

Competitive Exams: Economics MCQs (Practice-Test 92 of 122)

1. Which one of the following statements is correct?
 - a. External Debt/GDP ratio has declined consistently after the year 2003.
 - b. External Debt/GDP ratio has fluctuated after the year 2003
 - c. External Debt/GDP ratio has increased after the year 2003
 - d. External Debt/GDP ratio has remained constant after the year 2003

2. In which of the following years, was the trade balance favourable to India?
 - a. 1970 – 71 and 1974 – 75
 - b. 1972 – 73 and 1976 – 77
 - c. 1972 – 73 and 1975 – 76
 - d. 1971 – 72 and 1976 – 77

3. Who was the Chairman of the Committee appointed in 2006 for setting out a roadmap towards fuller capital account convertibility
 - a. S S Tarapore
 - b. C Rangarajan
 - c. M Narasimharn
 - d. O P Sodhani

4. Which sector has attracted highest FDI inflows during the period from August 1991 to September 2006 (in % share)?
 - a. Services Sector
 - b. Electrical Equipments
 - c. Telecommimications
 - d. Transportation Industry

5. Match List-I with List-II and select the correct answer using the code given below the lists:

List-I (Terms of Trade)

List-II (Explanation)

- | | |
|------------------------------------|---|
| a. Gross barter terms of trade | a. The ratio between the quantity of a country's imports and exports |
| b. Income terms of trade | b. Index of export prices quantity |
| c. Single factorial terms of trade | c. Obtained by multiplying the commodity terms of trade by an index of productivity changes in domestic export industries |
| | d. The ratio of a country's export price index to its import price index |

A B C

- a. 3 4 1
- b. 1 2 3
- c. 3 2 1
- d. 1 4 3

6. Which one of the following statements is correct? The production possibility curve under increasing opportunity cost is

- a. concave to origin
- b. convex to the origin
- c. a straight line parallel to the x-axis
- d. a straight line parallel to the y-axis

7. Which of the following is not a non-tariff barrier?

- a. Voluntary export restraint

- b. Health and product standards
 - c. Environmental protection laws
 - d. Ad-valorem duties
8. In the Balance-of-Payment Account, the transfer payments are included in which one of the following?
- a. Current account
 - b. Service account
 - c. Capital account
 - d. Official Reserves account
9. Which one of the following statements is not correct?
- a. The distinction between expenditure switching and expenditure changing was propounded by H G Johnson.
 - b. The Absorption Approach to BOP was developed by Sydney Alexander.
 - c. The Elasticity Approach to BOP was associated with Stolper-Samuelson.
 - d. Stability condition in the foreign exchange market is known as Marshall-Lerner condition.
10. Which one of the following explains Balance-of-Payment adjustment mechanism under the gold standard?
- a. Devaluation
 - b. Flexible exchange rates
 - c. Income-adjustment mechanism
 - d. Price-specie flow mechanism
11. Which of the following is the highest form of economic integration among different nations?
- a. Custom Union
 - b. Free Trade Area
 - c. Economic Union
 - d. Conunon Market

12. Which one of the following best characterizes the Bretton Woods System of exchange rates?
- a. Adjustable fixed exchange rates
 - b. Fixed exchange rates
 - c. Adjustable pegged exchange rates
 - d. Pegged exchange rates
13. Which of the following are the basic components of a typical IMF stabilization programme?
- a. Liberalization of foreign exchange
 - b. Devaluation of the official exchange rate
 - c. A comprehensive anti-inflation programme
 - d. General opening-up of the economy to international commerce including foreign investment

Select the correct answer using the code given below

- a. 1 and 3 only
 - b. 2 and 4 only
 - c. 1, 3 and 4 only
 - d. 1, 2, 3 and 4
14. Consider the following:
- a. Kennedy Round of negotiations
 - b. Uruguay Round of negotiations
 - c. Tokyo Round of negotiations

Which is the correct chronological sequence of the above?

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

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15. Which of the following is meant by growth in the context of growth and development?

- a. Growth of gross national product in money terms
- b. Growth of per capita income in money terms
- c. growth of gross national product in real terms
- d. Growth of per capita income in real terms