

IAS Prelims Economy Questions 2016

1. The term 'Core Banking Solutions' is sometimes seen in the news. Which of the following statements best describes/describe this term?

- (1) It is a networking of a bank's branches that enables customers to operate their accounts from any branch of the bank on its network regardless of where they open their accounts.
- (2) It is an effort to increase RBI's control over commercial banks through computerization.
- (3) It is a detailed procedure by which a bank with huge non-performing assets is taken over by another bank.

Select the correct answer using the code given below.

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

2. With reference to pre-packaged items in India, it is mandatory to the manufacturer to put which of the following information on the main label, as per the Food Safety and Standards (Packaging and Labelling) Regulations, 2011?

- (1) List of ingredients including additives
- (2) Nutrition information
- (3) Recommendations, if any, made by the medical profession about the possibility of any allergic reactions
- (4) Vegetarian/non-vegetarian

Select the correct answer using the code given below.

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

3. India's ranking in the 'Ease of Doing Business Index' is sometimes seen in the news. Which of the following has declared that ranking?

- (a) Organization for Economic Cooperation and Development (OECD)
- (b) World Economic Forum
- (c) World Bank
- (d) World Trade Organization (WTO)

4. What is/are the purpose/purposes of the 'Marginal Cost of Funds based Lending Rate (MCLR)' announced by RBI?

(1) These guidelines help improve the transparency in the methodology followed by banks for determining the interest rates on advances.

(2) These guidelines help ensure availability of bank credit at interest rates which are fair to the borrowers as well as the banks.

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

5. With reference to 'Financial Stability and Development Council', consider the following statements :

(1) It is an organ of NITI Aayog.

(2) It is headed by the Union Finance Minister.

(3) It monitors macroprudential supervision of the economy.

Which of the statements given above is/are correct?

(a) 1 and 2 only

(b) 3 only

(c) 2 and 3 only

(d) 1, 2 and 3

6. The term 'Base Erosion and Profit Shifting' is sometimes seen in the news in the context of

(a) mining operation by multinational companies in resource-rich but backward areas

(b) curbing of the tax evasion by multinational companies

(c) exploitation of genetic resources of a country by multinational companies

(d) lack of consideration of environmental costs in the planning and implementation of developmental projects

7. Recently, India's first 'National Investment and Manufacturing Zone' was proposed to be set up in [From Current Affairs of 2015-16]

(a) Andhra Pradesh

(b) Gujarat

(c) Maharashtra

(d) Uttar Pradesh

8. With reference to 'Bitcoins', sometimes seen in the news, which of the following statements is/are correct?

(1) Bitcoins are tracked by the Central Banks of the countries.

(2) Anyone with a Bitcoin address can send and receive Bitcoins from anyone else with a Bitcoin address.

(3) Online payments can be sent without either side knowing the identity of the other.

Select the correct answer using the code given below.

(a) 1 and 2 only

(b) 2 and 3 only

(c) 3 only

(d) 1, 2 and 3

9. What is/are the purpose/purposes of the Government's 'Sovereign Gold Bond Scheme' and 'Gold Monetization Scheme'?

(1) To bring the idle gold lying with Indian households into the economy

(2) To promote FDI in the gold and jewellery sector

(3) To reduce India's dependence on gold imports

Select the correct answer using the code given below.

(a) 1 only

(b) 2 and 3 only

(c) 1 and 3 only

(d) 1, 2 and 3

10. 'Global Financial Stability Report' is prepared by the

(a) European Central Bank

(b) International Monetary Fund

(c) International Bank for Reconstruction and Development

(d) Organization for Economic Cooperation and Development

11. The term 'Regional Comprehensive Economic Partnership' often appears in the news in the context of the affairs of a group of countries known as

(a) G20

(b) ASEAN

(c) SCO

(d) SAARC

12. On which of the following can you find the Bureau of Energy Efficiency Star Label?

(1) Ceiling fans

(2) Electric geysers

(3) Tubular fluorescent lamps

Select the correct answer using the code given below.

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

13. 'European Stability Mechanism', sometimes seen in the news, is an

- (a) agency created by EU to deal with the impact of millions of refugees arriving from Middle East
- (b) agency of EU that provides financial assistance to eurozone countries
- (c) agency of EU to deal with all the bilateral and multilateral agreements on trade
- (d) agency of EU to deal with the conflicts arising among the member countries

14. There has been a persistent deficit budget year after year. Which action/actions of the following can be taken by the Government to reduce the deficit?

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

Select the correct answer using the code given below.

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

15. The establishment of 'Payment Banks' is being allowed in India to promote financial inclusion. Which of the following statements is/are correct in this context?

- (1) Mobile telephone companies and supermarket chains that are owned and controlled by residents are eligible to be promoters of Payment Banks.
- (2) Payment Banks can issue both credit cards and debit cards.
- (3) Payment Banks cannot undertake lending activities.

Select the correct answer using the code given below.

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

16. With reference to 'IFC Masala Bonds', sometimes seen in the news, which of the statements given below is/are correct?

- (1) The International Finance Corporation, which offers these bonds, is an arm of the World Bank.
- (2) They are the rupee-denominated bonds and are a source of debt financing for the public and private sector.

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

17. Which of the following is/are included in the capital budget of the Government of India?

- (1) Expenditure on acquisition of assets like roads, buildings, machinery, etc.
- (2) Loans received from foreign governments
- (3) Loans and advances granted to the States and Union Territories

Select the correct answer using the code given below.

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

18. Recently, which one of the following currencies has been proposed to be added to the basket of the IMF's SDR? [From Current Affairs 2015-16]

- (a) Rouble
- (b) Rand
- (c) Indian Rupee
- (d) Renminbi

19. With reference to the International Monetary and Financial Committee (IMFC), consider the following statements :

- (1) IMFC discusses matters of concern affecting the global economy and advises the International Monetary Fund (IMF) on the direction of its work.
- (2) The World Bank participates as an observer in IMFC's meetings.

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

20. Which of the following best describes the term 'import cover', sometimes seen in the news?

- (a) It is the ratio of value of imports to the Gross Domestic Product of a country
- (b) It is the total value of imports of a country in a year
- (c) It is the ratio between the value of exports and that of imports between two countries
- (d) It is the number of months of imports that could be paid for by a country's international reserves