

Combined Graduate Level Examination 2019 Tier II

Roll Number	
Candidate Name	
Venue Name	
Exam Date	17/11/2020
Exam Time	3:00 PM - 5:00 PM
Subject	CGLE Tier II Paper IV General Studies Finance and Economics

Section : Part A Finance and Accounts

Q.1 Which of the following is NOT true about the single entry system?

Ans  1.

Personal, real and nominal accounts are prepared under this system.

 2.

Trading and Profit & Loss A/C cannot be prepared under this system.

 3.

Books maintained under this system are not accepted as evidence in the court of law.

 4.

As compared to the double entry system, this system is arithmetically less accurate.

Question ID : **6549781946**

Status : **Answered**

Chosen Option : **2**

Q.2 Which of the following is NOT a limitation of financial accounting?

- Ans**
- 1. It ignores non-financial information.
 - 2. It focuses only on quantitative information.

3.

It communicates economic information about an enterprise to a wide variety of interested parties.

- 4. It relates to past transactions only.

Question ID : **6549781939**

Status : **Answered**

Chosen Option : **3**

Q.3 The amount of cheque deposited but not cleared by the bank should be _____ from the cash book, if there is _____ balance in the cash book.

- Ans**
- 1. added; unfavourable
 - 2. subtracted; unfavourable
 - 3. added; favourable
 - 4. subtracted; favourable

Question ID : **6549781949**

Status : **Answered**

Chosen Option : **4**

Q.4 _____ deals with the provision of necessary accounting information to people within the organisation to enable them in decision making, planning and controlling business operations.

- Ans**
- 1. Financial accounting
 - 2. Cost accounting
 - 3. Social accounting
 - 4. Management accounting

Question ID : **6549781938**
Status : **Answered**
Chosen Option : **4**

Q.5 Which of the following accounts is NOT closed by transferring to the debit side of the trading account?

- Ans**
- 1. Carriage inwards account
 - 2. Direct expenses account
 - 3. Purchases account
 - 4. Purchases return account

Question ID : **6549781957**
Status : **Answered**
Chosen Option : **4**

Q.6 Depreciation is allowable as an expense in the Income Tax Act, 1961, on the basis of block of assets on _____ method, except in the case of assets engaged in generation and distribution of power.

- Ans**
- 1. straight line
 - 2. diminishing balance
 - 3. production units
 - 4. machine hour

Question ID : **6549781965**
Status : **Not Answered**
Chosen Option : --

Q.7 In the format of an account in the ledger, the columns usually do NOT contain the _____.

- Ans**
- 1. amount
 - 2. particulars
 - 3. ledger folio
 - 4. journal folio

Question ID : **6549781951**
Status : **Answered**
Chosen Option : 4

Q.8 Which of the following factors does NOT result in the need for bank reconciliation statement?

- Ans**
- 1. Direct debits made by the bank on behalf of the customer
 - 2. Honouring of bills discounted
 - 3. Interest and dividends collected by the bank
 - 4. Cheques paid into the bank but not yet collected

Question ID : **6549781948**
Status : **Answered**
Chosen Option : 3

Q.9 Which of the following is NOT a book of original entry?

- Ans**
- 1. Journal proper
 - 2. Day book
 - 3. Trading account
 - 4. Cash book

Question ID : **6549781947**
Status : **Answered**
Chosen Option : **3**

Q.10 Which of the following CANNOT be attributed directly and capitalised while calculating depreciation?

- Ans**
- 1. Installation and assembly cost
 - 2. Cost of site preparation
 - 3. Initial delivery and handling cost
 - 4. Cost of relocation of an asset

Question ID : **6549781963**
Status : **Answered**
Chosen Option : **2**

Q.11 Which of the following is NOT a basic accounting concept included in GAAP?

- Ans**
- 1. Static
 - 2. Going Concern
 - 3. Economic Entity
 - 4. Dual Aspect

Question ID : **6549781944**
Status : **Answered**
Chosen Option : **1**

Q.12 When errors committed in one accounting year are located and rectified in the next accounting year, _____ account is opened for correction of the amount relating to income/expenses.

- Ans**
- 1. manufacturing
 - 2. trading
 - 3. suspense
 - 4. profit and loss adjustment

Question ID : **6549781955**
Status : **Answered**
Chosen Option : **3**

Q.13 As per AS-2, inventories are assets which are NOT:

- Ans**
- 1.
in the form of materials or supplies to be consumed in the production process or in the rendering of services
 - 2. held for sale in the ordinary course of business
 - 3.
in the form of machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular
 - 4. in the process of production for such sale

Question ID : **6549781966**
Status : **Answered**
Chosen Option : **3**

Q.14 Which of the following statements is **INCORRECT**?

