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Quick

Economics

SSC (CGL, CHSL, MTS)

Delhi Police Railway Tier – II

&

Other Exams

by

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ECONOMICS

Macro Economics

BASIC

1. When there is affect on economic activity of an specific country due to import and export, then such economy are called-

- (a) Closed economy
- (b) Open economy
- (c) Agricultural economy
- (d) Industrial economy

Ans. (b) [S.S.C LDC Exam, 2015]

2. The Worldwide great depression happens in which year-

- (a) 1936
- (b) 1929
- (c) 1928
- (d) 1930

Ans. (b) [S.S.C Multitasking Exam, 2013]

3. Which among the following is not the investment of goods & services?

- (a) Cost of machinery
- (b) Increase in cost of raw goods
- (c) Increasing deparment of company
- (d) Cost of buying house.

Ans. (c) [S.S.C (CGL) Exam, 2013]

4. Preparing butter and ghee for household consumption of own family is a part of –

- (a) Household investment production
- (b) Industrial production
- (c) Consumption
- (d) Own Account Production

Ans. (d) [S.S.C (CGL) Exam, 2014]

5. Multinational firm is–

- (a) A company started by foreign governments
- (b) A single company established in different countries
- (c) A company in India started by U.S. government
- (d) A company started jointly by India and U.S.

Ans. (b) [S.S.C Matric level Exam, 2006, S.S.C 10+2 Exam, 2011]

6. Internal profit–

- (a) Happens when internal trade expands

- (b) Happens when business expands
- (c) Happens in economy when they increase
- (d) Happens in firms when they expand their product

Ans. (d) [S.S.C (CGL) Exam, 2015]

7. The best Example of capital intensive industry in India is-

- (a) Textile industry
- (b) Steel industry
- (c) Tourism industry
- (d) Spare goods industry.

Ans. (b) [S.S.C (10+2) Exam, 2011]

8. The Removal of prohibitions and hindrance by government is called.

- (a) Globalisation
- (b) Privatisation
- (c) Liberalisation
- (d) Bilateral understanding.

Ans. (c) [S.S.C (FCI) Exam, 2012]

9. Which of the following is related to South-South debate?

- (a) Cooperation between developing countries
- (b) Defence Organisation
- (c) Sitting between developed & developing countries
- (d) All of the above.

Ans. (a) [S.S.C (CGL) Exam, 2011]

10. In a economy “Development Stage” means-

- (a) Starting of steadily increasing economy
- (b) Bad economy
- (c) Economy is on the verge of destroying
- (d) All tariff to be removed.

Ans. (a) [S.S.C (10+2) Exam, 2014]

11. The tree like structure of records in a database in-

- (a) Network Model
- (b) Hierarchical Model
- (c) Relational Model
- (d) Multi-Dimenmoral Model

Ans. (b) [S.S.C Steno Exam, 2011]

12. According to Kenz, consumption function shows relation between.

- (a) Total Consumption and Total Population
- (b) Total Consumption and Normal Price Rate
- (c) Total Consumption and Total Income

(d) Total Consumption and Rate of Interest
Ans. (c) [S.S.C (CGL) Exam, 2014]

13. The interest in infrastructure is less because.

- (a) There is large invest in it
- (b) There needs a desired project
- (c) Time to finish the infrastructure is more
- (d) Profit is gained after long time.

Ans. (d) [S.S.C Matric level Exam, 2006]

14. "World Bank" is also called as –

- (a) International Bank for Reconstruction and development
- (b) International, rehabilitation and development bank
- (c) International rehabilitated and development bank
- (d) None of these.

Ans. (a) [S.S.C Sect. Off. Exam, 2007]

15. What will happen if labour productivity is increased?

- (a) Balanced cash wage will decrease
- (b) Competitive firms will be forced to invest more
- (c) Labour demand curve will shift towards right
- (d) None of the above.

Ans. (c) [S.S.C (10+2) Exam, 2014]

16. Socialism is successful in achieving because of–

- (a) Excess socialistic approach in society
- (b) To increase standard of living
- (c) Equal distribution of income
- (d) None of the above

Ans. (a) [SSC CGL Exam, 2012]

17. Which among of the following is not a positive sign for any industry.

- (a) Decrease in profit
- (b) Labour instability
- (c) Decrease in market
- (d) Decrease in demand

Ans. (a) [SSC CGL Exam, 2006]

18. IMF was established to meet which of the following objectives.

- (i) Promoting International Monetary Cooperation
- (ii) Expanding International Trade
- (iii) Lessening the inequilibrium in trade
- (iv) Avoiding competitive exchange depreciations.

- (a) i,ii,iii
- (b) i, iii, iv
- (c) ii, iv
- (d) i, ii, iii, iv

Ans. (b) [SSC CGL Exam, 2005]

19. The capital of IMF is made up by the contribution of–

- (a) Credit
- (b) Deficit Financing

- (c) Member Nations
- (d) Borrowings

Ans. (c) [SSC CGL Exam, 2008]

20. The term "Micro Economics" and "Macro Economics" was coined by–

- (a) Alfred Marshal
- (b) Ragner Nurkse
- (c) Ragner Frisch
- (d) J.M. Keynes

Ans. (c) [SSC CGL Exam, 2010]

21. "Micro" and "Macro" words was firstly used by–

- (a) Ragnar Frisch
- (b) I. Fischer
- (c) James Tobin
- (d) Garle

Ans. (a) [SSC 10+2 Exam, 2015]

22. Arthashastra by "Kautilya" is related with–

- (a) Military Phase
- (b) Political Reign
- (c) Social Phase
- (d) Economic Postulates

Ans. (b) [SSC CGL Exam, 2015]

23. The Social Accounting system in India is classified into–

- (a) Assets, Liabilities and Debt Position
- (b) Public sector, Private Sector and Joint Sector
- (c) Income, Product and Expenditure
- (d) Enterprise, Households and Government

Ans. (c) [SSC CGL Exam, 2013]

24. The Production of a commodity mostly through the natural process is an activity of–

- (a) Primary Sector
- (b) Secondary Sector
- (c) Tertiary Sector
- (d) Technology Sector

Ans. (a) [SSC 10+2 Exam,2013]

25. Rent is a cost paid for–

- (a) Land
- (b) Restaurant
- (c) Building
- (d) Factory

Ans. (a) [SSC Multitasking Exam, 2014]

26. Due to worldwide great depression, 'New Deal' was declared by?

- (a) Abhraham Lincon
- (b) Benzamin Franklin
- (c) J.F. Kennedy
- (d) Roozvelt

Ans. (d) [SSC 10+2 Exam, 2015]

27. The Relationship between rate of interest and consumption level was firstly estimated by–

- (a) Amartya Sen
- (b) Milton Freedman
- (c) Irwing Fischer
- (d) James Duezan Berry

Ans. (b) [SSC 10+2 Exam,2014]

28. The Surplus earned by a factor other thus land in the short period is referred as –

- (a) Economic Rent
- (b) Net Rent
- (c) Quasi-Rent
- (d) Super-Normal Rent

Ans. (c) [SSC CPO Exam, 2009]

29. Labour Intensive Technique would get chosen in a–

- (a) Labour Surplus Economy
- (b) Capital Surplus Economy
- (c) Developed Economy
- (d) Developing Economy

Ans. (a) [SSC CPO Exam, 2009]

30. Amartya Sen was awarded the Noble Prize for his contribution to–

- (a) Monetary Economics
- (b) Welfare Economics
- (c) Econometrics
- (d) Development Economics

Ans. (b) [SSC CPO Exam, 2006]

31. The Views of eminent economist Robert Malthus on Population is–

- (a) Pessimistic
- (b) Optimistic
- (c) Both (a) and (b)
- (d) None of the above

Ans. (a) [SSC CPO Exam, 2009]

32. Which among the following is not true about the work of Human Resource and Development (HRD)–

- (a) Caste – System
- (b) Youth and Sport
- (c) Education
- (d) Child Development

Ans. (a) [SSC Steno Exam, 2012]

33. According to whom second chamber is unnecessary & bad?

- (a) Monckhour
- (b) Bentham
- (c) Seale
- (d) Loosky

Ans. (b) [SSC CGL Exam, 2014]

34. Who among the following promotes social justice?

- (a) Herald Laski
- (b) John Keynes
- (c) John Rowles
- (d) All of the above

Ans. (c) [SSC Multitasking Exam, 2014]

35. With which form of economy is the term ‘Laissez-Faire’ associated?

- (a) Capitalist Economy
- (b) Socialist Economy
- (c) Mixed Economy
- (d) Command Economy

Ans. (a) [SSC Tax Asst. Exam, 2007]

36. Which of the following statements is correct?

- (a) Most workers will work for less than their reservation wage
- (b) The reservation wage is the maximum amount of any firm will pay for a worker
- (c) Economic rent is the difference between the market

wage and the reservation wage

- (d) Economic rent is the amount one must pay to enter a desirable labour market

Ans. (c) [SSC (10+2) Nov. Exam, 2014]

37. Who defined ‘Rent’ as that portion or produce of the Earth, which is paid to the landlord for the use of original and indestructible power of the soil?

- (a) Ricardo
- (b) Marshall
- (c) Keynes
- (d) Pigou

Ans. (a) [SSC (10+2) Nov. Exam, 2014]

38. The word ‘Oikonomia’ means–

- (a) Household Management
- (b) Individual Management
- (c) Political Management
- (d) Fiscal Management

Ans. (a) [SSC CGL Aug Exam, 2014]

39. Economics is a–

- (a) Computer Science
- (b) Physical Science
- (c) Social Science
- (d) Natural Science

Ans. (c) [SSC MTS Exam, 2013]

40. The supply of labour in the economy depends on–

- (a) Population
- (b) National Income
- (c) Per Capita Income
- (d) Natural Resources

Ans. (a) [SSC Constable (GD) Exam, 2012]

41. Wage Fund Theory was propounded by–

- (a) JB Say
- (b) JS Mill
- (c) JR Hicks
- (d) JM Keynes

Ans. (b) [SSC Constable (GD) Exam, 2012]

42. The main feature of a capitalist economy is–

- (a) Administered Prices
- (b) Public Ownership
- (c) Economic Planning
- (d) Private Ownership

Ans. (d) [SSC Constable (GD) Exam, 2012]

43. Exploitation of labour is said to exist when–

- (a) Wage = Marginal Revenue Product
- (b) Wage < Marginal Revenue Product
- (c) Wage > Marginal Revenue Product
- (d) Marginal Revenue Product = 0

Ans. (b) [SSC Stenographer Exam, 2011]

44. Consumption function expresses the relationship between consumption and–

- (a) Savings
- (b) Income
- (c) Investment
- (d) Price

Ans. (b) [SSC (10+2) Exam, 2011]

45. Price theory is also known as–

- (a) Macro Economics
- (b) Development Economics

- (c) Public Economics (d) Micro Economics
Ans. (d) [SSC CGL Exam, 2010]
- 46. Who defined investment as “The construction of a new capital asset like machinery or factory building”?**
 (a) Hansen (b) JM Keynes
 (c) Harrod (d) JR Hicks
Ans. (b) [SSC Investigator Exam, 2010]
- 47. “Economics is what it ought to be” This statement refers to–**
 (a) Normative Economics
 (b) Positive Economics
 (c) Monetary Economics
 (d) Fiscal Economics
Ans. (a) [SSC CGL Exam, 2010]
- 48. Labour Intensive Technique would get chosen in a–**
 (a) Labour Surplus Economy
 (b) Capital Surplus Economy
 (c) Developed Economy
 (d) Developing Economy
Ans. (a) [SSC CPO Exam, 2009]
- 49. “Interest is a reward for parting with liquidity” is according to–**
 (a) Keynes (b) Marshall
 (c) Haberler (d) Ohlin
Ans. (a) [SSC Tax Asst. Exam, 2008]
- 50. Who said, “Economics is the Science of Wealth”?**
 (a) Robbins (b) JS Mill
 (c) Adam Smith (d) Keynes
Ans. (c) [SSC MTS Exam, 2008]
- 51. Who among the following is not a classical economist?**
 (a) David Ricardo (b) John Stuart Mill
 (c) Thomas Malthus (d) John Maynard Keynes
Ans. (d) [SSC Tax Asst. Exam, 2008]
- 52. "The national income consists of a collection of goods and services reduced to common basis by being measured in terms of money" who says this?**
 (a) Samuelson (b) Kuznets
 (c) Hicks (d) Pigou
Ans. (c) [SSC CGL Exam, 2007]
- 53. Core industries are–**
 (a) Basic Industries
 (b) Consumer Goods Industries
 (c) Capital Goods Industries
 (d) Government Industries
- Ans. (a)** [SSC MTS Exam, 2006]
- 54. The Capital formation in an economy depends on–**
 (a) Total Income (b) Total Demand
 (c) Total Savings (d) Total Production
Ans. (c) [SSC SO Exam, 2006]
- 55. Which of the following does not determine supply of labour?**
 (a) Size and age-structure of population
 (b) Nature of work
 (c) Marginal productivity of labour
 (d) Work-leisure ratio
Ans. (c) [SSC SO Exam, 2006]
- 56. Equilibrium is a condition that can–**
 (a) never change
 (b) change only if some outside factor changes
 (c) change only if some internal factor changes
 (d) change only if government policies change
Ans. (c) [SSC SO Exam, 2003]
- 57. Which of the following concepts are most closely associated with JM Keynes?**
 (a) Control of money supply
 (b) Marginal utility theory
 (c) Indifference curve analysis
 (d) Marginal efficiency of capital
Ans. (d) [SSC SO Exam, 2003]
- 58. An economy is in equilibrium when–**
 (a) Planned consumption exceeds planned saving
 (b) Planning consumption exceeds planned investment
 (c) Aggregate demand to aggregate supply
 (d) Intended investment exceeds intended savings
Ans. (c)
- 59. In equilibrium, a perfectly competitive firm will equate–**
 (a) Marginal social cost with marginal social benefit
 (b) Market supply with market demand
 (c) Marginal profit with marginal cost
 (d) Marginal revenue with marginal cost
Ans. (d) [SSC CPO Exam, 2003]
- 60. The difference between the price the consumer is prepared to pay for a commodity and the price which he actually pays is Called–**
 (a) Consumer’s Surplus (b) Producer’s Surplus
 (c) Landlord’s Surplus (d) Worker’s Surplus
Ans. (a) [SSC MTS Exam, 2002]

61. Who is called the 'Father of Economics'?

- (a) JM Keynes (b) Malthus
(c) Ricardo (d) Adam Smith

Ans. (d) [SSC MTS Exam, 2001]

62. In the long-run equilibrium a competitive firm earns.

- (a) Super-normal profit (b) Profits equal to other firms
(c) Normal profit (d) No profit

Ans. (c) [SSC MTS Exam, 2000]

63. According to the Classical System, saving is a function of-

- (a) Income (b) the interest rate
(c) the real wage (d) the price level

Ans. (a) [SSC MTS Exam, 2000]

64. The labour which creates value and gets rewarded for its services is called-

- (a) Both Skilled and Unskilled Labour
(b) Average Labour
(c) Productive Labour
(d) Unproductive Labour

Ans. (c) [SSC CGL April Exam, 2014]

65. Which of the following is not an economic problem?

- (a) Deciding between paid work and leisure
(b) Deciding between expenditure on one good and the other
(c) Deciding between alternative methods of personal saving
(d) Deciding between different ways of spending leisure time

Ans. (d) [SSC (10+2) Nov. Exam, 2014]

66. The basic infrastructure facilities in economics are known as-

- (a) Human Capital
(b) Physical Capital
(c) Social Overheads Capital
(d) Working Capital

Ans. (c) [SSC SO Exam, 2003]

67. What are the main components of basic social infrastructure of an economy?

- (a) Education, Industry and Agriculture
(b) Education, Health and Civil Amenities
(c) Transport, Health and Banks
(d) Industry, Trade and Transport

Ans. (b) [SSC SO Exam, 2003]

68. If an industry is characterised by economics of scale then-

- (a) Barriers to entry are not very large

(b) Long-run unit costs of productions decreases as the quantity the firm produces increases

(c) Capital requirement are small due to the efficiency of the large scale operation

(d) The costs of entry into the market are likely to be substantial

Ans. (b) [SSC SO Exam, 2001]

69. Disguised unemployment means-

- (a) Willing to work and not getting the work
(b) Not getting work on all days throughout the year
(c) Insufficiency of capital structure to absorb the large labour force
(d) More people working, than required

Ans. (d) [SSC Stenographer Sep. Exam, 2014]

70. The famous economist Thomas Robert Malthus, in his views regarding population, is-

- (a) Optimistic
(b) Partly optimistic and partly pessimistic
(c) Pessimistic
(d) None of the above

Ans. (c) [SSC CGL Aug. Exam, 2014]

71. Economic problem arises because of-

- (a) Scarcity of means (b) Multiplicity of resources
(c) Scarcity of wants (d) Over Population

Ans. (a) [SSC MTS Exam, 2013]

72. The Price mechanism is a feature of-

- (a) Capitalist Economy
(b) Barter Economy
(c) Mixed Economy
(d) Socialist Economy

Ans. (a) [SSC FCI Exam, 2012]

73. Human development index was development by-

- (a) Amartya Sen (b) Friedman
(c) Mahbub-ul-Haq (d) Montek Singh

Ans. (c) [SSC Stenographer Exam, 2011]

74. Globalisation means-

- (a) Integration of economy
(b) Integration of financial market
(c) Integration of the domestic economy with the world economy
(d) Integration of the various sectors of economy

Ans. (c) [SSC (10+2) Exam, 2011]

75. Disinvestment in public sector is called-

- (a) Liberalisation (b) Globalisation

- (c) Industrialisation (d) Privatisation

Ans. (d) [SSC Stenographer Exam, 2011]

76. 'Hire and Fire' is the policy of-

- (a) Capitalism (b) Socialism
(c) Mixed economy (d) Traditional economy

Ans. (a) [SSC MTS Exam, 2011]

77. The Economic development depends on-

- (a) Natural resources (b) Capital formation
(c) Size of the market (d) All of these

Ans. (d) [SSC (10+2) Exam, 2011]

78. Which one of the following categories of workers is termed as cultivators?

- (a) Those who own land and cultivate
(b) Those who lease in land and cultivate
(c) Those who cultivate the land of others
(d) Those who own land and lease in from others or institutions and cultivate

Ans. (c) [SSC Stenographer Exam, 2010]

79. India is called a mixed economy because of the existence of-

1. Public Sector 2. Private Sector
3. Joint Sector 4. Cooperative Sector

Codes

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

Ans. (b) [SSC Tax Asst. Exam, 2009]

80. In an economy, the sectors are classified into public and private on the basis of-

- (a) Employment conditions
(b) Nature of economic activities
(c) Ownership of enterprises
(d) Use of raw materials

Ans. (c) [SSC DEO Exam, 2009]

81. A mixed economy works primarily through the-

- (a) Market mechanism
(b) Central allocative machinery
(c) Market mechanism regulated by government policy
(d) Market mechanism guided by government participation and planning

Ans. (d) [SSC SO Exam, 2006]

82. A closed economy is one which-

- (a) Does not trade with other countries
(b) Does not possess any means of international transport
(c) Does not have a coastal line
(d) Is not a member of the UNO

Ans. (a) [SSC CPO Exam, 2006]

83. The concept of mixed economy means-

- (a) To have balanced development in the agricultural and industrial sector
(b) Simultaneous development of the rural and urban sector
(c) To have equal distribution of wealth among the rural and the urban poor
(d) Simultaneous existence of the private and public sector

Ans. (d) [SSC Matric Level Exam, 2002]

84. In which sector of the Indian economy is productivity the highest?

- (a) Manufacturing
(b) Transport, Communication and Commerce
(c) Agriculture
(d) Other sectors

Ans. (a) [SSC Matric Level Exam, 2001]

85. Which of the following is a part of tertiary sector ?

- (a) Power and Transportation
(b) Animal Husbandry
(c) Cotton Manufacturing
(d) Cultivation of Crops.

