COMBINED COMPETITIVE (PRELIMINARY) EXAMINATION, 2013

Serial No.

ECONOMICS
Code No. 07

A

Time Allowed : Two Hours

Maximum Marks : 300

INSTRUCTIONS

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS, ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.

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4. This Booklet contains 120 items (questions). Each item comprises *four* responses (answers). You will select *one* response which you want to mark on the Response Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose ONLY ONE response for each item.

5. In case you find any discrepancy in this test booklet in any question(s) or the Responses, a written representation explaining the details of such alleged discrepancy, be submitted within three days, indicating the Question No(s) and the Test Booklet Series, in which the discrepancy is alleged. Representation not received within time shall not be entertained at all.

6. You have to mark all your responses ONLY on the separate Response Sheet provided. *See directions in the Response Sheet.*

7. All items carry equal marks. Attempt ALL items. Your total marks will depend only on the number of correct responses marked by you in the Response Sheet.

8. Before you proceed to mark in the Response Sheet the response to various items in the Test Booklet, you have to fill in some particulars in the Response Sheet as per instructions sent to you with your Admit Card and Instructions.

9. While writing Centre, Subject and Roll No. on the top of the Response Sheet in appropriate boxes use **"ONLY BALL POINT PEN"**.

10. After you have completed filling in all your responses on the Response Sheet and the examination has concluded, you should hand over to the Invigilator only the Response Sheet. You are permitted to take away with you the Test Booklet.

ROUGH WORK

1. An example of double counting in national income terms would be the adding of :
   (A) Electricity outputs and gas outputs
   (B) Iron ore output and iron output
   (C) Wages of bus and train drivers
   (D) The value at each stage of production

2. Gross National Product equals :
   (A) Net National Product adjusted for inflation
   (B) Gross Domestic Product adjusted for inflation
   (C) Gross Domestic Product plus net factor income from abroad
   (D) Net National Product plus net factor income from abroad

3. To adjust GDP from market prices to factor cost :
   (A) Add indirect taxes
   (B) Subtract subsidies
   (C) Deduct indirect taxes and subsidies
   (D) Deduct indirect taxes and add subsidies

4. In using the expenditure approach to calculate the Gross National Product (GNP) of an economy, imports should be deducted because :
   (A) Some imports are substitutes of domestic products
   (B) Some imports are intermediate goods
   (C) Imports will lead to payments to foreign countries
   (D) Imports are the expenditure on goods and services produced by foreign countries

5. Transfer payments are not included in national income because :
   (A) they are included in the gross national income but not the net national income
   (B) they are already included in the incomes of households
   (C) they are not returns for the production of goods and services
   (D) they are not taxed by the government

6. Purchases of inventories by :
   (A) firms are not counted in investment spending
   (B) firms are also counted in investment spending
   (C) households are also counted in investment spending
   (D) households and firms are also counted in investment spending

7. Goods and services are valued at market prices when calculating GDP. Since some "outputs" of government are not sold, they have no market prices. In the actual calculation of GDP :
   (A) they are valued at zero
   (B) they are valued at the cost of producing them
   (C) their value is estimated from a survey of recipients of these services
   (D) their value is estimated from the market prices of similar market-provided services

8. If Mr. X spends Rs. 6000 to buy a new refrigerator, Rs. 4000 on getting his house white-washed and Rs. 3000 on buying new shares, the immediate effect on national product is that it increases by :
   (A) Rs. 13,000   (B) Rs. 10,000
   (C) Rs. 9,000   (D) Rs. 600

9. Which of the following is a transfer payment ?
   (A) Payment made to housewife   (B) Pocket allowance to children
   (C) Maintenance allowance to old parents   (D) All of the above

10. The difference between GNP and GDP is equal to :
    (A) Gross Domestic Investment   (B) Net Foreign Investment
    (C) Net Imports   (D) Net Factor Income from Abroad

11. Which of the following is the best definition of opportunity costs ?
    (A) The amount of one good that must be given up in order to produce one more unit of another good
    (B) The amount of money that must be paid in order to purchase one more unit of a good
    (C) The amount of an input that must be used in order to produce one more unit of a good
    (D) The price of a good that must be charged in order for a merchant to sell one more unit