Ans  1.

Current assets or liabilities are realised/settled within 12 months.

 2.

Withdrawal of money and/or goods by the owner from the business for personal use is known as drawings.

 3.

Creditors are persons and/or other entities who owe to an enterprise an amount for buying goods and services on credit.

 4.

Costs incurred by a business in the process of earning revenue are known as expenses.

Question ID : **6549781940**

Status : **Answered**

Chosen Option : **3**

Q.15 Which of the following options is the correct entry to self-balance the ledgers while recording credit sales to Mr. X?

Ans  1.

Credit Sales Ledger adjustment account in the general ledger and debit the General Ledger adjustment account in the sales ledger.

 2.

Credit Sales Ledger adjustment account in the sales ledger and debit the General Ledger adjustment account in the general ledger.

 3.

Debit Sales Ledger adjustment account in the sales ledger and credit the General Ledger adjustment account in the general ledger.

 4.

Debit Sales Ledger adjustment account in the general ledger and credit the General Ledger adjustment account in the sales ledger.

Question ID : **6549781976**

Status : **Answered**

Chosen Option : **2**

Q.16 Valuing closing stock at cost or market value, whichever is lower, is in accordance with which accounting concept?

- Ans**
- 1. Money Measurement Concept
 - 2. Full Disclosure Concept
 - 3. Conservatism Concept
 - 4. Revenue Recognition (Realisation) Concept

Question ID : **6549781943**
Status : **Answered**
Chosen Option : **3**

Q.17 Which of the following is NOT a qualitative characteristic that accounting should possess to be useful in decision making?

- Ans**
- 1. Comparability
 - 2. Futuristic
 - 3. Relevance
 - 4. Reliability

Question ID : **6549781941**
Status : **Answered**
Chosen Option : **2**

Q.18 ABC Ltd purchased a machine for ₹20,000. After a period of 5 years, the accumulated depreciation charged on the machine is ₹4,000. However, due to a boom in the market, the current market value of the machine is ₹26,000. At what value should the machine be recorded in the books of accounts and because of which accounting concept?

- Ans**
- 1. ₹22,000; Matching Concept
 - 2. ₹20,000; Historical Cost Concept
 - 3. ₹16,000; Historical Cost Concept
 - 4. ₹26,000; Matching Concept

Question ID : **6549781968**
Status : **Answered**
Chosen Option : **1**

Q.19 Which of the following statements is correct?

- Ans**
- 1.
Under single entry system, personal and the business transactions are maintained separately in the cash book.
 - 2.
Under single entry system, usually a cash book and personal accounts are maintained.
 - 3.
Usually real and nominal accounts are kept in the single entry system.
 - 4.
Limited companies can also keep books under single entry system.

Question ID : **6549781945**
Status : **Not Answered**
Chosen Option : **--**

Q.20 Aman received a bill from Sahil for ₹1,000. On maturity, the bill is dishonoured and ₹10 are paid as noting charges. Aman has endorsed this bill in favour of Anil. The correct entry for the dishonoured bill in Aman's books will be:

- Ans**
- 1. Debit Sahil and Credit Aman (with the amount ₹1,000)
 - 2. Debit Sahil and Credit Anil (with the amount ₹1,010)
 - 3. Credit Sahil and Debit Anil (with the amount ₹1,010)
 - 4. Credit Sahil and Debit Aman (with the amount ₹1,000)

Question ID : **6549781974**
Status : **Answered**
Chosen Option : **3**

Q.21 The following are the steps in the accounting process.


- A. Measurement
- B. Identification
- C. Recording
- D. Communication

Select the option that shows the correct sequence of these steps.

- Ans**
- 1. ABCD
 - 2. DABC
 - 3. BCAD
 - 4. BACD

Question ID : **6549781937**
Status : **Answered**
Chosen Option : **3**

Q.22 Which of the following statements is **INCORRECT**?

Ans  1. Trial balance helps in locating errors.

 2.

The purpose of preparing a trial balance is to ascertain whether all debits and credit are properly recorded in the ledger.

 3.

Trial balance is a list of the accounts and their balances as a summary of the ledger.

 4.


The tallying of the trial balance is a conclusive proof of the accuracy of the accounts.


Question ID : **6549781952**


Status : **Answered**


Chosen Option : **4**

Q.23 According to the accounting convention of prudence, which of the following is taken into account?

