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ECONOMICS – Class 12 – Book back 1 mark

1. INTRODUCTION TO MACRO ECONOMICS

1. *The branches of the subject Economics are*
   a) Wealth and welfare   b) production and consumption
   c) Demand and supply   **d) micro and macro**

2. *Who coined the word 'Macro'?*
   a) Adam Smith   b) J M Keynes   **c) Ragnar Frisch**   d) Karl Marx

3. *Who is regarded as Father of Modern Macro Economics?*
   a) Adam Smith   **b) J M Keynes**   c) Ragnar Frisch   d) Karl Marx

4. *Identify the other name for Macro Economics.*
   a) Price Theory   **b) Income Theory**   c) Market Theory   d) Micro Theory

5. *Macro economics is a study of _____.*
   a) individuals   b) firms   c) a nation   **d) aggregates**

6. *Indicate the contribution of J M Keynes to economics.*
   a) Wealth of Nations   **b) General Theory**   c) Capital   d) Public Finance

7. *A steady increase in general price level is termed as_____.*
   a) wholesale price index   b) Business Cycle   **c) Inflation**   d) National Income

8. *Identify the necessity of Economic policies.*
   a) to solve the basic problems   b) to overcome the obstacles
   c) to achieve growth   **d) all the above**

9. *Indicate the fundamental economic activities of an economy.*
   a) Production and Distribution   b) Production and Exchange
   c) Production and Consumption   d) Production and Marketing

10. *An economy consists of*
    a) consumption sector   b) Production sector   c) Government sector   **d) All the above**

11. *Identify the economic system where only private ownership of production exists.*
    a) Capitalistic Economy   b) Socialistic Economy c) Globalisic Economy   d) Mixed Economy

12. *Economic system representing equality in distribution is _____.*
    a) Capitalism   b) Globalism   c) Mixedism   **d) Socialism**

13. *Who is referred as 'Father of Capitalism'?*
    a) Adam Smith   b) Karl Marx   c) Thackeray   d) J M Keynes

14. *The country following Capitalism is _____*
    a) Russia   **b) America**   c) India   d) China

15. *Identify The Father of Socialism.*
    a) J M Keynes   **b) Karl Marx**   c) Adam Smith   d) Samuelson

16. *An economic system where the economic activities of a nation are done both by the private and the public sector together is termed as_____.*
    a) Capitalistic Economy   b) Socialistic Economy   c) Globalisic Economy   **d) Mixed Economy**

17. *Quantity of a commodity accumulated at a point of time is termed as _____*
    a)production   **b) stock**   c) variable   d) flow

18. *Identify the flow variable.*
    a) money supply   b) assets   **c) income**   d) foreign exchange reserves

19. *Identify the sectors of a Two Sector Model.*
    a) Households and Firms b) Private and Public   c) Internal and External d) Firms and Government

20. *The Circular Flow Model that represents an open Economy.*
    a) Two Sector Model   b) Three Sector Model   **c) Four Sector Model**   d) All the above

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2. NATIONAL INCOME

1. *Net National product at factor cost is also known as*
   (a) National Income   (b) Domestic Income (c) Per capita Income (d) Salary

2. *Primary sector is* ……………………
   (a) Industry   (b) Trade   **(c) Agriculture**   (d) Construction

3. *National income is measured by using ……….. methods*
   (a) Two   **(b) Three**   (c) Five   (d) Four

4. *Income method is measured by summing up of all forms of ……………*
   (a) Production   (b) Taxes   (c) expenditure   **(d) Income**

5. *Which is the largest figure?*
   (a) Disposable income   (b) Personal Income   (c) NNP   **(d) GNP**

6. *Expenditure method is used to estimate national income in …………..*
   (a) Construction sector (b) Agricultural Sector (c) Service sector   (d) Banking sector

7. *Tertiary sector is also called as ………. sector*
   (a) Service   (b) Income   (c) Industrial   (d) Production

8. *National income is a measure of the ……… performance of an economy*.
   (a) Industrial   (b) Agricultural   **(c) Economic**   (d) Consumption

9. **Per capita income is obtained by dividing the National income by …………**
   (a) Production   **(b) Population of a country** (c) Expenditure (d) GNP

10. *GNP = ………. + Net factor income from abroad.*
    (a) NNP   (b) NDP   **(c) GDP**   (d) Personal income

11. *NNP stands for ……….*
    (a) Net National Product   (b) National Net product
    (c) National Net Provident   (d) Net National Provident

12. *……… is deducted from gross value to get the net value.*
    (a) Income   **(b) Depreciation**   (c) Expenditure   (d) Value of final goods