12. Which one of the following is not true ?
    (A) If AC is a horizontal straight line, MC will coincide with it
    (B) If AC rises, MC will rise at a greater rate
    (C) If AC falls, MC will also fall at a higher rate
    (D) If AC rises, MC will rise at the same rate

13. The higher the value of the cross elasticity the stronger will be the degree of :
    (A) complementarity   (B) substitutability
    (C) both (A) and (B)   (D) independence

14. Break even point for a firm occurs where its :
    (A) total revenue > total cost   (B) total revenue < total cost
    (C) total revenue = total cost   (D) none of the above

15. Which one of the following gives the measures of price elasticity of demand ?
    (A) Ratio of change in demand to change in prices
    (B) Ratio of change in price to change in demand
    (C) Ratio of percentage change in demand to percentage change in price
    (D) None of the above

16. Which of the following is "not" illustrated by a production possibility boundary ?
    (A) Scarcity   (B) Opportunity cost
    (C) Necessity for choice   (D) Allocative efficiency

17. Concept of diminishing marginal rate of substitution is associated with :
    (A) A. Marshall   (B) J.R. Hicks
    (C) E.E. Slutsky   (D) J.M. Keynes

18. MRS decreases along an indifference curve because :
    (A) MU decreases when stocks of a good increase
    (B) Two goods are not perfect substitute
    (C) Consumer's capacity and willingness to sacrifice a good with the decrease in the stock of a good
    (D) None of the above

19. An increasing cost industry's long run supply curve has a :
    (A) Positive Slope   (B) Negative slope
    (C) Zero Slope   (D) None of the above

20. Oligopoly is a market situation where :
    (A) there are few firms producing close substitutes
    (B) there are few firms producing entirely different goods
    (C) there are few firms producing complementary goods
    (D) there are two or more monopolistic firms

21. Suppose that good A is plotted on the horizontal axis. If the price of A doubles and the price of B triples, leaving the consumer's income unchanged, the budget line :
    (A) will become steeper   (B) will become flatter
    (C) will shift in toward the origin   (D) will shift out from the origin

22. Identify the statement that is false :
    (A) An increase in the amount of income changes the intercepts of the budget line but not the slope
    (B) An increase in the price of good x changes both the x-intercept and the slope of the budget line
    (C) An increase in the price of good x and an equal percentage increase in the price of good y changes the x-intercept, the y-intercept, and the slope of the budget line
    (D) An increase in the price of good x and an increase in the price of good y may or may not change the slope of the budget line

23. On a typical optimal choice diagram, with budget lines and indifference curves, the line that connects the consumer's optimal baskets as the price of one good changes holding income and the price of the other good constant is called the :
    (A) Income-consumption curve   (B) Demand curve
    (C) Price-consumption curve   (D) Engel curve

24. Suppose when the consumer's income rises by 20%, the consumer's consumption of good x only increases 10%. We can infer that good x is a(n) :
   (A) normal good   (B) inferior good
   (C) giffen good   (D) marginal good

25. Identify the truthfulness of the following statements.
   I   Because the production function identifies the maximum amount of output that can be produced from a given combination of inputs, only technically efficient input combinations are found on the production function.
   II   The production function identifies the technically feasible combinations of inputs.
   (A) Both I and II are true   (B) Both I and II are false
   (C) I is true; II is false   (D) I is false; II is true

26. Increasing marginal returns occur when the total product function is :
   (A) decreasing   (B) increasing at a decreasing rate
   (C) increasing at a constant rate   (D) Increasing at an increasing rate

27. External economies or diseconomies are outside the control of the firm and :
   (A) Will not affect the cost of the firm   (B) Will affect the cost of the firm
   (C) Will increase output   (D) None of the above

28. Suppose at the firm's current long-run combination of capital and labor that $MP_K = 15$; $MP_L = 10$; $r = 8$, and $w = 3$. The firm :
   (A) is currently minimizing total cost in the long run
   (B) could lower cost by increasing the usage of capital and decreasing the usage of Labor
   (C) could lower cost by increasing the usage of labor and decreasing the usage of capital
   (D) cannot lower cost without also lowering the level of output