Ans  1. All future losses but not profits

 2. All future profits but not losses

 3. Neither profits nor losses of the future.

 4. All future profits and losses

Question ID : **6549781942**

Status : **Answered**

Chosen Option : **1**

Q.24 Which of the following types of errors are disclosed by the trial balance?

- Ans**
- 1. Errors of complete omission
 - 2. Wrong amount entered in all relevant accounts
 - 3. Double posting in a single account
 - 4. Compensating errors





Question ID : **6549781953**
Status : **Answered**
Chosen Option : **4**

Q.25 Which of the following is the correct statement?

- Ans**
- 1. A bill is a written conditional order
 - 2. A bill is prepared by the debtor
 - 3. There are only two parties to a bill
 - 4. A bill requires acceptance to acquire financial status

Question ID : **6549781972**
Status : **Answered**
Chosen Option : **4**

Q.26 Identify the **INCORRECT** statement from the given options.





- Ans**  1. Sale of scrap is shown in the Manufacturing Account.
-  2.
Stocks of raw materials and work-in-progress are shown in the Manufacturing Account.
-  3.
Stocks of finished goods are shown in the Manufacturing Account.
-  4.
Manufacturing Account is prepared to find out the cost of goods produced.

Question ID : **6549781956**

Status : **Answered**

Chosen Option : **1**

Q.27 Which of the following is excluded when calculating the cost of inventory?

- Ans**  1.
Duties and taxes (other than those subsequently recoverable by the enterprise from the taxing authorities)
-  2. Freight inwards
-  3. Selling and distribution costs
-  4. Fixed production overheads

Question ID : **6549781967**

Status : **Answered**

Chosen Option : **3**

Q.28 Read the following:

Rahul sold goods worth ₹50,000 to Avika and drew a bill of exchange upon her for the same amount payable after three months. In place of Avika, the bill is accepted by Kavya. Rahul gives away this bill to his creditor Anshul.

Which option correctly describes each one's role in this whole transaction?

Ans  1.

Rahul: Drawer; Avika: Acceptor; Anshul: Payee; Kavya: Drawee

 2.

Rahul: Payee; Avika: Drawee; Anshul: Drawer; Kavya: Acceptor

 3.

Rahul: Drawee; Avika: Drawer; Anshul: Payee; Kavya: Acceptor

 4.

Rahul: Drawer; Avika: Drawee; Anshul: Payee; Kavya: Acceptor

Question ID : **6549781973**





Status : **Answered**

Chosen Option : **3**

Q.29 Which of the following options is the correct rectification entry for the given transaction?

Credit sales of ₹5100 to Jia recorded as credit sales to Jai as ₹1500.

Ans

- | | | | |
|---|-----------------|-----|------|
| | Jai A/c | Dr. | 5100 |
|  | 1. To Sales A/c | | 3600 |
| | To Jia's A/c | | 1500 |
| | Sales A/c | Dr. | 3600 |
|  | 2. Jia's A/c | Dr. | 1500 |
| | To Jai A/c | | 5100 |
| | Sales A/c | Dr. | 3600 |
|  | 3. Jai's A/c | Dr. | 1500 |
| | To Jia A/c | | 5100 |
| | Jia A/c | Dr. | 5100 |
|  | 4. To Sales A/c | | 3600 |
| | To Jai's A/c | | 1500 |

Question ID : **6549781954**
 Status : **Answered**
 Chosen Option : **4**

Q.30 Specific Donations are shown on the _____ whereas General Donations are taken on the _____ .

Ans  1.

liabilities side of the Balance Sheet; income side of the Income & Expenditure Account

 2.

income side of the Income & Expenditure Account; liabilities side of the Balance Sheet

 3.

income side of the Income & Expenditure Account; assets side of the Balance Sheet

 4.

assets side of the Balance Sheet; income side of the Income & Expenditure Account


Question ID : **6549781971**


Status : **Answered**

Chosen Option : **4**


Q.31 Given the information below, what will be the amount of subscription in the Receipt & Payment Account and the Income & Expenditure Account, respectively.

A sports club received ₹50,000 as subscriptions during the year 2018-19, of which ₹5,000 relate to the year 2017-18 and ₹10,000 to 2019-20. At the end of the year 2018-19, ₹25,000 are still receivable.

Ans  1. ₹50,000; ₹60,000

 2. ₹60,000; ₹50,000

 3. ₹35,000; ₹25,000

 4. ₹25,000; ₹35,000

Question ID : **6549781970**

Status : **Answered**

Chosen Option : **1**

Q.32 An asset is purchased for ₹14 lakhs and ₹1 lakh was spent on the installation of the asset, with a useful life of 10 years. What is the difference between the amount of depreciation charged in the second year as per the straight-line method and the sum of years of digits method?

