

Q1. Which of the following will further the financial inclusion in the country.

- I. Priority sector lending
 - II. Open market operations
 - III. Peer to Peer lending
 - IV. Direct benefit transfer of subsidies
- Select the correct code.

- (a) I and III only
- (b) II and IV only
- (c) I, III and IV only
- (d) All the above

Q2. Consider the following statements regarding 'Micro Finance Institutions'

- I. They are non-deposit taking NBFCs with at least 85% of its loans extended without collateral.
- II. They shall maintain a capital adequacy ratio as prescribed by RBI. Which of the following statements is/ are correct?

- (a) I only
- (b) II only
- (c) Both I and II
- (d) Neither I nor II

Q3. Which of the following statements is true about the Primary and Secondary Markets?

- (a) The primary market is regulated by the Securities and Exchange Board of India (SEBI) and secondary market is regulated by the Reserve Bank of India (RBI).
- (b) A Secondary market is a financial market in which new issues of a security, such as a bond or a stock, are sold to initial buyers by the corporation or government agency borrowing the funds.
- (c) The first organised stock exchange was set up in Bombay in 1895.
- (d) An important financial institution that assists in the initial sale of securities in the primary market is the investment bank.

Q4. What is the correct formula of GNP (Gross National Product)?

- (a) $GNP = GDP - \text{Net factor income from abroad}$
- (b) $GNP = GDP + \text{Net factor income from abroad}$
- (c) $GNP = GDP + \text{Net factor income from abroad}$
- (d) $GNP = \text{Net factor income from abroad} - GDP$

Q5. The Primary Dealers system in the govt. was introduced in the ___ year by ___ :

- (a) 1995, RBI
- (b) 1994, SEBI
- (c) 1995, SEBI
- (d) 1951, PFRDA

Q6. Choose one correct statement from the following:

Underemployment occurs —

- (a) when people are not willing to work.
- (b) when people are working slowly.
- (c) when people are working less than what they are capable of doing.
- (d) when people are not paid for their jobs.

Q7. Which of the following statement is TRUE for Capital Market?

- (a) Primary markets deal with trade of new issues of stocks and other securities
- (b) Secondary market deals with the exchange of existing or previously-issued securities
- (c) Both (a) and (b)
- (d) None of the above

Q8. During the time of direct British control from 1858 to 1947, the colonial government's official transfer of monies to the United Kingdom were referred as _____

- (a) Salary for home
- (b) House Charges
- (c) Home charges
- (d) None of the above

Q9. Which of the following statement is TRUE for Economic Planning in India?

- (A) India adopted a system of five yearly planning to address its various socioeconomic problems
(B) The Indian government adopted five year plan starting from first year plan in 1951
(a) A only
(b) B only
(c) Both A and B
(d) Neither A nor B

Q10. India has one of the world's ____ growing economies, it also has one of the most ____ societies

- (a) slowest, equal
(b) fastest, equal
(c) slowest, unequal
(d) fastest, unequal

Q11. Which of the following has/have occurred in India after its liberalization of economic policies in 1991?

1. Share of agriculture in GDP increased enormously
 2. Share of India's exports in world trade increased
 3. FDI inflows increased
 4. India's foreign exchange reserves increased enormously
- (a) 1 and 4 only
(b) 2, 3 and 4 only
(c) 2 and 3 only
(d) 1, 2, 3 and 4

Q12. Which of the following statements is true with respect to the Annual Financial Statement?

- I. The budget document relates to the receipts and expenditures of the next five years of the government.
II. Annual Financial Statement runs for a financial year from 1 March to 28 February
(a) Only I
(b) Only II
(c) Both I and II
(d) Neither I nor II

Q13. Green bonds are the bonds issued by any _____.

- (i) Sovereign entity
(ii) Inter-governmental groups or alliances
(iii) Corporates
(a) Only (i) and (ii)
(b) Only (i) and (iii)
(c) Only (ii) and (iii)
(d) (i), (ii) and (iii)

Q14. Migration is often the outcome of a series of factors that are worsened by changing environmental conditions as well as developmental and demographic situations. What are those factors?