Ans. (a) [SSC Matric Level Exam, 2010]

NATIONAL INCOME

1. Forced saving refers to-

- (a) Compulsory deposits imposed on income tax payers
(b) Provident fund contribution of private sector employees
(c) Reduction of consumption consequent to a rise in price
(d) Taxes on individual income and wealth

Ans. (c) [S.S.C (CGL)-2013]

2. The Expenditure on advertisement and public relation by an enterprise is a part of its-

- (a) Consumption of fixed capital
(b) Final consumption Expenditure
(c) Intermediate Consumption
(d) Fixed Capital

Ans. (c) [S.S.C (CGL) Exam, 2013]

3. If a country produces consumer goods only and nothing else, then-

- (a) Standard of living will be highest
(b) The country have certain amount of good
(c) The country will soon become poor if external trade will not happen
(d) The country will gradually become rich if external trade will not happen

Ans. (c) [S.S.C Matric level Exam, 2006]

4. Which of the following represents the saving of the Private Corporate Sector?

- (a) Undistributed profits
- (b) Excess of income over expenditure
- (c) Dividends paid to shareholders
- (d) Total profit of a company

Ans. (a) [S.S.C (CGL) Exam, 2013]

5. The Income of Indians working abroad is-

- (a) Domestic Income of India
- (b) Income earned from abroad
- (c) Net domestic product of India
- (d) Grave domestic product of India.

Ans. (b) [S.S.C 10+2 Exam,2013]

6. When increase in income the increase in ratio between income & expenditure changes-

- (a) In same ratio
- (b) Ratio less than 1
- (c) Ratio more than one
- (d) None

Ans. (b) [S.S.C CGL Exam, 2015]

7. GDP is what percent of Fiscal deficit?

- (a) 7 (b) 4
- (c) 8 (d) 1

Ans. (b) [S.S.C Multitasking Exam, 2013]

8. The Census of Indian agriculture is done by-

- (a) Production Method (b) Income Method
- (c) Expenditure Method (d) Consumption Method

Ans. (a) [SSC CGL Exam, 2006]

9. The First Income Committee was established in-

- (a) 1948 (b) 1949
- (c) 1950 (d) 1951

Ans. (b) [SSC Metric level Exam, 2008]

10. The Central Statistical Organisation (CSO) provides data under a new revised series in which the base year is taken as-

- (a) 1960-61 (b) 1970-71
- (c) 2011-12 (d) 1990-91

Ans. (c) [SSC Multitasking Exam, 2013]

11. Depreciation is equal to-

- (a) GNP – NNP
- (b) NNP – GNP
- (c) GNP – Personal Income
- (d) Personal Income – Personal Taxes

Ans. (a) [SSC DEO Exam, 2009]

12. National Income include-

- (a) Financial help to earthquake victims
- (b) Pocket money of a child
- (c) Winning of a lottery Prize
- (d) Construction of a new House

Ans. (d) [SSC 10+2 Exam,2010]

13. Other name of Net National Product at market price?

- (a) National Income (b) Gross Domestic Production
- (c) Personal Income (d) Per Capital Income

Ans. (a) [SSC 10+2 Exam,2012]

14. Compared to rich the poors saving is-

- (a) A larger part of their income
- (b) An equal part of their income
- (c) A small part of their income
- (d) All of their incomes

Ans. (c) [SSC CPO Exam, 2007]

15. One of the main factors that led to rapid expansion of Indian exports is-

- (a) Imposition of export duty
- (b) Liberalization of the economy
- (c) Recession in other countries
- (d) Diversification of exports

Ans. (b) [SSC CPO Exam, 2007]

16. A 'Transfer Income' is as -

- (a) Income which is not produced by as production process.
- (b) Income taken away from one person given over to another.
- (c) Unearned Income
- (d) Earned Income

Ans. (a) [SSC 10+2 Exam,2009]

17. Personal Income produced in a country is not included in-

- (a) Production income from NDP
- (b) Net Production Income from foreign.
- (c) Transfer Income from government
- (d) Current Payment on Foreign loans.

Ans. (d) [SSC CPO Exam, 2009]

18. The Effect of 'Investment Multiplier' is shows on-

- (a) Employment (b) Savings
- (c) Income (d) Consumption

Ans. (c) [SSC CGL Exam, 2013]

19. A rising per Capita Income will indicate a better welfare if it is accompanied by -

- (a) Unchanged Income distribution overall.

- (b) Changed Income distribution in favour of rich.
- (c) Changed Income distribution in favour of poor.
- (d) Changed Income distribution in favour of Industrial Labour.

Ans. (c) [SSC 10+2 Exam, 2010]

20. GDP at factor cost equals–

- (a) GDP – Indirect Tax + Subsidy
- (b) GNP – depreciation
- (c) NNP + depreciation
- (d) GDP – subsidy + indirect tax.

Ans. (a) [SSC Tax Asst. Exam, 2008]

21. A ‘Transfer Income’ is an–

- (a) Income which is not produced by any production process
- (b) Income taken away from one person and given over to another
- (c) Unearned income
- (d) Earned income

Ans. (a) [SSC DEO, (10+2) Exam, 2012]

22. Income and consumption are–

- (a) Inversely Related (b) Directly Related
- (c) Partially Related (d) Unrelated

Ans. (b) [SSC (10+2) Exam, 2011]

23. Which of the following would not constitute an economic activity in Economics?

- (a) A teacher teaching students in his college
- (b) A teacher teaching students in a coaching institute
- (c) A teacher teaching his own daughter at home
- (d) A teacher teaching students under Sarva Shiksha Abhiyan Scheme

Ans. (c) [SSC (10+2) Exam, 2011]

24. Which one of the following is not a method of measurement of National Income?

- (a) Value Added Method (b) Income Method
- (c) Investment Method (d) Expenditure Method

Ans. (c) [SSC CPO Exam, 2010]

25. Gross Profit means–

- (a) Total investment over total savings
- (b) Changes in methods of production
- (c) Changes in the form of business organisation
- (d) Total receipts over total expenditure.

Ans. (d) [SSC MTS Exam, 2002]

26. National Income is also called as–

- (a) GNP at factor cost (b) GNP at market price
- (c) NNP at factor cost (d) NNP at market price

Ans. (d) [SSC (10+2) Exam, 2012]

27. Per Capita Income is equal to–

- (a) $\frac{\text{National Income}}{\text{Total population of the country}}$
- (b) National Income + Population
- (c) National Income - Population
- (d) National Income x Population

Ans. (a) [SSC FCI Exam, 2012]

28. Which one of the following is the most appropriate reason for inequalities in income?

- (a) Racial factors
- (b) Lack of opportunities
- (c) Inheritance from family environment
- (d) Differences in ability

Ans. (b) [SSC (10+2) Exam, 2012]

29. Which of the following is deducted from NNP to arrive at NI?

- (a) Indirect tax
- (b) Capital consumption allowance
- (c) Subsidy
- (d) Interest

Ans. (a) [SSC (10+2) Exam, 2011]

30. Which one of the following is not included while estimating National Income through income method?

- (a) Rent (b) Mixed Income
- (c) Pension (d) Undistributed Profits

Ans. (d) [SSC (10+2) Exam, 2011]

31. While computing National Income estimates, which of the following is required to be observed?

- (a) The value of exports to be added and the value of imports to be subtracted
- (b) The value of exports to be subtracted and the value of imports to be added
- (c) The value of both exports and imports to be added
- (d) The value of both exports and imports to be subtracted

Ans. (a) [SSC (10+2) Exam, 2011]

32. Who estimated the National Income for the first time in India?

- (a) Mahalanobis (b) Dadabhai Naoroji
- (c) VKRV Rao (d) Sardar Patel

Ans. (b) [SSC MTS Exam, 2011]

33. National Income is generated from–

- (a) any money-making activity
- (b) any labourious activity
- (c) any profit-making activity

- (d) any productive activity
- Ans. (d)** [SSC MTS Exam, 2011]
- 34. Which of the following is deducted from GNP to arrive at NNP?**
- (a) Depreciation (b) Interest
(c) Tax (d) Subsidy
- Ans. (a)** [SSC (10+2) Exam, 2011]
- 35. The total value of goods and services produced in a country during a given period is—**
- (a) Disposable Income
(b) National Income
(c) Per Capita Income
(d) Net National Income
- Ans. (b)** [SSC CPO Exam, 2011]
- 36. An individual's actual standard of living can be assessed by—**
- (a) Gross National Income
(b) Net National Income
(c) Per Capita Income
(d) Disposable Personal Income
- Ans. (c)** [SSC CGL Exam, 2011]
- 37. A rising Per Capita Income will indicate a better welfare, if it is accompanied by—**
- (a) unchanged income distribution overall
(b) changed income distribution in favour of rich
(c) changed income distribution in favour of poor
(d) changed income distribution in favour of industrial labour
- Ans. (c)** [SSC Stenographer Exam, 2011]
- 38. Which one of the following is not method of estimating Nations Income?**
- (a) Expenditure method
(b) Product method
(c) Matrix method
(d) Income method
- Ans. (c)** [SSC CGL Exam, 2011]
- 39. National Income Estimates in India are prepared by—**
- (a) National Development Council
(b) National Productivity Council
(c) National Income Committee
(d) Central Statistical Organisation
- Ans. (d)** [SSC Stenographer Exam, 2010, CGL Exam, 2007, Investigator Exam, 2006]
- 40. National Income include—**
- (a) financial help to earthquake victims
(b) pocket money of a child

- (c) winning of a lottery prize
(d) construction of a new house
- Ans. (d)** [SSC (10+2) Exam, 2010]
- 41. Depreciation is equal to—**
- (a) Gross National Product — Net National Product
(b) Net National Product — Gross National Product
(c) Gross National Product — Personal Income
(d) Personal Income — Personal Taxes
- Ans. (a)** [SSC (10+2) Exam, 2009]
- 42. Net National Product (NNP) of a country is—**
- (a) GDP minus Depreciation allowances
(b) GDP plus Net Income from abroad
(c) GNP minus Net Income from abroad
(d) GNP minus Depreciation allowances
- Ans. (d)** [SSC CPO Exam, 2009]
- 43. Personal Disposable income is—**
- (a) Always equal to Personal Income
(b) Always more than Personal Income
(c) Equal to Personal Income minus Indirect Taxes
(d) Equal to Personal Income minus Direct Taxes
- Ans. (d)** [SSC CGL Exam, 2008]
- 44. Which of the following is not included in the National Income?**
- (a) Imputed rent of owner-occupied houses
(b) Government expenditure on making new bridges
(c) Winning a lottery
(d) Commission paid to an agent for sale of house
- Ans. (c)** [SSC CGL Exam, 2008]
- 45. GDP at factor cost is—**
- (a) GDP minus Indirect Taxes plus Subsidies
(b) GDP minus Depreciation allowances
(c) NNP plus Depreciation allowances
(d) GDP minus Subsidies plus Indirect Taxes
- Ans. (a)** [SSC CGL Exam, 2008]
- 46. Which of the statements is correct about India's National Income?**
- (a) Percentage share of agriculture is higher than services
(b) Percentage share of industry is higher than agriculture
(c) Percentage share of services is higher than industry
(d) Percentage share of services is higher than agriculture and industry put together
- Ans. (d)** [SSC CPO Exam, 2007]
- 47. The term 'Green GNP' emphasises—**
- (a) Rapid growth of GNP

- (b) Increase in Per Capita Income
- (c) Economic Development
- (d) Sustainable Development

Ans. (d) [SSC Tax Asst. Exam, 2006]

48. Who among the following Indian economists has done pioneering work on National Income?

- (a) Jagdish Bhagwati (b) ML Seth
- (c) Amartya Sen (d) VKRV Rao

Ans. (d) [SSC (10+2) Exam, 2006]

49. In calculating National Income, which of the following is included?

- (a) Services of housewives
- (b) Pensions
- (c) Income of smugglers
- (d) Income of watchmen

Ans. (d) [SSC Tax Asst. Exam, 2005, (10+2) Exam, 2000]

50. Which of the following is not required while computing Gross National Product (GNP)?

- (a) Net foreign investment
- (b) Private investment
- (c) Per Capita Income of citizens
- (d) Purchase of goods by government

Ans. (c) [SSC SO Exam, 2005]

51. Which of the following results by dividing National Income by size of population?

- (a) Per Capita Income
- (b) Subsistence level
- (c) Subsistence expenditure
- (d) Per capita production

Ans. (a) [SSC SO Exam, 2005]

52. What does National Income mean?

- (a) The total value of all goods and services produced in the country during a period of 1 year
- (b) The total value of all stocks and shares in the country during a period of 1 year
- (c) The total value of all capital goods produced in the country during a period of 1 year
- (d) The total value of all consumer goods produced in the country during a period of 1 year

Ans. (a) [SSC SO Exam, 2005]

53. The difference between the GNP and the NNP is equal to the—

- (a) Consumer expenditure on durable goods
- (b) Direct tax revenue
- (c) Indirect tax revenue
- (d) Capital depreciation

Ans. (d) [SSC Tax Asst. Exam, 2004]

54. National Income refers to—

- (a) Money value of goods and services produced in a country during a year
- (b) Money value of stocks and shares of a country during a year
- (c) Money value of capital goods produced by a country during a year
- (d) Money value of consumer goods produced by a country during a year

Ans. (c) [SSC CPO Exam, 2003]

55. The National Income of a country is—

- (a) Government annual revenue
- (b) Total productive income
- (c) Surplus of the public sector enterprise
- (d) Export and Import

Ans. (b) [SSC SO Exam, 2003]

56. The method of calculating the National Income by the product method is otherwise known as—

- (a) Income method (b) Value added method
- (c) Expenditure method (d) Net output method

Ans. (d) [SSC SO Exam, 2003]

57. National Income at factor cost is equal to—

- (a) Net National Product - Indirect Taxes + Subsidies
- (b) Net National Product - Direct Taxes + Subsidies
- (c) Gross National Product - Depreciation Charges
- (d) Net National Product + Net Income from Abroad

Ans. (a) [SSC (10+2) Exam, 2002]

58. While estimating National Income which of the following is not taken into account?

- (a) Services of a teacher
- (b) Services of a doctor
- (c) Services of a housewife
- (d) Services of a maid servant

Ans. (c) [SSC (10+2) Exam, 2002]

59. Gross National Product is the money measure of—

- (a) All tangible goods produced in a country
- (b) Final goods and services produced in the economy
- (c) Services generated annually in the economy
- (d) All tangible goods available in the economy

Ans. (b) [SSC (10+2) Exam, 2002]

60. Gross National Product means—

- (a) Gross value of finished goods
- (b) Money values of the total national production for any given period

- (c) Gross value of raw materials
(d) Money value of inputs and outputs
- Ans. (b)** [SSC (10+2) Exam, 2002]
- 61. Aggregate net value of the output in 1 year is the—**
- (a) National Income at factor cost
(b) Gross Domestic Product at market prices
(c) Net National Product at market prices
(d) Gross National Product at market prices
- Ans. (c)** [SSC (10+2) Exam, 2002]
- 62. Net National Product in National Income accounting refers to—**
- (a) Gross Domestic Product— Depreciation
(b) Gross Domestic Product + Subsidies
(c) Gross National Product—Depreciation
(d) Gross National Product + Subsidies
- Ans. (c)** [SSC (10 +2) Exam, 2002]
- 63. A very high rise in National Income at current market prices and a low rise at constant prices reveals—**
- (a) The high rate of growth in the economy at the current period
(b) The increased production in the current period
(c) The improper growth of the economy
(d) The high rate of inflation prevailing in the economy
- Ans. (d)** [SSC (10+2) Exam, 2002]
- 64. National Income accounting is the study of the income and expenditure of the entire—**
- (a) Family (b) State
(c) Economy (d) Organisation
- Ans. (c)** [SSC (10+2) Exam, 2001]
- 65. GNP differs from NNP due to—**
- (a) Net indirect taxes
(b) Direct taxes
(c) Interest on public debt
(d) Depreciation
- Ans. (d)** [SSC Stenographer Sep. Exam, 2014]
- 66. Which of the following is not viewed as national debt?**
- (a) Life Insurance Policies
(b) Long-term Government Bonds
(c) National Savings Certificates
(d) Provident Fund
- Ans. (a)** [SSC CPO Exam, 2006]
- 67. What is 'book-building'?**
- (a) Preparing the income and expenditure ledgers of a company (book-keeping)
(b) Manipulating the profit and loss statements of a company
- (c) A process of inviting subscriptions to a public offer of securities, essentially through a tendering process
(d) Publishers activity
- Ans. (c)** [SSC SO Exam, 2003]
- 68. An increase in per capita income is not an indication of an increase in the economic welfare of the people—**
- (a) When such increase is the result of an increased production of comforts
(b) When such increase is the result of an increase in agricultural production
(c) When it is the result of an increase in the production of industrial goods
(d) When such increase is the result of increased production of intoxicants
- Ans. (d)** [SSC MTS Exam, 2002]
- 69. 'Golden Handshake Scheme' is associated with—**
- (a) Inviting foreign companies
(b) Private investment in public enterprises
(c) Establishing joint enterprises
(d) Voluntary retirement
- Ans. (d)** [SSC SO Exam, 2006]
- 70. Fish catch by Indian fishermen in the international waters are part of the GDP of—**
- (a) Sri Lanka (b) India and Sri Lanka
(c) India (d) India and Indonesia
- Ans. (c)** [SSC (10+2) Exam, 2011]
- 71. The best example of a capital intensive industry in India is—**
- (a) Textile industry (b) Steel industry
(c) Tourism industry (d) Sports goods industry
- Ans. (b)** [SSC (10+2) Exam, 2011]
- 72. The best index of economic development is provided by—**
- (a) Growth in per capita real income from year to year
(b) Growth in national income at current prices
(c) Growth in savings ratio
(d) Improvement in the balance of payments position
- Ans. (a)** [SSC (10+2) Exam, 2010]
- 73. India's biggest nationalised enterprise today is—**
- (a) The Indian Railways
(b) The Indian Commercial Banking System
(c) The Indian Power Sector
(d) The Indian Telecommunication System
- Ans. (a)** [SSC SO Exam, 2007]

74. Which of the following is a better measurement of economic development?

- (a) GDP (b) Disposable Income
(c) NNP (d) Per Capita Income

Ans. (d) [SSC SO Exam, 2007]

75. Which organisation collects data for the unorganised sector?

- (a) NSSO (b) CSO
(c) ASI (d) RBI

Ans. (a) [SSC CPO Exam, 2006]

76. Economic growth is dependent mainly on—

- (a) Level of consumption
(b) Price stability
(c) Level of investment
(d) Population growth

Ans. (c) [SSC Matric Level Exam, 2006]

77. What is the main function of Central Statistical Office (CSO)?

- (a) Determination of money supply
(b) Collection of estimates of national income
(c) Collection of detail data regarding employment
(d) Price determination

Ans. (b) [SSC SO Exam, 2005]

78. Which of the following is not true when the interest rate in the economy goes up?

- (a) Savings increases
(b) Lending decreases
(c) Cost of production increases
(d) Return on capital increases

Ans. (d) [SSC CGL Exam, 2004]

79. To achieve high rates of growth of national output, the economy has to—

- (a) reduce the rate of growth of population
(b) borrow foreign capital
(c) step up the rate of savings
(d) increase the rate of investment and reduce the capital output ratio

Ans. (d) [SSC CPO Exam, 2003]

80. The self-employed in a developing country who are engaged in small scale labour intensive work belong to the—

- (a) Informal Sector (b) Primary Sector
(c) Secondary Sector (d) Tertiary Sector

Ans. (b) [SSC Matric Level Exam, 2002]

81. The standard of living in a country is represented by its—

- (a) Poverty ratio (b) Per capita income
(c) National income (d) Unemployment rate

Ans. (b) [SSC CGL Exam, 2002]

82. In a highly developed country the relative contribution of agriculture to GDP is—

- (a) Relative high
(b) Relatively low
(c) Same as that of other sectors
(d) Zero

Ans. (b) [SSC Matric Level Exam, 2001]

TAX

1. Which among of the following is direct tax?

- (a) Sales Tax (b) Excise Tax
(c) Wealth Tax (d) Entertainment Tax

Ans. (c) [S.S.C Multitasking Exam, 2013]

2. Which among of the following is largest source of income for central govt.?

- (a) Direct Taxes (b) Custom Duty
(c) Excise Duty (d) Entertainment Tax

Ans. (a) [S.S.C Matric level Exam, 2008]

3. Which among of the following is not direct tax?

- (a) Income Tax (b) Property Tax
(c) Gift Tax (d) Sales Tax

Ans. (d) [S.S.C Stenographer Exam, 2005]