13. **The financial year in India is ……**
    (a) Apr. 1 to Mar. 31   (b) Mar. 1 to Apr.30   (c) Mar. 1 to Mar. 16 (d) Jan. 1 to Dec. 31

14. *When net factor income from abroad is deducted from NNP, the net value is …….*
    (a) Gross National Product   (b) Disposable Income
    (c) Net Domestic Product   (d) Personal Income

15. *The value of NNP at production point is called ……*
    (a) NNP at factor cost   (b) NNP at market cost (c) GNP at factor cost (d) Per capita income

16. *The average income of the country is ….*
    (a) Personal Income   **(b) Per capita income** (c) Inflation Rate   (d) Disposal Income

17. *The value of national income adjusted for inflation is called ….*
    (a) Inflation Rate   (b) Disposal Income   (c) GNP   **(d) Real national income**

18. **Which is a flow concept ?**
    (a) Number of shirts   (b) Total wealth   **(c) Monthly income**   (d) Money supply

19. *PQLI is the indicator of ………………*
    (a) Economic growth   **(b) Economic welfare** (c) Economic progress (d) Economic development

20. **The largest proportion of national income comes from …….**
    (a) Private sector   (b) Local sector   (c) Public sector   (d) None of the above

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3. THEORIES OF EMPLOYMENT AND INCOME

1. *If every able bodied person who is willing to work at the prevailing wage rate is employed called ……….*
   (a) Full employment
   (b) Under employment
   (c) Unemployment
   (d) Employment opportunity

2. *Structural unemployment is a feature in a ………..*
   (a) Static society   (b) Socialist society   **(c) Dynamic society**   (d) Mixed economy

3. *In disguised unemployment, the marginal productivity of labour is …..*
   (a) Zero   (b) One   (c) Two   (d) Positive

4. *The main concention of the Classical Economic Theory is ……..*
   (a) Under employment   **(b) Economy is always in the state of equilibrium** (c) Demand creates its supply   (d) Imperfect competition

5. *J.B. Say is a …………………….*
   (a) Neo Classical Economist   **(b) Classical Economist**
   (c) Modern Economist   (d) New Economist

6. *According to Keynes, which type of unemployment prevails in capitalist economy ?*
   (a) Full employment   (b) Voluntary unemployment
   (c) Involuntary unemployment   **(d) Under employment**

7. *The core of the classical theory of employment is …………*
   (a) Law of Diminishing Return   (b) Law of Demand
   (c) Law of Markets   (d) Law of Consumption

8. *Keynes attributes unemployment to …………..*
   (a) A lack of effective supply   **(b) A lock of effective demand**
   (c) A lack of both   (d) None of the above

9. *………. Flexibility brings equality between saving and investment.*
   (a) Demand   (b) Supply   (c) Capital   **d) rate of Interest**

10. *…………… theory is a turning point in the development of modern economic theory.*
    (a) Keynes'   (b) Say's   (c) Classical   (d) Employment

11. *The basic concept used in Keynes Theory of Employment and Income is…………….*
    (a) Aggregate demand   (b)Aggregate supply
    (c) Effective demand   (d) Marginal Propensity Consume

12. *The component of aggregate demand is ………….*
    (a) Personal demand   **(b) Government expenditure**   (c) Only export   (d) Only import

13. *Aggregate supply is equal to ………….*
    (a) C + I + G   (b) C + S + G + (x-m)   (c) C + S + T + (x-m)   **(d) C + S + T + Rf**

14. *Keynes theory pursues to replace laissez faire by …………*
    (a) No government intervention   (b) Maximum intervention
    (c) State intervention in certain situation   (d) Private sector intervention

15. *In Keynes theory of employment and income, ………….. is the basic cause of economic depression.*
    (a) Less production   (b) More demand   (c) Inelastic supply
    (d) Less aggregate demand in relation to productive capacity.

16. *Classical theory advocates ……*
    (a) Balanced budget   (b) Unbalanced budget   (c) Surplus budget   (d) Deficit budget

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17. *Keynes theory emphasized on …… equilibrium.*
(a) Very short run   **(b) Short run**   (c) Very long run   (d) Long run

18. *According to classical theory, rate of interest is a reward for ……*
(a) Investment   (b) Demand   (c) Capital   **(d) Saving**

19. *In Keynes theory, the demand for and supply of money are determined by ….*
(a) Rate of interest   (b) Effective demand (c) Aggregate demand   (d) Aggregate supply

20. *Say's law stressed the operation of …………. in the economy.*
(a) Induced price mechanism   **(b) Automatic price mechanism**
(c) Induced demand   (d) Induced investment

4. CONSUMPTION AND INVESTMENT FUNCTIONS

1. *The average propensity to consume is measured by*
a) C/Y   b) CxY   c) Y/C   d) C+Y