- Ans**
- 1. ₹95,454.55
 - 2. ₹2,72,727.27
 - 3. ₹2,45,454.55
 - 4. ₹1,22,727.27

Question ID : **6549781964**
Status : **Answered**
Chosen Option : **1**

Q.33 A client pays the firm ABC an amount of ₹12,000 on 28 February to avail services for the next 60 days. ABC uses accrual basis of accounting and closes the books on 31 March. Which account (and what type of account) will be involved as recorded in the balance sheet?

- Ans**
- 1. Outstanding Expenses (Liability)
 - 2. Unearned Income (Asset)
 - 3. Accounts Receivable (Asset)
 - 4. Prepaid Expenses (Liability)

Question ID : **6549781960**
Status : **Answered**
Chosen Option : **4**

Q.34 In the profit and loss appropriation account, the interest on drawings is recorded on the _____ side and interest on partner's loan is recorded on the _____ side, respectively.

- Ans**
- 1. credit; debit
 - 2. credit; credit
 - 3. debit; credit
 - 4. debit; debit

Question ID : **6549781959**
Status : **Answered**
Chosen Option : **1**

Q.35 If any capital expenditure is wrongly shown as revenue expenditure (for example, purchase of furniture shown as purchases), it will result in an _____ of profits and also an _____ of assets.

- Ans**
- 1. over statement, under statement
 - 2. over statement, over statement
 - 3. under statement, over statement
 - 4. under statement, under statement

Question ID : **6549781962**
Status : **Answered**
Chosen Option : **4**

Q.36 Identify the **INCORRECT** statement.

Ans  1.


Capital expenditure benefits more than one accounting year

 2.

Capital expenditure is incurred to maintain the earning capacity

 3.

Capital expenditure is incurred to acquire fixed assets for operation

 4. Capital expenditure is non-recurring by nature

Question ID : **6549781961**
Status : **Answered**
Chosen Option : **4**

Q.37 Identify the **INCORRECT** statement.

Ans  1.

Non-profit organisations distribute the surplus generated in the form of excess of income over expenditure, amongst the members.

 2.

Non-profit organisations are not required to make a Trading and Profit & Loss Account.

 3.

Non-profit organisations maintain capital fund instead of any capital account.

 4.

Non-profit organisations have to prepare the financial statements at the end of each accounting period and submit them to the Registrar of Societies.

Question ID : **6549781969**
Status : **Answered**
Chosen Option : **2**

Q.38 Which of the following expenses appear in the Profit and Loss account?

- Ans**
- 1. Personal income tax paid
 - 2. Drawings in the form of cash, goods by the proprietor
 - 3. Stock lost by fire and not covered by insurance
 - 4. Life insurance premium paid by the firm on behalf of the proprietor

Question ID : **6549781958**
Status : **Answered**
Chosen Option : **3**

Q.39 In the Self Balancing Ledger System, the sales ledger adjustment account is always opened in the:

- Ans**
- 1. purchase ledger
 - 2. sales ledger
 - 3. creditors ledger
 - 4. general ledger

Question ID : **6549781975**
Status : **Answered**
Chosen Option : **2**

Q.40 Which of the following options is the correct journal entry for the given transaction?

Office furniture is purchased from Modern Furniture for ₹45,000. ₹15,000 is paid by cash immediately and balance of ₹30,000 is still payable.

- Ans**
- | | | | |
|---|-----------------------------|--------|--------|
| | Modern Furniture A/c Dr. | 30,000 | |
|  | 1. Cash A/c Dr. | 15,000 | |
| | To Office Furniture A/c | | 45,000 |
|  | 2. Office Furniture A/c Dr. | 45,000 | |
| | To Modern Furniture A/c | | 45,000 |
|  | 3. To Cash A/c | 15,000 | |
| | To Modern Furniture A/c | | 30,000 |
| | Office Furniture A/c Dr. | 30,000 | |
|  | 4. Cash A/c Dr. | 15,000 | |
| | To Modern Furniture A/c | | 45,000 |

Question ID : **6549781950**
 Status : **Answered**
 Chosen Option : **3**

Section : **Part B Economics and Governance**

Q.1 Which of the following indicators is NOT a part of the Medium-Term Fiscal Policy under the Fiscal Responsibility and Budget Management Act, 2003?

