

## Examrace

# Competitive Exams: Economics MCQs (Practice\_Test 56 of 122)

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1. Which one of the following sources provides the large share of India's external debt?
  - a. IMF
  - b. USA
  - c. UK
  - d. JAPAN
2. Consider the following statements:
  - a. The Fourth Economic Census was conducted during 1998 – 99.
  - b. economic Census has since been dilinked from the population Census.
  - c. Out of a total of 29.8 million enterprises, less than 70% pertain to non-agricultural sectorWhich of the above statements is/are correct?
  - a. 1 alone
  - b. 1 and 2
  - c. 2 and 3
  - d. 1, 2 and 3
3. which one of the following series of consumer price index is NOT used in India for monitoring the movement in retail prices?
  - a. Consumer price index for urban nonmanual employees
  - b. General consumer price index
  - c. Consumer price index for industrial workers
  - d. Consumer price index for agricultural labourers
4. Non-performing assets of Commercial Banks mean their loans
  - a. fetching very low rate of interests
  - b. for which interest/installment has remained unpaid well after due date

- c. which have not been disbursed at all
- d. given to sick industrial units

5. What is the correct sequence of nationalization of the following institutions?

- a. State Bank of India
- b. bank of Baroda
- c. Reserve Bank of India

Select the correct answer using the codes given below:

- a. 3, 2, 1
- b. 3, 1, 2
- c. 2, 3, 1
- d. 2, 1, 3

6. Which one of the following is NOT a source of the State tax revenue?

- a. Land revenue
- b. Motor Vehicles tax
- c. entertainment tax
- d. Corporate tax

7. The receipts from disinvestment of publicsector under-takings are shown under which one of the following sub-heads in the budget of the government of India?

- a. Revenue receipts
- b. Non-tax revenue receipts
- c. Non-debt capital receipts
- d. Debt capital receipts

8. The revenue deficit of the Central government as percentage of GDP in the 1990s was

- a. less than 2 per cent
- b. between 2 and per cent
- c. between 4 and 8 per cent
- d. more than 8 per cent

9. ◦ **Assertion (A):** Real rate of interest is better indicator of returns of saving than nominal rate of interest.

- **Reason (R):** The real rate of interest is estimated after removing the effect of the expected rate of inflation.
  - a. Both A and R are true and R is the correct explanation of A
  - b. Both A and R are true but R is NOT the correct explanation of A.
  - c. A is true but R is false
  - d. A is false but R is true
- **Assertion (A):** If the monopolist faces identical demand curves for his commodity in two separate markets, by practicing their degree price discrimination, he cannot increase his TR and total profits.
  - **Reason (R):** As the marginal revenue curve are identical when the demand curves in the two markets are the same, the monopolist will not charge different prices in each market to maximize profits.
    - a. Both A and R are true and R is the correct explanation of A
    - b. Both A and R are true but R is NOT the correct explanation of A.
    - c. A is true but R is false
    - d. A is false but R is true
- 11. ◦ **Assertion (A):** Non-economic factors play an important role in the process of economic development.
  - **Reason (R):** Accumulation of capital takes the form of human capital formation also.
    - a. Both A and R are true and R is the correct explanation of A
    - b. Both A and R are true but R is NOT the correct explanation of A.
    - c. A is true but R is false
    - d. A is false but R is true
- 12. ◦ **Assertion (A):** Per capita income figures are poor tools of ordinal ranking of countries with respect to the real well being.
  - **Reason (R):** A good portion of the national income in poor countries is unreported.
    - a. Both A and R are true and R is the correct explanation of A
    - b. Both A and R are true but R is NOT the correct explanation of A.
    - c. A is true but R is false
    - d. A is false but R is true

13. ◦ **Assertion (A):** The open-economy Keynesian multiplier is less than the closed-economy Keynesian multiplier.
- **Reason (R):** The marginal propensity to import is always greater than the marginal propensity to consume.
- a. Both A and R are true and R is the correct explanation of A
- b. Both A and R are true but R is NOT the correct explanation of A.
- c. A is true but R is false
- d. A is false but R is true
14. ◦ **Assertion (A):** Intellectual property rights were brought into the Uruguay Round Trade Negotiations.
- **Reason (R):** International trade restrictions can be used to discourage the violation of intellectual property rights.
- a. Both A and R are true and R is the correct explanation of A
- b. Both A and R are true but R is NOT the correct explanation of A.
- c. A is true but R is false
- d. A is false but R is true
15. ◦ **Assertion (A):** India's Second Five-Year Plan was based on an outward-looking strategy of development.
- **Reason (R):** The Second Five-Year Plan was based on the Mahalanobis model.
- a. Both A and R are true and R is the correct explanation of A
- b. Both A and R are true but R is NOT the correct explanation of A.
- c. a is true but R is false
- d. A is false but R is true