2. *An increase in the marginal propensity to consume will:*
a) Lead to consumption function becoming steeper
b) Shift the consumption function upwards
c) Shift the consumption function downwards
d) Shift savings function upwards

3. *If the Keynesian consumption function is C=10+0.8 Y then, if disposable income is Rs.1000, what is amount of total consumption?*
a) ₹ 0.8   b) ₹ 800   **c) ₹ 810**   d) ₹ 0.81

4. *If the Keynesian consumption function is C=10+0.8Y then, when disposable income is Rs.100, what is the marginal propensity to consume?*
a) ₹ 0.8   b) ₹ 800   c) ₹ 810   d) ₹ 0.81

5. *If the Keynesian consumption function is C=10+0.8 Y then, and disposable income is Rs.100, what is the average propensity to consume?*
a) ₹ 0.8   b) ₹ 800   c) ₹ 810   **d) ₹0.9**

6. *As national income increases*
a) The APC falls and gets nearer in value to the MPC
b) The APC increases and diverges in value from the MPC
c) The APC stays constant
d) The APC always approaches infinity

7. *As increase in consumption at any given level of income is likely to lead*
a) Higher aggregate demand   b) An increase in exports
c) A fall in taxation revenue   d) A decrease in import spending

8. *Lower interest rates are likely to :*
a) Decrease in consumption   b) increase cost of borrowing
c) Encourage saving   **d) increase borrowing and spending**

9. *The MPC is equal to :*
a) Total spending / total consumption   b) Total consumption/total income
c) Change in consumption /change in income   d) none of the above.

10. *The relationship between total spending on consumption and the total income is the___*
a) Consumption function   b) Savings function
c) Investment function   d) aggregate demand function

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11. *The sum of the MPC and MPS is* _____
    a) 1   b) 2   c) 0.1   d) 1.1

12. *As income increases, consumption will* _____
    a) fall   b) not change   c) fluctuate   **d) increase**

13. *When investment is assumed autonomous the slope of the AD schedule is determined by the* _____
    a) marginal propensity to invest   b) disposable income
    c) marginal propensity to consume   d) average propensity to consume

14. *The multiplier tells us how much* _____ *changes after a shift in* _____
    a) Consumption , income   b) investment, output
    c) savings, investment   **d) output, aggregate demand**

15. *The multiplier is calculated as*
    a) 1/(1-MPC)   b) 1/MPS   c) 1/MPC   **d) a and b**

16. *It the MPC is 0.5, the multiplier is* _____
    a) 2   b)1/2   c) 0.2   d) 20

17. *In an open economy import* _____ *the value of the multiplier*
    a) Reduces   b) increase   c) does not change   d) changes

18. *According to Keynes, investment is a function of the MEC and* _____
    a) Demand   b) Supply   c) Income   **d) Rate of interest**

19. *The term super multiplier was first used by*
    a) J.R.Hicks   b) R.G.D. Allen   c) Kahn   d) Keynes

20. *The term MEC was introduced by*
    a) Adam Smith   **b) J.M. Keynes**   c) Ricardo   d) Malthus

5. MONETARY ECONOMICS

1. *The RBI Headquarters is located at*
   (a) Delhi   (b) Chennai   **(c) Mumbai**   (d) Bengaluru

2. *Money is*
   (a) acceptable only when it has intrinsic value   (b) constant in purchasing power
   (c) the most liquid of all assets   (d) needed for allocation of resources

3. *Paper currency system is managed by the*
   (a) Central Monetary authority   (b) State Government
   (c) Central Government   (d) Banks

4. *The basic distinction between M1 and M2 is with regard to* .
   (a) post office total deposits   **(b) saving deposits with post office savings bank**
   (c) Terms deposits of banks   (d) currency

5. *Irving Fisher's Quantity Theory of Money was popularized in*
   (a) 1908   (b) 1910   **(c) 1911**   (d) 1914

6. *MV stands for*
   (a) demand for money   **(b) supply of legal tender money**
   (c) Supply of bank money   (d) Total supply of money

7. *Inflation means*
   (a) Prices are rising   (b) Prices are falling
   (c) Value of money is increasing   (d) Prices are remaining the same

8. _____ *inflation results in a serious depreciation of the value of money*.

(a) Creeping   (b) Walking   (c) running   **(d) Hyper**

9. _____ *inflation occurs when general prices of commodities increases due to increase in production costs such as wages and raw materials*.

(a) Cost-push   (b) demand pull   (c) running   (d) galloping

10. *During inflation, who are the gainers?*

(a) Debtors   (b) Creditors   (c) Wage and salary earners   (d) Government

11. _____ *is a decrease in the rate of inflation*.