29. Monopolistic competition has features of :
   (A) Monopoly but not competition
   (B) Monopoly and competition with features of monopoly pre-dominating
   (C) Monopoly and competition, with features of competition pre-dominating
   (D) None of the above

30. Total product is at its maximum when :
   (A) MP is maximum   (B) MP > AP
   (C) MP= 0   (D) AP is maximum

31. Suppose at the current level of output, p > MC. The firm :
   (A) is currently maximizing its profit
   (B) could increase profit by lowering the level of output
   (C) could increase profit by increasing the level of output
   (D) cannot increase profit without raising price

32. Under conditions of monopoly :
   (A) AR curve lies below the MR curve
   (B) AR curve is equal to MR curve
   (C) AR curve is not related to MR curve
   (D) AR curve lies above the MR curve

33. Which of the following is not a characteristic of Perfect Competition ?
   (A) Large number of buyers and sellers
   (B) Perfect knowledge on the part of buyers and sellers
   (C) Homogenous product
   (D) Product differentiation

34. Identify the truthfulness of the following statements :
   I. A monopolist faces a downward-sloping demand curve, whereas a perfectly competitive firm faces a horizontal demand curve
   II. A monopolist maximizes profit, whereas a perfectly competitive firm cannot
   (A) Both I and II are true
   (B) Both I and II are false
   (C) I is true; II is false
   (D) I is false; II is true

35. Which of the following is NOT necessary for a firm to be able to engage in price discrimination ?
   (A) A firm must have some market power
   (B) A firm must have some information about its consumers' willingness to pay
   (C) A firm must be able to prevent arbitrage
   (D) A firm must be a price-taker

36. In the classical monetary theory, the elasticity of demand for money is :
   (A) unity
   (B) zero
   (C) less than zero
   (D) infinity

37. The value of money varies :
   (A) directly with the interest rate
   (B) directly with the price level
   (C) inversely with the price level
   (D) directly with the volume of employment

38. A horizontal speculative demand for money function indicates that there is :
   (A) no speculative demand for money
   (B) a small but limited speculative demand for money
   (C) an unlimited speculative demand for money
   (D) an unlimited demand for bonds

39. Maintaining a cash reserve ratio of 20% with primary deposits of Rs. 1000, the total derivative deposits created by banks would be :
   (A) Rs. 5,000
   (B) Rs. 1,000
   (C) Rs. 4,000
   (D) Rs. 4,500

40. The theory that transaction demand for money also depends on the rate of interest was put forward by :
    (A) Keynes
    (B) Baumol
    (C) Pigou
    (D) Wicksell

41. According to Reserve Bank of India, M_3 = :
    (A) currency + demand and time deposits with banks
    (B) currency + time deposits with banks + time deposits with post offices
    (C) currency + demand deposits with banks + Saving deposits with post offices
    (D) currency + demand and saving deposits with banks

42. The most liquid asset, next to cash, which the banks possess, is :
    (A) treasury bills
    (B) money at call
    (C) foreign bills
    (D) cash credit

43. According to Keynes, investors prefer holding money rather than bonds when they expect :
    (A) interest rates to remain constant
    (B) interest rates to rise
    (C) interest rates to fall
    (D) bond prices to rise

44. Which one of the following is not a liability of a commercial bank ?
    (A) Time deposits
    (B) Security holdings
    (C) Borrowings from the central bank
    (D) Deposits of other banks with it

45. Which one of the following statements describes correctly the nature of Fisher's and Cambridge equation ?
    (A) Fisher's equation is behavioural while Cambridge equation is mechanical
    (B) Fisher's equation is mechanical while Cambridge equation is behavioural
    (C) Both equations are behavioural
    (D) Both equations are mechanical

46. If a nation gains from international trade, its consumption point is :
    (A) on its production possibilities frontier
    (B) inside its production possibilities frontier
    (C) above its production possibilities frontier
    (D) inside or on its production possibilities frontier

47. A country's terms of trade are generally determined by :
    (A) international trading agreements
    (B) the value of gold reserves held at its central bank
    (C) supply and demand in the world's markets
    (D) its rate of capital formation

