

108 – Indian Economy

1. What is the primary focus of India's economic planning?

- a. Short-term profit maximization
- b. Long-term sustainable development
- c. Immediate poverty eradication
- d. Foreign investment attraction

Answer: b. Long-term sustainable development

2. Which policy tool is used to control the money supply in the economy?

- a. Fiscal policy
- b. Monetary policy
- c. Trade policy
- d. Industrial policy

Answer: b. monetary policy

3. What does GDP stand for in the context of the economy?

- a. Gross Domestic Product
- b. General Development Program
- c. Global Demand Projection
- d. General Development Policy

Answer: a. Gross Domestic Product

4. In the context of budgeting, what does the term "deficit" refer to?

- a. Excess of expenditure over revenue
- b. Excess of revenue over expenditure
- c. Balance between revenue and expenditure
- d. Total government income

Answer: a. Excess of expenditure over revenue

5. Which of the following is a characteristic of economic growth?

- a. Stagnant employment levels
- b. Decrease in the standard of living
- c. Increase in the production of goods and services
- d. Reduction in government spending

Answer: c. Increase in the production of goods and services

6. What is the demographic dividend?

- a. A decrease in the population growth rate
- b. A rise in the elderly population
- c. The economic benefit of having a large working-age population
- d. A decline in the quality of population

Answer: c. The economic benefit of having a large working-age population

7. What does HDI stand for in the context of human development?

- a. High Demographic Index
- b. Human Development Index
- c. Household Development Indicator
- d. Health and Development Initiative

Answer: b. Human Development Index

8. Which sector does not contribute to the GDP of a country?

- a. Primary sector
- b. Secondary sector
- c. Tertiary sector
- d. Quaternary sector

Answer: d. Quaternary sector

9. What is the primary focus of land reforms in the agriculture sector?

- a. Increase in agricultural subsidies
- b. Redistribution of land to farmers
- c. Privatization of agricultural land
- d. Industrialization of rural areas

Answer: b. Redistribution of land to farmers

10. What is the Green Revolution associated with in India?

- a. Environmental conservation
- b. Growth of the information technology sector
- c. Increase in agricultural productivity
- d. Expansion of industrialization

Answer: c. Increase in agricultural productivity

11. Which sector includes activities related to manufacturing and industry?

- a. Primary sector
- b. Secondary sector
- c. Tertiary sector
- d. Quaternary sector

Answer: b. Secondary sector

12. What is the significance of Small Scale and Cottage Industries in India's economy?

- a. They contribute significantly to GDP
- b. They are excluded from economic policies
- c. They focus solely on international trade
- d. They are only found in rural areas

Answer: a. They contribute significantly to GDP

13. What is the main objective of the Industrial Policy in India?

- a. Promote large-scale industries only
- b. Discourage foreign investment
- c. Regulate the functioning of public sector enterprises
- d. Encourage balanced industrial development

Answer: d. Encourage balanced industrial development

14. Which organization replaced the Planning Commission in India?

- a. Ministry of Finance
- b. Reserve Bank of India (RBI)
- c. National Institution for Transforming India (NITI) Aayog
- d. Securities and Exchange Board of India (SEBI)

Answer: c. National Institution for Transforming India (NITI) Aayog

15. What is the primary focus of liberalization, privatization, and globalization (LPG) in India?

- a. Isolation from the global economy
- b. Centralization of economic activities
- c. Opening up the economy to foreign investment and trade
- d. Restriction of private sector participation

Answer: c. Opening up the economy to foreign investment and trade

16. What is the role of FDI in the context of Indian Economy?

- a. Encouraging domestic entrepreneurship
- b. Reducing economic inequality
- c. Attracting foreign capital for investment
- d. Promoting government control over industries

Answer: c. attracting foreign capital for investment

17. What does PPP stand for in the context of economic development?

- a. Public-private partnership
- b. Purchasing power parity
- c. Personal profit potential
- d. Political power projection

Answer: a. Public-private partnership

18. What is the significance of Small-scale Industries in the Indian Economy?

- a. Limited contribution to employment
- b. Concentration of economic power
- c. Catalysts for economic growth and employment
- d. Strict government control

Answer: c. Catalysts for economic growth and employment

19. What does M&A stand for in the economic context?

- a. Management and Accounting
- b. Merger and Acquisition
- c. Marketing and Advertising
- d. Manufacturing and Agriculture

Answer: b. Merger and Acquisition

20. How does the concept of "Demographic Transition" relate to economic development?

- a. It measures the transition from rural to urban areas
- b. It analyzes the change in population growth rates over time
- c. It evaluates the shift from manual labor to automation
- d. It focuses on the transition from a planned to a market economy

Answer: b. It analyzes the change in population growth rates over time

21. What is the main objective of Special Economic Zones (SEZs)?

- a. Encouraging domestic consumption
- b. Attracting foreign investment and promoting exports
- c. Restricting international trade
- d. Centralizing economic activities

Answer: b. Attracting foreign investment and promoting exports

22. What does BoP stand for in the context of foreign trade?

- a. Balance of Profit
- b. Balance of Payments
- c. Bank of Provisions
- d. Business of Products

Answer: b. Balance of Payments

23. What is the significance of India's Trade Policy?

- a. Encouraging import restrictions
- b. Promoting exports and reducing trade barriers
- c. Centralizing trade activities
- d. Controlling foreign exchange reserves

Answer: b. Promoting exports and reducing trade barriers

24. What is the direction of India's foreign trade mainly focused on?

- a. Import-oriented
- b. Domestic consumption
- c. Export-oriented
- d. Bilateral trade only

Answer: c. Export-oriented

25. What does the term "Unicorns" refer to in the context of the Indian economy?

- a. Mythical creatures in folklore
- b. Start-up companies with a valuation over \$1 billion
- c. Highly regulated industries
- d. Government-owned enterprises

Answer: b. Start-up companies with a valuation over \$1 billion