(a) Disinflation   (b) Deflation   (c) Stagflation   (d) Depression

12. *Stagflation combines the rate of inflation with*

(a) Stagnation   (b) employment   (c) output   (d) price

13. *The study of alternating fluctuations in business activity is referred to in Economics as*

(a) Boom   (b) Recession   (c) Recovery   **(d) Trade cycle**

14. *During depression the level of economic activity becomes extremely*

(a) high   (b) bad   **(c) low**   (d) good

15. *"Money can be anything that is generally acceptable as a means of exchange and that the same time acts as a measure and a store of value", This definition was given by*

(a) Crowther   (b) A.C.Pigou   (c) F.A.Walker   (d) Francis Bacon

16. *Debit card is an example of*

(a) currency   (b) paper currency   **(c) plastic money**   (d) money

17. *Fisher's Quantity Theory of money is based on the essential function of money as*

(a) measure of value   (b) store of value

(c) medium of exchange   (d) standard of deferred payment

18. *V in MV = PT equation stands for*

(a) Volume of trade   **(b) Velocity** of circulation of money

(c) Volume of transaction   (d) Volume of bank and credit money

19. *When prices rise slowly, we call it*

(a) galloping inflation   **(b) mild inflation**   (c) hyper inflation   (d) deflation

20. _____ *inflation is in no way dangerous to the economy*.

(a) walking   (b) running   **(c) creeping**   (d) galloping

6. BANKING

1. *A Bank is a*

a) Financial institution   b) Corporate   c) An Industry   d) Service institutions

2. *A Commercial Bank is an institutions that provides services*

a) Accepting deposits   b) Providing loans   **c) Both a and b**   d) None of the above

3. *The Functions of commercial banks are broadly classified into*

a) Primary Functions   b) Secondary functions   c) Other functions   **d) a, b, and c**

4. *Bank credit refers to*

a) Bank Loans   b) Advances   **c) Bank loans and advances**   d) Borrowings

5. *Credit creation means……*

a) Multiplication of loans and advances   b) Revenue   c) Expenditure   d) Debt

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6. *NBFI does not have…….*
   a) Banking license   b) government approval
   c) Money market approval   d) Finance ministry approval

7. *Central bank is ---------------- authority of any country.*
   a) Monetary   b) Fiscal   c) Wage   d) National Income

8. *Who will act as the banker to the Government of India?*
   a) SBI   b) NABARD   c) ICICI   **d) RBI**

9. *Lender of the last resort is one of the functions of…*…
   a) Central Bank b) Commercial banks c) Land Development Banks d) Co-operative banks

10. *Bank Rate means……*
    a) Re-discounting the first class securities   b) Interest rate
    c) Exchange rate   d) Growth rate

11. *Repo Rate means the ……*
    a) Rate at which the Commercial Banks are willing to lend to RBI
    b) Rate at which the RBI is willing to lend to commercial banks
    c) Exchange rate of the foreign bank   d) Growth rate of the economy

12. *Moral suasion refers……*
    a) Optimization   b) Maximization   **c) Persuasion**   d) Minimization

13. *ARDC started functioning from…….*
    a) June 3, 1963   b) July 3, 1963   c) June 1, 1963   **d) July 1, 1963**

14. *NABARD was set up in……*
    a) July 1962   b) July 1972   **c) July 1982**   d) July 1992

15. *EXIM bank was established in……*
    a) June 1982   b) April 1982   c) May 1982   **d) March 1982**

16. *The State Financial Corporation Act was passed by*
    a) Government of India   b) Government of Tamilnadu
    c) Government of Union Territories   d) Local Government.

17. *Monetary policy his formulated by……*
    a) Co-operative banks   b) Commercial banks   **c) Central Bank**   d) Foreign banks

18. *Online Banking is also known as……*
    a) E-Banking   **b) Internet Banking**   c) RTGS   d) NEFT

19. *Expansions of ATM.*
    a) Automated Teller Machine   b) Adjustment Teller Machine
    c) Automatic Teller mechanism   d) Any Time Money

20. *2016 Demonetization of currency includes denominations of*
    a) Rs.500 and Rs.1000   b) Rs.1000 and Rs.2000   c) Rs.200 and Rs.500   d) All the above

7. INTERNATIONAL ECONOMICS

1. *Trade between two countries is known as ………….trade*
   a) External   b) Internal   c) Inter-regional   d) Home

2. *Which of the following factors influence trade?*
   a) The stage of development of a product   b) The relative price of factors of productions
   c) Government   **d) All of the above**

