in a particular year was 8.5%, and the average growth rate of the previous two years was 7.9% and 8.2%, what was the GDP growth rate of the year before the two previous years?
  - (a) 7.5%
  - (b) 7.8%
  - (c) 8.0%
  - (d) 8.3%
5. What was the percentage increase in GDP growth rate from 1991 to 1992 if the growth rate in 1991 was 4.0% and in 1992 was 5.8%?
  - (a) 14%
  - (b) 20%
  - (c) 30%
  - (d) 45%
6. The economic reforms of 1991 in India led to a significant impact on the country's GDP growth rate. Which of the following statements about the post-1991 GDP growth rates is correct?
  - (a) The GDP growth rate declined sharply after the reforms were introduced.
  - (b) The GDP growth rate remained stagnant and showed no significant improvement.
  - (c) The GDP growth rate showed steady improvement and accelerated after the reforms.
  - (d) The GDP growth rate became highly volatile and unpredictable.

#### 1.4.6 GDP Growth Rates Post 1991 Reforms

1. What was the average GDP growth rate of India in the decade following the 1991 economic reforms?
  - (a) 3.5%
  - (b) 5.2%
  - (c) 6.8%
  - (d) 8.4%
2. In which year did India witness the highest GDP growth rate in the post-reform period?
  - (a) 1992
  - (b) 1996
  - (c) 2004
  - (d) 2010
7. The economic reforms of 1991 aimed to boost economic growth and enhance the overall performance of the Indian economy. What was the average GDP growth rate during the initial years (immediately after the reforms) post-1991?
  - (a) Below 3%
  - (b) Around 5%
  - (c) Approximately 7%
  - (d) Above 10%
8. India's GDP growth rate during the post-1991 period has often been compared with the growth rates of other emerging economies. What has been the general trend in India's GDP growth rate compared to other emerging economies?

- (a) India's GDP growth rate consistently outperformed other emerging economies.
  - (b) India's GDP growth rate remained at par with other emerging economies.
  - (c) India's GDP growth rate showed fluctuating performance compared to other emerging economies.
  - (d) India's GDP growth rate consistently lagged behind other emerging economies.
9. India's GDP growth rate during the post-1991 period has been driven by various factors, including increased industrialization, foreign direct investment (FDI), and export-oriented growth. Which sector played a crucial role in contributing to the growth during this period?
- (a) Agricultural sector
  - (b) Services sector
  - (c) Manufacturing sector
  - (d) Mining and natural resources sector
10. The period post the 1991 reforms is often referred to as a phase of economic liberalization and growth. What has been the general trend in India's GDP growth rate in recent years (up to the last available data)?
- (a) The GDP growth rate has been consistently declining.
  - (b) The GDP growth rate has been relatively stable with minor fluctuations.
  - (c) The GDP growth rate has been volatile, with significant ups and downs.
  - (d) The GDP growth rate has been consistently increasing.

### 1.5 NITI Aayog: A Bold Step for Transforming India

1. What does NITI Aayog stand for?
  - (a) National Institute of Technology and Innovation
  - (b) National Institution for Technology Implementation
  - (c) National Institution for Transforming India
  - (d) National Innovation and Technology Institute
2. When was NITI Aayog established?
 

(a) 2005	(b) 2010
(c) 2015	(d) 2018
3. Who is the chairperson of NITI Aayog?
 

(a) President of India	(b) Prime Minister of India
(c) Finance Minister of India	(d) Chief Minister of Delhi
4. What is the primary role of NITI Aayog?
  - (a) Implementing central government schemes at the state level
  - (b) Formulating and implementing five-year plans for economic development
  - (c) Advising the government on policy matters and providing strategic inputs
  - (d) Conducting research on technological advancements
5. How is NITI Aayog different from the Planning Commission?
  - (a) NITI Aayog focuses on centralized planning, whereas the Planning Commission focused on decentralized planning.
  - (b) NITI Aayog is a statutory body, whereas the Planning Commission was a constitutional body.
  - (c) NITI Aayog is more flexible and allows for cooperative federalism, whereas the Planning Commission followed a top-down approach.
  - (d) NITI Aayog has a fixed tenure, whereas the Planning Commission had a permanent structure.
6. NITI Aayog was established in India to replace which previous planning body?
  - (a) Planning Commission
  - (b) Reserve Bank of India (RBI)
  - (c) Ministry of Finance
  - (d) Securities and Exchange Board of India (SEBI)
7. NITI Aayog stands for:
  - (a) National Investment and Trade Initiative
  - (b) National Institution for Transforming India
  - (c) National Innovation and Technology Incubator
  - (d) National Integration and Tribal Inclusion
8. NITI Aayog was established in which year?
 

