

**Economics Question Bank-SET 1**

Q1. The Consumers Protection Act, 1986 of India does not provide for the right to:

- A. Access to a variety of goods and services at competitive prices
- B. Consumer education
- C. Concessional rates for goods and services for weaker sections of the society
- D. Protection against the marketing of goods and services which are hazardous to life and property

ANSWER: C

C -Concessional rates for goods and services for weaker sections of the society

Q2. The 'Green Revolution' involved the use of high yielding varieties of seeds which required:

- A. Less fertilizer and less water
- B. More fertilizer and less water
- C. Less fertilizer and more water
- D. More fertilizer and more water

ANSWER: D

D- HYV seeds increased output only when supported by intensive use of water, fertilizers, and agro-chemicals and green revolution was introduced during the Third Five-Year Plan (1961–1966) and Major expansion and results were seen in the Fourth Five-Year Plan (1969–1974)

Q3. Which one of the following statements is not correct about the fertilizer industry of India:

- A. It is one of the fastest growing industry of the country in recent years
- B. India is the third largest producer of nitrogenous fertilizers in the world
- C. India is self – sufficient in respect of chemical fertilizers
- D. It is the second most important industry of the country in terms of investment and value of manufactured products

ANSWER: C

C- While India produces a large share of its fertilizer needs, it is not fully self-reliant — especially for phosphatic fertilizers (DAP) and potassic inputs. And localized supply disruptions or lagging distribution sometimes cause problems for farmers, especially during peak agricultural seasons.

Q4. The main crops grown under plantation agriculture in India are:

- A. Tea, Rubber, Coconut, Coffee
- B. Tea, Rubber, Sunflower, Soyabean
- C. Tea, Banana, Grapes, Coconut
- D. Tea, Rubber, Coconut, Soyabean

ANSWER: A

A- Tea, coffee, rubber, coconut, cocoa, oil palm, arecanut, and spices are the major plantation crops in India and **Banana** and **Sugarcane** (in some regions considered plantation crops) but still not consider in plantation.



ANSWER: B

Q5. Among the following sectors, which contributes most to the savings, in India:

- A. Banking and financial sector
- B. Export sector
- C. Household sector
- D. Private corporate sector

ANSWER: C

C- In India, Household sector contributes the **largest share** of gross domestic savings.

Q6. The World Human Development Report – 2025 places India at:

- A. 112nd rank
- B. 115th rank
- C. 130 th rank
- D. 143rd rank

ANSWER: C

According to the latest Human Development Report 2025 by United Nations Development Programme (UNDP), India is ranked **130th out of 193 countries and territories** on the Human Development Index (HDI).**There are 3 parameters-1.Standard of living 2.Knowledge 3. Longer and Healthy life.**

Q7. ECGC is related to:

- A. Export promotion
- B. Export financing and insurance
- C. Export quality certification
- D. Export statistics publication

B- Export financing refers to the **financial assistance provided to exporters** to promote export activities. Four Key institutions in India 1. **EXIM Bank** – Long-term export financing, overseas investment support 2, **Commercial Banks** – Packing credit, export bills discounting 3. **RBI** – Provides refinance support and policy guidelines 4. **Export Credit Guarantee Corporation (ECGC)** – Risk insurance to exporters

Q8. Out of the following groups with which group India's import trade is:

- A. OECD
- B. OPEC
- C. Eastern Europe
- D. Developing Countries

ANSWER: A

A- largest share of India's imports came from OECD countries. Though over time imports from other groups (especially "Developing Countries") have increased, OECD remains the group with the "most contribution" among the given options

Q9. OIL is an undertaking engaged in:

- A. Oil importing
- B. Oil refining
- C. Oil exploration
- D. Oil marketing



ANSWER: C

C- Oil India Limited (OIL) is primarily engaged in **exploration, development and production of crude oil and natural gas** (i.e. upstream / exploration & production business)

Q10. Which one of the following statements about foreign exchange reserves of India, is not true:

- A. It includes foreign currency assets and gold holdings of Reserve Bank of India
- B. It is maintained with the Reserve Bank of India
- C. Special drawing rights are not included in it
- D. Presently foreign exchange situation is satisfactory in India

ANSWER: C

C- India's foreign exchange reserves **do include**: Foreign Currency Assets (FCA), **Gold holdings**, **Special Drawing Rights (SDR-It is International reserve assets and 5 type-dollar, euro, pond, stelline and Yen)** and Reserve position in IMF. These reserves are **maintained by RBI and** presently, India's foreign exchange position is considered **satisfactory**.