- (i) Economic
(ii) Social
(iii) Political
(a) Only (i) and (ii)
(b) Only (i) and (iii)
(c) Only (ii) and (iii)
(d) (i), (ii) and (iii)

Q15. What were the reasons for introducing the economic reforms in 1991?

- (i) Reduce in foreign exchange reserve
(ii) The negative balance of payments
(iii) Increase in Deflation
(a) Only (i) and (ii)
(b) Only (i) and (iii)
(c) Only (ii) and (iii)
(d) (i) (ii) and (iii)

Q16. Which section of the Companies Act 2013 provides legal support for CSR in India?

- (a) Section 135
(b) Section 235
(c) Section 295
(d) Section 195

Q17. India aims to achieve the target of net zero emissions by which year?

- (a) 2030
(b) 2040
(c) 2050
(d) 2070

Q18. Which of the following is not applicable for a worker, who works in the organised sector?

- (a) He/She gets a regular salary at the end of the month
- (b) He/She is not paid for leave
- (c) He/She gets medical allowance
- (d) He/She got an appointment letter stating the terms and conditions of work when he/she joins work.

Q19. Read the following statements carefully and choose the correct option in relation to the topic "Foreign Exchange Market".

Statement 1: Post liberalisation, in the 1990s, also, the economy was opened to a great extent and India became practically convertible on the current account.

Statement 2: This led to increasing turnovers in the forex market, which rose from approximately USD 6 billion daily in 2000 to USD 70 billion daily, at present.

- (a) Statement 1 is correct and Statement 2 is incorrect
- (b) Statement 1 is incorrect and Statement 2 is correct
- (c) Both the Statements are correct
- (d) Both the Statements are incorrect

Q20. Fill in the blanks.

A financial market is a place where financial products are bought and sold. The financial market in India evolved and grew rapidly as a consequence of the _____ measures taken in the _____. There are different segments in the financial market like money market, debt market, forex market and insurance market. The financial market has a number of important functions for the growth of the economy and price discovery is one of its important functions.

- (a) Privatization, 1980s
- (b) Globalization, 1990s
- (c) Liberalization, 1990s
- (d) Privatization, 1990s

Q21. Which among the following is/are the correct functions performed by the money market?

- (a) It provides an equilibrating mechanism for demand and supply of short-term funds.
- (b) It enables borrowers and lenders of short-term funds to fulfil their borrowing and investment requirements, at an efficient market clearing price.
- (c) It provides an avenue for central bank intervention in influencing both quantum and cost of liquidity in the financial system, thereby transmitting monetary policy impulses to the real economy.
- (d) All of the above

Q22. What is the maximum tenor for Long-Term Repo Operations (LTRO)?

- (a) 1 year
- (b) 3 years
- (c) 5 years
- (d) 10 years

Q23. Which of the following statements is not true about the banking system?

Statement- I - Purpose of the balance-of-trade accounts is to account for money flows between one country and the rest of the world.

Statement- II - IMF lends to developing countries, helping them invest in their infrastructure, such as new roads, dams, electric power plants, etc.

Statement- III - The World Bank helps countries finance a balance-of-payments deficit. The World Bank has a cache of gold and foreign currencies that it can lend.

Statement- IV - Balance-of-payments deficit causes a surplus of currency on the international exchange markets.

- (a) Statement- I
- (b) Statement- II
- (c) Statement- I & IV
- (d) Statement- II & III

Q24. Which of the following is/are Qualified Institutional Buyers (QIBs) ?

- I. Scheduled commercial banks
- II. Foreign institutional investor registered with SEBI
- III. Venture capital funds registered with SEBI
- IV. State Industrial Development Corporations

- (a) Only I and IV
- (b) Only I
- (c) Only I and II
- (d) All I, II, III, IV

Q25. Consider the following statement and choose the correct answer.