(a) 2005	(b) 2010
(c) 2015	(d) 2018
9. The primary objective of NITI Aayog is to:
  - (a) Regulate and control economic policies in India
  - (b) Implement the fiscal and monetary policies of the government

- (c) Formulate long-term development plans and policies for India
  - (d) Facilitate foreign direct investment (FDI) in various sectors
10. The Chairman of NITI Aayog is:
- (a) The Prime Minister of India
  - (b) The Finance Minister of India
  - (c) The Governor of Reserve Bank of India (RBI)
  - (d) An elected representative from the Parliament

### 1.6 The Current State of The Indian Economy: A Brief Overview

1. Which sector of the Indian economy was the worst affected during the COVID-19 pandemic?
  - (a) Agriculture
  - (b) Manufacturing
  - (c) Services
  - (d) Mining and construction
2. Inflation in India is primarily measured using which index?
  - (a) Consumer Price Index (CPI)
  - (b) Wholesale Price Index (WPI)
  - (c) Producer Price Index (PPI)
  - (d) Cost of Living Index (CLI)
3. India's foreign exchange reserves reached a record high in the current year (2021). What is the approximate value of India's foreign exchange reserves?
  - (a) \$100 billion
  - (b) \$250 billion
  - (c) \$500 billion
  - (d) \$750 billion
4. Which sector of the Indian economy experienced a significant contraction during the COVID-19 pandemic?
  - (a) Agriculture and allied activities
  - (b) Manufacturing and industries
  - (c) Services and hospitality
  - (d) Information Technology (IT) and software
5. Which factor contributed to the surge in India's exports in recent years?
  - (a) Increase in trade barriers and tariffs by other countries
  - (b) Depreciation of the Indian rupee against major currencies
  - (c) Decline in global demand for Indian goods and services
  - (d) Imposition of strict import quotas by the Indian government

### 1.7 The Primary Sector

1. Which of the following activities is NOT part of the primary sector in the Indian economy?
  - (a) Agriculture
  - (b) Mining and quarrying
  - (c) Manufacturing
  - (d) Fishing
2. What percentage of India's workforce is employed in the primary sector?
  - (a) Approximately 15%
  - (b) Approximately 30%
  - (c) Approximately 50%
  - (d) Approximately 70%
3. Which crop is the largest contributor to agricultural GDP in India?
  - (a) Wheat
  - (b) Rice
  - (c) Sugarcane
  - (d) Cotton
4. What is the main source of irrigation in Indian agriculture?
  - (a) Tube wells and canals
  - (b) Rainwater harvesting
  - (c) Dams and reservoirs
  - (d) Groundwater recharge
5. The Green Revolution in India primarily focused on increasing the productivity of which crop?
  - (a) Rice
  - (b) Wheat
  - (c) Cotton
  - (d) Sugarcane
6. Which of the following activities is typically associated with the primary sector?
  - (a) Manufacturing automobiles
  - (b) Providing banking services
  - (c) Agriculture and farming
  - (d) Software development
7. The primary sector is also known as the:
  - (a) Industrial sector
  - (b) Service sector
  - (c) Agricultural sector
  - (d) Information technology sector
8. Which of the following resources are primarily extracted in the primary sector?
  - (a) Oil and gas
  - (b) Software and technology
  - (c) Banking services
  - (d) Textile and apparel

9. In India, the primary sector contributes significantly to the country's:
  - (a) Exports and foreign exchange earnings
  - (b) Urban infrastructure and development
  - (c) Information technology industry
  - (d) Industrial manufacturing output
10. Which of the following industries falls under the primary sector?
  - (a) Software development
  - (b) Textile manufacturing
  - (c) Retail banking
  - (d) Dairy farming