48. **Assertion (A):** Marshall-Lerner condition should be fulfilled if devaluation is to be successful.
    Reason (R): Devaluation makes exports costly and imports cheaper.
    (A) Both (A) and (R) are true and (R) is the correct explanation of (A)
    (B) Both (A) and (R) are true but (R) is not a correct explanation of (A)
    (C) (A) is true but (R) is false
    (D) (A) is false but (R) is true

49. Theory of Mercantilism propagates :
    (A) Encourage exports and imports
    (B) Encourage exports and discourage imports
    (C) Discourage exports and imports
    (D) Discourage exports and encourage imports

50. A demand switching policy could be :
    (A) higher interest rates
    (B) higher income tax
    (C) tariffs
    (D) reduced government spending

51. If there is a balance of payments deficit then in a floating exchange rate system :
    (A) the external value of the currency would tend to fall
    (B) the external value of the currency would tend to rise
    (C) the injections from trade are greater than the withdrawals
    (D) aggregate demand is increasing

52. Adam Smith in his theory of trade has demonstrated that :
    (A) in international trade one country can gain at the cost of another
    (B) all countries can gain from trade
    (C) free trade is not good for developing countries
    (D) mercantilist ideas would lead to maximisation of world welfare

53. Comparative cost advantage theory of trade is based on the assumption of :
    (A) constant return to scale
    (B) increasing return to scale
    (C) decreasing return to scale
    (D) constant and decreasing return to scale

54. An important criticism against comparative cost advantage theory of trade is that :
    (A) it is theoretically inconsistent
    (B) it is colonial in nature
    (C) it would not lead to efficient allocation of world resources
    (D) it is not based on relative differences in labour costs

55. The gains from trade would be equally divided between two nations if :
    (A) the terms of trade lies exactly between their domestic cost ratios
    (B) the terms of trade lies between their domestic cost ratios
    (C) the terms of trade is different from their domestic cost ratios
    (D) terms of trade is determined by their domestic cost ratios

56. Classical theory of trade :
    (A) explains actual pattern of trade
    (B) strongly demonstrates gains from trade
    (C) highlights the importance of transport cost in trade
    (D) explains the determination of terms of trade

57. Which one of the following is not part of capital account of the balance of payments of a country ?
    (A) Foreign direct investment
    (B) Portfolio investment
    (C) Interest received from foreign countries
    (D) A World Bank loan for building infrastucture

58. Which one of the following is non-debt flow of capital between countries ?
    (A) Commercial borrowing   (B) Portfolio investment
    (C) Short-term borrowing from IMF (D) Untied loans

59. Which one of the following is not an example of unilateral receipts/payments ?
    (A) Grants   (B) Gifts
    (C) Royalties   (D) Pensions

60. Free trade is based on the principle of :
    (A) comparative advantage   (B) comparative scale
    (C) economies of advantage   (D) production possibility advantage

61. Accommodating transactions are also known as :
    (A) below the line transactions   (B) above the line transactions
    (C) voluntary transactions   (D) on the line transactions

62. Other things being same, an increase in marginal propensity to import :
    (A) will reduce the size of foreign trade multiplier
    (B) will increase the size of foreign trade multiplier
    (C) may or may not affect the size of foreign trade multiplier
    (D) none of the above

63. The book "Asian Drama" is authored by :
    (A) G. Myrdal   (B) R. Nurkse
    (C) S. Kuznet   (D) M. Dobb

64. Consider the following assumptions :
    1. Perfect competition
    2. Perfect mobility of factors between countries
    3. Constant returns to scale
    4. No transport cost
    Which of the above assumptions are associated with Ricardo's theory of trade ?
    (A) 1, 2 and 4   (B) 1, 3 and 4
    (C) 1, 2 and 3   (D) 2, 3 and 4

65. For the Heckscher-Ohlin theory of trade to be valid, the relative factor endowments of two countries should be :
   (A) close to each other
   (B) as divergent as possible
   (C) identical
   (D) closely related

66. Economic development is best measured by :
   (A) growth of GDP
   (B) growth of per capita income
   (C) growth with structural changes in economy
   (D) growth with trickle down benefit in favour of poor

67. The annual growth rate in an economy indicates growth of GDP at :
   (A) current prices
   (B) constant prices
   (C) factor cost
   (D) market prices

