

IAS Prelims Economy Questions 2015

1. 'Basel III Accord' or simply 'Basel III', often seen in the news, seeks to

- (a) develop national strategies for the conservation and sustainable use of biological diversity
- (b) improve banking sector's ability to deal with financial and economic stress and improve risk management
- (c) reduce the greenhouse gas emissions but places a heavier burden on developed countries
- (d) transfer technology from developed countries to poor countries to enable them to replace the use of chlorofluorocarbons in refrigeration with harmless chemicals

2. With reference to the Indian economy, consider the following statements:

- (1) The rate of growth of Real Gross Domestic Product has steadily increased in the last decade.
- (2) The Gross Domestic Product at market prices (in rupees) has steadily increased in the last decade.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

3. With reference to the Indian economy, consider the following

- (1) Bank rate
- (2) Open market operations
- (3) Public debt
- (4) Public revenue

Which of the above is/are component/ components of Monetary Policy?

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

4. With reference to inflation in India, which of the following statements is correct?

- (a) Controlling the inflation in India is the responsibility of the Government of India only
- (b) The Reserve Bank of India has no role in controlling the inflation
- (c) Decreased money circulation helps in controlling the inflation
- (d) Increased money circulation helps in controlling the inflation

5. The problem of international liquidity is related to the non-availability of

- (a) goods and services
- (b) gold and silver
- (c) dollars and other hard currencies
- (d) exportable surplus

6. There has been a persistent deficit budget year after year. Which of the following actions can be taken by the government to reduce the deficit?

- (1) Reducing revenue expenditure
- (2) Introducing new welfare schemes
- (3) Rationalizing subsidies
- (4) Expanding industries

Select the correct answer using the code given below.

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

7. A decrease in tax to GDP ratio of a country indicates which of the following?

- (1) Slowing economic growth rate
- (2) Less equitable distribution of national income

Select the correct answer using the code given below.

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

8. In the 'Index of Eight Core Industries', which one of the following is given the highest weight?

- (a) Coal production
- (b) Electricity generation
- (c) Fertilizer production
- (d) Steel production

9. The Fair and Remunerative Price (FRP) of sugarcane is approved by the

- (a) Cabinet Committee on Economic Affairs
- (b) Commission for Agricultural Costs and Prices
- (c) Directorate of Marketing and Inspection, Ministry of Agriculture

(d) Agricultural Produce Market Committee

10. Which one of the following issues the 'Global Economic Prospects' report periodically?

(a) The Asian Development Bank

(b) The European Bank for Reconstruction and Development

(c) The US Federal Reserve Bank

(d) The World Bank

11. When the Reserve Bank of India reduces the Statutory Liquidity Ratio by 50 basis points, which of the following is likely to happen?

(a) India's GDP growth rate increases drastically

(b) Foreign Institutional Investors may bring more capital into our country

(c) Scheduled Commercial Banks may cut their lending rates

(d) It may drastically reduce the liquidity to the banking system

12. In India, markets in agricultural products are regulated under the

(a) Essential Commodities Act, 1955

(b) Agricultural Produce Market Committee Act enacted by States

(c) Agricultural Produce (Grading and Marking) Act, 1937

(d) Food Products Order, 1956 and Meat and Food Products Order, 1973

13. Which of the following brings out the 'Consumer Price Index Number for Industrial Workers'?

(a) The Reserve Bank of India

(b) The Department of Economic Affairs

(c) The Labour Bureau

(d) The Department of Personnel and Training

14. Convertibility of rupee implies

(a) being able to convert rupee notes into gold

(b) allowing the value of the rupee to be fixed by market forces

(c) freely permitting the conversion of rupee to other currencies and vice versa

(d) developing an international market for currencies in India