### 1.8 The Secondary Sector

1. Which of the following activities is a part of the secondary sector in the Indian economy?
  - (a) Agriculture
  - (b) Mining
  - (c) Manufacturing
  - (d) Fishing
2. What percentage of India's GDP comes from the secondary sector?
  - (a) Around 10%
  - (b) Around 25%
  - (c) Around 50%
  - (d) Around 75%
3. Which industry is considered the backbone of the Indian economy and a major contributor to the secondary sector?
  - (a) Automobile industry
  - (b) Information Technology (IT) industry
  - (c) Textile industry
  - (d) Banking and finance industry
4. The secondary sector of the economy is also known as:
  - (a) The manufacturing sector
  - (b) The agricultural sector
  - (c) The services sector
  - (d) The mining sector
5. Which of the following industries is part of the secondary sector in India?
  - (a) Information Technology (IT) services
  - (b) Tourism and hospitality
  - (c) Automobile manufacturing
  - (d) Banking and financial services

6. Which of the following activities is typically associated with the secondary sector?
  - (a) Agriculture and farming
  - (b) Manufacturing and industrial production
  - (c) Providing banking services
  - (d) Software development
7. The secondary sector is also known as the:
  - (a) Agricultural sector
  - (b) Service sector
  - (c) Industrial sector
  - (d) Information technology sector
8. In India, the secondary sector contributes significantly to the country's:
  - (a) Exports and foreign exchange earnings
  - (b) Urban infrastructure and development
  - (c) Information technology industry
  - (d) Agricultural output
9. Which of the following industries falls under the secondary sector?
  - (a) Software development
  - (b) Textile manufacturing
  - (c) Retail banking
  - (d) Dairy farming
10. The growth of the secondary sector is often considered an important indicator of:
  - (a) Environmental sustainability
  - (b) Agricultural productivity
  - (c) Economic development and industrialization
  - (d) Public sector expansion

### 1.9 The Tertiary Sector

1. The tertiary sector of the economy is also known as:
  - (a) The manufacturing sector
  - (b) The agricultural sector
  - (c) The services sector
  - (d) The mining sector

2. Which of the following industries is part of the tertiary sector in India?
  - (a) Automobile manufacturing
  - (b) Information Technology (IT) services
  - (c) Steel production
  - (d) Textile manufacturing
3. What percentage of India's Gross Domestic Product (GDP) is contributed by the tertiary sector?
  - (a) Around 10%
  - (b) Around 25%
  - (c) Around 50%
  - (d) Around 75%
4. Which of the following activities is NOT part of the tertiary sector?
  - (a) Banking and finance
  - (b) Healthcare and education
  - (c) Manufacturing of consumer goods
  - (d) Hospitality and tourism
5. The growth of the tertiary sector in India is primarily driven by:
  - (a) Increased agricultural production
  - (b) Growth in manufacturing industries
  - (c) Rising consumer demand for services
  - (d) Government subsidies to service providers
6. Which of the following activities is typically associated with the tertiary sector?
  - (a) Agriculture and farming
  - (b) Manufacturing and industrial production
  - (c) Providing banking services
  - (d) Oil and gas extraction
7. The tertiary sector is also known as the:
  - (a) Agricultural sector
  - (b) Service sector
  - (c) Industrial sector
  - (d) Information technology sector
8. In India, the tertiary sector contributes significantly to the country's:
  - (a) Exports and foreign exchange earnings
  - (b) Urban infrastructure and development
  - (c) Manufacturing output
  - (d) Agricultural production
9. Which of the following industries falls under the tertiary sector?
  - (a) Software development
  - (b) Textile manufacturing
  - (c) Retail banking
  - (d) Mining and natural resources
10. The growth of the tertiary sector is often considered an important indicator of:
  - (a) Environmental sustainability
  - (b) Agricultural productivity
  - (c) Economic development and modernization
  - (d) Public sector expansion

<b>ANSWER</b>
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**1.1 Status of Indian Economy: Pre Independence Period (1850 -1947)**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(b)	(c)	(c)	(c)	(c)	(b)	(c)	(c)	(c)	(d)

**1.2 Indian Economy: Post-Independence (1947-1991)**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(d)	(c)	(c)	(c)	(b)	(c)	(b)	(a)	(c)

**1.3 The Era of Reforms**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(d)	(c)	(b)	(c)	(d)	(d)	(b)	(c)	(d)	(c)

**1.4 The Economic Reforms of 1991**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(c)	(b)	(d)	(c)	(b)	(d)	(d)	(b)	(c)