3. *International trade differs from domestic trade because of*
   a) Trade restrictions   b) Immobility of factors c) Different government policies **d) All the above**

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4. *In general, a primary reason why nations conduct international trade is because*
   a) Some nations prefer to produce one thing while others produce another
   b) Resources are not equally distributed among all trading nations
   c) Trade enhances opportunities to accumulate profits
   d) Interest rates are not identical in all trading nations

5. *Which of the following is a modern theory of international trade?*
   a) absolute cost   b) comparative cost   **c) Factor endowment theory**   d) none of these

6. *Exchange rates are determined in*
   a) money market **b) foreign exchange market**   c) stock market   d) capital market

7. *Exchange rate for currencies is determined by supply and demand under the system of*
   a) Fixed exchange rate   **b) Flexible exchange rate**
   c) Constant exchange rate   d) Government regulated exchange rate

8. *Net export equals ……*
   a) Export x Import   b) Export + Import   **c) Export – Import**   d) Exports of services only

9. *Who among the following enunciated the concept of single factoral terms of trade?*
   a) Jacob Viner   b) G.S.Donens   c) Taussig   d) J.S.Mill

10. *Terms of Trade of a country show ……………*
    a) Ratio of goods exported and imported   b) Ratio of import duties
    c) Ratio of prices of exports and imports   d) Both (a) and (c)

11. *Favourable trade means values of exports are ……. than that of imports.*
    a) More   b) Less   c) More or Less   d) Not more than

12. *If there is an imbalance in the trade balance (more imports than exports), it can be reduced by*
    a) decreasing customs duties   b) increasing export duties
    c) stimulating exports   d) stimulating imports

13. *BOP includes*
    a) visible items only   b) invisible items only
    c) both visible and invisible items   d) merchandise trade only

14. *Components of balance of payments of a country include*
    a) Current account   b) Official account   c) Capital account   **d) All of above**

15. *In the case of BOT,*
    a) Transactions of goods are recorded   b) Transactions of both goods and services are recorded
    c) Both capital and financial accounts are included   d) All of these

16. *Tourism and travel are classified in which of balance of payments accounts?*
    a)merchandise trade account   **b) services account**
    c)unilateral transfers account   d) capital account

17. *Cyclical disequilibrium in BOP occurs because of*
    a) Different paths of business cycle
    b) The income elasticity of demand or price elasticity of demand is different
    c) long-run changes in an economy   **d) Both (a) and (b)**

18. *Which of the following is not an example of foreign direct investment?*
    a) the construction of a new auto assembly plant overseas
    b) the acquisition of an existing steel mill overseas
    c) the purchase of bonds or stock issued by a textile company overseas
    d) the creation of a wholly owned business firm overseas

19. *Foreign direct investments not permitted in India*
    a) Banking   **b) Atomic energy**   c) Pharmaceutical   d)Insurance

20. *Benefits of FDI include, theoretically*
    a) Boost in Economic Growth   b) Increase in the import and export of goods and services
    c) Increased employment and skill levels   **d) All of these**

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8. INTERNATIONAL ECONOMICS ORGANISATIONS

1. *International Monetary Fund was an outcome of*
   a) Pandung Conference   b) Dunkel Draft
   c) Bretton Woods Conference   d) Doha Conference

2. *International Monetary Fund is having its headquarters at*
   a) Washington D C   b) New York   c) Vienna   d) Geneva

3. *IBRD is otherwise called*
   a) IMF   **b) World Bank**   c) ASEAN   d) International Finance Corporation

4. *The other name for Special Drawing Rights is*
   a) Paper gold   b) Quotas   c) Voluntary Export Restrictions d) None of these

5. *The organization which provides long term loan is*
   a) World Bank   b) International Monetary Fund   c) World Trade Organisation   d) BRICS

6. *Which of the following countries is not a member of SAARC?*
   a) Sri Lanka   **b) Japan**   c) Bangladesh   d) Afghanistan

7. *International Development Association is an affiliate of*
   a) IMF   **b) World Bank**   c) SAARC   d) ASEAN

8. *---------- relates to patents, copyrights, trade secrets, etc.,*
   a) TRIPS   b) TRIMS   c) GATS   d) NAMA

9. *The first ministerial meeting of WTO was held at*
   a) Singapore   b) Geneva   c) Seattle   d) Doha

10. *ASEAN meetings are held once in every _____ years*
   a) 2   **b) 3**   c) 4   d) 5

11. *Which of the following is not the member of SAARC?*
   a) Pakistan   b) Sri Lanka   c) Bhutan   **d) China**

12. *SAARC meets once in ----------- years.*
   a) 2   b) 3   c) 4   d) 5

13. *The headquarters of ASEAN is*
   a) Jaharta   b) New Delhi   c) Colombo   d) Tokyo