4. The Example of Sales tax is-

- (a) Corporate Tax (b) Direct Tax
(c) Indirect Tax (d) Welfare Tax

Ans. (c) [S.S.C (FCI) Exam, 2012]

5. Which of the following tax is imposed by state govt.?

- (a) Entertainment Tax (b) Property Tax
(c) Income Tax (d) Corporate Tax

Ans. (a) [S.S.C Matric level Exam, 2006]

6. Taxes are called as Regressive when-

- (a) None of these
(b) It causes same burden on rich and poor
(c) Less burden on poor as compared to rich
(d) More burden on poor as compared to rich

Ans. (c) [S.S.C (CPO) Exam, 2015]

7. In case of direct tax, impact of tax & incidence of tax is—

- (a) On two different person

- (b) On same person
(c) Any other person
(d) On that department which called tax.
Ans. (b) [S.S.C (CGL) Exam, 2014]
- 8. Who was the Chairman of tenth Finance Commission?**
(a) Manmohan Singh (b) Vasant Sathe
(c) Shiv Shankar (d) K.C. Pant
Ans. (d) [SSC CGL Exam, 2013]
- 9. Who was the Chairman of 13th Finance Commission?**
(a) Dr. Vijay L Kelkar (b) Dr. C Rangrajan
(c) Dr. A.M. Khusro (d) Dr. C. Subbarao
Ans. (a) [SSC Steno Exam, 2011, 14]
- 10. For becoming chairman of finance commission which one is necessary?**
(a) He should be from Finance and Banking sector
(b) He should be high level economist
(c) He should be specialist of Jurisdiction matters
(d) In case of public matters, he should be a man of perfection
Ans. (d) [SSC 10+2 Exam,2010]
- 11. Which among of the following is not a 'canon of taxation' according to Adam Smith?**
(a) Canon of certainty
(b) Canon of simplicity
(c) Canon of convenience
(d) Canon of economy inefficiency
Ans. (b) [SSC 10+2 Exam,2010]
- 12. VAT was firstly implemented in—**
(a) Germany (b) Spain
(c) France (d) Russia
Ans. (c) [SSC 10+2 Exam,2012]
- 13. CENVAT is related with—**
(a) Service Tax (b) Wealth Tax
(c) Excise duty (d) Selling Tax
Ans. (c) [SSC 10+2 Exam,2015]
- 14. 'Value - added' is equal to—**
(a) Output Minus the Inputs
(b) Reconstruction profit
(c) Gross profit
(d) Investment profit
Ans. (a) [SSC 10+2 Exam,2013]
- 15. Finance Commission is organised.**
(a) Every year.
(b) After every four year
(c) After every two year
(d) After every five year
Ans. (d) [SSC Tax Asst. Exam,2008]
- 16. Which of the statements is correct about India's National Income?**
(a) Percentage share of agriculture is higher than services.
(b) Percentage share of industry is higher than agriculture.
(c) Percentage share of services is higher than industry.
(d) Percentage share of services is higher than agriculture and industry put together.
Ans. (d) [SSC CPO Exam, 2007]
- 17. In Centre – State financial relation in India, Gadgil formula is used in—**
(a) Division of tax revenue
(b) Formulation of the policy for fresh borrowings
(c) Writing off state's indebtedness to the centre
(d) Allocating Central Plan assistance between States
Ans. (a) [SSC 10+2 Exam,2011]
- 18. Which authority decides about the states' share in central taxes?**
(a) Finance Commission
(b) Planning Commission
(c) Election Commission
(d) Finance Ministry
Ans. (a) [SSC SO Exam, 2006]
- 19. The practice of selling goods in a foreign country at a price below their domestic selling price is called—**
(a) 'Diplomacy' (b) 'Discrimination'
(c) 'Dumping' (d) 'Double pricing'
Ans. (c) [SSC SO Exam, 2006]
- 20. Indirect taxes by nature are—**
(a) Degressive (b) Regressive
(c) Progressive (d) Proportional
Ans. (b) [SSC Stenographer Exam, 2011]
- 21. Taxation is a tool of—**
(a) Monetary Policy (b) Fiscal Policy
(c) Price Policy (d) Wage Policy
Ans. (b) [SSC (10+2) Exam, 2011]
- 22. The Fringe Benefit Tax was introduced in the budget of—**
(a) 2003-04 (b) 2004-05
(c) 2005-06 (d) 2006-07
Ans. (c) [SSC CGL Exam, 2011]

23. The government set-up a committee headed by the Chairman. Central Board of Direct Taxes sometime back to go into–

- (a) Codification of tax laws
- (b) The entire structure of tax laws including the question of imposition of bank tax
- (c) The concerns of the foreign investors in India with regards to taxation matters
- (d) Aspects of generation of black money, its transfer abroad and bringing back such money into India's Legitimate Financial System.

Ans. (d) [SSC CPO Exam, 2011]

24. Which of the following taxes are levied and collected by the centre but their net proceeds are wholly transferred to states?

- (a) Expenditure Tax and Gift Tax
- (b) Additional duties of excise in lieu of sales tax
- (c) Stamps and Registration
- (d) Taxes on Advertisement

Ans. (d) [SSC SAS 2010]

25. Which of the following is not the source of the revenue of Central Government?

- (a) Income Tax
- (b) Corporate Tax
- (c) Agricultural Income Tax
- (d) Excise Duty

Ans. (c) [SSC DEO Exam, 2008]

26. The Report of Vijay Kelkar Committee relates to–

- (a) Trade reforms
- (b) Centre-state financial relations
- (c) Disinvestment in public sector enterprises
- (d) Tax reforms

Ans. (d) [SSC CPO Exam, 2008]

27. Which of the following taxes is not collected by the Central Government?

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

Ans. (c) [SSC Tax Asst. Exam, 2007]

28. Excise duty on a commodity is payable with reference to its–

- (a) Production
- (b) Production and Sale
- (c) Production and Transportation
- (d) Production, Transportation and Sale

Ans. (a) [SSC SO Exam, 2007]

29. If the tax rate increases with the higher level of income, it shall be called–

- (a) Proportional Tax
- (b) Progressive Tax

- (c) Lump sum Tax
- (d) Regressive Tax

Ans. (b) [SSC SO Exam, 2006]

30. Which of the following sets belong to Central tax?

- (a) Excise Duty, Sales Tax and Customs Duty
- (b) Excise Duty, Customs Duty and Income Tax.
- (c) Income Tax, Customs Duty and House Tax
- (d) Customs Duty, Entertainment tax and Income Tax

Ans. (b) [SSC Tax Asst. Exam, 2005]

31. Which of the following taxes is not shared between the union and the states?

- (a) Income Tax
- (b) Excise Duty
- (c) Corporation Tax
- (d) Sales Tax

Ans. (d) [SSC SO Exam, 2005]

32. Which of the following taxes is levied by the Union and appropriated and planned by the states?

- (a) Service Tax
- (b) Stamp Duty
- (c) Property Tax
- (d) Passenger and Freight Duty

Ans. (b) [SSC SO Exam, 2005]

33. Interest on public debt is part of–

- (a) Transfer payments by the enterprises
- (b) Transfer payments by the government
- (c) National income
- (d) Interest payments by households

Ans. (b) [SSC SO Exam, 2005, CGL Exam, 2000]

34. Which of the following taxes is such which does not cause rise in price?

- (a) Import Duty
- (b) Income Tax
- (c) Octroi
- (d) Sales Tax

Ans. (b) [SSC SO Exam, 2005]

35. Who among the following has suggested tax on expenditure?

- (a) Dalton
- (b) Kaldor
- (c) Musgrave
- (d) Gautam Mathur

Ans. (b) [SSC Tax Asst. Exam, 2005]

36. Which amidst the following taxes collected by the Union is not mandated to be assigned to the states?

- (a) Terminal taxes on goods or passengers carried by railway, sea or air.
- (b) Taxes on railway fares and freights
- (c) Taxes on consignment of goods
- (d) Service Tax

Ans. (d) [SSC CGL Exam, 2004]

37. The main source of revenue for a State Government in India is–

- (a) Sales Tax
- (b) Excise Duty

(c) Income Tax (d) Property Tax
Ans. (a) [SSC CPO Exam, 2003]

38. The proceeds of Income tax go to–

- (a) Central Government
- (b) State Government
- (c) Centre and States
- (d) Corporation Authorities

Ans. (c) [SSC CPO Exam, 2003]

39. How does the consumer benefit with VAT?

- (a) It removes tax on tax and thus reduces price rise
- (b) Reduces the cost of production
- (c) With the abolition of the sales tax
- (d) Due to the exemption of small businesses from the tax within certain limits prescribed by the state

Ans. (a) [SSC CPO Exam, 2003]

40. The receipts of which of the following taxes/duties are not shared with the states?

- (a) Tax on income except agriculture
- (b) Corporation tax
- (c) Surcharge on Income tax
- (d) Capital gain tax

Ans. (a) [SSC SO Exam, 2003]

41. Corporation tax is a tax imposed on–

- (a) The net incomes of the companies
- (b) The corporate properties
- (c) The utilities provided by the corporation
- (d) Tax imposed by the corporation on individual properties

Ans. (a) [SSC Matric Level Exam, 2002]

42. The duties levied on alcoholic liquors, narcotic drugs and opium come under–

- (a) Central Excise Duty (b) Land Revenue
- (c) State Excise Duty (d) General Sales Tax

Ans. (a) [SSC Matric Level Exam, 2002]

43. State which amongst the following is not true about VAT?

- (a) All states have uniform VAT for the same product
- (b) State have discretion to fix the rate of tax within the four rates prescribed
- (c) It will promote production efficiency of investments
- (d) It will make our exports more competitive

Ans. [SSC SO Exam, 2003]

44. The most important source of revenue for the states in India is–

- (a) Corporation Tax (b) Income Tax

(c) Excise Duties (d) Sales Tax
Ans. (d) [SSC Matric Level Exam, 2002]

45. Parallel economy emerges due to–

- (a) Tax Avoidance (b) Tax Evasion
- (c) Tax Compliance (d) Tax Estimation

Ans. (b) [SSC Matric Level Exam, 2002]

46. The tax levied on gross sales revenue from business transactions is called–

- (a) Turnover Tax (b) Sales Tax
- (c) Capital Gains Tax (d) Corporation Tax

Ans. (a) [SSC Matric Level Exam, 2002]

47. A tax is characterised by horizontal equity if its liability is–

- (a) Proportional to the income of tax payers
- (b) Similar for tax payers in similar circumstances
- (c) Proportional to the expenditure of tax payers
- (d) The same for every tax payer

Ans. (a) [SSC SO Exam, 2001]

48. Which authority recommends the principles governing the grants in aid of the revenues of the states out of the Consolidated Fund of India?

- (a) Public Accounts Committee
- (b) Union Ministry of Finance
- (c) Finance Commission
- (d) Inter-State Council

Ans. (c) [SSC SO Exam, 2001]

49. Buoyancy of a tax is defined as–

- (a) Percentage increase in tax revenue/percentage increase in tax base
- (b) Increase in tax revenue/percentage increase in tax coverage
- (c) Increase in tax revenue/increase in tax base
- (d) Percentage increase in tax revenue/increase in tax coverage

Ans. (c) [SSC SO Exam, 2001]

50. Which one of the following is not an Example of Indirect tax?

- (a) Sales Tax (b) Excise Duty
- (c) Customs Duty (d) Expenditure Tax

Ans. (d) [SSC CGL Exam, 2000]

51. 'Quota' is–

- (a) Tax levied on imports
- (b) Imports of capital goods
- (c) Limit on the quantity of imports
- (d) Limit on the quantity of exports

Ans. (c) [SSC Matric Level Exam, 2000]

52. Taxation is a tool of-

- (a) Monetary Policy (b) Fiscal Policy
(c) Price Policy (d) Wage Policy

Ans. (b) [SSC Matric Level Exam, 2000]

53. Which is the biggest tax paying sector in India?

- (a) Agriculture sector (b) Industrial sector
(c) Transport sector (d) Banking sector

Ans. (b) [SSC CGL Exam, 2010]

54. Value of output and value added can be distinguished if we know-

- (a) The value of intermediate consumption
(b) The value of net indirect taxes
(c) The value of the sales
(d) The value of consumption of fixed capital

Ans. (a) [SSC (10+2) Exam, 2010]

55. What is Value Added Tax (VAT) ?

- (a) A simple, transparent, easy to pay tax imposed on consumers
(b) A new initiative taken by the government to increase the tax-burden of high income groups
(c) A single tax that replaces state taxes like, surcharge, turnover tax etc
(d) A new tax to be imposed on the producers of capital goods

Ans. (c) [SSC Tax Asst. Exam, 2006]

56. The incidence of tax refers to,-

- (a) Who pays the tax ?
(b) Who bears the burden of tax?
(c) How taxes can be shifted ?
(d) Who transfers the tax burden?

Ans. (b) [SSC MTS Exam, 2002]

57. Ad Valorem tax is levied-

- (a) According to value added by the government.
(b) According to value addition to a commodity
(c) According to value given by producers
(d) According to value added by the Finance ministry

Ans. (c) [SSC MTS Exam, 2002]

BANK

1. By which law it has been said that with continue increase in income, expenses on food product decreases-

- (a) Gresham's Law (b) Griffin Law
(c) Say's Law (d) Angel Law

Ans. (d) [S.S.C 10+2 Exam,2015]

2. Which of the following is not considered as National Debt?

- (a) National saving Certificate
(b) Long-term Government Bond
(c) Insurance Policies
(d) Provident Fund

Ans. (c) [SSC CGL Exam, 2008]

3. Which among of the following is open Bank for small industries.

- (a) IDBI (b) SIDBI
(c) IFCI (d) NABARD

Ans. (b) [SSC Metric level Exam, 2006]

4. IDBI was established on-

- (a) July, 1964 (b) July, 1966
(c) July, 1962 (d) July, 1968

Ans. (a) [SSC 10+2 Exam,2015]

5. Under the rules of the IMF, each member is required to declare the par value of its legal tender money in terms of US Dollars and -

- (a) Silver (b) Gold
(c) Pound, sterling (d) Diamond

Ans. (c) [SSC CPO Exam, 2007]

6. Which among of the following bank was earlier known as 'Imperial Bank of India'?

- (a) RBI (b) SBI
(c) UBI (d) PNB

Ans. (b) [SSC CGL Exam, 2006]

7. SBI was earlier known as -

- (a) Cooperative Bank of India
(b) Imperial Bank of India
(c) Syndicate Bank
(d) Canara Bank

Ans. (b) [SSC CGL Exam, 2015]

8. The Interest on saving deposits in all nationalized banks of India is determined by-

- (a) Finance Minister
(b) Finance Commission
(c) Indian Cooperative Bank
(d) Reserve Bank of India

Ans. (d) [SSC CGL Exam, 2014]

9. The total Number of nationalized bank in India.

- (a) 14 (b) 21
(c) 20 (d) 22

- Ans. (b) [SSC CGL Exam, 2014]
10. Which among the following is public sector undertaking?
- (a) HSBC Bank (b) Syndicate Bank
(c) South Indian Bank (d) Bank of Punjab
- Ans. (b) [SSC Metric level Exam, 2006]
11. When were Fourteen India Banks nationalized in?
- (a) 1967 (b) 1968
(c) 1969 (d) 1971
- Ans. (c) [SSC 10+2 Exam, 2014]
12. 'NABARD' Stands for–
- (a) National Bank for Agricultural Refinance & Development
(b) National Board of Agricultural Research & Development
(c) National Academy of Banking and Agricultural Research and Development
(d) Nation Bank for Agriculture and Rural Development.
- Ans. (d) [SSC CGL Exam, 2006]
13. 'NABARD' is related to development of –
- (a) Agriculture and Rural Areas
(b) Heavy Industries
(c) Banking Sector
(d) None of the above
- Ans. (a) [SSC CGL Exam, 2014]
14. Which of the following is not a industrial finance institution?
- (a) UTI (b) ICICI
(c) NABARD (d) SFC
- Ans. (c) [SSC Metric Level Exam, 2002]
15. Whose signature is done on one rupee note?
- (a) Finance Secretary
(b) Governor of RBI
(c) Finance Minister
(d) None of these
- Ans. (a) [SSC CGL Exam, 2015]
16. Decimal Money System was started in?
- (a) 1955 (b) 1956
(c) 1957 (d) 1958
- Ans. (c) [SSC 10+2 Exam, 2014]
17. Bank rate is the rate of interest–
- (a) At which public borrow money from commercial Banks
(b) At which public borrows money from RBI
(c) At which commercial Banks borrow money from RBI
(d) At which commercial Banks borrows money from the public
- Ans. (c) [SSC CPO Exam, 2005]
18. Minimum to Maximum reserved deposits in RBI by Commercial Banks in called–
- (a) Cash Deposits (b) Deposit Reserve
(c) Excess Reserve (d) None of the above
- Ans. (c) [SSC CGL Exam, 2011]
19. Which one of the following is not a quantitative credit control measure of a Central Bank?
- (a) Bank Rate Policy (b) Open Market Operations
(c) Cash reserve Ratio (d) Moral Suasion (Pressure)
- Ans. (d) [SSC 10+2 Exam, 2011]
20. Remedy Finance is done by–
- (a) National Development Council
(b) NABARD
(c) SBI
(d) RBI
- Ans. (d) [SSC 10+2 Exam, 2015]
21. Which among the following is Known as “Hot Money”?
- (a) FII (b) FDI
(c) ADR (d) GDR
- Ans. (a) [SSC CGL Exam, 2012]
22. Cash Reserve Ratio and open Market Operation are the tools of–
- (a) Monetary Policy (b) Budget Policy
(c) Trade Policy (d) Fiscal policy
- Ans. (a) [SSC 10+2 Exam, 2013]
23. Which among of the following are related to banking reform.
- (a) L.C. Gupta Committee
(b) Narasimhan Committee
(c) Chakravarti Committee
(d) Kelkar Committee
- Ans. (b) [SSC CGL Exam, 2012]
24. In E-banking, 'E' Stands for–
- (a) Economics Banking (b) Environment Banking
(c) Electronic Banking (d) Expand Banking
- Ans. (c) [SSC CGL Exam, 2014]
25. Which of the following is a measure to check money supply in market?
- (a) Free Market Policy
(b) CRR
(c) Bank Rate
(d) Change in marginal necessities
- Ans. (a) [SSC CGL Exam, 2014]

26. RBI does not transact the business of which state government?

- (a) Nagaland (b) Jammu and Kashmir
(c) Punjab (d) Assam

Ans. (b) [SSC Tax Asst. Exam, 2007]

27. Who was appointed as governor of RBI After Dr. Y.V. Reddy?

- (a) Dr. Indra Rangrajan (b) Dr. Dilip Sanghai
(c) Dr. Vijay L. Kelkar (d) Shri D. Subbarao

Ans. (d) [SSC Tax Asst Exam, 2009]

28. Which among the following is correct about money supply in India?

- (a) Money Possessed by public is not exchangeable
(b) Amount of money deposit in banks is greater than public holds
(c) Amount of money possessed by public is more than bank deposits
(d) Amount of money possessed by public is equal to bank deposits

Ans. (b) [SSC CPO Exam, 2015]

29. 'Hard Currency' is-

- (a) A currency which is paid for loan
(b) A currency which is paid for gold
(c) A currency which is easy to access
(d) A currency not easy to access

Ans. (d) [SSC Multitasking Exam, 2011]

30. The Financial Year of RBI is from -

- (a) April to March
(b) July to June
(c) January to December
(d) August to July

Ans. (b) [SSC Multitasking Exam, 2011]

31. A Schedule Bank in one which is included in the -

- (a) II Schedule of Banking Regulation Act.
(b) II Schedule of Constitution
(c) II Schedule of RBI act
(d) None of the above

Ans. (c) [SSC CGL Exam, 2014]

32. Which among of the following is not a government organization?

- (a) National Residence Bank
(b) SIDBI
(c) ICICI
(d) NABARD

Ans. (c) [SSC Steno Exam, 2014]

33. ICI is related with-

- (a) Multinational company for manufacture of chemicals
(b) Indian Cannaot Industry.
(c) Chamber of Commerce and Industry
(d) Private Sector Bank

Ans. (a) [SSC CPO Exam, 2008]