**1.4.1 The Fiscal Reforms**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(a)	(c)	(a)	(c)	(c)	(a)	(a)	(b)	(b)	(c)

**1.4.2 Monetary and Financial Sector Reforms**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(b)	(c)	(c)	(c)	(b)	(d)	(b)	(a)	(a)

**1.4.3 Reforms in Capital Markets**

Q.No.	1	2	3	4	5	6	7	8		
Answer	(b)	(c)	(c)	(b)	(b)	(b)	(c)	(a)		

**1.4.4 The 'New Industrial Policy'**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(c)	(d)	(b)	(c)	(c)	(a)	(c)	(d)	(d)

**1.4.5 Trade Policy Reforms**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(c)	(c)	(c)	(c)	(c)	(b)	(d)	(c)	(c)

**1.4.6 GDP Growth Rates Post 1991 Reforms**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(d)	(c)	(b)	(d)	(c)	(b)	(a)	(b)	(c)

**1.5 NITI Aayog: A Bold Step for Transforming India**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(c)	(b)	(c)	(c)	(a)	(b)	(c)	(c)	(a)

**1.6 The Current State of The Indian Economy: A Brief Overview**

Q.No.	1	2	3	4	5					
Answer	(c)	(a)	(c)	(c)	(b)					

**1.7 The Primary Sector**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(c)	(b)	(a)	(b)	(c)	(c)	(a)	(a)	(d)

**1.8 The Secondary Sector**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(b)	(c)	(a)	(c)	(b)	(c)	(a)	(b)	(c)

**1.9 The Tertiary Sector**

Q.No.	1	2	3	4	5	6	7	8	9	10
Answer	(c)	(b)	(c)	(c)	(c)	(c)	(b)	(b)	(c)	(c)

## PAST YEAR QUESTIONS AND ANSWERS

### 2022 - DECEMBER

- [1] "Which of the following is NOT meant by liberalisation?"  
 (a) Decontrol (b) Disinvestment of PSU's  
 (c) Freedom to do business (d) Deregulation (1 mark)
- Answer:**  
 (b) In an economy liberalisation aims for running a business without any barriers like without having any control, without any regulations. There is no hindrance for doing any business.

### 2023 - DECEMBER

- [1] Which of the following was not a part of reforms of 1991?  
 (a) Globalisation  
 (b) Privatisation  
 (c) Liberalisation  
 (d) Socialisation (1 mark)
- Answer:**  
 (d) Socialisation  
 Reforms of 1991 were-liberalisation, privatisation & globalisation.

### 2024 - JUNE

- [1] E Amrit is related to:  
 (a) One stop destination for all information on electric vehicles  
 (b) Facilitates and improves access to Indian government data

- (c) Improves air quality in India by accelerating deployment of electronic vehicles  
 (d) Provides a stimulus to exports and economic growth (1 mark)

**Answer:**

- (a) E-Amrit is one-stop destination for all information on electric vehicles.

- [2] Which revolution was materialised by innovative farm technologies including high yielding seed varieties and intensive use of water, fertilizers and pesticides?  
 (a) Green Revolution (b) Kisan Revolution  
 (c) Agriculture Revolution (d) Fasal Revolution (1 mark)

**Answer:**

- (a) A thorough restructuring of agricultural policy referred to as "green revolution" includes innovative farm technologies, HYV seeds, intensive use of water, fertilizers, and pesticides. The green revolution was successful in increasing agricultural productivity. India could overcome food problem and drastically changed the agricultural policies.

- [3] PM Gati Shakti is related to:  
 (a) Empowerment of MSMEs  
 (b) Data based decisions related to integrated planning of multimodal infrastructure thereby reducing logistic cost  
 (c) Manufacturing of electric and hybrid vehicle technology  
 (d) Automatic route for FDI (1 mark)

**Answer:**

- (b) PM Gati Shakti: National Master Plan to facilitate data-based decisions related to integrated planning of multimodal infrastructure, thereby reducing logistics cost.

- [4] Which of the following sectors maximum contribution to GVA of India?  
 (a) Primary sector (b) Secondary sector  
 (c) Tertiary sector (d) All of above (1 mark)

**Answer:**

- (c) Tertiary sector is a major contribution of GVA .



[5] Full form of APEDA.

