UNIVERSITY OF CALICUT

SCHOOL OF DISTANCE EDUCATION

BA History /BA Political Science

(2011 Admission Onwards)

III Semester

Complementary Course

GENERAL ECONOMICS-II

QUESTION BANK

1. Trade as an engine of growth was propounded by:
   a) Hirschman
   b) Nurkse
   c) Marshall
   d) Robinson

2. A decrease in the domestic currency price of foreign currency is:
   a) Depreciation
   b) Appreciation
   c) Euro currency
   d) Hedging

3. Normal rate quoted in foreign exchange market is:
   a) Arbitrage
   b) Balance of trade
   c) Exchange rate
   d) Price rate

4. Balance of payment consist of:
   a) Trade in visible
   b) Trade in invisibles
   c) International capital flows
   d) All of the above

5. Invisible item are the part of account of balance of payment.
   a) Current
   b) Capital
   c) Merchandise
   d) None of the above
6. Devaluation of currency may result in:
   a) Increase in export
   b) Increase in import
   c) Increased capital flow
   d) Capital outflow

7. Balance of payment take in to account:
   a) Visible items
   b) Invisible items
   c) Both visible and invisible item
   d) None of the above

8. A fall in the price of Rupee in terms of foreign exchange is termed as:
   a) Depreciation
   b) Appreciation
   c) Devaluation
   d) Revaluation

9. Transaction in travel, transportation and insurance between countries is included under:
   a) Merchandise
   b) Official reserves
   c) Invisibles
   d) None of the above

10. Which of the following transaction is debit in balance of payment;
    a) Export of merchandise
    b) Export of service
    c) Gift from foreigners
    d) Gift to foreigners

11. Which is the component of capital account of balance of payment:
    a) Service payments
    b) Portfolio investment
    c) Export
    d) Interest receipts

12. Under fixed exchange rate system, when domestic currency is moved to a higher parity in terms of vehicle currency is:
    a) Appreciation
    b) Depreciation
    c) Devaluation
    d) Revaluation

13. Which one of the following is correct when there is under valuation of domestic currency:
    a) Encouraging exports and inflow of capital
    b) Foreign goods cheaper and exports dearer
    c) Country imports more and exports less
    d) There is outflow of capital

14. In balance of payment, if current account registers a deficit, the capital and financial account must register a:
    a) Deficit
    b) Balance
c) Surplus  
  d) Capital outflow

15. In all balance of payment accounts, there are a fictitious head of account called:
  a) Invisibles  
  b) Deficits  
  c) Reserves  
  d) Errors and omissions

16. Balance on merchandise and service trade is called:
  a) Balance of payment  
  b) Trade balance  
  c) Current account  
  d) Balance on goods and services

17. When demand for US dollars increases under flexible exchange rate system, then:
  a) The rupee depreciates  
  b) The dollar appreciates  
  c) Both A and B  
  d) None of the above

18. An economic transaction is entered in the balance of payment as a credit, if it leads to:
  a) Receipt of payment from foreigners  
  b) Either the receipt of payment or making of payment  
  c) A payment to foreigners  
  d) Neither the receipt nor making of a payment

19. Remittances for abroad is included in which account of balance of payment:
  a) Current account  
  b) Capital account  
  c) Visible account  
  d) Official account

20. Assertion (A): Devaluation in general is resorted to increase the exports.
    Reason (R): It makes exports cheaper.
    a) Both (A) and (R) are correct  
    b) (A) is correct, but (R) is not correct.  
    c) Both (A) and (R) are incorrect  
    d) A) is incorrect, but (R) is correct

21. The continuous deficit in the balance of payments of India is due to
    a) Continued rise in imports  
    b) Slow rise in exports  
    c) Exchange rate volatility  
    d) All of the above

22. The ongoing weakening of Rupee against Dollar will cause
    a) Indian exports to US will rise  
    b) Indian exports to US will fall  
    c) Import from US to India will remain constant  
    d) Indian exports to US remain constant
23. If the Rupees per Dollar($) exchange rate changes from Rs 44 to 46 in an year by the market force, it implies
   a) Appreciation of $  
   b) Depreciation of $  
   c) Devaluation of $  
   d) Revaluation of $

24. Public finance is said to be:
   a) Science of income and expenditure
   b) Science of money and cost
   c) Science of demand and supply of money.
   d) Science of taxes and spending.