- Ans**
- 1. Revenue deficit as a percentage of GDP
 - 2. Primary deficit as a percentage of GDP
 - 3. Fiscal deficit as a percentage of GDP
 - 4. Trade deficit as a percentage of GDP

Question ID : **6549782035**
Status : **Answered**
Chosen Option : **4**

Q.2 Marginal product of labour first rises and then starts falling. This is due to:

- Ans**
- 1. the law of variable proportions
 - 2. the law of marginal substitution
 - 3. the law of variable substitution
 - 4. the law of marginal proportions

Question ID : **6549782000**
Status : **Answered**
Chosen Option : **1**

Q.3 What causes the shape of the indifference curves to be convex to the origin for two goods X and Y?

- Ans**
- 1. Decreasing consumer utility along the curve
 - 2. Increasing consumer utility along the curve
 - 3. Increasing marginal rate of substitution
 - 4. Diminishing marginal rate of substitution

Question ID : **6549781994**
Status : **Answered**
Chosen Option : **4**

Q.4 Income elasticity of demand for luxury goods is usually _____.

- Ans**
- 1. less than one
 - 2. zero
 - 3. greater than one
 - 4. less than zero

Question ID : **6549781992**
Status : **Answered**
Chosen Option : **3**

Q.5 In consumer behaviour theory of economics, the equilibrium is defined as the point of tangency of the:

- Ans**
- 1. isoquant and budget line
 - 2. indifference curve and budget line
 - 3. budget line and x-axis
 - 4. production possibility curve and budget line

Question ID : **6549781995**
Status : **Answered**
Chosen Option : **2**

Q.6 The major source of electricity generated in India is from _____.

- Ans
- 1. thermal power
 - 2. Solar power
 - 3. hydro power
 - 4. Nuclear power

Question ID : **6549782021**
Status : **Answered**
Chosen Option : **1**

Q.7 A monopolist maximises profit at the level where:

- Ans
- 1. $MC = AC$
 - 2. $MR = MC$
 - 3. $MR = AC$
 - 4. $MR = AR$

Question ID : **6549782006**
Status : **Answered**
Chosen Option : **2**

Q.8 Net national product at market prices + Other current transfers from the rest of the world = ?

- Ans
- 1. National income
 - 2. National disposable income
 - 3. Personal disposable income
 - 4. Gross domestic product

Question ID : **6549782013**
Status : **Answered**
Chosen Option : **1**

Q.9 RBI issues Government Securities through auctions conducted on the electronic platform called _____.

- Ans**
- 1. e-Kuber
 - 2. e-Gov
 - 3. e-Dhan
 - 4. e-Security

Question ID : **6549782028**
Status : **Answered**
Chosen Option : **2**

Q.10 Increase in the proceeds from the sale of public sector undertakings results in a/an:

- Ans**
- 1. increase in revenue deficit
 - 2. decrease in revenue deficit
 - 3. decrease in fiscal deficit
 - 4. increase in fiscal deficit

Question ID : **6549782032**
Status : **Answered**
Chosen Option : **3**

Q.11 Supply curve of a normal good is a plot between:

- Ans**
- 1. quantity supplied and capital used for production
 - 2. quantity demanded and price
 - 3. quantity demanded and quantity supplied
 - 4. quantity supplied and price

Question ID : **6549781996**
Status : **Answered**
Chosen Option : **4**

Q.12 Which of the following is NOT a characteristic of monopolistic competition?

- Ans**
- 1. Firms are in large numbers
 - 2. Exit is free
 - 3. Product is not homogeneous
 - 4. Entry is restricted

Question ID : **6549782004**
Status : **Answered**
Chosen Option : **4**

Q.13 In the Budget speech, delivered on 1 February 2020, the Finance Minister used the deviation allowed in the FRBM Act of 0.5 percentage points in both 2019-2020 and 2020-2021, on account of:

- Ans**
- 1. collapse of agriculture
 - 2. structural reforms in the economy
 - 3. national security
 - 4. act of war

Question ID : **6549782036**
Status : **Answered**
Chosen Option : **2**

Q.14 For the period 2014-2016, the health expenditure, as a percentage of GDP, was the maximum for:

- Ans**
- 1. China
 - 2. Ethiopia
 - 3. USA
 - 4. India

Question ID : **6549782020**
Status : **Answered**
Chosen Option : **3**

Q.15 A horizontal demand curve (parallel to the x-axis) indicates _____ price elasticity of demand.

- Ans**
- 1. infinite
 - 2. variable
 - 3. unitary
 - 4. zero

Question ID : **6549781991**
Status : **Answered**
Chosen Option : **1**

Q.16 Which of the following is NOT a part of the trade and investment policy reforms initiated under the New Economic Policy reforms in 1991?