- (a) Agricultural product export development agency
  - (b) Agricultural produce economic development association
  - (c) Animal product export development authority
  - (d) Agricultural & processed food export development authority
- (1 mark)

**Answer:**

(d) Agricultural and Processed Food Export Development Authority, responsible for export promotion of agri-products.

[6] What does E NAM's aim to achieve?

- (a) Increase farm productivity
  - (b) Create unified national market for agricultural commodities
  - (c) Provide financial support to farmers
  - (d) Promote organic farming
- (1 mark)

**Answer:**

(b) Setting up of E-NAM a pan India electronic trading portal which networks the existing APMC Mandis to create a unified national market for agricultural commodities.

[7] Which of the following causes is reducing ability of Indian agriculturalists to participate in domestic as well as export market?

- (a) Low farming productivity and subsistence farming
  - (b) Large amount of marketable surplus with farmers
  - (c) Dominated by big farmers and farm productivity
  - (d) Big landholdings by small farmers
- (1 mark)

**Answer:**

(a) Low farming productivity and subsistence farming is the cause for reducing the ability of Indian agriculturalists to participate in domestic as well as export markets.

[8] What is main cause attributed to immediate need for economic reforms in 1991?

- (a) Fiscal deficit was financed by huge amounts of domestic and external debts
  - (b) Forex reserves touched the highest point
  - (c) Persistent huge deficit led to declining public debt
  - (d) Government's revenue expenditure consistently lowering revenue receipts
- (1 mark)

**Answer:**

(a) Huge amounts of fiscal deficit made the need for economic reforms of 1991 compulsory.

[9] The Government of India has allowed 100% FDI in marketing of food products and in food product E-commerce under \_\_\_\_\_ route.

- (a) Automatic
  - (b) Green channel
  - (c) Priority route
  - (d) Trade route
- (1 mark)

**Answer:**

(a) Government of India has allowed 100% FDI in marketing of food products and in E-commerce under automatic route.

[10] To develop mechanism to formulate credible plans at village level and aggregate these progressively at higher level of government is an objective of:

- (a) Ministry of rural development
  - (b) NITI Aayog
  - (c) Commission of policy and planning
  - (d) Planning commission
- (1 mark)

**Answer:**

(b) NITI Aayog will work to develop mechanisms to formulate credible plans at village level and aggregate these progressively at higher levels of government to ensure interests of national security are incorporated in economic strategy and policy.

[11] MRTP Act 1969, is aimed at regulation of \_\_\_\_\_ which had relatively \_\_\_\_\_ market power.

- (a) Large firms, large
  - (b) Large firms, small
  - (c) Small firms, small
  - (d) Small firms, large
- (1 mark)

**Answer:**

(a) MRTP Act, 1969 is aimed at regulation of large firms which had relatively large market power.

[12] In the post-reform period, if the GDP growth rate in a particular year was 8.5%, and the average growth rate of the previous two years was 7.9% and 8.2%, what was the GDP growth rate of the year before the two previous years?

- (a) 7.5%
  - (b) 7.8%
  - (c) 8.0%
  - (d) 8.3%
- (1 mark)



- [6] On which date was the 'New Industrial Policy' announced by Government of India?

(a) 24<sup>th</sup> July, 1991 (b) 15<sup>th</sup> August, 1947  
(c) 26<sup>th</sup> January, 1950 (d) 5<sup>th</sup> September, 1992 (1 mark)

**Answer:**

(a) 24<sup>th</sup> July, 1991

The 'New Industrial Policy' was announced by the Government of India on 24<sup>th</sup> July, 1991.

- [7] Which of the following statement is true in relation to the object of The National Data and Analytics Platform (NDAP)?

(a) To facilitate and improve access to Indian government data  
(b) To ensure data security  
(c) To convert all government data in electronic form  
(d) To formulate a national cyber security law (1 mark)

**Answer:**

(a) To facilitate and improve access to Indian government data

The National Data and Analytics Platform (NDAP) aims to enhance access to government data and promote the use of data analytics in policymaking and governance.

- [8] The India Development Update (IDU) report published in November 2022 is published by:

(a) International Monetary Fund (IMF)  
(b) United Nations Development Programme (UNDP)  
(c) World Bank  
(d) Asian Development Bank (ADB) (1 mark)

**Answer:**

(c) World Bank

The India Development Update (IDU) report is published by the World Bank.