34. Open - Market operation indicates-

- (a) Loan taken by scheduled banks from RBI
(b) Loan for industry and trade from RBI by scheduled banks
(c) Selling and buying of government bonds and securities by RBI
(d) Total revenue of government

Ans. (c) [SSC 10+2 Exam,2010]

35. When money supply increases the LM curve?

- (a) Remains parallel to x - axis
(b) Shift towards left
(c) Shift towards right
(d) Remains constant

Ans. (c) [SSC 10+2 Exam,2013]

36. Monetary Policy is maintained by-

- (a) Central Government
(b) RBI
(c) Industrial Finance Corporation
(d) IDBI

Ans. (b) [SSC CGL Exam, 2010]

37. The Largest Commercial Bank of India is -

- (a) Central Bank of India
(b) SBI
(c) Indian Overseas Bank
(d) Bank of India

Ans. (b) [SSC 10+2 Exam,2011]

38. The Maximum branches of Indian Bank is in-

- (a) Bangladesh (b) Sri Lanka
(c) UK (d) USA

Ans. (c) [SSC 10+2 Exam,2003]

39. Which among the following is true?

- (a) Money is a good servant
(b) Money is a good servant but bad master
(c) Money is a good master but bad servant
(d) Money is a good master and servant too

Ans. (b) [SSC FCI Exam, 2012]

40. Which among of the following is a Example of optional money?

- (a) Currency Notes (b) Coins

(c) Cheques (d) Bonds
Ans. (c) [SSC 10+2 Exam,2010]

41. Which among of the following statement is correct?
(a) Good money drives bad money out of circulation.
(b) Bad money drives out good money from circulation
(c) Good and bad money Cannot circulate together.
(d) Can't say

Ans. (b) [SSC CPO Exam, 2008]

42. A part of National Debt known as External Dept is the amount.

- (a) Borrowed by its citizen from abroad
- (b) Lent by into citizens to foreign governments
- (c) Borrowed by its government from abroad
- (d) Lent by its government to foreign government

Ans. (c) [SSC 10+2 Exam,2013]

43. Green Banking means-

- (a) Development of forestry by banks.
- (b) Financing of environment friendly projects by banks
- (c) Financing of irrigation projects by banks
- (d) None of the above

Ans. (d) [SSC CPO Exam, 2008]

44. A currency having a falling exchange rate due to continuing balance of payments deficit is called a-

- (a) Soft Currency (b) Hard Currency
- (c) Scarce Currency (d) Surplus Currency

Ans. (a) [SSC Matric Level Exam, 2002]

45. What is referred to as 'Depository Services'?

- (a) A new scheme of fixed deposits
- (b) A method for regulating stock exchanges
- (c) An agency for safe keeping of securities.
- (d) An advisory service to investors

Ans. (c) [SSC Tax Asst. Exam, 2006]

46. Liquidity preference means-

- (a) Showing preference to hold bonds and securities
- (b) Refraining from consumption
- (c) Desire of the public to hold cash
- (d) Showing preference to hold capital assets

Ans. (c) [SSC CGL April Exam, 2014]

47. Increase in cash reserve ratio leads to-

- (a) increase in bank credit
- (b) decrease in bank credit
- (c) constant bank credit
- (d) excess bank credit

Ans. (b) [SSC CGL July Exam, 2014]

48. Money supply is governed by the-

- (a) Planning Commission
- (b) Finance Commission
- (c) Reserve Bank of India
- (d) Commercial Banks

Ans. (c) [SSC MTS Exam, 2011]

49. "Bad money will drive out good money from circulation." This is known as-

- (a) Engle' Law (b) Gresham's Law
- (c) Say Law (d) Wagner's Law

Ans. (b) [SSC MTS Exam, 2006]

50. The demand for money, according to Keynes is for-

- (a) Speculative Motive
- (b) Transaction Motive
- (c) Precautionary Motive
- (d) All of the above

Ans. (c) [SSC MTS Exam, 2001]

51. The rate of interest is determined by-

- (a) The rate of return on the capital invested
- (b) Central Government
- (c) Liquidity Preference
- (d) Commercial Banks

Ans. (d) [SSC CGL Exam, 2011]

52. Cheap money means-

- (a) low rates of interest
- (b) low level of saving
- (c) low level of income
- (d) low level of standard of living

Ans. (a) [SSC CPO Exam, 2007]

53. 'Gold Bullion Standard' refers to-

- (a) gold coin as an unlimited legal tender
- (b) gold as the measure of value
- (c) free coinage of gold
- (d) no restriction on import and export of gold

Ans. (b) [SSC CGL Aug. Exam, 2014]

54. Reserve Bank of India was nationalised in-

- (a) 1948 (b) 1947
- (c) 1949 (d) 1950

Ans. (c) [SSC FCI Exam, 2012]

55. Monetary Policy in India is formulated by-

- (a) Finance Ministry (b) RBI
- (c) SEBI (d) CLB

Ans. (b) [SSC DEO, (10+2) Exam, 2012]

56. Which one of the following is not a quantitative credit control measure of a Central Bank?
 (a) Bank Rate Policy (b) Open Market Operations
 (c) Cash Reserve Ratio (d) Moral Suasion
Ans. (d) [SSC (10+2) Exam, 2011]
57. The reserve held by commercial banks over and above the statutory minimum, with the RBI are called—
 (a) Cash Reserves (b) Deposit Reserves
 (c) Excess Reserves (d) Momentary Reserves
Ans. (c) [SSC CGL Exam, 2011]
58. Which one of the following is an Example of optional money?
 (a) Currency Note (b) Coins
 (c) Cheque (d) Bond
Ans. (c) [SSC Stenographer Exam, 2011]
59. Who is authorised to issue coins in India?
 (a) Reserve Bank of India
 (b) Ministry of Finance
 (c) State Bank of India
 (d) Indian Overseas Bank
Ans. (b) [SSC CGL Exam, 2011]
60. Which one of the following is not a function of the Central Bank in an economy?
 (a) Dealing with foreign exchange
 (b) Controlling Monetary Policy
 (c) Controlling government spending
 (d) Acting as a banker's bank
Ans. (c) [SSC CPO Exam, 2011]
61. Insurance sector in India is regulated by—
 (a) MRBI (b) CII
 (c) IRDA (d) SEBI
Ans. (c) [SSC Investigator Exam, 2010]
62. The existence of a parallel economy or black money—
 (a) Makes the economy more competitive
 (b) Makes the monetary policies less effective
 (c) Ensures a better distribution of income and wealth
 (d) Ensures increasing productive investment
Ans. (b) [SSC SAS Exam, 2010]
63. Consequent upon the recommendations of the working group on rural banks, 5 Rural Regional Banks were initially set-up in the year—
 (a) 1973 (b) 1974
 (c) 1975 (d) 1976
Ans. (c) [SSC CPO Exam, 2010]
64. The bank cheques are processed by using of—
 (a) OCR (b) MICR
 (c) OMR (d) PMR
Ans. (b) [SSC SAS Exam, 2011]
65. The RBI issues currency notes under the—
 (a) Fixed Fiduciary System
 (b) Maximum Fiduciary System
 (c) Fixed Minimum Reserve System
 (d) Proportional Reserve System
Ans. (c) [SSC DEO Exam, 2009. CGL Exam, 2004]
66. The present Indian Monetary System is based on—
 (a) Gold Reserve System
 (b) Proportional Reserve System
 (c) Convertible Currency System
 (d) Minimum Reserve System
Ans. (d) [SSC Tax Asst. Exam, 2009]
67. The relationship between the value of money and the price level in an economy is—
 (a) Direct (b) Inverse
 (c) Proportional (d) Stable
Ans. (b) [SSC DEO Exam, 2009]
68. Which from the following is not true when the interest rate in the economy goes up?
 (a) Saving increases
 (b) Lending decreases
 (c) Cost of production increases
 (d) Return on capital increases
Ans. (d) [SSC CPO Exam, 2009]
69. 'Jeevan Aastha' — a scheme relating to investment and saving, was launched during 2008-09, by—
 (a) Tata AIG (b) ICICI Prudential
 (c) Bajaj Allianz (d) LIC
Ans. (d) [SSC Tax Asst. Exam, 2009]
70. Which of the following has the sole right of issuing currency (except one rupee coins and notes) in India?
 (a) The Government of India
 (b) The Planning Commission
 (c) The State Bank of India
 (d) The Reserve Bank of India
Ans. (d) [SSC SO Exam, 2007, 2005]
71. The Narasimham Committee (1991) on financial reforms proposed for establishment of a—
 (a) Four Tier hierarchy of the banking structure
 (b) Three Tier hierarchy of the banking structure

- (c) Two Tier hierarchy of the banking structure
(d) Unified control by the apex institutions
- Ans. (a)** [SSC SO Exam, 2008]
- 72. Which of the following Indian banks became the first to touch a market capitalisation of ₹100000 crore in India?**
(a) ICICI (b) HDFC
(c) SBI (d) PNB
- Ans. (c)** [SSC CGL Exam, 2008]
- 73. Long-term funds in the capital market can be raised either by borrowing from certain institutions or through—**
(a) Issue of note
(b) Taking loan from government
(c) Issue of securities
(d) Taking loan from foreign institutions
- Ans. (c)** [SSC SO Exam, 2008]
- 74. The permission given to a bank customer to draw cheques in excess of his current account balance is called—**
(a) A personal loan
(b) An ordinary loan
(c) Discounting a bill of exchange
(d) An overdraft
- Ans. (d)** [SSC Tax Asst. Exam, 2007]
- 75. Foreign currency which has a tendency of quick migration is called—**
(a) Scarce Currency (b) Soft Currency
(c) Gold Currency (d) Hot Currency
- Ans. (d)** [SSC SO Exam, 2007]
- 76. Purchasing power parity theory is related with—**
(a) Interest Rate (b) Bank Rate
(c) Wage Rate (d) Exchange Rate
- Ans. (d)** [SSC SO Exam, 2007]
- 77. What does ECS in banking transactions stand for?**
(a) Excess Credit Supervisor
(b) Extra Cash Status
(c) Exchange Clearing Standard
(d) Electronic Clearing Service
- Ans. (d)** [SSC CGL Exam, 2007]
- 78. The 'Interest Rate Policy' is a component of—**
(a) Fiscal Policy (b) Monetary Policy
(c) Trade Policy (d) Direct control
- Ans. (b)** [SSC SO Exam, 2006]
- 79. Bank deposits that can be withdrawn without notice are called—**
(a) Account Payee Deposits
(b) Fixed Deposits
(c) Variable Deposits
(d) Demand Deposits
- Ans. (d)** [SSC SO Exam, 2006]
- 80. Regional Rural Banks are sponsored by—**
(a) Nationalised Commercial Bank
(b) Reserve Bank of India
(c) State Bank of India
(d) Government of India
- Ans. (a)** [SSC MTS Exam, 2006]
- 81. The Imperial Bank of India, after its nationalisation came to be known as—**
(a) Reserve Bank of India
(b) State Bank of India
(c) United Bank of India
(d) Indian Overseas Bank
- Ans. (b)** [SSC MTS Exam, 2006]
- 82. Interest paid by the government on the loans raised is called—**
(a) Debt Servicing
(b) Deficit Financing
(c) Discounted Budgeting
(d) Bridge Loan
- Ans. (a)** [SSC MTS Exam, 2006]
- 83. If the Central Bank wants to encourage an increase in the supply of money and decrease in the cost of borrowing money, it should—**
(a) Lower Cash Reserve Ratio
(b) Raise Discount Rates
(c) Sell Government Securities
(d) All of the above
- Ans. (a)** [SSC CPO Exam, 2006]
- 84. In India, one-rupee coins, notes and subsidiary coins are issued by—**
(a) The Reserve Bank of India
(b) The Central Government
(c) The State Bank of India
(d) The Unit Trust of India
- Ans. (b)** [SSC SO 2006]
- 85. What is the name of the electronic communication network of the Reserve Bank of India ?**
(a) BOLT (b) RBISAT
(c) RBINET (d) RBIDOT
- Ans. (c)** [SSC Investigator Exam, 2006]
- 86. Which of the following is Apex bank for industrial loans?**
(a) RBI (b) NABARD

(c) ICICI (d) IDBI
Ans. (d) [SSC SO Exam, 2005]

87. The basic regulatory authority for mutual funds and stock markets lies with the—

- (a) Government of India
- (b) Reserve Bank of India
- (c) SEBI
- (d) Stock Exchange

Ans. (c) [SSC SO Exam, 2005]

88. 'Dear Money' means—

- (a) Low rate of interest (b) High rate of interest
- (c) Depression (d) Inflation

Ans. (b) [SSC Investigator Exam, 2005]

89. A Commercial Bank law creates credit only if it has—

- (a) Cash in the vault
- (b) Excess reserves
- (c) Permission of Reserve Bank of India
- (d) Cooperation of other banks

Ans. (a) [SSC SO Exam, 2005]

90. The rate of interest is determined by—

- (a) The rate of return on the capital invested
- (b) Central Government
- (c) Liquidity preference
- (d) Commercial banks

Ans. (c) [SSC CGL Exam, 2005]

91. 'Legal Tender Money' refers to—

- (a) Cheques (b) Drafts
- (c) Bill of Exchange (d) Currency Notes

Ans. (d) [SSC Investigator Exam, 2005]

92. What is known as the open market operation of the RBI?

- (a) Buying and selling of stocks
- (b) Auctioning of foreign exchange
- (c) Trading in securities
- (d) Transactions in gold

Ans. (c) [SSC MTS Exam, 2005, Tax Asst. Exam, 2004, SO Exam, 2003]

93. Under the minimum Reserve System, the Reserve Bank of India as the sole authority of note issue is required to maintain assets worth not less than—

- (a) ₹115 crores (b) ₹85 crores
- (c) ₹200 crores (d) ₹210 crores

Ans. (c) [SSC CGL Exam, 2004]

94. The ratio of a bank's cash holdings to its total deposit liabilities is called the—

- (a) Variable Reserve Ratio

- (b) Cash Reserve Ratio
- (c) Statutory Liquidity Ratio
- (d) Minimum Reserve Ratio

Ans. (b) [SSC Tax Asst. Exam, 2004]

95. The best way, a bank can avoid loss is to—

- (a) Lend only to individuals known to the bank
- (b) Accept sound collateral
- (c) Give only short-term loans
- (d) Lend only to bank's old customers

Ans. (b) [SSC CPO Exam, 2003]

96. Which of the following Mahatma Gandhi series of currency notes Issued by the RBI has a drawing of the 'Parliament House' depicted on it—

- (a) ₹500 (b) ₹100
- (c) ₹50 (d) ₹0

Ans. (c) [SSC CGL Exam, 2003]

97. Which of the following Mahatma Gandhi series of currency notes issued by the RBI has 'Ecology' depicted on it?

- (a) ₹500 (b) ₹100
- (c) ₹50 (d) ₹5

Ans. (b) [SSC CGL Exam, 2003]

98. The Government of India made it obligatory on the part of all commercial banks that they should give some cash amount while purchasing government bonds. What would you call this?

- (a) Statutory Liquidity Ratio
- (b) Cash Reserve Ratio
- (c) Minimum Reserve Ratio
- (d) Floating Reserve Ratio

Ans. (a) [SSC SO Exam, 2003]

99. The main source of long-term credit for a business unit is—

- (a) sale of stocks and bonds to the public
- (b) borrowing from banks
- (c) loans from the government
- (d) deposits from the public and financial institutions

Ans. (a) [SSC SO Exam, 2003]

100. A Scheduled Bank is one which is included in the—

- (a) II Schedule of Banking Regulation Act
- (b) II Schedule of Constitution
- (c) II Schedule of Reserve Bank of India Act
- (d) None of the above

Ans. (c) [SSC CPO Exam, 2003]

101. Which of the following is not an objective of the Monetary Policy of the RBI?

- (a) Boost economic development
- (b) Direct credit in desirable direction
- (c) Control inflationary pressure
- (d) Ensure social justice

Ans. (d) [SSC SO Exam, 2003]

102. Merchant Banking is an Institution which provides finances—

- (a) Domestic whole sale trade
- (b) International trade among countries
- (c) Domestic retail trade among
- (d) International aid agencies

Ans. (b) [SSC SO Exam, 2003]

103. A seller or buyer protects his business or holdings from changing prices and takes action against it. It is known as—

- (a) Defense
- (b) Betting
- (c) Inter-trading
- (d) Mortgage

Ans. (a) [SSC SO Exam, 2003]

104. Which among the following subjects is not an aim of the Monetary Policy of the Reserve Bank of India?

- (a) Giving impetus to economic development
- (b) Direct credit with objective criteria
- (c) To control pressure of inflation
- (d) To ensure social justice

Ans. (d) [SSC SO Exam, 2003]

105. What is 'Narrow Money'?

- (a) The sum of currency in circulation and the demand deposits in banks
- (b) The sum of M1 money and the time deposits
- (c) The sum of currency in circulation with the public and the cash reserves held by banks
- (d) The market value of the stocks held by all the holders excluding the promoters

Ans. (a) [SSC SO Exam, 2003]

106. Ways and means advances refers to—

- (a) Industries getting temporary loans from commercial banks
- (b) Farmers getting loans from NABARD
- (c) Government getting temporary loans from RBI
- (d) Government getting loans from international financial institutions

Ans. (c) [SSC MTS Exam, 2002]

107. Which amidst the following banks was recently converted to a 'Universal Bank'?

- (a) Corporation Bank
- (b) Bank of Baroda

- (c) IDBI Bank
- (d) Canara Bank

Ans. (c) [SSC CGL Exam, 2002]

108. The symbol of Reserve Bank of India is—

- (a) Capital of Asokan Pillar
- (b) Kuber with a purse of money
- (c) Tiger before a palm tree
- (d) A dog sitting in a defensive state

Ans. (c) [SSC CGL Exam, 2002]

109. Funds which flow into a country to take advantage of favourable rates of interest in that country is called—

- (a) Cold Money
- (b) Black Money
- (c) Hot Money
- (d) White Money

Ans. (c) [SSC MTS Exam, 2002]

110. Speculative demand for cash is determined by—

- (a) The rate of interest
- (b) The level of income
- (c) The general price level
- (d) The market conditions

Ans. (a) [SSC MTS Exam, 2002]

111. Legal tender money is—

- (a) Accepted only by government
- (b) Accepted by people and government as per the law
- (c) Not accepted for business purposes by law
- (d) Not accepted by government

Ans. (b) [SSC MTS Exam, 2002]

112. The Reserve Bank of India—

- (a) Provides direct finance to agriculture
- (b) Provides finance to primary cooperative societies
- (c) Provides finance to state cooperative banks
- (d) Does not provide finance to agriculture

Ans. (d) [SSC MTS Exam, 2001]

113. Commercial Banking System in India is—

- (a) Mixed Banking
- (b) Unit Banking
- (c) Branch Banking
- (d) None of the above

Ans. (c) [SSC MTS Exam, 2001]

PLANNING

1. Without insurance or uncertainty problem is —

- (a) Fire
- (b) Flood
- (c) Change in price of product
- (d) Change in fashion.

Ans. (d) [S.S.C (CGL) Exam, 2014]

2. Verghese Kurien is related to –

- (a) Blue Revolution (b) White Revolution
(c) Yellow Revolution (d) Green Revolution

Ans. (b) [S.S.C Steno Exam, 2014]

3. Blue revolution is related to –

- (a) Fish production
(b) Milk production
(c) Oilseed production
(d) Fertilizer production.

Ans. (a) [S.S.C Steno Exam, 2005]

4. Blue and White Revolution is related with –

- (a) Fish and Fertilizer (b) Milk
(c) Fish and Milk (d) Fish and Agriculture.

Ans. (c) [S.S.C Steno Exam, 2014]

5. Brown Revolution is called as –

- (a) Fodder revolution
(b) Increase in sea products
(c) Increase in fertilizer production
(d) Increase in milk production.