25. All the accounts of public authority are subject to:
   a) Conceal
   b) Audit and inspection
   c) Publicity
   d) None of above.

26. Price revenue is popularly known as:
   a) Market borrowing
   b) Government borrowing
   c) Commercial revenue
   d) Surplus of public undertakings

27. Who propounded the doctrine of sound finance:
   a) German Historical economists
   b) Classical Economists
   c) Neo-classical economists
   d) None of the above

28. The basic principle of Public Finance is:
   a) Maximum social advantage
   b) Welfare of the government
   c) Welfare of the individual
   d) All the above.

29. A tax is:
   a) Voluntary contribution with direct benefit
   b) Compulsory contribution with indirect benefit
   c) Compulsory Contribution with no direct benefit
   d) None of the above.

30. Which of the following are direct taxes:
   a) Gift tax
   b) Corporation tax
   c) Income tax
   d) All of the above.

31. From the following which is not a direct tax:
   a) Tax income
   b) Tax on wealth
   c) Tax on expenditure
   d) Tax on entertainment

32. The name of indirect tax is:
a) Sales tax  
b) Income tax  
c) Corporation tax  
d) Wealth tax.

33. Taxes raised are credited into:  
a) Public Accounts  
b) Consolidated Fund  
c) Contingency Fund  
d) Private Accounts.

34. All taxes come under:  
a) Capital receipts  
b) Public debt  
c) Revenue receipts  
d) Both (b) and (c).

35. Who favoured an unbalanced budget:  
a) German historical economists  
b) Keynesian economists  
c) Neo-classical economists  
d) All of the above.

36. The concept of functional finance was first developed by:  
a) Hugh Dalton  
b) Taussig  
c) A.P. Lerner  
d) None the above.

37. Deficit budgeting should be resorted to at a time of:  
a) Inflation  
b) Depression  
c) Boom  
d) Reflation.

38. Fiscal policy is related to:  
a) Public revenue and expenditure  
b) Exports and Imports  
c) Issues and circulation of currencies.  
d) Money supply.

39. “The Law of Increase of state Activities” was explained by:  
a) Dalton  
b) AC. Pigou  
c) Adolph Wagner  
d) None of the above.

40. The Critical limit Hypothesis was explained by:  
a) Wiseman  
b) A. Wagner  
c) Colin Clark  
d) None of the above.

41. Public debt implies loans raised by a government:  
a) Within the country  
b) Outside the country  
c) Both (a) and (b)  
d) None of the above.

42. Who is the chairman of the first finance commission?  
A) KC. Neogi  
B) AK. Chanda
c) K.Santhanam                                      d) None of the above

43. Loans on projects yielding income is:
a) Productive                                        c) Short term
b) unproductive                                      d) None of the above

44. When income of the government is greater than its expenditure, the budget is:
a. balanced                                      b. surplus    c. deficit    d. none of the above

45. Chairman of the Thirteenth Finance Commission is:
a. AM.Khusro                                         c. Vijay Khelkar
b. KC.Pant                                           d. C.Rangarajan

46. Chairman of the Finance Commission is appointed by:
a. Prime Minister                                    c. Chief Justice
b. President                                          d. None of the above

47. When income and expenditure of the government are equal, the budget is:
a. deficit                                      b. surplus    c. balanced    d. none of the above

48. Budget is presented in the Parliament as per:
a. Article 280                                       c. Article 202
b. Article 112                                        d. None of the above

49. The largest contributing sector to GDP at the time of independence in India is:
a. Agriculture                                   b. Industry    c. Service    d. None