14. *The term BRIC was coined in*
   a) 2001   b) 2005   c) 2008   d) 2010

15. *ASEAN was created in*
   a) 1965   **b) 1967**   c) 1972   d) 1997

16. *The Tenth BRICS Summit was held in July 2018 at*
   a) Beijing   b) Moscow   **c) Johannesburg**   d) Brasilia

17. *New Development Bank is associated with*
   a) BRICS   b) WTO   c) SAARC   d) ASEAN

18. *Which of the following does not come under 'Six dialogue partners' of ASEAN?*
   a) China   b) Japan   c) India   **d) North Korea**

19. *SAARC Agricultural Information Centre (SAIC) works as a central information institution for agriculture related resources was founded on*
   a) 1985   **b) 1988**   c) 1992   d)1998

20. *BENELUX is a form of*
   a) Free trade area   b) Economic Union   c) Common market   **d) Customs union**

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9. FISCAL ECONOMICS

1. *The modern state is*
    a) Laissez-faire state   b) Aristocratic state   **c) Welfare state**   d) Police state

2. *One of the following is NOT a feature of private finance*
    a) Balancing of income and expenditure b) Secrecy c) Saving some part of income **d) Publicity**

3. *The tax possesses the following characteristics*
    a) Compulsory   b) No quid pro quo   c) Failure to pay is offence   **d) All the above**

4. *Which of the following canons of taxation was not listed by Adam smith?*
    a) Canon of equality   b) Canon of certainty   c) Canon of convenience   **d) Canon of simplicity**

5. *Consider the following statements and identify the correct ones.*
    i. Central government does not have exclusive power to impose tax which is not mentioned in state or concurrent list.
    ii. The Constitution also provides for transferring certain tax revenues from union list to states.
    a) i only   **b) ii only**   c) both   d) none

6. *GST is equivalence of*
    a) Sales tax   b) Corporation tax   c) Income tax   d) Local tax

7. *The direct tax has the following merits except*
    a) equity   **b) convenient**   c) certainty   d) civic consciousness

8. *Which of the following is a direct tax?*
    a) Excise duty   **b) Income tax**   c) Customs duty   d) Service tax

9. *Which of the following is not a tax under Union list?*
    a) Personal Income Tax b) Corporation Tax   **c) Agricultural Income Tax**   d) Excise duty

10. *"Revenue Receipts" of the Government do not include*
    a) Interest   b) Profits and dividents   c) Recoveries and loans **d) Rent from property**

11. *The difference between total expenditure and total receipts including taxes and other liabilities is called*
    a) Revenue deficit   b) Fiscal deficit   c) Budget deficit   d) Primary deficit

12. *The difference between total expenditure and total receipts including loans and other liabilities is called*
    a) Fiscal deficit   b) Budget deficit   c) Primary deficit   d) Revenue deficit

13. *The primary purpose of deficit financing is*
    a) Economic development   b) Economic stability c) Economic equality d) Employment generation

14. **Deficit budget means**
    a) An excess of government's revenue over expenditure
    b) An excess of government's current expenditure over its current revenue
    c) An excess of government's total expenditure over its total revenue d) None of above

15. *Methods of repayment of public debt is*
    a) Conversion   b) Sinking fund   c) Funded debt   **d) All these**

16. *Conversion of public debt means exchange of*
    a) new bonds for the old ones   **b) low interest bonds for higher interest bonds**
    c) Long term bonds for short term bonds   d) All the above

17. *The word budget has been derived from the French word "bougette" which means*
    a) A small bag   b) An empty box   c) A box with papers   d) None of the above

18. *Which one of the following deficits does not consider borrowing as a receipt?*
    a) Revenue deficit   b) Budgetary deficit   **c) Fiscal deficit**   d) Primary deficit

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19. *Finance Commission determines*
    a) The finances of Government of India   **b) The resources transfer to the states**
    c) The resources transfer to the various departments   d) None of the above

20. *Consider the following statements and identify the right ones*.
    i. The finance commission is appointed by the President
    ii. The tenure of Finance commission is five years
    a) i only   b) ii only   **c) both**   d) none

10. ENVIRONMENTAL ECONOMICS

1. *The term environment has been derived from a French word-----------.*
   a) Environ   b) Environs   **c) Environia**   d) Envir

2. *The word biotic means environment*
   a) living   b) non-living   c) physical   d) None of the above

3. *Ecosystem is smallest unit of*
   a) Ionosphere   b) Lithosphere   **c) Biosphere**   d) Mesosphere