Ans. (c) [S.S.C (CPO) Exam, 2011]

6. Golden Revolution is related with –

- (a) Rearing of lagoons (b) Agriculture of flowers
(c) Beekeeping (d) Grapes production

Ans. (b) [S.S.C (CPO) Exam, 2011]

7. India adopted to give socialistic shape to country.

- (a) Socialism (b) Mixed Economy
(c) Capitalism (d) Political Economy

Ans. (b) [SSC FCI Exam, 2012]

8. The Economic planning is a part of–

- (a) Mixed Economy (b) Dual Economy
(c) Socialistic Economy (d) Capitalistic Economy

Ans. (c) [SSC CGL Exam, 2012]

9. Which among the following is not a positive sign for any industry.

- (a) Decrease in profit (b) Labour instability
(c) Decrease in market (d) Decrease in demand

Ans. (a) [SSC CGL Exam, 2006]

10. Which three year is said as “Planning Holiday” for our country?

- (a) 1965-68 (b) 1966-69
(c) 1968-71 (d) 1969-72

Ans. (b) [SSC Steno Exam, 2011]

11. “Plan Holiday” was declared after–

- (a) First Five Year Plan (b) Second Five Year Plan
(c) Third Five Year Plan (d) Fourth Five Year Plan

Ans. (c) [SSC CGL Exam, 2014]

12. Which is not correct–

- (a) First Five Year Plan 1951-56
(b) Second Five Year Plan 1956-61
(c) Third Five Year Plan 1961-66
(d) Fourth Five Year Plan 1966-71

Ans. (d) [SSC CPO Exam, 2008]

13. Poverty alleviation was the aim of which Five Year Plan.

- (a) Fourth (b) Fifth
(c) Sixth (d) Seventh

Ans. (b) [SSC Tax Asst. Exam, 2008]

14. The Slogan “Poverty Alleviation” was added to which Five Year Plan.

- (a) First (b) Second
(c) Fifth (d) Fourth

Ans. (c) [SSC 10+2 Exam, 2015]

15. The Duration of 12th Five year Plan is–

- (a) 2010-2015 (b) 2011-2016
(c) 2012-2017 (d) 2013-2018

Ans. (c) [SSC CGL Exam, 2012]

16. Which five year plan’s duration was only four year?

- (a) Third (b) Fourth
(c) Fifth (d) Seventh

Ans. (c) [SSC Multitasking Exam, 2014]

17. Which Five Year Plan was based upon Mahalanobis Model?

- (a) First (b) Second
(c) Third (d) Fourth

Ans. (b) [SSC Matriculation level Exam, 2008]

18. Second five year plan was based on–

- (a) Mohalanobis Model
(b) Wakil and Brahmanand Model
(c) Herald-Domar Growth model
(d) Salo growth model

Ans. (a) [SSC CGL Exam, 2006]

19. Which among of the following is not among basic aims of 10th five year plan?

- (a) Decrease in poverty ratio
(b) Drinking water to all villages till 2012.
(c) Decrease in infant mortality rate.
(d) Decrease is import.

Ans. (d) [SSC CGL Exam, 2006]

20. "The Social Forestry scheme" was started in–

- (a) Second five year plan
- (b) Sixth five year plan
- (c) Fifth five year plan
- (d) Eight five year plan

Ans. (c) [SSC CPO Exam, 2012]

21. Which type of product does CACP recommend minimum support price for?

- (a) Industrial Products
- (b) Agricultural products
- (c) Pharmaceuticals Products
- (d) None of the above

Ans. (b) [SSC 10+2 Exam, 2010]

22. Which is odd.

- (a) S.G.S.Y. → Swarna Jayanti Gram Swarazgar Yojana
- (b) S.J.S.R.Y. → Swarna jayanti Shahri Rozagar Yojana
- (c) N.O.A.P.S. → National Old Age Pension Scheme.
- (d) N.R.E.G.S. → National Rural Employment Guarantee Scheme.

Ans. (c) [SSC Steno Exam, 2014]

23. In which matter green revolution has achieved maximum success.

- (a) Sugarcane
- (b) Pulses
- (c) Wheat
- (d) Rice

Ans. (c) [SSC CPO Exam, 2006]

24. The Vintage car are manufactured–

- (a) Between 1945 and 1960
- (b) Between 1939 and 1945
- (c) Between 1930 and 1939
- (d) Between 1918 and 1930

Ans. (d) [SSC CPO Exam, 2006]

25. The gradation and standardization of agricultural products are conducted through –

- (a) Food corporation of India
- (b) Directorate of Marketing and Inspection
- (c) Indian Standards Institution
- (d) Central statistical organization

Ans. (b) [SSC CPO Exam, 2007, CGL Exam, 2002]

26. The Cattle rearing along with farming is called.

- (a) Mixed Farming
- (b) Mixed Agriculture
- (c) Dairy Farming
- (d) Truck Agriculture

Ans. (a) [SSC CGL Exam, 2014]

27. The achievement in agriculture by India has not reached upto a greater level due to–

- (a) Small holdings
- (b) Shortage of Tractors

- (c) Poor Farmers
- (d) Liberalty of People

Ans. (a) [SSC CPO Exam, 2011]

28. In Indian Agriculture High Yielding Variety Programme was started in–

- (a) 1968
- (b) 1967
- (c) 1966
- (d) 1965

Ans. (c) [SSC CPO Exam, 2011]

29. The Census of 2011 was.

- (a) 13th Census
- (b) 14th Census
- (c) 15th Census
- (d) 16th Census

Ans. (c) [SSC Tax Asst Exam, 2008]

30. Sex-ratio means–

- (a) Number of females per thousand males.
- (b) Number males per thousand females.
- (c) Number of child per thousands males.
- (d) Number of males per thousands child.

Ans. (a) [SSC 10+2 Exam, 2015]

31. Which among of the following is not a feature of population of developed countries?

- (a) Low birth rate and low death rate.
- (b) High birth rate and high death rate.
- (c) High ratio of urban population
- (d) Low growth rate of population

Ans. (b) [SSC Tax Asst. Exam, 2008]

32. The Planning Commission of India was constituted in the year–

- (a) 1942
- (b) 1947
- (c) 1950
- (d) 1955

Ans. (c) [SSC SO Exam, 2008]

33. Which Five Year Plan duration was of four years only?

- (a) Third
- (b) Fourth
- (c) Fifth
- (d) Seventh

Ans. (c) [SSC CGL April Exam, 2014]

34. Which of the following plans had actual growth rate higher than the targetted growth rate?

- (a) Eighth Five Year Plan
- (b) Fourth Five Year Plan
- (c) Fifth Five Year Plan
- (d) Seventh Five Year Plan

Ans. (a) [SSC CGL April Exam, 2014]

35. IRDP was introduced during the–

- (a) Third Five Year Plan
- (b) Sixth Five Year Plan
- (c) Fifth Five Year Plan
- (d) Fourth Five Year Plan

- Ans. (b)** [SSC CGL April Exam, 2014]
- 36. Who advocated the adoption of PURA' model to eradicate rural poverty?**
 (a) MS Swaminathan
 (b) Maulana Abul Kalam Azad
 (c) Dr APJ Abdul Kalam
 (d) AM Khusro
- Ans. (c)** [SSC FCI Exam, 2012]
- 37. The Annapurna Scheme was implemented in the year—**
 (a) 1998 (b) 1996
 (c) 1999 (d) 2000
- Ans. (d)** [SSC FCI Exam, 2012]
- 38. The objective of 'Jawahar Rojgar Yojana' is to—**
 (a) Provide employment to youth in rural areas
 (b) Create employment opportunities for unemployed persons
 (c) Strengthen the rural economic and social structure
 (d) All of the above
- Ans. (d)** [SSC Constable (GD) Exam, 2012]
- 39. AGMARK is a guarantee of standard—**
 (a) Quality (b) Quantity
 (c) Weight (d) Size
- Ans. (a)** [SSC (10+2) Exam, 2011]
- 40. The Minimum Wages Act was first passed in India in the year.**
 (a) 1947 (b) 1948
 (c) 1950 (d) 1951
- Ans. (b)** [SSC MTS Exam, 2011, Tax Asst. Exam, 2008]
- 41. The food stocks that are built up during the years of bumper harvest are called—**
 (a) Capital stock (b) Buffer stock
 (c) Production stock (d) Grain stock
- Ans. (b)** [SSC CGL Exam, 2011, CPO Exam, 2010]
- 42. What type of products, does CACP recommend minimum support price for?**
 (a) Industrial products
 (b) Agricultural products
 (c) Pharmaceutical products
 (d) None of the above
- Ans. (b)** [SSC (10+2) Exam, 2011]
- 43. Poverty in less developed countries is largely due to—**
 (a) Voluntary idleness
 (b) Income inequality
 (c) Lack of cultural activities
 (d) Lack of intelligence of the people
- Ans. (b)** [SSC CISF Exam, 2010]
- 44. The government has renamed NREGA scheme and the name associated with the scheme is that of—**
 (a) Rajiv Gandhi (b) Jawahar Lal Nehru
 (c) Mahatma Gandhi (d) Indira Gandhi
- Ans. (c)** [SSC DEO Exam, 2009]
- 45. The implementation of 'Jawahar Rojgar Yojana' rests with—**
 (a) Gram Panchayats (b) District Collectors
 (c) State Governments (d) Union Government
- Ans. (d)** [SSC Tax Asst. Exam, 2009]
- 46. The nature of unemployment in agriculture in India is—**
 (a) Only seasonal (b) Only disguised
 (c) All of the above (d) None of the above
- Ans. (c)** [SSC Tax Asst. Exam, 2009]
- 47. A situation where we have people whose level of income is not sufficient to meet the minimum consumption expenditure is considered as—**
 (a) Absolute poverty (b) Relative poverty
 (c) Urban poverty (d) Rural poverty
- Ans. (a)** [SSC Tax Asst. Exam, 2009]
- 48. Who is the ex-officio Chairman of the Planning Commission?**
 (a) Minister for Planning and Development
 (b) Finance Minister
 (c) Prime Minister
 (d) Minister for Rural and Community Development
- Ans. (c)** [SSC CPO Exam, 2009]
- 49. The draft of the Five Year Plans in India is approved by the—**
 (a) National Development Council
 (b) Planning Commission
 (c) National Productivity Council
 (d) Ministry of Finance
- Ans. (a)** [SSC Tax Asst. Exam, 2009]
- 50. Indian agriculture is typically characterised as—**
 (a) Land surplus, Labour Scarce Economy
 (b) Land surplus, Labour Surplus Economy
 (c) Land scarce, Labour Surplus Economy
 (d) Land scarce, Labour Scarce Economy
- Ans. (c)** [SSC SO Exam, 2008]
- 51. Mahalanobis Model has been associated with which Five Year Plan?**
 (a) First Five Year Plan
 (b) Second Five Year Plan
 (c) Third Five Year Plan

(d) Fourth Five Year Plan
Ans. (b) [SSC Matric Level Exam, 2008]

52. Which is not the objective of public procurement and distribution system followed by Indian Government?

- (a) Maintain price stability through creation of buffer stocks
- (b) Protect the interests of both consumers and poor farmers
- (c) Control the production of food grains
- (d) Reduce personal and regional inequality in the distribution

Ans. (c) [SSC SO Exam, 2008]

53. NREGP is the abbreviated form of-

- (a) National Rural Employment Guarantee Programme
- (b) National Rural Educational Guarantee Programme
- (c) National Rapid Educational , Guarantee Programme
- (d) National Rapid Employment Guarantee Programme

Ans. (a) [SSC Tax Asst. Exam, 2008]

54. The commission in India dealing with minimum support price, procurement price etc, in connection with agricultural goods is the-

- (a) Planning Commission
- (b) Agricultural Costs and Prices Commission
- (c) Agricultural Price Commission
- (d) National Marketing Commission

Ans. (a) [SSC CPO Exam, 2008]

55. Who coined the term 'Hindu rate of growth' for Indian economy?

- (a) AK Sen
- (b) Kirit S Parikh
- (c) Raj Krishna
- (d) Montek Singh Ahluwalia

Ans. (c) [SSC SO Exam, 2008]

56. The famous slogan 'Garibi Hatao' (remove poverty) was launched during the-

- (a) First Five Year Plan (1951-56)
- (b) Third Five Year Plan (1961-66)
- (c) Fourth Five Year Plan (1969-74)
- (d) Fifth Five Year Plan (1974-79)

Ans. (d) [SSC SO Exam, 2007]

57. The highest body which approves the Five Year Plan in India is the-

- (a) Planning Commission
- (b) National Development Council
- (c) Finance Ministry
- (d) Union Cabinet

Ans. (b) [SSC SO Exam, 2007]

58. In India, disguised unemployment is generally observed in-

- (a) The agricultural sector
- (b) The factory sector
- (c) The service sector
- (d) All of the above

Ans. (a) [SSC SO Exam, 2007]

59. Compared to the rich, the poor save-

- (a) A larger part of their income
- (b) An equal part of their income
- (c) A smaller part of their income
- (d) All of their incomes

Ans. (c) [SSC CPO Exam, 2007]

60. Kisan Credit Card Scheme was introduced in-

- (a) 1991
- (b) 1996
- (c) 1998
- (d) 2000

Ans. (c) [SSC CPO Exam, 2007]

61. The gradation and standardisation of agricultural products are conducted through-

- (a) Food Corporation of India
- (b) Directorate of Marketing and Inspection
- (c) Indian Standards Institution
- (d) Central Statistical Organisation

Ans. (b) [SSC CPO Exam, 2007]

62. Planning and control are so related that-

- (a) Planning initiates control
- (b) Control initiates planning
- (c) Both are equivalent
- (d) Both go on simultaneously in cycle

Ans. (d) [SSC SO Exam, 2005]

63. Antyodaya programe is associated with-

- (a) liberation of bonded labour
- (b) bringing up cultural revolution in India
- (c) demands of textile labourers
- (d) upliftment of the poorest of the poor

Ans. (d) [SSC CPO Exam, 2005]

64. One of the objectives of Industrial Licensing Policy in India was to ensure-

- (a) creation of adequate employment opportunities
- (b) free flow of foreign capital in Indian industries
- (c) use of modern technology
- (d) balanced industrial development across regions

Ans. (d) [SSC CGL Exam, 2004]

65. During which Five Year Plan India lay down objective the need to ensure environmental sustain- ability of the development strategy?

- (a) Sixth Five Year Plan
- (b) Seventh Five Year Plan
- (c) Eighth Five Year Plan
- (d) Ninth Five Year Plan

Ans. (d) [SSC SO Exam, 2003]

66. What is the extent of change of the literacy rate envisaged by the end of the Ninth Five Year Plan?

- (a) From 65% to 75%
- (b) From 60% to 70%
- (c) From 50% to 55%
- (d) From 45% to 50%

Ans. (a) [SSC CPO Exam, 2003]

67. Why did the Government ban the import of 'Terminator seeds'?

- (a) To contain a virus which can destroy local crops
- (b) These seeds are injurious to human and animal health
- (c) These seeds contain genetically engineered properties to prevent further multiplication
- (d) These seeds multiply at very slow rates

Ans. (c) [SSC CGL Exam, 2003]

68. What is 'AGMARK'?

- (a) It is a marketing seal issued on the graded agricultural commodity
- (b) It stands for agricultural marketing
- (c) It represents agricultural management and regulation
- (d) None of the above

Ans. (b) [SSC Matric Level Exam, 2002]

69. Commercialisation of agriculture implies-

- (a) Cultivation of timbers
- (b) Plantation
- (c) Production of crops for sale
- (d) Production of crops like wheat or rice

Ans. (c) [SSC Matric Level Exam, 2002]

70. India's First Five Year Plan gave priority to-

- (a) Industry
- (b) Trade
- (c) Transportation
- (d) Agriculture

Ans. (d) [SSC Matric Level Exam, 2002]

71. Malthusian theory of population explored the relationship between-

- (a) Food supply and technology
- (b) Food supply and population growth
- (c) Population growth and development

(d) Optimum growth and resources

Ans. (b) [SSC Matric Level Exam, 2002]

72. ISI mark is not given to which of the following products?

- (a) Electric Goods
- (b) Hosiery Goods
- (c) Biscuits
- (d) Cloth

Ans. (c) [SSC Matric Level Exam, 2002]

73. The economic problem arises mainly due to-

- (a) Overpopulation
- (b) Unemployment
- (c) Scarcity of resources
- (d) Lack of industries

Ans. (c) [SSC Matric Level Exam, 2001]

74. India adopted the Five Year Plans from-

- (a) France
- (b) Former USSR
- (c) America
- (d) England

Ans. (b) [SSC Matric Level Exam, 2001]

75. Which of the following is the largest employer in India?

- (a) Food Corporation of India
- (b) Posts and Telegraphs Department
- (c) Indian Railways
- (d) Steel Authority of India

Ans. (c) [SSC Matric Level Exam, 2001]

76. To achieve economic self-reliance was the main objective of which Five Year Plan?

- (a) First Five Year Plan
- (b) Second Five Year Plan
- (c) Third Five Year Plan
- (d) Fourth Five Year Plan

Ans. (d) [SSC Matric Level Exam, 2001]

77. Structural unemployment arises due to-

- (a) Deflationary conditions
- (b) Heavy industry bias
- (c) Shortage of raw materials
- (d) Inadequate productive capacity

Ans. (d) [SSC CGL Exam, 2000]

78. What was the objective of Command Area Development Programme ?

- (a) To ensure that land is given to the tillers
- (b) To ensure better utilisation of irrigation potential
- (c) To develop the areas under the command of Army
- (d) Poverty alleviation in selected areas

Ans. (b) [SSC Matric Level Exam, 2000]

BUDGET

1. Expenditure, taxation and loan taking policies of government are called as-

- (a) Fiscal Policy (b) Monetary Policy
(c) Bank Policy (d) Tax Policy

Ans. (a) [S.S.C (10+2) Exam, 2012]

2. Fiscal policy is related to –

- (a) Monetary Policy
(b) Banking System
(c) Economic Progress Planning
(d) Receiving and Expenditure of Govt.

Ans. (d) [S.S.C (CGL) Exam, 2006]

3. According to socialism who is the greatest enemy of society.

- (a) Personal Property (b) Capitalist Class
(c) Religion (d) Cost

Ans. (a) [S.S.C (CGL) Exam, 2015]

4. From national point of view, which of the following represent micro approach.

- (a) Study of selling of Tisco
(b) Educated unemployment in India
(c) Per capital income in India
(d) Money inflation in India.

Ans. (a) [S.S.C (CGL) Exam, 2015]

5. From national point of view, which of the following represent Macro approach.

- (a) Selling of Bata-shoe company
(b) Inflation in India
(c) Import of mangoes from U.S.A
(d) Revenue from Railway.