- Ans**
- 1. Imposing high tariffs
 - 2. Easing of quantitative restrictions
 - 3. Removing export duties
 - 4. Abolishing import licensing

Question ID : **6549782022**
Status : **Answered**
Chosen Option : **1**

Q.17 Reduction in tax rate in the economy is an example of _____.

- Ans
- 1. hawkish monetary policy
 - 2. contractionary fiscal policy
 - 3. dovish monetary policy
 - 4. expansionary fiscal policy

Question ID : **6549782027**
Status : **Answered**
Chosen Option : **4**

Q.18 Which of the following factors of production brings together all the other factors of production?

- Ans
- 1. Labour
 - 2. Land
 - 3. Enterprise
 - 4. Capital

Question ID : **6549781999**
Status : **Answered**
Chosen Option : **4**

Q.19 Before the year _____, India was in the first stage of demographic transition.

- Ans
- 1. 1921
 - 2. 1991
 - 3. 1857
 - 4. 1947

Question ID : **6549782015**
Status : **Answered**
Chosen Option : **1**

Q.20 The Comptroller and Auditor-General shall have the authority to audit and report on the accounts of stores and stock kept in any office or department of the Union or of a State under Section _____ of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Amendment Act, 1971.

- Ans**
- 1. 16
 - 2. 19
 - 3. 18
 - 4. 17

Question ID : **6549781978**
Status : **Not Answered**
Chosen Option : --

Q.21 Article _____ states that the Comptroller and Auditor-General shall not be eligible for further office either under the Government of India or under the Government of any State after he has ceased to hold his office.

- Ans**
- 1. 148
 - 2. 151
 - 3. 150
 - 4. 149

Question ID : **6549781977**
Status : **Answered**
Chosen Option : 2

Q.22 In a _____ economy, all important economic activities are determined by the government.

- Ans**
- 1. market
 - 2. global
 - 3. macro
 - 4. centrally planned

Question ID : **6549781982**
Status : **Answered**
Chosen Option : 4


Q.23 Which of the following statements is true with respect to the law of demand?


Ans  1.

Demand curve shifts to the right with increase in quantity demanded.

 2.


Demand curve of a normal good is usually negatively sloped.


 3. Price is a function of consumer preferences.


 4. Demand curve can never be positively sloped.


Question ID : **6549781989**
Status : **Answered**
Chosen Option : **2**

Q.24 The 14th Finance Commission did NOT recommend grants to states for _____.

Ans  1. local bodies

 2. revenue deficit

 3. disaster relief

 4. internal security and defence

Question ID : **6549781979**
Status : **Answered**
Chosen Option : **4**

Q.25 Price taking behaviour - is a key characteristic of which market form?

- Ans**
- 1. Perfect competition
 - 2. Monopolistic competition
 - 3. Oligopoly
 - 4. Monopoly

Question ID : **6549782003**
Status : **Answered**
Chosen Option : **1**

Q.26 Any point below the concave production possibility curve means which of the following?

- (a) Underutilisation of resources
- (b) Wastage of resources

- Ans**
- 1. Only (b)
 - 2. Neither (a) nor (b)
 - 3. Either (a) or (b) or both
 - 4. Only (a)

Question ID : **6549781986**
Status : **Answered**
Chosen Option : **3**

Q.27 Elasticity of Demand is defined as:

Ans

1.

percentage change in quantity demanded / percentage change in price

2.

percentage change in price / percentage change in quantity demanded

3. change in price / change in quantity demanded

4. change in quality / change in price

Question ID : **6549781990**

Status : **Answered**

Chosen Option : **1**

Q.28 The recommendations of the 15th Finance Commission on the revenue distribution consider:

Ans

1. income distance

2. population data of 2011

3. forest cover

4. tax effort

Question ID : **6549781980**

Status : **Not Answered**

Chosen Option : **--**

Q.29 Imposition of price _____ below the equilibrium price leads to excess _____.

- Ans**
- 1. ceiling; supply
 - 2. ceiling; demand
 - 3. floor; supply
 - 4. floor; demand

Question ID : **6549782007**
Status : **Answered**
Chosen Option : **2**

Q.30 Which of the following is NOT the primary function of a commercial bank?

- Ans**
- 1. Collecting recurring deposits
 - 2. Giving cash credit
 - 3. Discounting bills of exchange
 - 4. Purchasing and selling of securities

Question ID : **6549782029**
Status : **Answered**
Chosen Option : **4**

Q.31 Which of the following statements is INCORRECT in the context of the Economic Reforms of 1991?

Ans  1.