4. *Who developed Material Balance Models?*
   a) Thomas and Picardy   **b) AlenKneese and R.V. Ayres**
   c) Joan Robinson and J.M. Keynes   d) Joseph Stiglitz and Edward Chamberlin

5. *Environmental goods are --------------*
   a) Market goods   **b) Non-market goods** c) Both   d) None of the above

6. *In a pure public good, consumption is -----------------*
   a) Rival   **b) Non-rival**   c) Both   d) None of the above

7. *One of the most important market failures is caused by ------------*
   a) Positive externalities   **b) Negative externalities**   c) Both   d) None of the above

8. *The common source of outdoor air pollution is caused by combustion processes from the following----------*
   a) Heating and cooking   **b) Traditional stoves** c) Motor vehicles   d) All the above

9. *The major contributor of Carbon monoxide is*
   a) Automobiles   b) Industrial process
   c) Stationary fuel combustion   d) None of the above

10. *Which one of the following causes of global warming?*
    a) Earth gravitation force   b) Oxygen   c) Centripetal force   **d) Increasing temperature**

11. *Which of the following is responsible for protecting humans from harmful ultraviolet rays?*
    a) UV-A   b) UV-C   **c) Ozone layer**   d) None of the above

12. *Global warming also refers to as*
    a) Ecological change   b) Climate Change   c) Atmosphere change **d) None of the above**

13. *Which of the following is the anticipated effect of Global warming?*
    a) Rising sea levels   **b) Changing precipitation** c) Expansion of deserts d) All of the above

14. *The process of nutrient enrichment is termed as*
    a) Eutrophication   b) Limiting nutrients   c) Enrichment   d) Schistosomiasis

15. *Primary cause of Soil pollution is ----------------*
    a) Pest control measures b) Land reclamation   c) Agricultural runoff   **d) Chemical fertilizer**

16. *Which of the following is main cause for deforestation?*
    a) Timber harvesting industry   b) Natural afforestation
    c) Soil stabilization   d) Climate stabilization

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17. *Electronic waste is commonly referred as ----------*
    a) solid waste   b) composite waste   **c) e-waste**   d) hospital waste

18. *Acid rain is one of the consequences of ------------*
    a) Air Pollution   b) Water pollution   c) Land pollution   d) Noise pollution

19. *Sustainable Development Goals and targets are to be achieved by -------*
    a) 2020   b) 2025   **c) 2030**   d) 2050

20. *Alkali soils are predominantly located in the ------------ plains?*
    a) Indus-Ganga   b) North-Indian   c) Gangetic plains   **d) All the above**

11. ECONOMICS OF DEVELOPMENT AND PLANNING

1. *"Redistribution with Growth" became popular slogan of which approach?*
   a) Traditional approach   **b) New welfare oriented approach**
   c) Industrial approach   d) None of the above

2. *Which is not the feature of economic growth?*
   a) Concerned with developed nations   b) Gradual change
   c) Concerned with quantitative aspect   **d) Wider concept**

3. *Which among the following is a characteristic of underdevelopment?*
   a) Vicious circle of poverty   b) Rising mass consumption
   c) Growth of Industries   d) High rate of urbanization

4. *The non-economic determinant of economic development*
   a) Natural resources   **b) Human resource**   c) Capital formation   d) Foreign trade

5. *Economic growth measures the -------*
   a) Growth of productivity   b) Increase in nominal income
   c) Increase in output   d) None of the above

6. *The supply side vicious circle of poverty suggests that poor nations remain poor because*
   a) Saving remains low   b) Investment remains low
   c) There is a lack of effective government   **d) a and b above**

7. *Which of the following plan has focused on the agriculture and rural economy?*
   a) People's Plan   b) Bombay Plan   **c) Gandhian Plan**   d) Vishveshwarayya Plan

8. *Arrange the following plans in correct chronological order*
   a) People's Plan   b) Bombay Plan   c) Jawaharlal Nehru Plan   d) Vishveshwarayya Plan
   a) (i) (ii) (iii) (iv)   **b) (iv) (iii) (ii) (i)**   c) (i) (ii) (iv) (iii)   d) (ii) (i) (iv) (iii)

9. *M.N. Roy was associated with ---------*
   a) Congress Plan   **b) People's Plan**   c) Bombay Plan   d) None of the above

10. *Which of the following country adopts indicative planning?*
    a) France   b) Germany   c) Italy   d) Russia

11. *Short-term plan is also known as-----*
    a) Controlling Plans   b) De-controlling Plans   c) Rolling Plans   d) De-rolling Plans

12. *Long-term plan is also known as ---------*
    a) Progressive Plans   b) Non-progressive Plans **c) Perspective Plans** d) Non-perspective Plans

