

Examrace

Competitive Exams: Economics MCQs (Practice_Test 92 of 122)

Glide to success with Doorsteptutor material for UGC : [fully solved questions with step-by-step explanation](#)- practice your way to success.

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	1. The ratio between the quantity of a country's imports and exports
B. Income terms of trade	2. Index of export prices quantity
C. Single factorial terms of trade	3. Obtained by multiplying the commodity terms of trade by an index of productivity changes in domestic export industries
	4. 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

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