50. The contribution of Primary sector to GDP in 2011-12 is:
a. 13.9                                       b. 14.5        c. 56.5        d. 29.1

51. The average annual growth rate of agriculture realized in the 11th Five Year Plan:
a. 4%                                      b. 3.3%        c. 5%         d. 6%

52. The targeted growth rate of agriculture in the 11th Five Year Plan:
a. 3.3%                                      b. 2.5%        c. 4%         d. 9%

53. The largest employment providing sector in Indian economy at present is:
a. Agriculture                                b. Industry    c. Service    d. None

54. According to 2010-11 estimates the percent of people worked with agriculture is:
a. 80.5%                                        b. 52.1%       c. 27%        d. 23%

55. Which one is the least important exportable item of agriculture sector?
a. Tea                                      b. Sugar        c. spices    d. Vegetables
56. The contribution of Industrial sector to GDP in 2011-12 is:
   a. 13.9     b. 14.5     c. 27%     d. 29.1

57. Who is considered as the Father of Indian Green Revolution?
   a. Norman Borlaug     c. M.S. Swaminathan
   b. Varghese Kurian   d. None

58. Green Revolution takes place in the year:
   a. 1950     b. 1960     c. 1966     d. 1963

59. High Yielding Varieties Programme was launched in:

60. Intensive Agricultural District Programme was introduced as a pilot project in:

61. HYV is related mainly with the input of agriculture:
   a. Water     b. Seeds     c. Implements     d. All

62. The apex institution in agriculture credit is:
   a. RBI     b. RRBs     c. NABARD     d. None

63. Food Corporation of India was established in the year:

64. The Green Revolution is otherwise known as:
   a. White Revolution     c. Wheat Revolution
   b. Blue Revolution     d. None

65. The Green Revolution does not increase the production of:
   a. Rice     b. Wheat     c. Maize     (d) Pulses

66. The Green Revolution in India is mainly centered:
   a. UP     b. Tamil Nadu     c. Kerala     (d) Punjab

67. The ‘Permanent Settlement Act’ was introduced in India in:
   a. 1793.     b. 1760     c. 1965     (d) 1963

68. Which is the least oppressive system of land tenure in India?
   a. Zamindari system     b. Mahalwari System
   c. Ryotwari system     (d) All
69. The major parts of the land area covered by the land tenure system is:
   a. Zamindari system   b. Mahalwari System
c. Ryotwari system   (d) All

70. The first Industrial Policy Resolution was passed in India in:
   a. 1948.   b. 1950   c. 1947   (d) 1958

71. Which plan is known as Industrial Plan?
   a. First   b. Second   c. Third   d. Eleventh

72. The latest Index of Industrial Production (IIP) is based on:
   (a) 2004-05   b) 1993-94   (c) 1965-66   (d) 1963-64

73. Which is the largest contributing sector to India’s GDP?
   (a) Agriculture   (b) Industry   (c) Service   (d) None

74. The contribution of service sector to GDP in 2011-12 is:
   (a) 13.9%   (b) 14.5%   (c) 56.3%   (d) 29.1%

75. Which productive sector shows highest growth rate in India in 2011-12?
   (a) Agriculture   (b) Industry   (c) Service   (d) None

76. The growth rate of service sector in 2011-12 is:
   (a) 3.3%   (b) 9.4%   (c) 10.5%   (d) 6.3%

77. In the service sector which subsector shows highest growth rate?
   (a) Trade, hotels and restaurants   (b) Financing, Insurance, Real Estate
   (c) Community, Social and Personal services   (d) Transport, storage and communication

78. Economic reforms were first introduced in India in:
   (a) 1947   (b) 1950   (c) 1991   (d) 2001

79. The most important paradox in the Kerala economy is:
   (a) Development with growth   (b) Development without growth
   (c) Growth with Development   (d) Growth without Development

80. Kerala was top in the production of:
   (a) Rice   (b) Banana   (c) Rubber   (d) All
81. The total land area of Kerala is:
   (a) 37,863 Sq Km       (c) 39,863 Sq Km
   (b) 36,863 Sq Km       (d) 38,863 Sq Km