Ans. (b) [S.S.C (CGL) Exam, 2015]

6. Subsidy by government of India is given to–

- (a) Consumer Unit (b) Productive Unit
(c) Banking Unit (d) Government Employee

Ans. (b) [SSC 10+2 Exam, 2014]

7. The Prominent factor responsible for division of contingency fund.

- (a) Death (b) Harm
(c) Accident (d) Vulnerability

Ans. (d) [SSC 10+2 Exam, 2014]

8. For which fund can the unanticipated expenditure be met without the prior approval of the parliament?

- (a) Consolidated Fund of India
(b) Contingency Fund of India

- (c) Vote on Account
(d) From the Treasury

Ans. (b) [SSC 10+2 Exam, 2010]

9. The Economic Survey of India is published by–

- (a) Statistical Department
(b) CSO
(c) Ministry of Finance
(d) Department of Economic Affairs

Ans. (c) [SSC CPO Exam, 2012]

10. Government takes “Ways and Means advances” from

- (a) RBI (b) IDBI
(c) SBI (d) ICICI

Ans. (a) [SSC CPO Exam, 2007]

11. The Maximum Part of revenue of Indian railway comes from.

- (a) Coaches (b) Transport of goods
(c) Tickets (d) Other sources

Ans. (b) [SSC Steno Exam, 2014]

12. Disinvestment in Public Sector is called–

- (a) Liberalization (b) Globalization
(c) Industrialization (d) Privatization

Ans. (d) [SSC CGL Exam, 2011]

13. Which one of the following is a development expenditure?

- (a) Irrigation Expenditure
(b) Civil Administration
(c) Debt Services
(d) Grant-in-Aid

Ans. (a) [SSC CPO Exam, 2008]

14. Disinvestments is–

- (a) of flooding of shares of privates companies to government
(b) offloading of government shares to private companies
(c) increase in investment
(d) closing down of business concerns

Ans. (b) [SSC CPO Exam, 2008]

15. Subsidies are payment by government to–

- (a) Consuming Units (b) Producing Units
(c) Banking Units (d) Retired Persons

Ans. (a) [SSC (10+2) Nov. Exam, 2014]

16. Which one of the following is not an objective of Fiscal Policy in India?

- (a) Full Employment
(b) Price Stability
(c) Equitable distribution of wealth and incomes

(d) Regulation of international trade

Ans. (d) [SSC (10+2) Exam, 2011]

17. In the budget figures of the Government of India, interest payments, subsidies, pensions, social services and the like are parts of the—

- (a) Plan Expenditure
- (b) State Government Expenditure
- (c) Public debt in the form of capital expenditure
- (d) Non-plan Expenditure

Ans. (d) [SSC Tax Asst. Exam, 2007]

18. In the budget figures of the Government of India the difference between total expenditure and total receipts is called—

- (a) Fiscal Deficit
- (b) Budget Deficit
- (c) Revenue Deficit
- (d) Current Deficit

Ans. (a) [SSC SO Exam, 2007]

19. In the budget figures of the Government of India, fiscal deficit is—

- (a) Total Expenditure - Total Receipts
- (b) Revenue Expenditure - Revenue Receipts
- (c) Capital Expenditure - Capital Receipts + Market Borrowings
- (d) Sum of budget deficit and government's market borrowings and liabilities

Ans. (d) [SSC SO Exam, 2006]

20. Which of the following is the most important domestic source of planned finance?

- (a) Balance of Current Revenue
- (b) Profit from Public Sector Units
- (c) Domestic Private Savings
- (d) Additional Taxation

Ans. (c) [SSC SO Exam, 2005]

21. Government securities are considered liquid because they are—

- (a) backed by the government treasure
- (b) convertible into other types of saving deposits,
- (c) quickly and easily marketable
- (d) stable in value

Ans. (c) [SSC SO Exam, 2003]

22. Deficit financing is an instrument of—

- (a) Monetary Policy
- (b) Credit Policy
- (c) Fiscal Policy
- (d) Tax Policy

Ans. (c) [SSC CPO Exam, 2005]

23. The single largest item of expenditure of the Central Government in India in recent years is—

- (a) Defence
- (b) Subsidies
- (c) Interest Payment
- (d) General services

Ans. (c) [SSC Matric Level Exam, 2002]

BALANCE OF PAYMENT

1. The Great Depression was observed in which duration?

- (a) 1914-18
- (b) 1929-34
- (c) 1939-45
- (d) 1922-36

Ans. (b) [S.S.C Multitasking Exam, 2013]

2. The process of organizing business-pact between group of countries is called as –

- (a) Trading Block
- (b) Trade venture
- (c) Trade Partner
- (d) Trade organizer

Ans. (a) [S.S.C (CGL) Exam, 2010]

3. "Price Index" is measured by change in which of the following—

- (a) Living Standard
- (b) Purchasing power of money
- (c) Balance of Payment
- (d) Balance of Trade

Ans. (b) [S.S.C Steno Exam, 2015]

4. 'Gold' is mainly related to—

- (a) Local Market
- (b) National Market
- (c) International Market
- (d) Regional Market.

Ans. (c) [S.S.C (CGL) Exam, 2013]

5. "Barter – System" means—

- (a) Exchange of goods with coins
- (b) Exchange of goods with goods
- (c) Money exchange
- (d) Exchange of goods with gold coins

Ans. (b) [SSC 10+2 Exam, 2015]

6. Which is the feature of "Free Market"—

- (a) Strong intervention of state
- (b) Superiority of Consumer
- (c) Rationing and price control
- (d) None of the above

Ans. (b) [SSC CGL Exam, 2015]

7. World Trade Organization was established in—

- (a) 1991
- (b) 1995

(c) 1997 (d) 1999
Ans. (b) [SSC Metric Level Exam, 2008]

8. WTO was earlier known as–

- (a) GATT (b) UNICEI
(c) UNCTAD (d) FAO

Ans. (a) [SSC Tax Asst. Exam, 2006]

9. The practice of selling goods in a foreign country at a price below their domestic selling price is called.

- (a) Diplomacy (b) Discriminator
(c) Dumping (d) Double pricing

Ans. (c) [SSC Setc off Exam, 2006]

10. For any product, balance of market is decided by–

- (a) Market supply of product.
(b) Various forces operating between demand and supply.
(c) Intervention of government.
(d) Market demand of product

Ans. (b) [SSC CPO Exam, 2015]

11. Which among of the following organization is oldest?

- (a) IMF (b) WHO
(c) ILO (d) FAO

Ans. (c) [SSC Tax Asst Exam, 2007]

12. "Full convertibility of a rupee" means–

- (a) Purchase of foreign exchange for rupees only
(b) Payment for imports in terms of rupees
(c) Repayment of loans in terms of rupees
(d) Determination of rate of exchange between rupee and foreign currencies freely by the market forces of demand and supply.

Ans. (d) [SSC Tax Asst. Exam, 2009]

13. The system of "Memorandum of Understandings" (MoU) was introduced in–

- (a) 1989-90 (b) 1990-91
(c) 1987-88 (d) 1988-89

Ans. (c) [SSC Multitasking Exam, 2013]

14. The Full form of SDR is–

- (a) Special Dollar Rights
(b) Special Drawing Rights
(c) State Drawing Rights
(d) Specific Dollar Right

Ans. (b) [SSC CPO Exam, 2008]

15. In Post-Independence Period first economic reform was started in the government of –

- (a) P.V. Narasimha Rao (1990)
(b) Indira Gandhi (1980)

(c) Rajeev Gandhi (1985)
(d) Janta Party (1977)

Ans. (a) [SSC CPO Exam, 2008]

16. Oilseeds production Programme (OPP) was started in–

- (a) 1986 (b) 1987
(c) 1988 (d) 1990

Ans. (d) [SSC CGL Exam, 2014]

17. TRIMs Stands for–

- (a) Trade Related Industrial Measures.
(b) Trade Related Innovation Measures.
(c) Trade Related Investment Measures.
(d) Trade Related information Measures.

Ans. (c) [SSC CPO Exam, 2008]

18. FAO means–

- (a) Fiber and Agricultural Organization
(b) Factory Evaluation Organization
(c) Free Orbitration organization
(d) Food and Agriculture Organization

Ans. (d) [SSC Steno Exam, 2008]

19. GEF Nands for–

- (a) Global Environment fund.
(b) Global Economic fund.
(c) Global Education Fund.
(d) Global Energy Fund.

Ans. (a) [SSC SEC OFF Exam 2008]

20. The Number of stages in trade cycle is?

- (a) Five (b) Six
(c) Three (d) Four

Ans. (d) [SSC Steno Exam, 2012]

21. "Closed Economy" is a economy in which–

- (a) Business of a country with other country is Zero.
(b) A country having no any mean of transportation
(c) A country having no coastline.
(d) A country is not a member of United Nation Council.

Ans. (a) [SSC CPO Exam, 2005]

22. Buying of shares and bonds of Indian companies by foreign institutions is called.

- (a) Foreign Direct Investment
(b) Portfolio Investment
(c) Institutional Investment
(d) Foreign Indirect Investment

Ans. (b) [SSC CGL Exam, 2011]

23. Private investment is otherwise called as–

- (a) Autonomous investment

- (b) Foreign institutional investment
(c) Foreign direct investment
(d) Induced investment
Ans. (d) [SSC CGL April Exam, 2014]
- 24. The annual record for all the monetary transactions of a country with other countries of the world is known as–**
(a) Balance of Trade
(b) Balance of Monetary-Receipts
(c) Balance of Payments
(d) Balance Sheet
Ans. (c) [SSC IAS Asst. Exam, 2005]
- 25. The profits of Indian-banks operating in foreign countries are a part of–**
(a) Income from entrepreneurship earned from abroad
(b) Domestic factor income of India
(c) Profits of the enterprises working in domestic territory of India
(d) Operating surplus of the banks located in India
Ans. (a) [SSC (10+2) Nov. Exam, 2014]
- 26. India's Balance of Payments can be corrected through–**
(a) Devaluation of currency
(b) Vigorous export promotion
(c) Import substitution
(d) All of the above
Ans. (d) [SSC (10+2) Exam, 2011]
- 27. Which one of the following items is not included in the current account of India's Balance of Payments?**
(a) Short-Term Commercial Borrowings
(b) Non-Monetary Gold Movements
(c) Investment Income
(d) Transfer Payments
Ans. (b) [SSC CGL Exam, 2007]
- 28. Investment is equal to–**
(a) Gross total of all types of physical capital assets
(b) Gross total of all capital assets minus wear and tear
(c) Stock of plants, machines and equipments
(d) None of the above
Ans. (b) [SSC CGL Exam, 2000]
- 29. When there is an official change in the exchange rate of domestic currency, then it is called–**
(a) Appreciation (b) Depreciation
(c) Revaluation (d) Deflation
Ans. (c) [SSC CGL Exam, 2011]
- 30. At present, India is following.**
(a) Fixed exchange Rate
(b) Floating exchange Rate
(c) Pegged up exchange Rate
(d) Pegged down exchange Rate
Ans. (b) [SSC CGL Exam, 2010]
- 31. The outcome of 'devaluation of currency' is–**
(a) Increased export and improvement in balance of payment
(b) Increased export and foreign reserve deficiency
(c) Increased import and improvement in balance of payment
(d) Increased export and import
Ans. (a) [SSC Tax Asst. Exam, 2006, SO Exam, 2003]
- 32. The Government resorts to devaluation of its currency in order to promote–**
(a) National Income (b) International Goodwill
(c) Exports (d) Savings
Ans. (c) [SSC CPO Exam, 2005]
- 33. Devaluation makes import–**
(a) Competitive (b) Inelastic
(c) Cheaper (d) Dearer
Ans. (d) [SSC SO Exam, 2005]
- 34. When did the rupee become a freely convertible currency on Current Account in India?**
(a) 2000 (b) 2001
(c) 1994 (d) 1999
Ans. (c) [SSC Tax Asst. Exam, 2004]
- 35. Devaluation usually causes the internal prices to–**
(a) Fall
(b) Rise
(c) Remain unchanged
(d) None of the above
Ans. (c) [SSC CGL Exam, 2004]
- 36. Floating Exchange Rate is also referred to as–**
(a) Flexible Exchange Rate
(b) Fixed Exchange Rate
(c) Real Exchange Rate
(d) Controlled Exchange Rate
Ans. (a) [SSC MTS Exam, 2002]
- 37. The '3 B's' brokers, bankers and businessmen were responsible for–**
(a) The Great Depression
(b) Russian Revolution
(c) French Revolution
(d) First World War
Ans. (a) [SSC Stenographer Sep. Exam, 2014]

38. A favourable Balance of Trade of a country implies that—

- (a) Imports are greater than exports
- (b) Exports are greater than imports
- (c) Both imports and exports are equal
- (d) Rising imports and falling exports

Ans. (b) [SSC FCI Exam, 2012]

39. Special Economic Zone (SEZ) concept was first introduced in—

- (a) China
- (b) Japan
- (c) India
- (d) Pakistan

Ans. (a) [SSC Stenographer Exam, 2011]

40. Which one of the following does not deal with export promotion?

- (a) Trade Development Authority
- (b) Minerals and Metals Trading Corporation
- (c) Cooperative Marketing Societies
- (d) State Trading Corporation of India

Ans. (c) [SSC CGL Exam, 2008]

41. A trade policy consists of—

- (a) Export-Import Policy
- (b) Licencing Policy
- (c) Foreign Exchange Policy
- (d) Balance of Payment Policy

Ans. (a) [SSC MTS Exam, 2008]

42. How far does the exclusive economic zone of a country extend from her coast?

- (a) 120 km
- (b) 220 km
- (c) 320 km
- (d) 420 km

Ans. (c) [SSC SO Exam, 2008]

43. Where is the Indian Institute of foreign trade located?

- (a) New Delhi
- (b) Hyderabad
- (c) Mumbai
- (d) Ahmedabad

Ans. (a) [SSC SO Exam, 2008]

44. The definition of 'small-scale industry' in India is based on—

- (a) Sales by the unit
- (b) Investment in machines and equipments
- (c) Market coverage
- (d) Export capacity

Ans. (a) [SSC Tax Asst. Exam, 2007]

45. The biggest item of India's imports is—

- (a) Iron ore
- (b) Mica
- (c) Petroleum products

(d) Gems and Jewellery

Ans. (c) [SSC MTS Exam, 2006]

46. The difference between visible exports and visible imports is defined as—

- (a) Balance of Trade
- (b) Balance of Payment
- (c) Balanced Terms of Trade
- (d) Gains from Trade

Ans. (a) [SSC Tax Asst. Exam, 2006]

47. A country's balance of trade is unfavourable when—

- (a) exports exceed imports
- (b) imports exceed exports
- (c) terms of trade become unfavourable
- (d) None of the above

Ans. (b) [SSC Investigator Exam, 2006]

48. Industrial Exit Policy means—

- (a) forcing foreign companies to leave India
- (b) forcing business units to move out of congested localities
- (c) allowing manufactures to shift their line of products
- (d) following business units to close down

Ans. (d) [SSC SO Exam, 2006]

49. Theoretically trade between two countries takes place on account of—

- (a) Difference in Costs
- (b) Scarcity of Goods
- (c) Comparative Differences in Costs
- (d) Need for Exports

Ans. (c) [SSC MTS Exam, 2002]

50. The major aim of devaluation is to—

- (a) encourage Imports
- (b) encourage Exports
- (c) encourage both Exports and Imports
- (d) discourage both Exports and Imports

Ans. (b) [SSC CGL Exam, 2000]

51. FERA in India has been replaced by—

- (a) FEPA
- (b) FEMA
- (c) FENA
- (d) FETA

Ans. (b) [SSC Tax Asst. Exam, 2008]

52. One of the main factors that led to rapid expansion of Indian exports is—

- (a) imposition of import duties
- (b) liberalisation of the economy
- (c) recession in other countries
- (d) diversification of exports

Ans. (d) [SSC CPO Exam, 2007]

INFLATION

1. The main determinant of real wage is –

- (a) Extra earning (b) Nature of work
(c) Promotion Prospect (d) Purchasing power of money.

Ans. (d) [S.S.C (CGL) Exam, 2008]

2. The term stagflation refers to a situation where –

- (a) Growth has no relation with the change in price
(b) Rate of growth and prices both are decreasing
(c) Rate of growth is faster than the rate of price increase
(d) Rate of growth is slower than the rate of price increase

Ans. (d) [SSC Tax Asst. Exam, 2009]

3. The Presence of both higher rate of inflation and unemployment is called –

- (a) Recovery (b) Stagflation
(c) Recession (d) Deflation

Ans. (b) [SSC Multitasking Exam, 2011]

4. Stagflation is a situation of–

- (a) Stagnation and Deflation
(b) Stagnation and Recession
(c) Stagnation and Inflation
(d) Stagnation and Recovery

Ans. (c) [SSC DEO Exam, 2009]

5. The relationship between the value of money and the price level in an economy is–

- (a) Direct (b) Inverse
(c) Proportional (d) Stable

Ans. (b) [SSC DEO Exam, 2009]

6. The Result of cost push inflation is–

- (a) Hindrances in economic development increases
(b) Adverse effect on Balance on Payment
(c) Hindrance in development
(d) All of the above

Ans. (d) [SSC CPO Exam, 2015]

7. Who gets Maximum profit during inflation?

- (a) Shareholder
(b) Entrepreneurs
(c) Government Employee
(d) Corporate Employee

Ans. (b) [SSC CGL Exam, 2014]

8. The process of curing inflation by reducing money supply is called.

- (a) Cost – Push Inflation

(b) Demand – Pull Inflation

(c) Disinflation

(d) Reflection

Ans. (c) [SSC Sec off. Exam, 2007]

9. Real wage is–

(a) $\frac{\text{Profit}}{\text{Price level}}$ (b) $\frac{\text{Rent}}{\text{Price level}}$

(c) $\frac{\text{Interest}}{\text{Price level}}$ (d) $\frac{\text{Money wage}}{\text{Price level}}$

Ans. (d) [SSC (10+2) Exam, 2012]

10. State which of the following is correct? The consumer price index reflects–

- (a) The standard of living
(b) The extent of inflation in the prices of consumer goods
(c) The increasing per capita income
(d) The growth of the economy

Ans. (b) [SSC SO Exam, 2003]

11. During periods of inflation, tax rates should–

- (a) Increase (b) Decrease
(c) Remain constant (d) Fluctuate

Ans. (a) [SSC CGL Exam, 2010]

12. When too much money is chasing too few goods, the situation is–

- (a) Deflation (b) Inflation
(c) Recession (d) Stagflation

Ans. (b) [SSC SO Exam, 2001]

13. Inflation redistributes income and wealth in favour of–

- (a) Pensioners (b) Poor
(c) Middle Class (d) Rich

Ans. (d) [SSC CGL Exam, 2011]

14. The term stagflation refers to a situation where–

- (a) Growth has no relation with the change in prices
(b) Rate of growth and prices both are decreasing
(c) Rate of growth is faster than the rate of price increase
(d) Rate of growth is slower than the rate of price increase

Ans. (d) [SSC Tax Asst. Exam, 2009]

15. Inflation occurs when aggregate supply is–

- (a) more than aggregate demand
(b) less than aggregate demand
(c) equal to aggregate demand
(d) None of the above

Ans. (b) [SSC SO Exam, 2006]

16. Inflation is caused by–

- (a) Increase in supply of goods

- (b) Increase in cash with the government
- (c) Decrease in money supply
- (d) Increase in money supply

Ans. (d) [SSC CGL Exam, 2004]

17. Which of the following groups suffer the most from inflation?

- (a) Debtors (b) Creditors
- (c) Business Class (d) Holders of Real Assets

Ans. (b) [SSC CPO Exam, 2003]

18. Inflation can be checked by—

- (a) Increasing exports
- (b) Increasing money supply
- (c) Increasing government expenditure
- (d) Decreasing money supply

Ans. (d) [SSC MTS Exam, 2002]

SHARE MARKET

1. Capital market regulator is—

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

Ans. (c) [SSC DEO, (10+2) Exam, 2012]

2. A short-term government security paper is called—

- (a) Share (b) Debenture
- (c) Mutual Fund (d) Treasury Bill

Ans. (d) [SSC CGL Exam, 2010]

3. In the context of the stock market, IPO stands for—

- (a) Immediate Payment Order
- (b) Internal Policy Obligation
- (c) Initial Public Offer
- (d) International Payment Obligation

Ans. (c) [SSC Investigator Exam, 2010]

4. New capital issue is placed in—

- (a) Secondary market (b) Grey market
- (c) Primary market (d) Black market

Ans. (c) [SSC SO Exam, 2006]

5. NIFTY is associated with—

- (a) Cloth Market Price Index
- (b) Consumer Price Index
- (c) BSE Index
- (d) NSE Index

Ans. (d) [SSC Tax Asst. Exam, 2005]

6. Bull and Bear are related to which commercial activity?

- (a) Banking (b) E-commerce
- (c) International trade (d) Stock market

Ans. (d) [SSC SO Exam, 2005]

7. The share broker who sells shares in the apprehension of falling prices of shares is called—

- (a) Bull (b) Dog
- (c) Bear (d) Stag

Ans. (c) [SSC SO Exam, 2005]

8. Which amidst the following is not a credit rating agency?

- (a) CRISIL (b) CARE
- (c) ICRA (d) IFCI

Ans. (d) [SSC Tax Asst. Exam, 2004]

9. The first state owned company from India to be listed on the New York Stock Exchange is—

- (a) Videsh Sanchar Nigam Limited
- (b) Mahanagar Telephone Nigam Limited
- (c) Tata Iron and Steel Company
- (d) Wipro

Ans. (a) [SSC MTS Exam, 2002]

10. For channelising the unaccounted money for productive purposes the government introduced the scheme of—

- (a) Special Bearer Bonds
- (b) Resurgent India Bonds
- (c) Provident Funds
- (d) Market Loans

Ans. (a) [SSC MTS Exam, 2002]

11. A speculator who sells stocks, in order to buy back when price falls, for gain is a—

- (a) Bull (b) Bear
- (c) Boar (d) Bison

Ans. (b) [SSC MTS Exam, 2002]

12. What is the purpose of the India Brand Equity Fund?

- (a) To promote in-bound tourism
- (b) To make 'Made in India' a label of quality
- (c) To organise trade fairs
- (d) To provide venture capital to IT sector

Ans. (b) [SSC CGL Exam, 2003]

Micro Economics

DEMAND AND SUPPLY

1. The Consumption of inferior goods decreases when—

- (a) Market Price increases
- (b) Income increases
- (c) Market Price decreases
- (d) Income decreases

Ans. (b) [S.S.C LDC Exam, 2011]

2. For a goods -----negative income elasticity and positive price elasticity of demand, then the good is-

- (a) An inferior goods (b) Normal goods
(c) Superior goods (d) Giffen goods

Ans. (d) [S.S.C (CGL) Exam, 2013]

3. The Goods which are either for consumption or for investment are called-

- (a) Intermediate goods (b) Final goods
(c) Giffen goods (d) Inferior goods

Ans. (b) [S.S.C (10+2) Exam, 2013]

4. The Price discrimination is helpful when.

- (a) Demand elasticity for two market is different
(b) Demand elasticity for two market is same
(c) Supply elasticity for two market is different
(d) Supply elasticity for two market is same.