Liberalisation, Privatisation and Globalisation fall under the structural measures and not stabilisation.

 2.

To resolve the balance of payments crisis, the rupee was devalued against foreign currencies.

 3.

Policies under the New Economic Policy can broadly be classified into stabilisation and the structural reform measures.

 4.


India announced the New Economic Policy consisting of a wide range of economic reforms.

Question ID : **6549782024**


Status : **Answered**


Chosen Option : **1**

Q.32 Which of the following is the dependent variable in the supply function?

Ans  1. Price of the substitute

 2. Technology

 3. Quantity to be supplied

 4. Price

Question ID : **6549781997**

Status : **Answered**

Chosen Option : **3**

Q.33 The full form of the self-employment programme REGP is _____.

- Ans**
- 1. Rural Employment Generation Programme
 - 2. Road Employment Generation Programme
 - 3. Road Expansion Gramin Programme
 - 4. Rural Expansion and General Programme

Question ID : **6549782017**
Status : **Answered**
Chosen Option : **1**

Q.34 The production function $Q = 5L+2K$, where Q = output, L = labour, K = capital, indicates:

- Ans**
- 1. constant returns to scale
 - 2. decreasing returns to scale
 - 3. increasing returns to scale
 - 4. first increasing and then decreasing returns to scale

Question ID : **6549782001**
Status : **Answered**
Chosen Option : **1**

Q.35 In 1991, India approached the _____ and received _____ as loan to manage the economic crisis.

Ans 1. World Trade Organization; \$5 billion

2.

International Bank for Reconstruction and Development; \$7 billion

3. Asian Development Bank; \$6 billion

4. International Development Association; \$9 billion

Question ID : **6549782023**

Status : **Answered**

Chosen Option : **2**

Q.36 Which of the following is NOT a component of the Invisibles in the Balance of Payment?

Ans 1. Secondary Income

2. Transfers

3. Services

4. Merchandise

Question ID : **6549782033**

Status : **Answered**

Chosen Option : **4**

Q.37 As of August 2020, all of the following industries are reserved for the public sector, EXCEPT one. Identify it.

Ans 1. Defence equipment

2. Railway transport

3. Aerospace

4. Atomic energy generation

Question ID : **6549782025**

Status : **Answered**

Chosen Option : **1**

Q.38 Which of the following statements is FALSE about India prior to 1947?

- Ans**
- 1. Major foreign trade was with Britain
 - 2. Railways were introduced by the British
 - 3. Infant mortality rate was low
 - 4. Agriculture was the primary source of livelihood

Question ID : **6549782008**
Status : **Answered**
Chosen Option : **3**

Q.39 The Montreal Protocol is associated with the problem of _____.

- Ans**
- 1. ozone depletion
 - 2. poverty
 - 3. water pollution
 - 4. deforestation

Question ID : **6549782010**
Status : **Answered**
Chosen Option : **1**

Q.40 Which of the following is one of the central problems of an economy?

- Ans**
- 1. What to produce?
 - 2. How to consume?
 - 3. When to produce?
 - 4. Where to produce?

Question ID : **6549781984**
Status : **Answered**
Chosen Option : 1

Q.41 Which of the following is NOT a part of the Indian System of Medicine (ISM)?

- Ans**
- 1. Unani
 - 2. Homeopathy
 - 3. Yoga
 - 4. Keto Diet

Question ID : **6549782019**
Status : **Answered**
Chosen Option : 4

Q.42 A/An _____ in input prices is expected to shift the supply curve of the firm to the _____.

- Ans**
- 1. increase; right
 - 2. decrease; left
 - 3. decrease; right
 - 4. increase; left

Question ID : **6549782005**
Status : **Answered**
Chosen Option : 3

Q.43 Which of the following is NOT a criteria used to identify 'RRBs in Focus'?

- Ans
- 1. Gross NPAs more than 10%
 - 2. Priority sector lending of 75%
 - 3. Return on assets less than 0.25%
 - 4. CRAR less than 10%

Question ID : **6549782030**
Status : **Answered**
Chosen Option : **2**

Q.44 For two independent goods, cross price elasticity should be _____.

- Ans
- 1. greater than one
 - 2. one
 - 3. less than zero
 - 4. zero

Question ID : **6549781993**
Status : **Answered**
Chosen Option : **4**

Q.45 Which of the following is NOT a method of measurement of national income?

- Ans
- 1. Product method
 - 2. Income method
 - 3. Expenditure method
 - 4. Consumption method

Question ID : **6549782012**
Status : **Answered**
Chosen Option : **4**

Q.46 Which of the following is NOT an explicit and direct objective of the monetary policy?