68. "Development is a discontinuous and spontaneous change in the stationary state which displaces the equilibrium state previously existing."
   The above statement is associated with :
   (A) Adam Smith
   (B) J.S. Mill
   (C) Simon Kuznets
   (D) J. Schumpeter

69. Trickle-down strategy implies :
   (A) higher rate of GNP with social justice
   (B) reducing income of rich classes for higher public savings
   (C) tax concessions for commodities of mass consumption
   (D) efficient water management for irrigation

70. Which one of the following is NOT considered for preparing Human Development Index ?
   (A) Educational attainment
   (B) Health facilities
   (C) Enrolment ratios
   (D) Adjusted per capita income

71. Consider source of the facts about Physical Quality of Life Index :
   1. It was prepared by F. Stewart
   2. It was a comparison of 23 developing countries
   3. The index was based on some social parameters
   4. It took into account per capita income
   Of the above :
   (A) 1, 2 and 3 are correct
   (B) 2, 3 and 4 are correct
   (C) only 2 and 3 are correct
   (D) only 3 and 4 are correct

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72. Closed economy means an economy having :
   (A) controlled supply of money
   (B) exports only
   (C) imports only
   (D) no exports or imports

73. Which one of the following is NOT a criterion of underdevelopment ?
   (A) Low capital-labour ratio
   (B) Unexploited natural resources
   (C) Density of population
   (D) Ratio of industrial output to total output

74. The concept of balanced growth is associated with :
   (A) R. Nurkse
   (B) Hirschman
   (C) H.W. Singer
   (D) J. Schumpeter

75. Innovation in production may consist of :
   (A) introduction of new product
   (B) introduction of new method of production
   (C) new source of supply of raw material
   (D) all of the above

76. The explanation of the 'modern economic growth' is associated with :
   (A) Gunnar Myrdal
   (B) Simon Kuznets
   (C) B. Higgins
   (D) Harrod and Domar

77. Consider some of the factors about Kuznets' inverted U-shaped curve :
   1. With the economic development inequalities increase in the first-stage
   2. As the country develops from a low level inequalities reduce
   3. Inequalities in distribution of income do not help in economic growth
   4. Conclusions were drawn on the basis of experiences in developing as well as developed countries.
   Of the above :
   (A) 1, 2 and 4 are correct
   (B) 2, 3 and 4 are correct
   (C) only 1 and 4 are correct
   (D) only 2 and 3 are correct

78. "The core of human well-being is freedom of choice by enhancing people's capabilities for attaining higher standard of health, knowledge, self respect and ability to participate actively in community life".
   The above statement is associated with :
   (A) Mahboobul Haque
   (B) Gunnar Myrdal
   (C) Amartya Sen
   (D) None of the above

79. The greatest obstacle to economic development these days is :
   (A) lack of natural resources
   (B) lack of domestic capital
   (C) shortage of manpower
   (D) poor infrastructure

80. Which one of the following does NOT help in increasing productivity ?
   (A) Increase in capital-output ratio
   (B) Substituting capital for labour according to their price ratios
   (C) Learning by doing
   (D) Migration of workers from low productive to high productive region

81. In which one of the following areas contribution of the Britishers was positive for the development of Indian economy ?
   (A) Import of raw materials
   (B) Development of cottage and small scale industries
   (C) Development of transport and communication
   (D) Export of textiles

82. The first scientific estimate of national income in India was made by :
   (A) The Planning Commission   (B) V.K.R.V. Rao
   (C) National Sample Survey Organization   (D) Dadabhai Naoroji

83. Which one of the following was NOT a major problem for Indian Economy at the time of independence ?
   (A) Shortage of foreign exchange reserves   (B) Shortage of essential commodities
   (C) Stagnation of economic growth   (D) Predominance of agriculture

84. In the theory of Demographic Transition, at present India stands in :
   (A) Stage-1   (B) Stage-2
   (C) Stage-3   (D) Stage-4

85. Which one of the following is NOT true about National Population Policy 2000 ?
   (A) Total fertility rate to reduce from 5 to 3 by 2015
   (B) To improve health infrastructure
   (C) To achieve a stable population by 2045
   (D) To reduce infant mortality rate to below 30 per thousand live births