82. In the size of land area Kerala was in the:
   (a) 20th position.     (c) 21st position.
   (b) 25th position.     (d) 15th position

83. According to the national HDR 2011 Kerala's HDI value is:
   (a) 0.79     (b) 0.59     (c) 0.50     (d) 0.90

84. According to the national HDR 2011 Kerala's HDI rank is:
   (a) 1st    (b) 2nd    (c) 3rd    (d) 4th

85. According to the 2011 census Kerala's population is:
   (a) 3,18,87,677        (c) 3,40,17,677
   (b) 3,33,87,677        (d) 3,13,87,677

86. Infant Mortality rate in Kerala according to the 2011 census is:
   (a) 15     (b) 11     (c) 13     (d) 9

87. The growth rate of Kerala economy in 2010-11 is:
   (a) 8.7    (b) 7.8    (c) 6.9    (d) 9.13

88. The growth rate of per capita income in the Kerala economy in 2010-11 is:
   (a) 7.33   (b) 6.33   (c) 6.9    (d) 8.33

89. The contribution of the tertiary sector to the Kerala economy in 2010-11 is:
   (a) 17.33 (b) 11.06 (c) 20.13 (d) 68.81

90. The largest contributor to the state economy in 2010-11 is:
    (a) Primary (b) Secondary (c) Tertiary (d) None

91. The Kerala Land Reforms Act was passed in the year:
    (a) 1963 (b) 1969 (c) 1970 (d) 1954

92. The Kerala state was formed in:
    (a) 1954 (b) 1955 (c) 1956 (d) 1957

93. The Kerala Panchayat Raj Act was enacted by the UDF government in:
    (a) 1995 (b) 1994 (c) 1996 (d) 1997

94. The initial name of the decentralized planning in Kerala is:
    (a) People's Plan Campaign
    (b) Kerala Development Plan
95. The People’s Campaign for Decentralized Planning was formally inaugurated on:
   (a) 15th August 1995
   (b) 11th November 1994
   (c) 17th August 1996
   (d) None

96. Which is referred as the heath paradox in Kerala:
   (a) Good health at high cost
   (b) Good health at low cost
   (c) Both incorrect
   (d) None

97. The Couple protection rate in Kerala according to the 2011 estimates:
   (a) 62.3%
   (b) 52%
   (c) 48%
   (d) 58%

98. The District Primary Education Program (DPEP) introduced in the State during:
   (a) 1994-95
   (b) 1995-96
   (c) 1996-97
   (d) 1998-99

99. The literacy rate of Kerala in 2011:
   (a) 91.91
   (b) 90.92
   (c) 93.91
   (d) 95.94

100. The district with largest number of out-migrants from Kerala is:
    (a) Kottayam
    (b) Ernakulam
    (c) Palakkad
    (d) Malappuram

101. Which is the most important reason for migration from Kerala?
     (a) Push factor
     (b) Pull factor
     (c) Both
     (d) None

102. Tourism was recognized as an industry by Kerala in:
     (a) 1990
     (b) 1996
     (c) 1986
     (d) 2011

103. The threats to Tourism industry in Kerala does not include:
     (a) Global warming
     (b) changing weather patterns
     (c) Safety
     (d) All

104. The percentage contribution of tourism to the state economy in 2010-11 is:
     (a) 7%
     (b) 8%
     (c) 6%
     (d) 9%

105. The leading district for domestic and foreign tourist arrival is:
     (a) Thiruvananthapuram
     (b) Ernakulam
     (c) Palakkad
     (d) Thrissur

106. The single largest source market of Kerala for foreign tourist visits is:
     (a) United Kingdom
     (b) USA
     (c) UAE
     (d) None

107. The largest number of emigrants originated from:
     (a) Kottayam
     (b) Ernakulam
108. Kerala Migration Survey 2011 is conducted by:
   (a) Kerala Government  (c) CDS
   (b) Planning Board     (d) None