- [9] What is the full form of DPIIT?

(a) Department for Promotion of Industrial and Internal Trade  
(b) Department for Promotion of Industry and International Trade  
(c) Directorate for Promotion of Industry and Internal Trade  
(d) Department for Promotion of Industry and Internal Trade (1 mark)

**Answer:**

(a) Department for Promotion of Industrial and Internal Trade.

DPIIT stands for the Department for Promotion of Industrial and Internal Trade.

- [10] Which of the following is not the aim of 'Methanol Economy' programme?

(a) Reducing Greenhouse gas (GHG) emissions  
(b) Converting coal reserves and municipal solid waste into methanol  
(c) Reducing India's oil import bill  
(d) Converting industrial waste into methanol (1 mark)

**Answer:**

(d) Converting industrial waste into methanol.

While the Methanol Economy program aims to reduce greenhouse gas emissions, convert coal reserves and municipal solid waste into methanol, and reduce India's oil import bill, converting industrial waste into methanol is not a primary aim of the program.

- [11] Under which Supreme Court verdict do the Union and State Legislatures have "equal, simultaneous and unique powers" to make laws on Goods and Services Tax (GST)?

(a) July 2021 verdict  
(b) June 2020 verdict  
(c) Feb. 2022 verdict  
(d) May 2022 verdict (1 mark)

**Answer:**

(d) May 2022 verdict

This ruling clarified the legislative powers concerning GST and upheld the constitutional provisions related to it.

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### 2025 - JANUARY

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- [1] \_\_\_\_\_ facilitates and improves access to Indian Government data.

(a) E-Amrit (b) E-NAM  
(c) NDAP (d) MIDH (1 mark)

**Answer:****(c) NDAP****Explanation:**

NDAP (National Data and Analytics Platform) facilitates and improves access to Indian Government data by providing a platform for accessible, reliable, and standardized datasets. This platform helps promote transparency and enhances the ability to analyze government data.

- [2] Which scheme is aimed at promoting manufacture of electric and hybrid vehicle technology and to ensure sustainable growth for the same?

- (a) FAME India (b) E-Amrit  
(c) FIPB (d) PDMC (1 mark)

**Answer:****(a) FAME India****Explanation:**

FAME India (Faster Adoption and Manufacturing of Hybrid and Electric Vehicles in India) is a scheme aimed at promoting the manufacture of electric and hybrid vehicle technology in India. It aims to encourage the adoption of electric and hybrid vehicles by providing incentives and ensuring sustainable growth in this sector.

- [3] Which Act was initially aimed for regulation of large firms which had relatively large market power?

- (a) RBI Act (b) FEMA  
(c) RERA (d) MRTP Act, 1969 (1 mark)

**Answer:****(d) MRTP Act, 1969****Explanation:**

The Monopolies and Restrictive Trade Practices (MRTP) Act, 1969, was enacted to regulate large firms possessing significant market power. Its primary objectives included preventing the concentration of economic power to the detriment of the public and prohibiting monopolistic and restrictive trade practices.

Therefore, the correct answer is: **(D) MRTP Act, 1969.**

- [4] From which year onwards, India followed the managed floating exchange rate system?

- (a) 1990 (b) 1991  
(c) 1995 (d) 1993 (1 mark)

**Answer:****(d) 1993****Explanation:**

India adopted a managed floating exchange rate system in March 1993. This transition marked the beginning of a market - determined exchange rate regime for the Indian rupee, allowing its value to be influenced by market forces while enabling the Reserve Bank of India (RBI) to intervene to curb excessive volatility.

Therefore, the correct answer is: **(D) 1993.**

- [5] Minimum Support Price (MSP) is fixed by the Government of India at \_\_\_\_\_ of the cost of production.

- (a) Two and a half times  
(b) Half  
(c) One and a half time  
(d) Twice (1 mark)

**Answer:****(a) Two and a half times****Explanation:**

The Government of India generally fixes the Minimum Support Price (MSP) at two and a half times the cost of production for several crops. This is aimed at ensuring a fair price for farmers and providing them with a safety net for their produce.

- [6] Which policy was adopted to ensure world class industrial infrastructure which would attract cutting edge technology and boost FDI and local investment in the textile sector?