Q11. Intake of less than underlined average daily calories per person has been defined as the 'Poverty line' in urban areas by the Planning Commission of India:

- A. 2100
- B. 2400
- C. 2700

D. 3000

ANSWER: A

A- The 'poverty line' as defined (formerly) by Planning Commission of India for **urban areas** was based on a minimum daily calorie intake of **2100 calories per person per day and 2400 in Ruler Area**

Q12. Which one of the following is a private bank:

- A. Allahabad Bank
- B. Punjab and Sind Bank
- C. Punjab Bank
- D. Punjab National Bank

ANSWER: C

Q13. Which of the following price index members are used for calculation of Central Government employees wage compensation:

- A. Wholesale price index
- B. Consumer price index for industrial workers
- C. Consumer price index for agricultural labourers
- D. None of these

ANSWER: B

B- The salary "wage compensation" — more precisely, the Dearness Allowance (DA) for central government employees — is linked to a consumer price index, not a wholesale price index

Q14. 'Euro' is the official currency of:

- A. All the States Europe
- B. All the States of the European Union
- C. Only 20 of the States of the European Union
- D. Only 10 of the States of the European Union

ANSWER: C

C-The Euro is *not* the official currency for all European Union (EU) states — only a subset. As of now, about 20 of the 27 EU member-states use the Euro.

Q15. Mixed economy means:

- A. When agriculture and industry are given equal importance
- B. When public sector exists along with heavy dose of swadeshi in national economy
- C. Where globalization is transferred with heavy dose of swadeshi in national economy
- D. Where the Centre and States are equal partners in economic planning and development

ANSWER: B

BC

Q16. Vision 2025 OF India is:

- A. A programme of the ASEAN to bring about all round peaceful development of an area
- B. A programme of the UNO to control world population
- C. A programme of Pakistan to enhance its living standard
- D. A programme of the Government of India to achieve economic, infrastructure, or social development goals

ANSWER: D

**Q17. Assertion (A):** Punjab is an important exporter of rice

**Reason (R):** This state leads in the production of rice

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 the correct explanation of (A)
- C. (A) is true but (R) is false
- D. (A) is false but (R) is true

ANSWER: C

A- Punjab is indeed one of India's major contributors of rice to the **central food grain pool**, and a large portion of this rice ultimately gets exported by India. **Reason (R): False** Punjab does **not** lead India in rice production. States like **West Bengal, Uttar Pradesh, Andhra Pradesh**, and **Punjab (within top few)** produce more rice overall. Punjab is a **large producer**, but **not the leading producer**.

Q18. Trade related intellectual property rights over the following:

1. Trade marks
2. Industrial design
3. Geographical indications
4. Labour standards

Choose the correct answer with the aid of the code given below:

- A. 1



- B. 1 and 2
- C. 1, 2 and 3
- D. All of the above

ANSWER: D

Consider the following statements and select the correct answer from the code given under:

**Q19. Assertion (A):** Devaluation of a currency may promote export.

**Reason (R):** Price of the country's products in the international market may fall due to devaluation.

**Codes:**

- A. Both (A) and (R) are correct and (R) is the correct explanation of (A)
- B. Both (A) and (R) are correct, but (R) is not the correct explanation of (A)
- C. (A) is correct but (R) is wrong
- D. (A) is wrong but (R) is correct

ANSWER: A

**A- Devaluation** is a deliberate downward adjustment to the value of a country's currency, relative to another currency, group of currencies. Since it is relative to other currency so internal price remains unchanged. It causes a country's exports to become less expensive and imports more expensive. Devaluation is monetary policy tool used by countries that have a fixed exchange rate or semi fixed exchange rate. It is often confused with Depreciation and is the opposite of revaluation.

**Q20.** Study the following statement with regard to Reserve Bank of India and select your answer from the code given below:

- I. It is the apex bank
- II. It regulates the money supply

- III. It gives loan to the business houses
- IV. It supervises the operations of NABARD

Select the correct answer from the code given below:

- A. I and II
- B. II and III
- C. I, II and III
- D. I, II and IV

ANSWER: A

**Q21. Match List – I and List – II and select the correct answer from the code given below:**

**List – I**

- a) Bhilai
- b) Bokaro
- c) Durgapur
- d) Rourkela

**List – II**

- 1. Chhattisgarh
- 2. Jharkhand
- 3. Orissa
- 4. West Bengal

**Codes:**

a	b	c	d
1	2	3	4
1	2	4	3
1	3	2	4
2	3	1	4

ANSWER: B

**B- Bhilai- Chhattisgarh** (steel factory established by USSR), **Bokaro-Jharkhand** (steel factory established by USSR), **Durgapur-West Bengal** (steel factory established by United Kingdom) and **Rourkela-Odisha** (steel factory established by Germany)