109. As per the World Bank criterion the income of the Lower middle income countries ranges
   (a) $1,006 - $3,975  (c) $1,005 or less
   (b) $3,976 - $12,275  (d) None

110. India is a:
   (a) Developed country  (c) Developing country
       (b) Under developed Country  (d) None

111. The growth rate of Indian economy in 2011-112 is:
   (a) 6.9%  (b) 9%  (c) 6.5%  (d) 8.2%

112. The rate of investment as percent of GDP in 2010-11 in Indian economy is:
   (a) 32.3%  (b) 27.2%  (c) 33.5%  (d) 35.1%

113. The rate of saving as percent of GDP in 2010-11 in Indian economy is:
   (a) 32.3%  (b) 35.1%  (c) 34.5%  (d) 32.9%

114. Which sector is considered as the work horse of Indian economy?
   (a) Primary  (b) Secondary  (c) Tertiary  (d) None

115. According to 2001 census the rate of urbanisation in India is:
   (a) 72.2%  (b) 27.8%  (c) 32.5%  (d) 45.2%

116. In India the poverty is estimated in terms of:
   (a) Calorie  (b) Income  (c) Food  (d) All

117. The type of poverty exists in India is
   (a) Open  (b) Relative  (c) Absolute  (d) None

118. Relative poverty is basically related with
   (a) Poor  (b) Rich  (c) Both  (d) None

119. In 2008 Planning commission appointed a committee to estimate the poverty in India under:
   (a) Jain  (b) Sengupta  (c) Saxena  (d) Tendulkar

120. According to Tendulkar committee India’s poverty in 2004-05 is:
   (a) 37.2%  (b) 27.5%  (c) 21.6%  (d) None

121. According to Mixed Recall period India’s Poverty in 2004-05 is
122. NSSO 61st round meeting is taking place in
   (a) 2000-01  (b) 2012-13  (c) 2010-11  (d) 2004-05

123. Which of the following committee was appointed by the Ministry of rural
development to recommend a suitable methodology for identification of BPL
families in rural areas:
   (a) N.C. Saxena  (b) Tendulkar  (c) Sengupta  (d) Jain

124. World Bank’s New International Poverty Line is based on:
   (a) $1.25 per day  (b) $2 per day  (c) $1.50 per day  (d) $2.5 per day

125. According to the Planning Commission’s estimates the per capita monthly
expenditure for urban poverty in 2004-05 is
   (a) Rs.538.60  (b) Rs.356.30  (c) Rs.454.11  (d) None

126. TRYSEM was established in
   (a) 1996  (b) 1990  (c) 1980  (d) 1979

127. For a rural person the minimum calorie needed to reach above poverty line is:
   (a) 2400 calorie  (b) 2100 calorie  (c) 1995 calorie  (d) 2011 calorie

128. Which is an urban poverty eradication Programme?
   (a) JRY  (b) NREGP  (c) RLEGP  (d) NRY

129. Which of the following is an urban employment generation programme?
   (a) MGNREGS  (b) SGSY  (c) SJSRY  (d) PMGSY

130. The type of unemployment more prominent in India is:
   (a) Seasonal  (b) Cyclical  (c) Structural  (d) Open

131. India’s unemployment is estimated by the agency:
   (a) NSSO  (b) RBI  (c) Finance Ministry  (d) Both (a) & (b)

132. The long term unemployment is measured by
   (a) Usual Status  (c) Current daily Status
   (b) Current Weekly Status  (d) None

133. The most faithful measure of unemployment is:
   (a) Usual Status  (c) Current daily Status
   (b) Current Weekly Status  (d) None
134. The ratio of unemployment in India in 2004-05 is:
   (a) 5.8    (b) 6.6    (c) 8.2    (d) None