86. Which one of the following is the most effective measure to control high birth rate in India ?
   (A) Coercive methods of family planning
   (B) Economic and non-economic incentives
   (C) Spread of education
   (D) Better family planning and healthcare measures

87. The largest potential of electricity generation in India is found in :
   (A) coal   (B) oil and gas
   (C) nuclear energy   (D) hydro-electricity

88. Which one of the following is the most important cause of underdevelopment of the Indian economy ?
   (A) Lack of capital
   (B) Under-utilized manpower and natural resources
   (C) High density of population
   (D) Low per capita income

89. Which one of the following does NOT help in environmental protection ?
   (A) Checking greenhouse gases emission　　(B) Poverty alleviation
   (C) Deforestation　　(D) Sustainable development

90. **Assertion (A) :** Poverty alleviation remains a basic concern of the government.
   Reason (R) : The New Economic policy adopted in India in 1991 has resulted in rapid economic growth.
   Examine the above statements carefully and select the correct answer from the codes given below :
   Codes :
   (A) Both (A) and (R) are true and (R) is the correct explanation of (A)
   (B) Both (A) and (R) are true but (R) is not a correct explanation of (A)
   (C) (A) is true but (R) is false
   (D) (A) is false but (R) is true

91. The growth rate of national income in India during the period 1951-1981 is often termed as :
   (A) stagnant growth　　(B) non-sustainable growth
   (C) creeping growth　　(D) Hindu rate of growth

92. The largest source of savings in India is :
   (A) household savings　　(B) public corporate savings
   (C) private corporate savings　　(D) public savings

93. The largest contribution in GDP in India comes from :
   (A) agriculture, forestry, mining and fishing
   (B) manufacturing, construction, electricity and water supply
   (C) financing, real estate, insurance and business services
   (D) public administration, defence and other services

94. Which one of the following is NOT a feature of economic planning in India ?
   (A) Democratic planning　　(B) Planning by inducement
   (C) Planning by direction　　(D) Physical and financial planning

95. Consider some of the factors, given below justifying economic planning in India :
   1. Market failure in providing infrastructure
   2. Mobilising resources to finance government expenditure
   3. Reducing economic and social inequalities
   4. Expansion of public sector
   Of the above :
   (A) 2 and 4 are correct
   (B) 3 and 4 are correct
   (C) 1 and 2 are correct
   (D) 1 and 3 are correct

96. The strategy of economic planning in India during the Second Plan was based on :
   (A) Harrod-Domar model   (B) Mahalanobis model
   (C) K.N. Raj model   (D) None of the above

97. The rapid growth strategy of economic planning adopted in current plans failed to achieve social objectives due to :
   (A) slow growth of the economy   (B) faster growth of population
   (C) weak trickle down effect   (D) adverse effects of globalization

98. The overall industrial development of India is measured by :
   (A) Index of Industrial Production   (B) Industrial Development Index
   (C) All India Industrial Growth Index (D) None of the above

99. The classification of industries on the basis of scale in India is based on :
   (A) number of persons employed in the unit   (B) annual turnover of the unit
   (C) investment in plant and machinery   (D) kind of goods produced in the unit

100. List–I includes some aspects of industries in India and List II items associated with these aspects.

List–I		List–II	
(a)	Industrial sickness	1.	TFP
(b)	Industrial growth	2.	SIDBI
(c)	Capital formation	3.	BIFR
(d)	Industrial finance	4.	FDI

Matching items of List–I with the abbreviation in List–II, select the correct answer from the codes given below :

Codes :

	(a)	(b)	(c)	(d)
(A)	1	4	2	3
(B)	3	2	4	1
(C)	4	1	2	3
(D)	3	1	4	2

101. Which one of the following is NOT included in land reform measures adopted in India ?
    (A) Better irrigation facilities   (B) Tendancy reforms
    (C) Abolition of intermediaries   (D) Ceiling on agricultural holdings

102. Growth of foodgrains production during the last two decades in India remained poor mainly due to :
    (A) impact of globalisation
    (B) low export of agricultural products
    (C) stagnant investment in agriculture by public and private sectors
    (D) low level of input supply