**Q22.** The state which has highest percentage of literate unemployed in India, is:



- A. Andhra Pradesh
- B. Gujarat
- C. Kerala
- D. Manipur

ANSWER: C

**But In overall Goa, at 14.8% (i.e. among those with secondary & above education).**

**Q23. A group formed by India, Brazil, China and other developing countries for future negotiations at WTO is known as:**

- A. G – 77
- B. G – 55
- C. G – 20
- D. G – 11

ANSWER: C

**The group formed by India, Brazil, China, and other developing countries for negotiations at the WTO is known as the **G-20 developing nations group** (not to be confused with the G20 of major economies).**

**Q24. Rural Infrastructure Development Fund is being financed by:**

- A. NABARD
- B. Reserve Bank of India
- C. Ministry of Rural Development
- D. Selected group of Public Sector Banks

ANSWER: A

**Q25. Which of the following statements in relation to Bombay Stock Exchange is correct?**

- A. It is the oldest stock exchange in India
- B. It is known by the name of Dalal Street
- C. Its share index is known by the name SENSEX
- D. All of the above

ANSWER: D

**Q26. Which of the following pairs is not correctly matched?**

- A. SEBI – Security market regulatory body
- B. RBI – Banking Regulatory Authority
- C. IDBI – World Bank
- D. SBI – Commercial Bank

ANSWER: C

**Q27. During January, 1991 to March, 2025 to highest contribution in India's Foreign Direct Investment inflow was made by:**

- A. U.S.A.
- B. U.K.
- C. Mauritius
- D. Netherland

ANSWER: C

**During January 1991 to recent years, the country that has made the highest contribution to India's Foreign Direct Investment (FDI) inflow is **Mauritius**.**

**Q28. Share of China in India's total trade is:**



- A. Gradually declining
- B. Gradually increasing
- C. Sharply declining
- D. Unchanged

ANSWER: B

China's share in India's imports (and hence total trade) has risen over time — for example, imports from China have grown to make up ~ 15-16% of Indian imports recently.

Q29. In which Five year Plan, the main objective was the eradication of poverty?

- A. Fourth Five year plan
- B. Fifth Five year plan
- C. Sixth Five year plan
- D. Seventh Five year plan

ANSWER: B

Q30. Kelkar Committee, in its second report, has recommended to reduce corporate tax to:

- A. 15%
- B. 20%
- C. 25%
- D. 30%

ANSWER: D

Q31. First Agriculture University in India was established at:

- A. Jabalpur
- B. Kanpur

- C. Kumarganj, Faizabad
- D. Pant Nagar

ANSWER: D

Q32. Which of the following is correctly matched?

- A. Bombay Stock Exchange : SENSEX
- B. National Stock Exchange : NYSE
- C. New York Stock Exchange : NIFTY
- D. London Stock Exchange : NIKKEL

ANSWER: A

Q33. Which one of the following taxes is levied and collected by the Union but distributed between Union and States?

- A. Corporation Tax
- B. Tax on income other than on agricultural income
- C. Tax on railway fares and freights
- D. Uttar Pradesh

ANSWER: B

Under the **Indian Constitution**, income tax (other than agricultural income) is **levied and collected by the Union government**. A part of this tax revenue is **shared with the States** according to the recommendations of the **Finance Commission**. Other options: **Corporation Tax** – entirely collected by the Union and mostly not shared with States. **Tax on railway fares and freights** – wholly Union tax.



Q34. As per the Planning Commission Report of 1999–2025 the highest percentage of people living below the poverty line is in

- A. Bihar
- B. Madhya Pradesh
- C. Orissa
- D. Uttar Pradesh

ANSWER: C

Orissa had about **47.15%** of its population below the poverty line — the highest among the options given and Bihar: ~ 42.6%, Madhya Pradesh: ~ 37.43% and Uttar Pradesh: ~ 31.15%

Q35. The largest Commercial Bank of India is

- A. NABARD
- B. State Bank of India
- C. ICICI
- D. Union Bank of India

ANSWER: B

**State Bank of India (SBI)** is the largest commercial bank in India in terms of assets, deposits, and branch network. **NABARD** – Not a commercial bank; it is a development bank focused on agriculture and rural development, **CICI Bank** – Large private sector bank but smaller than SBI and **Union Bank of India** – Large public sector bank, but smaller than SBI.