135. India’s rank according to HDI in 2011 is
   (a) 127    (b) 134   (c) 130   (d) 124

136. The Gini coefficient of India in 2011 is
   (a) 36.8   (b) 33.4   (c) 32.10 (d) 38.1

137. The average MPCE of rural people in India is:
   (a) Rs.1054 (b) Rs.1984 (c) Rs.2105 (d) Rs.455

138. Among the following states which has the highest HDI value?
   (a) Goa    (b) Punjab (c) Kerala (d) Tamil Nadu

139. Which of the following bodies finalizes the Five Year Plan proposals?
   (a) Planning Commission (c) National Development Council
   (b) Union Cabinet        (d) Ministry of Planning

140. Who among the following is the Chairman of the Planning Commission?
   (a) President          (c) Prime Minister
   (b) Speaker of Lok Sabha (d) Union Minister of Planning

141. The Planning Commission in India was set up in:
   (a) 1947    (b) 1950   (c) 1951   (d) 1952

142. Planning in India derives its objectives from:
   (a) Fundamental Rights
   (b) Directive Principles of State policy
   (c) Fundamental Duties
   (d) Preamble

143. The concept of Five Year Plans in India was introduced by:
   (a) Lord Mountbatten    (c) Indira Gandhi
   (b) Jawaharlal Nehru     (d) Lal Bahadur Shastri

144. National Development Council was set up in:
   (a) 1948    (b) 1950    (c) 1951   (d) 1952

145. The first attempt to initiate economic planning in India was made by:
   (a) Balwantrai Mehta (c) M. Visvesvaraya
   (b) Vallabhbhai Patel (d) Jawaharlal Nehru

146. The period of the First Five Year plan was from:
   (a) 1950-51 to 1954-55
(b) 1951-52 to 1955-56  
(c) 1952-53 to 1956-57  
(d) None of these

147. The main objective of First Five Year Plan was:  
(a) Industrial growth  
(b) Economic growth  
(c) Development of agriculture including irrigation and power projects  
(d) Self-reliance

148. Which one of the following is the task of the Planning Commission:  
(a) Preparation of the plan  
(b) Implementation of the plan  
(c) Financing of the plan  
(d) Both (a) & (b)

149. Which of the following Five Year Plans was terminated one year before its completion?  
(a) Second  
(b) Third  
(c) Fourth  
(d) Fifth

150. Economic Planning is a subject:  
(a) In the Union List  
(b) In the State List  
(c) In the Concurrent List  
(d) Unspecified in any special list

151. Which of the following are not members of the National Development Council?  
(a) The Prime Minister  
(b) the President  
(c) Chief Ministers of states  
(d) Members of the Planning Commission

152. The Second Five Year Plan laid more stress upon:  
(a) Agriculture  
(b) Industrialization  
(c) Removing poverty  
(d) Self-reliance

153. Attainment of economic self-reliance and removal of poverty were the main objectives of:  
(a) First Five Year Plan  
(b) Fourth Five Year Plan  
(c) Fifth Five Year Plan  
(d) Sixth Five Year Plan

154. For internal financing of Five Year Plans, the government depends on:  
(a) Taxation only  
(b) Taxation and public borrowing  
(c) Public borrowing and deficit financing  
(d) Taxation, public borrowing & deficit financing

155. The Eighth Five Year Plan gave priority to:  
(a) Industrial growth  
(b) Promotion of exports
(c) Increasing agricultural productivity
(d) Employment generation

156. The Planning Commission is:
   (a) A Ministry
   (b) A Government department
   (c) An Advisory body
   (d) An Autonomous Corporation

157. The strategy of rolling plan was adopted during the Prime Ministership of:
   (a) Lal Bahadur Shastri
   (b) Indira Gandhi
   (c) Morarji Desai
   (d) Rajiv Gandhi

158. Who among the following authored the book 'Planned Economy for India' in 19
    (a) D.R. Gadgil
    (b) M.N. Roy
    (c) M. Viswesvaraya
    (d) V.K.R.V Roy

159. The Planning Commission implemented three Annual Plans instead of Five
     Year Plans between:
    (a) The Third and Fourth Plan
    (b) The Fifth and Sixth Plan
    (c) The Sixth and Seventh plan
    (d) The Seventh and Eighth Plan

