

## Competitive Exams: Economics MCQs (Practice-Test 111 of 122)

1. From 1951 to 1991, India's incremental capital-output ratio has
  - a. increased steadily
  - b. declined steadily
  - c. increased initially and then consistently declined
  - d. fluctuated
  
2. During the Seventh Plan, India's annual compound growth rate of per capital net national product at 1980 – 81 prices was
  - a. 1.0
  - b. 1.4
  - c. 3.3
  - d. 2.6
  
3. In 1990 – 91, India's gross domestic capital formation as percent of GDP was around
  - a. 26%
  - b. 30%
  - c. 22%
  - d. 28%
  
4. The achievement in the production of food grain during the Seventh Plan period, though less than the target, was quite impressive and was estimated to be
  - a. 10.4 crore tonnes
  - b. 12.6 crore tones
  - c. 14.6 crore tonnes
  - d. 17.2 crore tonnes
  
5. Consider the following statements: The agricultural policy thrust during the Eighth Plan envisages

- a. a special emphasis on agricultural development of the Eastern region
- b. the production of commercial crops
- c. extension of green revolution from the

North and North-Western regions to the rest of the country

Of the above statements.

- a. 1, 2 and 3 are correct
- b. 1 and 2 are correct
- c. 2 and 3 are correct
- d. 1 and 3 are correct

6. Consider the following statements:

- a. Land reforms are needed only to reduce social injustice.
- b. land reforms are needed because the current agrarian structure often impedes development in agriculture.
- c. A ceiling in agricultural holdings may be emotionally satisfying but is economically inefficient because large farms are always more productive than small ones farmers are assured access to inputs and finance.

Of these statements

- a. 1 and 2 are correct
- b. 1 and 3 are correct
- c. 3 and 4 are correct
- d. 2 and 4 are correct

7. Government of India is providing subsidy on fertilizers through the Central budget. Which one of the following statements about effects of fertilizer subsidy is NOT correct?

- a. It has stopped the import of fertilizers in the country
- b. it has increased the disparity of income between big and small farmers.
- c. it has increased regional disparity in agricultural development.
- d. it has led to increased use of fertilizers

8. The new seed-fertilizer technology in agriculture has

- a. raised the response of output to water
  - b. reduced the response of output to water
  - c. not affected the response of output to water
  - d. initially raised and then reduced consistently response of output to water
9. The weighting of the index number of industrial production currently in use is based on the Annual Survey of Industries relating to
- a. 1950 – 51
  - b. 1960 – 61
  - c. 1970 – 71
  - d. 1980 – 81
10. Out of 9 items in the industrial licensing policy within the framework of the new industrial policy, announced in 1991, 4 are mentioned below. The most significant one is:
- a. Industrial licensing will be abolished for all projects, except for a short list of selected industries.
  - b. Reservation of industries for the public sector in areas where security and strategic concerns predominate
  - c. Automatic clearance of projects in which imported capital goods are required.
  - d. Exemption from licensing will apply to all substantial expansions of existing units.
11. The most important source of industrial finance for large-scale industries during recent years has been.
- a. shares and debentures floated in capital market
  - b. public deposits
  - c. public sector financial institutions
  - d. private sector and foreign financial institutions.
12. The Small industries Development Bank of India lends funds to SSIs (small-scale industry) up to a maximum of
- a. 60 percent of term loan requirements
  - b. 70 percent of term loan requirements
  - c. 75 percent of term loan requirements

d. 80 percent of term loan requirements.

13. Consider the following statements: Non-developmental public sector enterprises in India are dominant in

- a. Infrastructure industries
- b. Consumer goods industries
- c. Basic industries

Of the above statements

- a. 1, 2 and 3 are correct
- b. 1 and 3 are correct
- c. 1 and 2 are correct
- d. 1 alone is correct

14. Consider the following statements:

- a. the overall employment elasticity in India has declined from the 1960s to the 1980s.
- b. during the eighties, the construction sector had the highest employment elasticity.
- c. the employment elasticity is higher in manufacturing than in agriculture.
- d. the decline in overall employment elasticity in India is due to a combination of both technology and composition effects.

Of these statements

- a. 1, 2 and 4 are correct
- b. 2 and 3 are correct
- c. 1, 3 and 4 are correct
- d. 1, 2, 3 and 4 are correct

15. Consider the following statements:

- a. Disguised unemployment is present only in agriculture.
- b. Disguised unemployment is a major cause of the low standard of living in the rural areas of India.
- c. disguised unemployment can be useful in India's developmental process as a source of potential saving.

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d. disguised unemployment occurs because people in villages do not have motivation to work.

Of these statements

- a. 1, 2 and 3 are correct
- b. 2, 3 and 4 are correct
- c. 2 and 3 are correct
- d. 1 and 2 are correct