Q36. India share in the World Trade is

- A. 2 %
- B. 2.60%
- C. 2.00%
- D. 2.50%

ANSWER: A

As of the most recent data (2023–24), **India's share in world trade is around 1.7%–2%**.

Q37. As per the Union Budget 2025-26 the GDP growth rate has been stipulated as

- A. 6.0%
- B. 6.9%
- C. 7.25%
- D. 10 %

ANSWER: D

As per Union Budget 2025-26, the GDP growth rate has been stipulated at **nominal GDP growth of 10.1 %** for 2025-26.

Q38. Which one of the following irrelevant?

- A. Sensex
- B. BSE
- C. Nifty
- D. SAPS

ANSWER: D

Q39. In the Union Budget largest item of revenue expenditure is

- A. Defence expenditure
- B. Major Subsidies
- C. Interest Payment
- D. Grants to States

ANSWER: C

In the **Union Budget of India**, the **largest single item of revenue expenditure** is typically **interest payments on the government's debt**. Other components:- **Defence expenditure** – significant but smaller than interest payments, **Major subsidies** – large, but still less than interest payments in total and **Grants to States** – part of revenue expenditure, but again smaller than interest payments.



ANSWER: B

Q40. The headquarters of WTO are located as

- A. Doha
- B. Geneva
- C. Rome
- D. New York

ANSWER: B

Q41. The Apex Body to finance agriculture in India is

- A. Reserve Bank of India
- B. NABARD
- C. Cooperative Societies
- D. Government of India

ANSWER: B

Q42. A labour intensive Industry is one that

- A. Requires hard manual labour
- B. Pays adequate wages to the labour
- C. Employs more hands
- D. Provides facilities to labour

ANSWER: C

**Uses a large amount of human labour compared to capital (machines and technology) in its production process.**

Q43. If complete ship is hired, the Shipping Company issues

- A. Shipping Order
- B. Charter Party
- C. Bill of Entry
- D. Railway Receipt

Q44. Select the one which is not the responsibility of Gram Sabha under the "Rural Employment Guarantee Act 2005".

- A. To recommend projects to the Gram Panchayat and prepare list of possible works
- B. To receive applications for work and issue a dated receipt
- C. To monitor the execution of works with in the Gram Panchayat
- D. To conduct regular social audits of all the projects taken up within the Gram Panchayat

ANSWER: D

Q45. In the Union Budgets in India, which one of the following is the largest in amount?

- A. Plan Expenditure
- B. Non – Plan Expenditure
- C. Revenue Expenditure
- D. Capital Expenditure

ANSWER: C

In the Union Budgets of India, **Revenue Expenditure** has consistently been the largest component. This includes items like: Interest payments, Salaries, pensions, Subsidies. Grants, Defense revenue expenses

Q46. Who is known as "Father of White Revolution" in India?

- A. M.S. Swaminathan
- B. V. Kurien



C. K.N. Baht

D. B.P. Pal

ANSWER: B

**Verghese Kurien** is known as the “**Father of the White Revolution**” in India. He was the key person behind **Operation Flood**, which made India the world’s largest producer of milk.

Q47. The tax on import and export is known as

- A. Income Tax
- B. Trade Tax
- C. Custom Duty
- D. None of the above

ANSWER: C

Q48. The Finance Commission is primarily concerned with recommending to the President about

- A. The principle governing grants – in aid to be given to the states
- B. Distributing the net proceeds of the taxes between the centre and the states
- C. Neither (A) nor (B)
- D. Both (A) and (B)

ANSWER: D

Q49. Which one of the following is not an objective of fiscal policy of Indian Government?

- A. Full employment
- B. Price stability
- C. Regulation of inter – state Trade

D. Equitable distribution of wealth and income

ANSWER: C

**Regulation of inter-state trade is not an objective of fiscal policy; it falls under **trade policy** and constitutional provisions, not fiscal policy.**

Q50. Hindu Rate of growth refers to the rate of growth of

- A. GDP
- B. Population
- C. Food grains
- D. Per capita income

ANSWER: A

**Hindu Rate of Growth**” refers to the **very low and stagnant rate of economic growth of India (around 3–3.5% per year)** during the period **before economic liberalisation (1950s–1980s)**. So it refers to the **rate of growth of the Indian economy / national income (GDP)** during that period.



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