160. What is the correct sequence of the following strategies used for Five Year
     Plans in India?
    1. Balanced growth
    2. Rehabilitation of the economy
    3. Industrial development
    (a) 1,3,2
    (b) 2,1,3
    (c) 2,3,1
    (d) 3,2,1

161. The steel plants at Durgapur, Bhilai and Rourkela were established during the
     period of:
    (a) First Five Year Plan
    (b) Second Five Year Plan
    (c) Third Five Year Plan
    (d) Fourth Five Year Plan

162. Eighth Five Year Plan covered the period:
    (a) 1990-95
    (b) 1989-94
    (c) 1991-96
    (d) 1992-97

163. The term 'Hindu rate of growth' refers to the 3.70% per annum growth rate
     achieved by the Indian economy over the first six Five Year Plans'. The term
     was coined by:
    (a) J.N. Bhagwati
    (b) K.N. Raj
    (c) Raj Krishna
    (d) Sukhamoy Chakravarty

164. Which of the following statements is correct?
    (a) Planning Commission is a constitutional body
    (b) The Prime Minister is the Chairman of the Planning Commission.
(c) The Minister of Planning is always necessarily the Deputy Chairman of Planning Commission
(d) The draft plan is prepared by the National Development Council

165. Economic planning is an essential feature of:
   a) Dual economy  (c) Capitalist economy
   b) Mixed economy   (d) Socialist economy

166. The main model that formed the basis of the strategy of the Second Five Year Plan was formulated by:
   (a) V.K. R.V. Rao  (c) Dr.Gadgil
   b) PC. Mahalonobis  (d) P.R.Brahamandas

167. A major shift in the Eighth Five Year Plan from it preceding ones was:
   (a) The concentration of investment in infrastructural sector
   (b) Major investment in agriculture with a view to promoting exports
   (c) Major investment in sectors where industrial sickness has been a chronic problem
   (d) The significant reduction in public sector outlays

168. The objective of ‘inclusive growth’ was first used in which of the following plans?
   a) First  b) Eighth  c) Tenth  d) Eleventh

169. Which one of the following is related to the commodity money?
   a) Stones  b) Cattles  c) Grains  d) All of the above

170. Which of the following is not related to commodity money?
   a. All commodities were not uniform in quality
   b. It is difficult to store and prevent the loss of value
   c. They lacked portability
   d. There was no problem of coincidence of wants

171. Find the odd man out with reference to money
   a. Copper  b. Silver  c. Cattles  d. Gold

172. Match the following
   A              B
   (i) Commodity money  (i) Currency
   (ii) Metallic money   (ii) Cheque
   (iii) Paper money     (iii) Gold
   (iv) Credit money     (iv) Bows and arrows

   Codes;
   a. (i) (ii) (iii) (iv)  b. (i) (iii) (ii) (iv)  c. (iv) (iii) (ii) (i)  d. (iv) (iii) (i) (ii)
173. Which of the following is not correctly matched?
   a. Bows and arrows – used as money in the hunting society
   b. Cattles – used as money in the pastoral society
   c. Grains – used as money by the agricultural society
   d. Gold and silver coins – used as money in which the face value is greater than its intrinsic value

174. Assertion (A): Necessity led to the invention of money.
    Reason (R): Barter system failed to perform the major functions of money.
   a. (A) is true but (R) is false.
   b. Both (A) and (R) are false.
   c. Both (A) and (R) are true and (R) is the correct explanation of (A).
   d. Both (A) and (R) are true but (R) is not the correct explanation of (A).