- (a) PM-MITRA  
(b) PM Gati Shakti National Master Plan  
(c) National Logistic Policy  
(d) Production Linked Incentive (PLI) Scheme (1 mark)

**Answer:****(a) PM-MITRA****Explanation:**

The PM-MITRA (Pradhan Mantri Mega Integrated Textile Region and Apparel) scheme was adopted to ensure world-class industrial infrastructure in the textile sector. It aims to attract cutting-edge technology, boost foreign direct investment (FDI), and encourage local investment to enhance the textile industry in India.

- [7] During the British period modern industrial sector saw lopsided growth with the dominance of \_\_\_\_\_ industries.

- (a) Wool and cotton
- (b) Nylon and silk
- (c) Cotton and jute
- (d) Silk and cotton

(1 mark)

**Answer:****(c) Cotton and jute****Explanation:**

During the British period, India's modern industrial sector experienced lopsided growth, predominantly characterized by the dominance of cotton and jute industries. The first cotton textile mill was established in Bombay (now Mumbai) in 1854, marking the beginning of the modern cotton industry in India. Similarly, the jute industry began to grow in Calcutta (now Kolkata) around the same time.

This focus on cotton and jute industries led to an unbalanced industrial development, as other sectors remained underdeveloped. The British policies were primarily designed to serve their economic interests, resulting in a structure that did not promote a diversified industrial base in India.

Therefore, the correct answer is: **(C) Cotton and jute.**

- [8] Statutory recognition was granted to \_\_\_\_\_ to facilitate mobilization of adequate resources and their efficient allocation in the capital markets.

(a) RBI

(c) SEBI

(b) BSE

(d) NSE

(1 mark)

**Answer:****(c) SEBI****Explanation:**

SEBI (Securities and Exchange Board of India) was granted statutory recognition to facilitate the mobilization of adequate resources and ensure their efficient allocation in the capital markets. SEBI regulates and develops the securities market in India.

- [9] In which of the following sector FDI is not permissible?

- (a) Telecom
- (b) Aviation
- (c) Atomic energy
- (d) Defence

(1 mark)

**Answer:****(c) Atomic energy****Explanation:**

FDI (Foreign Direct Investment) is not permissible in the atomic energy sector in India. The government has strict regulations and restrictions on foreign investment in this sector due to national security concerns and strategic interests.

- [10] Production of milk is included in which sector?

- (a) Tertiary sector
- (b) Service sector
- (c) Primary sector
- (d) Secondary sector

(1 mark)

**Answer:****(c) Primary sector****Explanation:**

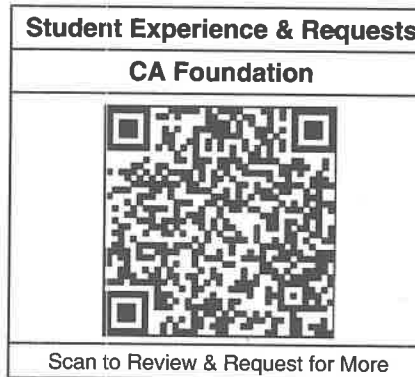
The production of milk is classified under the primary sector. This sector encompasses activities that involve the extraction and production of raw materials directly from natural resources, such as agriculture, fishing, and dairy farming. Since milk production involves extracting a natural resource, it falls within this category. Therefore, the correct answer is: **(C) Primary sector.**