Ans. (a) [S.S.C (LDC) Exam, 2005]

5. In capitalist economy, price value is determined by.

- (a) Demand & Supply (b) Government
(c) Buyers (d) Sellers

Ans. (a) [S.S.C (FCI) Exam, 2012]

6. Discuss about giffen and inferior good.

- (a) Inferior goods are also giffen
(b) Giffen goods are also inferior goods
(c) Inferior good should not be giffen
(d) Giffen good should not be inferior.

Ans. (b) [S.S.C Matric level Exam, 2006]

7. The Price elasticity of demand is –

- (a) Elasticity = %change in demand ÷ %change in price
(b) Elasticity = %change in price ÷ %change in demand
(c) Elasticity = %change in demand ÷ %change in supply
(d) Elasticity = %change in supply ÷ %change in Price.

Ans. (a) [S.S.C (10+2) Exam, 2013]

8. Elasticity expressed by formula $1 > e > 0$ is –

- (a) Perfectly elastic
(b) Relatively elastic
(c) Perfectly inelastic
(d) Relatively inelastic

Ans. (d) [S.S.C Multitasking Exam, 2013]

9. When percent change in demand for a commodity is less than percentage change in its price, then demand is said to be–

- (a) Highly elastic (b) Inelastic
(c) Relatively elastic (d) Perfectly inelastic.

Ans. (b) [S.S.C Multitasking Exam, 2013]

10. When there is no change in demand, with large change in price then such type of demands are called.

- (a) Elastic (b) Inelastic
(c) Perfectly inelastic (d) Relatively elastic

Ans. (c) [S.S.C Matric level Exam, 2008]

11. With other factor Constant, the demand of any product is decreased by.

- (a) Increase in price of that product
(b) Increase in income of customer.
(c) Decrease in price of that product
(d) Decrease in income of customer

Ans. (a) [SSC. 10+2 Exam,2014]

12. There will be increase in price of tomato in domestic market, if.

- (a) There is enormous production of tomato
(b) Export of fresh tomatoes to other countries
(c) Production cost of tomato is less
(d) All of the above

Ans. (b) [SSC Metric level Exam, 2006]

13. Which of the following is not the direct deciding factor of demand.

- (a) Saving (b) Income
(c) Price (d) Taste

Ans. (a) [SSC 10+2 Exam,2012]

14. Which of the following goods has elastic demand.

- (a) Electricity (b) Medicines
(c) Rice (d) Match box

Ans. (a) [SSC 10+2 Exam,2011]

15. Which of the following statement is true?

- (a) Price of any good depends upon its cost.
(b) Any good has valuable price in anyone which has desire to buy it.
(c) Price of any good depend upon place value.
(d) Any good has its price if its supply is less than demand.

Ans. (d) [SSC. CPO Exam, 2012]

16. The “Law of market” was propounded by –

- (a) Adam Smith (b) J.B. Say
(c) T.P. Malths (d) David Recordo

Ans. (b) [SSC Sect off Exam, 2006]

17. The “Law of Market” propounded by J.B. Say was not acceptable to –

- (a) Adam Smith (b) Marshall
(c) David Recordo (d) Malthus

Ans. (d) [SSC 10+2 Exam,2016]

18. Which of the following is an Example of derived demand.

- (a) Rice (b) Cloths
(c) Beauty Products (d) Cement

Ans. (d) [SSC CPO Exam, 2012]

19. Demand of Labour is called–

- (a) Derived demand (b) Factory demand
(c) Market demand (d) Direct demand

Ans. (a) [SSC CGL Exam, 2013]

20. Perfectly inelastic demand is equal to–

- (a) Unity (b) Zero
(c) Infinity (d) Greater than unity

Ans. (b) [SSC 10+2 Exam, 2015]

21. Which among the following are close substitutes?

- (a) Milk and Sugar (b) Sugar and Tea
(c) Tea and Coffee (d) Coffee and Biscuits

Ans. (c)

22. If there is decrease in price of X, then demand of Y is also decreased, then X & Y are.

- (a) Substitute goods
(b) Complementary goods
(c) X is inferior to Y
(d) Y is inferior to X

Ans. (a) [SSC LDC Exam, 2005]

23. For Successful Price discrimination between two market, demand elasticity of production should be.

- (a) Same (b) Different
(c) Constant (d) Zero

Ans. (b) [SSC Tax Asst. Exam, 2008]

24. Other things being equal, a decrease in quantity demanded of a commodity can be caused by–

- (a) A rise in the price of the commodity
(b) A rise in the income of the consumer
(c) A fall in the price of a commodity
(d) A fall in the income of the consumer

Ans. (a) [SSC (10+2) Nov. Exam, 2014]

25. Which of the following are consumer semi-durable goods?

- (a) Cars and Television sets
(b) Milk and Milk products
(c) Foodgrains and other food products
(d) Electrical appliance like fans and electric irons

Ans. (c) [SSC (10+2) Nov. Exam, 2014]

26. Collective consumption means–

- (a) Household consumption
(b) Individual consumption
(c) Self-consumption
(d) Consumption by the citizens of the country

Ans. (a) [SSC (10+2) Nov. Exam, 2014]

27. The Phillip's curve is the schedule showing the relationship between–

- (a) Aggregate supply and demand
(b) Total saving and investment
(c) The rate of unemployment and rate of inflation
(d) Demand for and supply of loanable funds

Ans. (c) [SSC CGL July Exam, 2014]

28. Goods which are meant either for consumption or for investment are called–

- (a) Inferior goods (b) Intermediate goods
(c) Final goods (d) Giffen goods

Ans. (c) [SSC (10+2) Exam, 2013]

29. A supply function expresses the relationship between–

- (a) Price and demand (b) Price and consumption
(c) Price and output (d) Price and selling cost

Ans. (c) [SSC (10+2) Exam, 2013]

30. Demand for complementary goods is known as–

- (a) Joint demand (b) Derived demand
(c) Direct demand (d) Cross demand

Ans. (a) [SSC (10+2) 2012]

31. Name the curve which shows the quantity of products a seller wishes to sell at a given price level.

- (a) Demand curve (b) Cost curve
(c) Supply curve (d) None of the above

Ans. (c) [SSC Constable (GD) Exam, 2012]

32. In a capitalistic economy the prices are determined by–

- (a) Demand and supply (b) Government authorities
(c) Buyers in the market (d) Sellers in the market

Ans. (a) [SSC FCI Exam, 2012]

33. Consumer's surplus is the highest in the case of–

- (a) Durable goods (b) Luxuries
(c) Comforts (d) Necessities

Ans. (c) [SSC (10+2) Exam, 2012]

34. Which one of the following pairs of goods is an Example for joint supply?

- (a) Coffee and Tea
(b) Ink and Pen

- (c) Tooth brush and Paste
(d) Wool and Mutton
- Ans. (d)** [SSC (10+2) Exam, 2011]
- 35. For an inferior good, demand falls when–**
(a) Price rises (b) Income rise
(c) Price falls (d) Income falls
- Ans. (b)** [SSC (10+2) Exam, 2011]
- 36. Equilibrium price is the price when–**
(a) Supply is greater than demand
(b) Supply is less than demand
(c) Demand is very high
(d) Supply is equal to demand
- Ans. (d)**
- 37. Which one of the following is having elastic demand?**
(a) Electricity (b) Medicines
(c) Rice (d) Match boxes
- Ans. (c)** [SSC (10+2) Exam, 2011]
- 38. A 'want' becomes a demand only when it is backed by the–**
(a) Ability to purchase (b) Necessity to buy
(c) Desire to buy (d) Utility of the product
- Ans. (a)** [SSC CGL Exam, 2010]
- 39. Under increasing returns the supply curve is–**
(a) Positively sloped from left to right
(b) Negatively sloped from left to right
(c) Parallel to the quantity-axis
(d) Parallel to the price-axis
- Ans. (a)** [SSC (10+2) Exam, 2010]
- 40. When the price of a commodity falls, we can expect–**
(a) The supply of it to increase
(b) The demand for it to fall
(c) The demand for it to stay constant
(d) The demand for it to increase
- Ans. (d)** [SSC SAS Exam, 2010]
- 41. Law of demand implies that when there is excess demand for a commodity, then–**
(a) Price of the commodity falls
(b) Price of the commodity remains same
(c) Price of the commodity rises
(d) Quantity demanded of the commodity falls
- Ans. (c)** [SSC (10+2) Exam, 2012]
- 42. A horizontal demand curve is–**
(a) Relatively elastic (b) Perfectly inelastic
(c) Perfectly elastic (d) Of unitary elasticity
- Ans. (c)** [SSC (10+2) Exam, 2010]
- 43. Demand curve of a firm under perfect competition is–**
(a) Horizontal to x-axis
(b) Negatively sloped
(c) Positively sloped
(d) U-shaped
- Ans. (a)** [SSC (10+2) Exam, 2010]
- 44. If two commodities are complements, then their cross-price elasticity is–**
(a) Zero (b) Positive
(c) Negative (d) Imaginary number
- Ans. (c)** [SSC CPO Exam, 2009]
- 45. An exceptional demand curve is one that moves–**
(a) Upward to the right (b) Downward to the right
(c) Horizontally (d) Vertically
- Ans. (a)** [SSC Tax Asst. Exam, 2009]
- 46. Extension or contraction of quantity demanded of a commodity is a result of a change in the–**
(a) Unit price of the commodity
(b) Income of the consumer
(c) Taste of the consumer
(d) Climate of the region
- Ans. (a)** [SSC Tax Asst. Exam, 2008]
- 47. A fall in demand or rise in supply of a commodity–**
(a) increases the price of that commodity
(b) decreases the price of that commodity
(c) neutralises the changes in the price
(d) determines the price elasticity
- Ans. (b)** [SSC DEO Exam, 2008]
- 48. Supply creates its own demand. This statement is related to–**
(a) Professor JB Say (b) John Robinson
(c) Adam Smith (d) JS Mill
- Ans. (a)** [SSC Tax Asst. Exam, 2008]
- 49. Cross elasticity of demand between petrol and car is–**
(a) Infinite (b) Positive
(c) Zero (d) Negative
- Ans. (d)** [SSC Tax Asst. Exam, 2008]
- 50. The Law of Demand expresses–**
(a) Effect of change in price of a commodity on its demand
(b) Effect of change in demand of a commodity on its price

- (c) Effect of change in demand of a commodity over the supply of its substitute
(d) None of the above
- Ans. (a)** [SSC Tax Asst. Exam, 2008]
- 51. The demand curve for a Giffen good is–**
(a) Upward rising
(b) Downward falling
(c) Parallel to the quantity axis
(d) Parallel to the price axis
- Ans. (a)** [SSC CGL Exam, 2007]
- 52. Imputed gross rent of owner occupied buildings is a part of–**
(a) Capital formation
(b) Final consumption
(c) Intermediate consumption
(d) Consumer durable
- Ans. (b)** [SSC Tax Asst. Exam, 2007]
- 53. The supply of agricultural products is generally–**
(a) Elastic (b) Inelastic
(c) Perfectly elastic (d) Perfectly inelastic
- Ans. (b)** [SSC Tax Asst. Exam, 2007]
- 54. All of the goods which are scarce and limited in supply are called–**
(a) Luxury goods (b) Expensive goods
(c) Capital goods (d) Economic goods
- Ans. (d)** [SSC SO Exam, 2007]
- 55. Engel's Law states the relationship between–**
(a) Quantity demanded and price of a commodity
(b) Quantity demanded and price of substitutes
(c) Quantity demanded and tastes of the consumers
(d) Quantity demanded and income of the consumers
- Ans. (d)** [SSC CGL Exam, 2007]
- 56. Seawater, fresh, air etc are regarded in economics as–**
(a) Giffen goods (b) Inferior goods
(c) Free goods (d) Normal goods
- Ans. (c)** [SSC CPO Exam, 2006]
- 57. If the price of tea falls, demand for coffee will–**
(a) Increase (b) Decrease
(c) Remain same (d) None of these
- Ans. (b)** [SSC SO Exam, 2006]
- 58. If the main objective of the government is to raise revenue, it should tax commodities with–**
(a) High elasticity of demand
(b) Low elasticity of supply
(c) Low elasticity of demand
(d) High income elasticity of demand
- Ans. (c)** [SSC MTS Exam, 2006]
- 59. Bread and butter, car and petrol are Examples of goods which have–**
(a) Composite demand
(b) Joint demand
(c) Derived demand
(d) Autonomous demand
- Ans. (b)** [SSC MTS Exam, 2006]
- 60. In the law of demand, the statement "Other things remain constant" means–**
(a) Income of consumer should not change
(b) Price of other goods should not change
(c) Taste of consumer should not change
(d) All of the above
- Ans. (d)** [SSC CPO Exam, 2006]
- 61. The functional relationship between income and consumption expenditure is-explained by–**
(a) Consumer surplus
(b) Law of demand
(c) Law of supply
(d) Keynes's psychological law of consumption
- Ans. (d)** [SSC MTS Exam, 2006]
- 62. Equilibrium price means–**
(a) Price determined by Demand and Supply
(b) Price determined by Cost and Profit
(c) Price determined by Cost and Production
(d) Caprice determined to maximise profit
- Ans. (a)** [SSC CPO Exam, 2004]
- 63. When aggregated supply exceeds aggregate demand–**
(a) Unemployment falls
(b) Prices rise
(c) Inventories accumulate
(d) Unemployment develops
- Ans. (c)** [SSC CPO Exam, 2004]
- 64. According to Keynesian theory of income determination, at full employment a fall in aggregate demand causes–**
(a) A fall in prices of output and resources
(b) A fall in real gross National product and employment
(c) A rise in real gross National product and investment
(d) A rise in prices of output and resources
- Ans. (a)** [SSC CPO Exam, 2004]
- 65. If the price of an inferior good falls its demand–**
(a) Rises (b) Falls

(c) Remains constant (d) Can be any of the above
Ans. (a) [SSC CPO Exam, 2003]

66. Demand of commodity mainly depends upon—
(a) Purchasing will (b) Purchasing power
(c) Tax policy (d) Advertisement

Ans. (b) [SSC SO Exam, 2003]

67. When there is a change in demand leading to a shift of the demand curve to the right at the same price as before, the quantity demanded will—

- (a) Decrease (b) Increase
(c) Remain the same (d) Contract

Ans. (b) [SSC SO Exam, 2001]

68. Movement along the same demand curve is known as—

- (a) Extension and contraction of demand
(b) Increase and decrease of demand
(c) Contraction of supply
(d) Increase of supply

Ans. (a) [SSC SO Exam, 2001]

69. The income elasticity of demand being greater than one, the commodity must be—

- (a) A necessity (b) A luxury
(c) An inferior good (d) None of the above

Ans. (b) [SSC SO Exam, 2001]

70. If the change in demand for a commodity is at a faster rate than change in the price of the commodity, the demand is—

- (a) Perfectly inelastic (b) Elastic
(c) Perfectly elastic (d) Inelastic

Ans. (c) [SSC MTS Exam, 2001]

71. The demand for which of the following commodity will not rise in spite of a fall in its price?

- (a) Television (b) Refrigerator
(c) Salt (d) Meat

Ans. (c) [SSC MTS Exam, 2000]

72. If the price of Pepsi decreases relative to the price of Coke and 7-Up, the demand for—

- (a) Coke will decrease
(b) 7-Up will decrease
(c) Coke and 7-Up will increase
(d) Coke and 7-Up will decrease

Ans. (d) [SSC MTS Exam, 2000]

73. Non-insurable or uncertainty risk is—

- (a) Change in fashion
(b) Fire
(c) Flood

(d) Change in the price of that commodity

Ans. (c) [SSC CGL Aug. Exam, 2014]

74. Which one of the following is an Example of joint supply?

- (a) Petrol and Bus (b) Ink and Fountain pen
(c) Sugar and Coffee (d) Wool and Cotton

Ans. (b) [SSC Stenographer Sep. Exam, 2014]

75. A refrigerator operating in a chemist's shop is an Example of—

- (a) Free good (b) Final good
(c) Producer's good (d) Consumer's good

Ans. (b) [SSC CPO Exam, 2008]

PRODUCTION

1. Which among of the following is a factor of production.

- (a) Coal (b) Entrepreneur
(c) Energy (d) Industry

Ans (b) [SSC Multitasking Exam, 2014]

2. Which among of the following is necessary for demand.

- (a) Production (b) Cost
(c) Income (d) Import

Ans (c) [SSC Metric Level Exam, 2008]

3. According to the unit of measurement, internal return is.

- (a) A concept of long term production
(b) A concept of seasonal production
(c) A concept of short duration production
(d) None of the above

Ans. (a) [SSC Multitasking Exam, 2014]

4. The Rate of internal return should be.

- (a) Less than interest rate
(b) Its cost of production and profit equal.
(c) Decrease, when internal interact increase.
(d) None of these

Ans. (b) [SSC 10+2 Exam, 2014]

5. Increasing internal return means—

- (a) Increasing cost
(b) Decreasing cost
(c) Increasing production
(d) Increasing income

Ans. (b) [SSC CGL Exam, 2014]

6. If the decreasing rate of interest increase in marginal internal return, then total internal return.

- (a) Increases (b) Decreases

(c) Remains constant (d) Becomes zero
Ans. (a) [SSC CGL Exam, 2014]

7. **Third situation of law of variable proportion is–**

- (a) Negative return
- (b) Positive return
- (c) Proportional return
- (d) None of these

Ans. (a) [SSC 10+2 Exam, 2013]

8. **The excess of the price, person is to pay rather than forego the consumption of the commodity is called.**

- (a) Price (b) Profit
- (c) Producer's surplus (d) Consumer's surplus

Ans. (c) [SSC CGL Exam, 2010]

9. **Production function means–**

- (a) Relation between land & rent.
- (b) Relation between initial input & ultimate output
- (c) Relation between demand & supply
- (d) Relation between output and export

Ans. (b) [SSC LDC Exam, 2005]

10. **Production function shows–**

- (a) Relation between initial input & ultimate output
- (b) Fiscal relation between initial input & ultimate output
- (c) Relation between factors of production
- (d) None of the above

Ans. (a) [SSC Tax Asst. Exam, 2008]

11. **The Production function marks relation between.**

- (a) Cost and production
- (b) Cost and internal input
- (c) Internal input and production
- (d) Wages and profit

Ans. (c) [SSC 10+2 Exam, 2010]

12. **The Production function signifies.**

- (a) Economical relation
- (b) Social relation
- (c) Industrial relation
- (d) Cost relation

Ans. (c) [SSC Metric Level Exam, 2006]

13. **The Production function shows relation between –**

- (a) Primary input and ultimate output
- (b) Investment and final consumption
- (c) Production and consumption
- (d) Production and export

Ans. (a) [SSC Tax Asst. Exam, 2009]

14. **Collective consumption means.**

- (a) Household consumption
- (b) Disposable consumption
- (c) Self consumption
- (d) Consumption by people of country

Ans. (a) [SSC 10+2 Exam, 2014]

15. **When the total product rises at an increasing rate, then the –**

- (a) Marginal product is zero
- (b) Marginal product is rising
- (c) Marginal product is falling
- (d) Marginal product remains constant

Ans. (b) [SSC Tax asst. Exam, 2007]

