

2017 IAS Prelims Economy Questions

1. With reference to 'National Investment and Infrastructure Fund', which of the following statements is/are correct?

- (1) It is an organ of NITI Aayog.
- (2) It has a corpus of Rs. 4, 00,000 crore at present.

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

2. What is/are the most likely advantages of implementing 'Goods and Services Tax (GST)'?

- (1) It will replace multiple taxes collected by multiple authorities and will thus create a single market in India.
- (2) It will drastically reduce the 'Current Account Deficit' of India and will enable it to increase its foreign exchange reserves.
- (3) It will enormously increase the growth and size of the economy of India and will enable it to overtake China in the near future.

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

3. Consider the following statements :

- (1) Tax revenue as a percent of GDP of India has steadily increased in the last decade.
- (2) Fiscal deficit as a percent of GDP of India 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

4. What is the purpose of setting up Small Finance Banks (SFBs) in India?

- (1) To supply credit to small business units
- (2) To supply credit to small and marginal farmers
- (3) To encourage young entrepreneurs to set up business particularly in rural areas.

Select the correct answer using the code given below:

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

5. Which of the following is the most likely consequence of implementing the 'Unified Payments Interface (UPI)'?

- (a) Mobile wallets will not be necessary for online payments.
- (b) Digital currency will totally replace the physical currency in about two decades.
- (c) FDI inflows will drastically increase.
- (d) Direct transfer of subsidies to poor people will become very effective.

6. Which of the following statements is/are correct regarding the Monetary Policy Committee (MPC)?

- (1) It decides the RBI's benchmark interest rates.
- (2) It is a 12-member body including the Governor of RBI and is reconstituted every year.
- (3) It functions under the chairmanship of the Union Finance Minister.

Select the correct answer using the code given below :

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