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**2025 - MAY**


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- [1] Which of the following are fiscal reforms ?  
 i. Ensuring better tax compliance  
 ii. Reinvestment of funds in more profitable options  
 iii. Encouraging private sector participation  
 iv. Thrust on curbing government expenditure  
 (a) Only i and iii (b) Only i, ii, iii  
 (c) Only i, iii, iv (d) Only i, ii, iv (1 mark)
- [2] Which of the following best describes the pre-British Indian economy?  
 (a) Dependent on imports for goods  
 (b) Self-sufficient villages and cities which were centers of commerce  
 (c) Focus on industrial production  
 (d) Dominated by foreign trade (1 mark)
- [3] The trade policy reforms include \_\_\_\_\_.  
 (a) Inclusion of licensing restrictions for imports  
 (b) Removal of licensing procedure for imports  
 (c) Complication of tariffs.  
 (d) Inclusion of quantitative restrictions on imports and exports (1 mark)
- [4] Which initiative by NITI Aayog aims to promote electric vehicles ?  
 (a) E-Amrit (b) Shooonya Campaign  
 (c) Methanol Economy Program (d) India Policy Insights (IPI) (1 mark)
- [5] The early liberalization and reforms started in India in \_\_\_\_\_.  
 (a) 1980s (b) 1970s  
 (c) 1960s (d) 1990s (1 mark)
- [6] What percentage of India's population depends on agriculture for livelihood as per latest estimates ?  
 (a) 18% (b) 25%  
 (c) 47% (d) 60% (1 mark)
- [7] Which government scheme focuses on providing financial support to farmers suffering crop loss or damage ?  
 (a) PM KISAN  
 (b) Pradhan Mantri Fasal Bima Yojana (PMFBY)  
 (c) Soil Health Card Scheme  
 (d) Paramparagat Krishi Vikas Yojana (PKVY) (1 mark)
- [8] Which regime replaced the Foreign Investment Promotion Board (FIPB)?  
 (a) SEBI (b) FIF Portal  
 (c) NITI Aayog (d) DPIIT (1 mark)
- [9] What was India's rank in 2022 as per Global Innovation Index ?  
 (a) 81<sup>st</sup> (b) 40<sup>th</sup>  
 (c) 63<sup>rd</sup> (d) 25<sup>th</sup> (1 mark)
- [10] Which policy replaced the Merchandise Exports from India Scheme (MEIS) in 2021 ?  
 (a) NDAP (b) GST  
 (c) PLI Scheme (d) RoDTEP (1 mark)



countries, global supply chain disruptions and uncertainties, inflation, leading to input cost escalations and lower demand, global slowdown and related negative sentiments affecting investments, aggressive tightening of monetary policy and increases in cost of credit, high and increasing fuel prices and the mounting presence of informal sector.

- ◆ A remarkable feature of the post reform Indian economy is the unconventional experience of bypassing the secondary sector in the growth trajectory by a shift from agriculture to the services sector.
- ◆ The services sector is the largest sector of India and accounts for 53.89% of total India's GVA. It has the highest labour productivity and is the fastest growing sector. The exceptionally rapid expansion of knowledge-based services such as professional and technical services has contributed substantially to the growth of tertiary sector.
- ◆ India is among the top 10 World Trade Organization (WTO) members in service exports and imports. India's services exports at US\$ 27.0 billion recorded robust growth in November 2022 due to software, business, and travel services.
- ◆ To ensure the liberalisation of investment in various industries, the government has permitted 100 per cent foreign participation in telecommunication services through the Automatic Route including all services and infrastructure providers.
- ◆ The India Development Update (IDU) of the World Bank published in November 2022 holds the optimistic view that compared to other emerging economies, India is much more resilient to withstand adversities in the global arena, while acknowledging the fact that India had to face an unusually challenging external environment following the Russia-Ukraine war, increased crude oil and commodity prices, persistent global supply disruptions, tighter financial conditions and high domestic inflationary pressures.

## TEST YOUR KNOWLEDGE

### Multiple Choice Type Questions

1. *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*

2. *The first wave of liberalization starts in India*
  - (a) *In 1951*
  - (b) *In 1980's*
  - (c) *In 1990*
  - (d) *In 1966*
3. *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*
4. *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*
5. *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*
6. *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*



7. *In terms of Ease of Doing Business in 2020 India ranks*
- (a) 63
  - (b) 77
  - (c) 45
  - (d) None of the above
8. *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 existing APMC mandis*
  - (d) *b) and c) above*
9. *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*
10. *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*
11. *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 1950s to the 1980s, which averaged around 3.5 per cent per year*

- (c) *the low growth of the economy during British period marked by an average of 3.5 percent*
  - (d) *the growth rate of the country because India is referred to as 'Hindustan'*
12. *In the context of the new economic policy of 1991, the term 'disinvestment' stands for -*
- (a) *A policy whereby government investments 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 privates sector*
13. *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*
14. *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*
15. *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*
16. *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*
17. *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*
18. *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*

## ANSWERS

1.	(c)	2.	(b)	3.	(c)	4.	(a)	5.	(b)	6.	(b)
7.	(a)	8.	(d)	9.	(a)	10.	(c)	11.	(b)	12.	(b)
13.	(d)	14.	(c)	15.	(b)	16.	(c)	17.	(b)	18.	(b)