- Ans**
- 1. Ensuring Sustainable growth
 - 2. Maintaining Price stability
 - 3. Reducing inequality
 - 4. Achieving inflation target

Question ID : **6549782026**
Status : **Answered**
Chosen Option : **3**

Q.47 As per the basic demand function, the independent variable is:

- Ans**
- 1. utility
 - 2. quantity demanded
 - 3. price
 - 4. quantity supplied

Question ID : **6549781988**
Status : **Answered**
Chosen Option : **3**

Q.48 Errors and omissions to the extent of _____ of the total trade transactions is considered normal as per the convention (BPM4).

- Ans**
- 1. 3%
 - 2. 4%
 - 3. 1%
 - 4. 2%

Question ID : **6549782034**
Status : **Not Answered**
Chosen Option : **--**

Q.49 _____ Economics is based on value judgement – ‘what should be’ or ‘what ought to be’.

- Ans
- 1. Monetary
 - 2. Positive
 - 3. Normative
 - 4. Micro

Question ID : **6549781983**
Status : **Answered**
Chosen Option : **3**

Q.50 Which of the following is/are constant along a negatively sloped demand curve?

- Ans
- 1. Consumer preferences
 - 2. Both price and quantity demanded
 - 3. Price
 - 4. Quantity demanded

Question ID : **6549781987**
Status : **Answered**
Chosen Option : **1**

Q.51 The _____ curve is downward sloping for a typical firm.

- Ans
- 1. variable cost
 - 2. total product
 - 3. average fixed cost
 - 4. marginal product

Question ID : **6549782002**
Status : **Answered**
Chosen Option : **3**

Q.52 The Sen index is a tool for the measurement of:

- Ans**
- 1. unemployment
 - 2. GDP growth
 - 3. Inflation
 - 4. poverty

Question ID : **6549782016**
Status : **Answered**
Chosen Option : **4**

Q.53 As per the Reserve Bank of India Guidelines for Payments Banks, issued on 27 November 2014, payment banks CANNOT _____.

- Ans**
- 1. issue credit cards
 - 2. offer internet banking services
 - 3. accept demand deposits from individuals, small businesses and other entities
 - 4. function as Business Correspondent of another bank

Question ID : **6549782031**
Status : **Answered**
Chosen Option : **1**

Q.54 The plot between two goods in an economy for the given resources and technology is called _____.

- Ans**
- 1. production possibility curve
 - 2. indifference curve
 - 3. isoquant
 - 4. demand curve

Question ID : **6549781985**
Status : **Answered**
Chosen Option : 1

Q.55 _____ was the key reform in agriculture post-independence that helped in reducing the concentration of land in few hands.

- Ans**
- 1. Green revolution
 - 2. Land to the tiller policy
 - 3. Subsidy for fertilisers by the government
 - 4. Land ceiling reform

Question ID : **6549782009**
Status : **Answered**
Chosen Option : 4

Q.56 Based on the categorisation of poverty, the 'always poor' are categorised as:

- Ans**
- 1. Churning Poor
 - 2. Transient Poor
 - 3. Chronic Poor
 - 4. Occasionally Poor

Question ID : **6549782018**
Status : **Answered**
Chosen Option : 3

Q.57 Which of the following pertains to the 'microeconomics' branch of economics?

- Ans**
- 1. Study of the inflation levels of the economy
 - 2. Study of the aggregate output levels
 - 3. Study of the behaviour of individual economic agents
 - 4. Study of money supply by the Central Bank

Question ID : **6549781981**
Status : **Answered**
Chosen Option : **3**

Q.58 Net National Income is defined as:

- Ans**
- 1. gross national product at factor cost less indirect taxes
 - 2. net national product at market price plus net indirect taxes
 - 3. net national product at market price less net indirect taxes
 - 4. gross national product at factor cost plus net indirect taxes

Question ID : **6549782014**
Status : **Answered**
Chosen Option : **3**

Q.59 Which of the following macro variables is considered as an indicator for economic growth in India?

- Ans**
- 1. Money supply growth rate
 - 2. Employment rate
 - 3. Exchange rate
 - 4. GDP growth rate

Question ID : **6549782011**
Status : **Answered**
Chosen Option : **4**

Q.60 The shape of the supply curve with constant and zero elasticity of supply would be:

- Ans**
- 1. rectangular hyperbola
 - 2. negatively sloped straight line
 - 3. horizontal (parallel to the x-axis)
 - 4. vertical (parallel to the y-axis)

Question ID : **6549781998**
Status : **Answered**
Chosen Option : **4**