175. Which one of the following is an example of “fiat money?”
   a. Precious stones
   b. Grains
   c. Gold coins
   d. Currency notes

176. In the case of paper currency
   a. Intrinsic value and face value are equal
   b. Intrinsic value is less than face value
   c. Intrinsic value is greater than face value
   d. None of the above

177. ------ is not an example of ‘near money’
   a. Bill of exchange
   b. Treasury bills
   c. Bond
   d. Currency notes

178. Which of the following is a primary function of money?
   a. Measure of value
   b. Store of value
   c. Standard of deferred payments
   d. Basis of credit

179. The most liquid form of all assets is
   a. Bonds
   b. Debentures
   c. Bill of exchange
   d. Currency note

180. In India the standard money is
   a. Gold coins
   b. Rupee
   c. Dollar
   d. Paisa

181. In the case of a ‘full bodied money’:
   a. Intrinsic value is less than face value
   b. Intrinsic value is equal to face value
   c. Intrinsic value is greater than face value
   d. None of the above
182. In the case of a ‘token money’
   a. Face value is less than the metal value
   b. Face value is equal to the metal value
   c. Face value is greater than the metal value
   d. None of the above

183. Demand for money arises from
   a. Money acts as a medium of exchange
   b. Money acts as a store of value
   c. Both A and B
   d. Neither A nor B

184. People are said to be suffered from “money illusion” since:
   a. People merely consider with nominal money holdings
   b. People consider the real money balances
   c. Both A and B
   d. None of the above

185. Which of the following is a concept of ‘broad money”:
   a. M1  
   b. M2  
   c. M3  
   d. All of the above

186. In the Quantity Theory of Money, Fischer states that while other things remains the same:
   a. Price level varies directly with the quantity of money
   b. Price level varies inversely with the quantity of money
   c. Value of money varies directly with the quantity of money
   d. None of the above

187. Inflation is a situation where
   a. Prices are falling
   b. Value of money is falling
   c. Value of money is rising
   d. All of the above

188. In the case of ‘creeping inflation’ prices are rising at:
   a. Less than 3% per month
   b. Around 5% per month
   c. Less than 3% per annum
   d. Around 5% per annum

189. Match the following

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<td>(i) Creeping inflation</td>
<td>(i) 20 - 100 % per annum</td>
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c. (iv) (iii) (ii) (i) d. (iv) (iii) (i) (ii)

190. ‘Stagflation’ is a situation where the economy faces:
   a. Inflation  c. Stagnation
   b. Inflation as well as stagnation  d. None of the above

191. Match the following:
   A  B
   i) Open inflation  (i) Wage – price structure are inflexible downward
   (ii) Suppressed inflation  (ii) Monopoly power
   (iii) Mark-up inflation  (iii) Monetary measures
   (iv) Ratchet inflation  iv) Free play of market forces

   Codes;
   a. (i) (ii) (iii) (iv)  c. (iv) (iii) (ii) (i)
   b. (i) (iii) (ii) (iv)  d. (iv) (iii) (i) (ii)

192. Cost – push inflation arises due to:
   a. Rise in wages
   b. Rise in the prices of raw materials
   c. Rise in profit
   d. All of the above

193. Which of the following is not a function of a commercial bank:
   a. Accepting deposits  c. Issuing currency
   b. Advancing loans  d. Credit creation

194. The RBI set up in the year:
   a. 1921  b. 1935  c. 1947  d. 1951

195. Which of the following represents the major functions of the central bank?
   a. Note issuing agency  c. Banker to the government
   b. Controller of credit  d. All of the above

196. Find the odd man out:
   a. Bank rate policy
   b. Taxation
   c. Open market operation
   d. Variable reserve ratio

197. Bank rate refers to:
   a. Discount rate
   b. Rediscount rate
   c. Market rate
   d. None of the above

198. Open market operation influences:
   a. The reserves of commercial banks
   b. The market rate of interest
   c. Both A and B
199. Which of the following is an anti-deflationary monetary policy?
   a. Purchase of government securities from commercial banks and from the public
   b. Sale of government securities from commercial banks and from the public
   c. Raising the cash reserve ratio
   d. All of the above

200. Which of the following is not a measure of selective credit control?
   a. Variable reserve ratio
   b. Regulation of consumer credit
   c. Regulation of margin requirements
   d. Rationing of credit
### GENERAL ECONOMICS II

**Key for the Complementary course**

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