16. **Which of the following is not true when the interest rate in the economy goes up?**

- (a) Saving increases
- (b) Lending increases
- (c) Cost of production increases
- (d) Return on capital increases

Ans. (d) [SSC CPO Exam, 2009]

17. **In Economics, Production means–**

- (a) Manufacturing (b) Making
- (c) Creating utility (d) Forming

Ans. (c)

18. **The marginal propensity to consume lies between–**

- (a) 0 to 1 (b) 0 to oo
- (c) 1 to oo (d) oo to oo

Ans. (a) [SSC (10+2) Exam, 2011]

19. **The production function relates to–**

- (a) Costs to outputs (b) Costs to inputs
- (c) Inputs to outputs (d) Wage level to profits

Ans. (c) [SSC (10+2) Exam, 2010]

20. **Economies of Scale means reduction in–**

- (a) Unit cost of production
- (b) Unit cost of distribution
- (c) Total cost of production
- (d) Total cost of distribution

Ans. (a) [SSC Tax Asst. Exam, 2007]

21. **Capital Output Ratio of a measures–**

- (a) Its per unit cost of production
- (b) The amount of capital invested per unit of output
- (c) The ratio of capital depreciation to quantity of output
- (d) The ratio of working capital employed to quantity of output

Ans. (b) [SSC CGL Exam, 2007]

22. The concept that under a system of free enterprise, it is consumers who decide what goods and services shall be produced and in what quantities is known as—

- (a) Consumer protection
- (b) Consumer's decision
- (c) Consumer preference
- (d) Consumer's sovereignty

Ans. (d) [SSC SO Exam, 2006]

23. In a business, raw materials, components, work-in-progress and finished goods are jointly regarded as—

- (a) Capital stock
- (b) Inventory
- (c) Investment
- (d) Net worth

Ans. (b) [SSC Tax Asst. Exam, 2005]

24. 'Marginal efficient of capital' is—

- (a) Expected rate of return on new investment
- (b) Expected rate of return of existing investment
- (c) Difference between rate of profit and rate of interest
- (d) Value of output per unit of capital invested

Ans. (a) [SSC SO Exam, 2001]

25. It is prudent to determine the size of the output when the industry is operation in the stage of—

- (a) Increasing returns
- (b) Constant returns
- (c) Diminishing returns
- (d) Negative returns

Ans. (c) [SSC MTS Exam, 2002]

26. The four factors of production are—

- (a) Land, Labour, Capital, Organisation
- (b) Land, Electricity, Water, Labour
- (c) Labour, Capital, Land, Rainfall
- (d) Labour, Climate, Land, Tools

Ans. (a) [SSC MTS Exam, 2001]

COST

1. "Extra cost" are those cost-

- (a) Which are taken to give wages
- (b) Which are taken to Lucy raw material
- (c) Which are taken for transportation
- (d) Which are taken to Lucy machinery to fill depreciation

Ans. (d) [S.S.C Matric level Exam, 2006]

2. Which cost has relation with lowest cost?

- (a) Sunk cost
- (b) Opportunity cost

(c) Variable cost

(d) Fined cost

Ans. (c) [S.S.C (CGL) Exam, 2015]

3. Payment given to others by firms for using their goods and services are called.

- (a) Actual cost
- (b) Economic cost
- (c) Explicit cost
- (d) Implicit cost

Ans. (c) [S.S.C Steno Exam, 2011]

4. The additional to total cost by producing an additional unit of output by a firm is called.

- (a) Average cost
- (b) Marginal Cost
- (c) Total Cost
- (d) Variable Cost

Ans (b) [SSC 10+2 Exam, 2012]

5. The non-expenditure costs which arise when producing firm itself and supplies contain factors of production are.

- (a) Explicit Cost
- (b) Original Cost
- (c) Implicit Cost
- (d) Replacement Cost

Ans. (c) [SSC 10+2 Exam, 2013]

6. For any product, there will be increment in balanced cost when.

- (a) Demand is less than supply
- (b) There is increase in both demand and supply
- (c) There is decrease in both demand and supply
- (d) There is decrease in supply and increase in demand

Ans. (d) [SSC CPO Exam, 2015]

7. For production minimum payment is called.

- (a) Rent
- (b) Implicit cost
- (c) Wages
- (d) Implicit cost

Ans. (a) [SSC Multitasking Exam, 2014]

8. Explicit + Implicit cost =

- (a) Economic cost
- (b) Social cost
- (c) Personal cost
- (d) Accounting cost

Ans. (a) [SSC Steno Exam, 2012]

9. In the long-run the fixed costs become—

- (a) Money costs
- (b) Real costs
- (c) Opportunity costs
- (d) Variable costs

Ans. (d) [SSC CGL July Exam, 2014]

10. A firm practising price discrimination will be—

- (a) charging different prices for different qualities of a product
- (b) buying in the cheapest and selling in the dearest markets
- (c) charging different prices in different markets for a product
- (d) buying only from firms selling in bulk at a distance

Ans. (c) [SSC CGL July Exam, 2014]

11. Minimum payment of factor of production is called–

- (a) Quasi Rent (b) Rent
- (c) Wages (d) Transfer Payment

Ans. (c) [SSC CGL April Exam, 2014]

12. Marginal Cost equals–

- (a) total cost divided by quantity
- (b) the change in total cost divided by the change in quantity
- (c) total cost minus total benefit for the last unit produced
- (d) total cost divided by total benefit for the last unit produced

Ans. (b) [SSC (10+2) Exam, 2013]

13. The expenses on advertising is called–

- (a) Implicit cost (b) Surplus cost
- (c) Fixed cost (d) Selling cost

Ans. (d) [SSC Constable (6D) Exam, 2012]

14. Which of the following cost curve is never 'U' shaped?

- (a) Marginal cost curve
- (b) Average variable cost curve
- (c) Average fixed cost curve
- (d) Average cost curve

Ans. (c) [SSC (10+2) Exam, 2012]

15. Those payments which the firms make to outsiders for their goods and services are called–

- (a) Real costs (b) Economic costs
- (c) Explicit costs (d) Implicit costs

Ans. (c) [SSC Stenographer Exam, 2011]

16. Cost of production of the producer is given by–

- (a) Sum of wages paid to labourers
- (b) Sum of wages and interest paid on capital
- (c) Sum of wages, interest, rent and supernormal profit
- (d) Sum of wages, interest, rent and normal profit

Ans. (d) [SSC (10+2) Exam, 2011]

17. Under perfect competition, the industry does not have any excess capacity because each firm produces at the minimum point on its–

- (a) long-run marginal cost curve
- (b) long-run average cost curve
- (c) long-run average variable cost curve
- (d) long-run average revenue curve

Ans. (b) [SSC (10+2) Exam, 2010]

18. Surplus earned by a factor other than land in the short period is referred to as–

- (a) Economic rent (b) Net rent
- (c) Quasi-rent (d) Super-normal rent

Ans. (c) [SSC CPO Exam, 2009]

19. Opportunity cost of production of a commodity is–

- (a) The cost that the firm could have incurred when a different technique was adopted
- (b) The cost that the firm could have incurred under a different method of production
- (c) The actual cost incurred
- (d) The next best alternative output

Ans. (d) [SSC CPO Exam, 2009]

20. When Average Cost Production (ACP) falls, marginal cost of production must be–

- (a) Rising
- (b) Falling
- (c) Greater than the average cost
- (d) Less than the average cost

Ans. (d) [SSC Tax Asst. Exam, 2008]

21. When the total product rises at an increasing rate, the–

- (a) marginal product is zero
- (b) marginal product is rising
- (c) marginal product is falling
- (d) marginal product remains constant

Ans. (b) [SSC Tax Asst. Exam, 2007]

22. Prime cost is equal to–

- (a) variable cost plus administrative cost
- (b) variable cost plus fixed costs
- (c) variable cost only
- (d) fixed cost only

Ans. (a) [SSC SO Exam, 2006]

23. An expenditure that has been made and cannot be recovered is called–

- (a) Variable cost (b) Opportunity cost
- (c) Sunk cost (d) Operational cost

Ans. (c) [SSC SO Exam, 2006]

24. A firm is in equilibrium when its–

- (a) marginal cost equals the marginal revenue
- (b) total cost is minimum
- (c) total revenue is maximum
- (d) average revenue and marginal revenue are equal

Ans. (a) [SSC Tax Asst. Exam, 2006]

25. Given the money wages, if the price level in an economy increases, then the real wages will–

- (a) Increase (b) Decrease
- (c) Remain constant (d) Become flexible

Ans. (b) [SSC Tax Asst. Exam, 2006]

26. What is selling cost?

- (a) Cost incurred on transportation of commodities to market
- (b) Cost incurred on promoting the sale of the product
- (c) Cost incurred on commission and salaries personnel
- (d) Cost incurred on advertisement

Ans. (b) [SSC MTS Exam, 2006]

27. Marginal cost is the—

- (a) cost of producing a unit of output
- (b) cost of producing an extra unit of output
- (c) cost of producing the total output
- (d) cost of producing a given level of output

Ans. (b) [SSC MTS Exam, 2006]

28. The fixed cost on such factors of production which are neither hired nor brought by the firm is called—

- (a) Social cost (b) Opportunity cost
- (c) Economic cost (d) Surcharged cost

Ans. (a) [SSC SO Exam, 2005]

29. Transfer earning or alternative cost is otherwise known as—

- (a) Variable cost
- (b) Implicit cost
- (c) Explicit cost
- (d) Opportunity cost (Economic cost)

Ans. (d) [SSC SO Exam, 2003]

30. Economic rent refers to—

- (a) Payment made for the use of labour
- (b) Payment made for the use of capital
- (c) Payment made for the use of organisation
- (d) Payment made for the use of land

Ans. (d) [SSC CPO Exam, 2003]

31. Total fixed cost curve is—

- (a) Vertical (b) Horizontal
- (c) Positively sloping (d) Negatively sloping

Ans. (b) [SSC MTS Exam, 2002]

32. Which of the following are not fixed costs?

- (a) Rent on land
- (b) Municipal taxes
- (c) Wages paid to workers
- (d) Insurance charges

Ans. (c) [SSC MTS Exam, 2001]

33. Fixed cost is known as—

- (a) Special cost (b) Direct cost
- (c) Prime cost (d) Overhead cost

Ans. (d) [SSC MTS Exam, 2000]

34. Quasi rent is a phenomenon.

- (a) Medium (b) Long-term
- (c) Short-term (d) No time

Ans. (c) [SSC CGL April Exam, 2014]

REVENUE

1. The marginal revenue of monopolist is —

- (a) More than price (b) Equal to price
- (c) Less than price (d) Less than marginal cost

Ans. (c) [SSC 10+2 Exam, 2010]

2. The 'break-even' point is where—

- (a) Marginal revenue equals marginal cost
- (b) Average revenue equals average cost
- (c) Total revenue equals total cost
- (d) None of the above

Ans. (c) [SSC (10+2) Exam, 2011]

3. The marginal revenue of a monopolist is—

- (a) More than price (b) Equal to price
- (c) Less than price (d) Less than marginal cost

Ans. (c) [SSC (10+2) Exam, 2010]

4. Average revenue means—

- (a) The revenue per unit of commodity sold
- (b) The revenue from all commodities sold
- (c) The profit realised from the marginal unit sold
- (d) The profit realised by sale of all commodities

Ans. (a) [SSC CPO Exam, 2003]

UTILITY

1. If for any product X, total utility from an units is 20 and from 10 unit is 15, then Marginal utility is—

- (a) $-.5$ (b) 5
- (c) $.5$ (d) -5

Ans. (d) [SSC 10+2 Exam, 2015]

2. In economics, 'Utility' and 'Usefulness' words has.

- (a) Same meaning (b) Different meaning
- (c) Opposite meaning (d) None of the above

Ans. (b) [SSC Tax Asst. Exam, 2009]

3. The Psychological law of consumption states that—

- (a) Proportionate increase in consumption is less than proportionate increase in income
- (b) Increase in income is equal to increase in consumption

- (c) Increase in consumption is greater than increase in income
 (d) Consumption does not change with a change in income

Ans. (a) [SSC (10+2) Nov. Exam, 2014]

4. In Economics the 'Utility' and 'Usefulness' have-

- (a) Same meaning (b) Different meaning
 (c) Opposite meaning (d) None of the above

Ans. (b) [SSC Tax Asst. Exam, 2009]

5. When marginal utility is zero, the total utility is-

- (a) Minimum (b) Increasing
 (c) Maximum (d) Decreasing

Ans. (c) [SSC CPO Exam, 2004]

6. The marginal utility curve slopes downward from left to right indicating-

- (a) a direct relationship between marginal utility and the stock of commodity
 (b) a constant relationship between marginal utility and the stock of commodity
 (c) a proportionate relationship between marginal utility and the stock of commodity
 (d) an inverse relationship between marginal utility and the stock of commodity

Ans. (d) [SSC CPO Exam, 2003]

7. The term utility means-

- (a) usefulness of a commodity
 (b) the satisfaction in which a commodity yields
 (c) the service which a commodity is capable of rendering
 (d) None of the above

Ans. (b) [SSC MTS Exam, 2011]

MARKET

1. Which is the best for any firm?

- (a) Increase in profit
 (b) Decrease in selling
 (c) Market monopoly
 (d) Decrease in production

Ans. (d) [S.S.C (CPO) Exam, 2015]

2. Bilateral Monopoly refers to the market situation of-

- (a) Two sellers, Two buyers
 (b) One seller, Two buyers
 (c) Two sellers, One buyer
 (d) One seller, One buyer.

Ans. (d) [S.S.C (CGL) Exam, 2013]

3. The Extreme forms of market are-

- (a) Perfect Competition, Monopolistic Competition
 (b) Perfect Competition, Oligopoly
 (c) Oligopoly, Monopoly
 (d) Perfect Competition, Monopoly.

Ans. (d) [S.S.C (10+2) Exam, 2013]

4. The New firms are not allowed in market with.

- (a) Perfect competition
 (b) Oligopoly
 (c) Monopolistic competition
 (d) Monopoly.

Ans. (d) [S.S.C (CGL) Exam, 2006]

5. Perfect Market situation will be situated when-

- (a) When firms are independent
 (b) When large number of buyers & sellers are present
 (c) When large number of sellers & less number of payers are there
 (d) When less number of buyer are there.

Ans. (b) [S.S.C Steno Exam, 2014]

6. Under Perfect Competition who is Price Taker.

- (a) Buyer (b) Business
 (c) Government (d) Firm.

Ans. (d) [SSC CPO Exam, 2008]

7. "Exchange of Commodities" between two countries means.

- (a) Trade surplus (b) Bilateral trade
 (c) Trade result (d) Multi lateral trade

Ans. (b) [S.S.C CGL Exam, 2010]

8. The Selling cost is not included under-

- (a) Oligopoly
 (b) Duopoly
 (c) Perfect Competition
 (d) Monopolistic Competition

Ans. (c) [SSC CPO Exam, 2012]

9. 'Hewala' is-

- (a) Complete description of a subject
 (b) Illegal trade of foreign currency
 (c) Tax reform
 (d) Illegal trade of shares

Ans. (b) [SSC 10+2 Exam, 2015]

10. The Theory of "Monopolistic Competition" was given by-

- (a) John Robinson (b) Edward Chamberlin
 (c) John Bates Clarke (d) Joseph Schumpeter

Ans. (b) [SSC 10+2 Exam, 2010]

11. Short – term government securities is called–

- (a) Share (b) Debenture
- (c) Mutual fund (d) Treasury bill

Ans. (d) [SSC CPO Exam, 2009]

12. The Full form of FCCB is–

- (a) Foreign Currency Convertible bonds
- (b) Foreign countries Convertible bonds
- (c) Foreign Companies convertible bond
- (d) None of the above

Ans. (a) [SSC CPO Exam, 2012]

13. Which market forms allow free entry and exit of firms?

- (a) Perfect and Monopolistic
- (b) Perfect and Oligopoly
- (c) Oligopoly and Monopoly
- (d) Monopoly and Monopolistic

Ans. (b) [SSC Stenographer Sep. Exam, 2014]

14. The extreme forms of market are–

- (a) Perfect Competition, Monopolistic
- (b) Perfect Competition, Monopoly Competition
- (c) Perfect Competition Oligopoly
- (d) Oligopoly Monopoly

Ans. (a) [SSC (10+2) Exam, 2013]

15. Tooth paste is a product sold under–

- (a) Monopolistic Competition
- (b) Perfect Competition
- (c) Monopoly
- (d) Duopoly

Ans. (a) [SSC FCI Exam, 2012]

16. Kinked demand curve is a feature of–

- (a) Monopoly (b) Oligopoly
- (c) Monopsony (d) Duopoly

Ans. (b) [SSC (10+2) Exam, 2012]

17. In which market structure is the demand curve of the market represented by the demand curve of the firm?

- (a) Monopoly (b) Oligopoly
- (c) Duopoly (d) Perfect Competition

Ans. (a) [SSC (10+2) 2011]

18. The most distinguishing feature of oligopoly is–

- (a) Number of firms
- (b) Interdependence
- (c) Negligible influence on price
- (d) Price leadership

Ans. (b) [SSC Investigator Exam, 2010]

19. The degree of monopoly power is to be measured in terms of the firm's–

- (a) Normal profit
- (b) Supernormal profit
- (c) Both normal and supernormal profit
- (d) Selling price

Ans. (d) [SSC (10+2) Exam, 2010]

20. Under which market condition do firms have excess capacity?

- (a) Perfect competition
- (b) Monopolistic competition
- (c) Duopoly
- (d) Oligopoly

Ans. (b) [SSC CGL Exam, 2010]

21. The situation in which total revenues equals total cost is known as–

- (a) Monopolistic competition
- (b) Equilibrium level of output
- (c) Break even point
- (d) Perfect competition

Ans. (c) [SSC (10+2) Exam, 2010]

22. Perfect competition means–

- (a) large number of buyers and less sellers
- (b) large number of buyers and sellers
- (c) large number of sellers and less buyers
- (d) None of the above

Ans. (b) [SSC CGL Exam, 2007]

23. Who propounded the market law?

- (a) Adam Smith (b) JB Say
- (c) TR Malthus (d) David Ricardo

Ans. (b) [SSC MTS Exam, 2006]

24. Monopoly means–

- (a) Single buyer (b) Many sellers
- (c) Single seller (d) Many buyers

Ans. (c) [SSC MTS Exam, 2006]

25. One of the essential conditions of monopolistic competition is–

- (a) Many buyers but one seller
- (b) Price discrimination
- (c) Product differentiation
- (d) Homogeneous product

Ans. (c) [SSC Tax Asst. Exam, 2005]

26. Same price prevails throughout the market under–

- (a) Perfect Competition
- (b) Monopoly
- (c) Monopolistic Competition
- (d) Oligopoly

Ans. (a) [SSC MTS Exam, 2002]

27. Different firms constituting the industry, produce homogeneous goods under–

- (a) Monopoly
- (b) Monopolistic Competition
- (c) Oligopoly
- (d) Perfect Competition

Ans. (d) [SSC MTS Exam, 2002]

28. A situation of large number of firms producing similar goods is termed as–

- (a) Perfect competition
- (b) Monopolistic competition
- (c) Pure competition
- (d) Oligopoly

Ans. (a) [SSC MTS Exam, 2002]

29. Under Perfect Competition–

- (a) Marginal Revenue is less than the Average Revenue
- (b) Average Revenue is less than the Marginal Revenue
- (c) Average Revenue is equal to the Marginal Revenue
- (d) Average Revenue is more than the Marginal Revenue

Ans. (c) [SSC MTS Exam, 2002]

30. Say's Law of market holds that–

- (a) Supply is not equal to demand
- (b) Supply creates its own demand
- (c) Demand creates its own supply
- (d) Supply is greater than demand

Ans. (b) [SSC SO Exam, 2001]

31. A speculator who enters into a purchase transaction with a view to sell in the near future when the price would have risen is called a–

- (a) Bear
- (b) Bull
- (c) Bison
- (d) Boar

Ans. (b) [SSC MTS Exam, 2002]

32. Which of the following is an Example of Monopoly-

- (a) Spic
- (b) Indian railway
- (c) H.M.T.
- (d) Hindustan Unilever Ltd.

Ans. (b) [SSC Tax Asst. Exam, 2008]