103. Which one of the following is NOT true about Rashtriya Krishi Vikas Yojna ?
    (A) It aims at achieving stable agricultural growth during the Eleventh Plan
    (B) It is a Centrally financed scheme
    (C) The target is to achieve 4 percent annual growth in agricultural sector
    (D) The scheme was launched in August 2008

104. Which one of the following is NOT an objective of minimum support prices in case of agricultural products ?
    (A) To ensure remunerative prices to growers for their produce
    (B) Regulating profit margin of traders
    (C) To encourage higher investment and production
    (D) To safeguard the interest of consumers

105. Which one of the following is NOT related with food management in India ?
    (A) Larger food grain production   (B) Procurement of food grains
    (C) Maintenance of buffer stocks   (D) Food security and price stability

106. In petroleum products in India the largest amount of subsidy goes to :
    (A) Kerosene   (B) Domestic LPG
    (C) Diesel   (D) Petrol

107. The main source of financing national highways in India is :
    (A) Borrowing   (B) Budgetary Support
    (C) External assistance   (D) Cess fund

108. The largest increase in employment generation during the Eleventh Plan has been expected in :
    (A) agriculture   (B) construction
    (C) manufacture   (D) transport and communication

109. Which one of the following is the most important cause of unemployment in India ?
    (A) Jobless growth   (B) Slow growth of GDP
    (C) No trickle down benefit of GDP growth   (D) Inequalities in distribution of GDP

110. **Assertion (A) :** High rate of economic growth is a necessary but not a sufficient condition to solve unemployment problem in India

   Reason (R) : Neglecting strategy of inclusive growth is a main reason of slow growth of employment opportunities.

   Consider the above statements and select correct answer from the codes given below :

   Codes :

   (A) Both (A) and (R) are true but (R) is not a correct explanation of (A)

   (B) Both (A) and (R) are true and (R) is the correct explanation of (A)

   (C) (A) is true but (R) is false

   (D) (A) is false but (R) is true

111. Which one of the following is NOT true about Thirteenth Finance Commission ?

   (A) It covers the period from April 1, 2010 to March 31, 2015

   (B) Vijay Kelkar was the Chairman of the Commission

   (C) The Commission recommended large amount of grant from the Centre to meet deficit in State budgets

   (D) 30.5 percent of the proceeds from Central taxes would be devolved to States

112. Which one of the following was NOT responsible for larger fiscal deficit of the Central Government in the year 2008-09 ?

   (A) Tax rate reduction in excise and service tax

   (B) Sixth Pay Commission award

   (C) Larger Capital expenditure

   (D) Farm loan waiver

113. The largest source of tax revenue of the Union Government at present is :

   (A) Personal income tax   (B) Corporation tax

   (C) Union excise duties   (D) Customs duty

114. In the proposed Goods and Service Tax (GST) which one of the following taxes will NOT be merged ?

   (A) Union excise duties   (B) Service tax

   (C) Central sales tax   (D) States' value added tax

115. For combating global recession during 2008-09 the most important fiscal measure was :

   (A) tax rate cut in excise and service tax   (B) concession in import duties

   (C) larger amount of loans to industries   (D) larger capital expenditure

116. The apex body for regulating capital market in India is :

   (A) BSE   (B) NSE

   (C) IDBI   (D) SEBI

117. Consider source of the following facts about 'Bharat Nirman' programme :
    1.   The programme was launched in the Eleventh Plan
    2.   Building infrastructure and basic amenities is the main objective of the programme
    3.   The programme is only for rural areas
    4.   There are six components of the programme including housing and drinking water
    Of the above :
    (A) 1, 2 and 3 are correct
    (B) 2, 3 and 4 are correct
    (C) 1, 3 and 4 are correct
    (D) 1, 2 and 4 are correct

118. As per population census 2001 the lowest literacy rate out of the following States was recorded in :
    (A) Jammu and Kashmir   (B) Jharkhand
    (C) Bihar   (D) Uttar Pradesh

119. Which one of the following is the largest item of development expenditure in the budget of Jammu and Kashmir ?
    (A) Power   (B) Agriculture including irrigation
    (C) Education   (D) Medical and public health

120. Which one of the following is the largest source of tax revenue in Jammu and Kashmir budgets ?
    (A) Sales tax   (B) State excise
    (C) Taxes on goods and passengers   (D) Share in Central taxes

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