13. *The basic philosophy behind long-term planning is to bring--------- changes in the economy?*
    a) Financial   b) Agricultural   c) Industrial   **d) Structural**

14. *Sarvodaya Plan was advocated by ----*
    a) Mahatma Gandhi   **b) J.P. Narayan**   c) S. N Agarwal   d) M.N. Roy

15. *Planning Commission was set up in the year ---------------*
    a) 1950   b) 1951   c) 1947   d) 1948   e) Gandhian Plan

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16. *Who wrote the book 'The Road to Serfdom'?*
    a) Friedrich Hayek   b) H.R. Hicks   c) David Ricardo   d) Thomas Robert Malthus

17. *Perspective plan is also known as ----*
    a) Short-term plan   b) Medium-term plan   **c) Long-term plan**   d) None of the above

18. *NITI Aayog is formed through------------------*
    a) Presidential Ordinance   b) Allocation of business rules by President of India
    c) Cabinet resolution   d) None of the above

19. *Expansion of NITI Aayog?*
    a) National Institute to Transform India   b) National Institute for Transforming India
    c) National Institution to Transform India   **d) National Institution for Transforming India**

20. *The Chair Person of NITI Aayog is*
    a) Prime Minister   b) President   c) Vice – President   d) Finance Minister

12. INTRODUCTION TO STASTISTICAL METHODS AND ECONOMETRICS

1. *The word 'statistics' is used as _____*
   (a) Singular   (b) Plural   **(c) Singular and Plural**   (d) None of above

2. *Who stated that statistics as a science of estimates and probabilities?*
   (a) Horace Secrist   (b) R.A Fisher   (c) Ya-Lun-Chou   **(d) Boddington**

3. *Sources of secondary data are _____*
   (a) Published sources   (b) Unpublished sources
   (c) neither published nor unpublished sources   **(d) Both (A) and (B)**

4. *The data collected by questionnaires are_____.*
   (a) Primary data   (b) Secondary data   (c) Published data   (d) Grouped data

5. *A measure of the strength of the linear relationship that exists between two variables is called:*
   (a) Slope   (b) Intercept   **(c) Correlation coefficient**   (d) Regression equation

6. *If both variables X and Y increase or decrease simultaneously, then the coefficient of correlation will be:*
   (a) Positive   (b) Negative   (c) Zero   (d) One

7. *If the points on the scatter diagram indicate that as one variable increases the other variable tends to decrease the value of r will be:*
   (a) Perfect positive   (b) Perfect negative   **(c) Negative**   (d) Zero

8. *The value of the coefficient of correlation r lies between:*
   (a) 0 and 1   (b) -1 and 0   **(c) -1 and +1**   (d) -0.5 and +0.5

9. *The term regression was used by:*
   (a) Newton   (b) Pearson   (c) Spearman   **(d) Galton**

10. *The purpose of simple linear regression analysis is to:*
    (a) Predict one variable from another variable
    (b) Replace points on a scatter diagram by a straight-line
    (c) Measure the degree to which two variables are linearly associated
    (d) Obtain the expected value of the independent random variable for a given value of the dependent variable

11. *A process by which we estimate the value of dependent variable on the basis of one or more independent variables is called:*
    (a) Correlation   **(b) Regression**   (c) Residual   (d) Slope

12. *If Y = 2 - 0.2X, then the value of Y intercept is equal to*
    (a) -0.2   **(b) 2**   (c) 0.2X   (d) All of the above

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13. *In the regression equation Y = $\beta_0+\beta_1X$, the Y is called:*
     (a) Independent variable   **(b) Dependent variable**
     (c) Continuous variable   (d) none of the above

14. *In the regression equation Y = $\beta_0+\beta_1X$, the X is called:*
     (a) Independent variable   (b) Dependent variable
     (c) Continuous variable   (d) none of the above

15. *Econometric is the integration of*
     (a) Economics and Statistics   (b) Economics and Mathematics
     (c) Economics, Mathematics and Statistics   (d) None of the above

16. *Econometric is the word coined by*
     (a) Francis Galton   **(b) Ragnar Frish**   (c) Karl Pearson   (d) Spearman

17. *The raw materials of Econometrics are*:
     (a) Data   (b) Goods   (c) Statistics   (d) Mathematics

18. *The term U_1 in regression equation is*
     (a) Residuals   (b) Standard error   **(c) Stochastic error term**   (d) none

19. *The term U_1 is introduced for the representation of*
     (a) Omitted Variable   (b) Standard error   (c) Bias   (d) Discrete Variable

20. *Econometrics is the amalgamation of*
     (a) 3 subjects   (b) 4 subjects   (c) 2 subjects   (d) 5 subjects