- I. The BOP deficit indicates a country's export is more than its import.
- II. The BOP statement helps the government to decide on fiscal and trade policies.

- (a) Only I
- (b) Only II
- (c) Both I and II
- (d) Neither I nor II

Q26. Fill in the blanks.

The money value of all final goods and services produced in each sector during a particular year provides the total production of the sector for that year. And the sum of production in the three sectors gives what is called the _____ of a country.

- (a) NDP
- (b) GDP
- (c) National Income
- (d) Net National Value

Q27. 'Zero Hunger' is related to which of the following sustainable development goals (SDGs) ?

- (a) SDG 1
- (b) SDG 5
- (c) SDG 4
- (d) SDG 2

Q28. RBI has recently launched its digital currency, CBDC. The RBI's digital rupee will be treated as _____.

- (a) Hard Currency
- (b) Fiat Money
- (c) Fiduciary Money
- (d) Representative Money

Q29. Consider the given statement and choose the option which is closely related to this statement. "It was enacted in 2003 to bring transparency and accountability in the conduct of the fiscal and monetary actions of the government."

- (a) SARFAESI Act
- (b) IBC
- (c) FRBM Act
- (d) Finance Commission

Q30. Which of the following statements is not true about money?

Statement- I - Money cannot act as a convenient unit of account

Statement- II - At higher interest rates, demand for money comes down.

Statement- III - India got its central bank in 1965. Its name is 'The Central Bank of India'.

Statement- IV - The currency issued by the central bank can be held by the public or by the commercial banks and is called the 'high-powered money' as it acts as a basis for credit creation.

- (a) Statement III
- (b) Statement I & II
- (c) Statement II & III
- (d) Statement I, IV & III

Q31. Which of the following statements are correct regarding the business cycle

- I. Business cycles occur periodically although they do not exhibit the same regularity.
- II. Business cycles have distinct phases of expansion, peak, contraction, and trough.
- III. Business cycles are exceedingly complex phenomena
- IV. Business cycles have serious consequences on the well-being of society.

- (a) Only I
- (b) Only I and IV
- (c) Only II, III, and IV
- (d) all of the above

Q32. Which of the following statements is/are representing characteristics of Business cycle?

1. Business cycles are highly unpredictable
2. A business cycle shows a wave-like movement
3. During boom period production capacities are fully utilized
4. Business cycles are pervasive in their effects.
5. Cyclical fluctuations are recurring in nature

- (a) Only 1, 2 & 3
(b) Only 2, 4 & 5
(c) All except 5
(d) All

Q33. Which of the following is the correct combination of minimum capital requirement for setting up a Bank?

- (a) Payment Bank = Rs 100 crores
(b) Small Finance Bank = Rs 200 crores
(c) Private Sector Bank = Rs 500 crores
(d) All are correct

Q34. Which of the following financial products/services is/are not supervised by NPCI?

- (a) IMPS
(b) RTGS
(c) NFS
(d) NACH

Q35. Which among the following is not TRUE regarding the Merchant Banks?

1. Merchant Banks are registered by SEBI
2. Merchant Banks primarily deal with debt and debt related finance
3. Merchant Banks are management oriented
4. Merchant Banks are mainly financiers

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

Q36. Financial market integration does not contribute in:

- (a) Improving monetary policy transmission in the economy.
(b) Reducing arbitrage opportunities.
(c) Reducing competition in the market.
(d) Efficient allocation of funds.

Q37. Find the correct match:

- (a) Science of Material Well-being – Adam Smith
(b) Science of Wealth – A.C. Pigou
(c) Economics is the science, which studies human behavior as a relationship between ends and scarce means which have alternative uses – Robbins
(d) None of the above

Q38. Which of the following is not one of the central questions that the study of economics is supposed to answer?

- (a) What to produce?
(b) When are goods produced?
(c) Who consumes what?
(d) How are goods produced?

Q39. The term 'Economics' owes its origin to the Greek word

- (a) Aikonomia
(b) Wikonomia
(c) Oikonomia
(d) None of the above

Q40. Price theory is an important constituent of _____ economics.

- (a) Developmental
(b) Micro
(c) Welfare
(d) Macro

Q41. Contraction in demand is the result of:

- (a) Decrease in the income of purchasers.
(b) Increase in the price of the good concerned.
(c) Decrease in number of consumers
(d) Increase in the price of other goods

Q42. A movement along the demand curve of watches is best described as:

- (a) A decrease in demand
(b) An increase in demand
(c) A change in demand
(d) A change in quantity demanded

Q43. In the last four decades, India has faced the following major shocks

- (i) The 1991 balance of payments (BoP) crisis
 - (ii) The 2008 global financial crisis
 - (iii) The COVID-19 pandemic
- (a) Only (i) and (ii)
(b) Only (i) and (iii)
(c) Only (ii) and (iii)
(d) (i) (ii) and (iii)

Q44. Choose the correct statement:

Statement 1: As income increases, the consumer will go in for superior goods and consequently the demand for inferior goods will fall.

Statement 2: When income increases the money spent on necessities of life may not increase in the same proportion.

- (a) Both the statements are correct
(b) Both the statements are incorrect
(c) Only statement 1 is correct
(d) Only statement 2 is correct

Q45. The penalty for non-compliance with CSR provisions are

- i. At least Rs. 1 crore for the defaulting company
 - ii. At least Rs. 2 lakhs for each defaulting officer
 - iii. Imprisonment provision of maximum three years for defaulting officers
- (a) Only (i) and (ii)
(b) Only (i) and (iii)
(c) Only (ii) and (iii)
(d) (i), (ii) and (iii)

Q46. Under the Prime Minister Suraksha Bima Yojana (PMSBY), the scheme is available to people in the age group of:

- (a) 14 to 60 years
(b) 15 to 64 years
(c) 15 to 59 years
(d) 18 to 70 years

Q47. Atal Pension Yojana is a pension scheme that is not focused on:

- (a) Unorganized sector workers
(b) Organized sector workers
(c) Gig workers
(d) Platform workers

Q48. What do CICs stand for?

- (a) Credit Information Commission
(b) Criteria Information Commission
(c) Credit Information Companies
(d) None of the above

Q49. What is a derivative?

- (a) Whose value changes in response to the change in a specified interest rate, security price, commodity price, foreign exchange rate, index of prices or rates, a credit rating or credit index, or similar variable (called the 'underlying')
- (b) That requires no initial net investment or little initial net investment relative to other types of contracts that have a similar response to changes in market conditions
- (c) That is settled at a future date
- (d) All of the above

Solutions

S1. Ans.(c)
S2. Ans.(c)
S3. Ans.(d)
S4. Ans.(c)
S5. Ans.(a)
S6. Ans.(c)
S7. Ans.(c)
S8. Ans.(c)
S9. Ans.(c)
S10. Ans.(d)
S11. Ans.(b)
S12. Ans.(d)
S13. Ans.(d)
S14. Ans.(d)
S15. Ans.(a)
S16. Ans.(a)
S17. Ans.(d)
S18. Ans.(b)
S19. Ans.(c)
S20. Ans.(c)
S21. Ans.(d)
S22. Ans.(b)
S23. Ans.(d)
S24. Ans.(d)
S25. Ans.(c)

S26. Ans.(b)
S27. Ans.(d)
S28. Ans.(b)
S29. Ans.(c)
S30. Ans.(a)
S31. Ans.(d)
S32. Ans.(d)
S33. Ans.(d)
S34. Ans.(b)
S35. Ans.(c)
S36. Ans.(c)
S37. Ans.(c)
S38. Ans.(b)
S39. Ans.(c)
S40. Ans.(a)
S41. Ans.(b)
S42. Ans.(d)
S43. Ans.(d)
S44. Ans.(a)
S45. Ans.(a)
S46. Ans.(d)
S47. Ans.(a)
S48. Ans.(c)
S49. Ans.(d)

