

Competitive Exams Practice questions for Economics Part 3

Which of the following is true about Primary deficit?

- (a) It is the difference between fiscal deficit and interest payments on previous borrowings
- (b) It is government's deficit which is financed through short-term borrowings
- (c) It is that part of the government deficit which is financed solely by borrowing from the RBI
- (d) Defined as the excess of total expenditure of the government over the total non-debt creating receipts

Answer: A

With reference to Small Banks and Payment Banks, consider the following statements:

1. While both can accept deposits Payment Banks cannot issue debit cards
2. Which both are required to maintain CRR, Small Banks are also required to maintain SLR and PSL requirements.
3. Both have the same initial minimum capital requirement of 100 cr INR

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Answer: D

Which reference to Cash Reserve Ratio (CRR) which of the following statements is/are correct?

1. CRR is a reserve requirement that requires banks to maintain in the form of gold cash or government securities with itself
2. When the RBI lowers CRR, it is said to follow an expansionary monetary policy

Select the correct answer from the codes given below

- (a) 1 only
- (b) 2 only

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(c) Both 1 and 2

(d) Neither 1 nor 2

Answer: B

Which of the following are being developed by Union Government as dedicated industrial/economic corridors?

1. Delhi-Mumbai Industrial Corridor
2. Chennai-Bengaluru Industrial Corridor
3. Bengaluru-Mumbai Economic Corridor
4. Visage-Chennai Industrial Corridor
5. Amritsar-Kolkata Industrial Corridor

Select the correct answer using the code given below

- (a) 1, 2 and 3 only
- (b) 4 and 5 only
- (c) 1 and 2 only
- (d) 1, 2, 3, 4 and 5

Answer: D

The 90-90-90 strategy recently unveiled by a UN agency is:

- (a) to combat terrorists groups and terrorism from the world
- (b) To help end the AIDS epidemic
- (c) To help in reducing malnutrition cases in developing countries
- (d) To help end the gender discrimination and promote gender equality

Answer: B

What is the purpose of Asha Scheme launched by the government of India?

- (a) For online booking of Rail tickets
- (b) For online filling of Income Tax return
- (c) For online booking of LPG cylinders
- (d) For online grievance redressal

Answer: C

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Consider following statements regarding components of " double financial repression"

1. Statutory liquidity ratio (SLR) and Priority sector lending (PSL) requirements are a repression on the asset side
2. Rising Non-Performing Assets (NPAs) and reduction in household's financial savings are a repression on the liability side

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Answer: A

With reference to recapitalization of public sector banks consider the following statements

1. Reduction of Repo Rate
2. Reduction of Statutory Liquidity Ratio (SLR)
3. Infusion of more capital into the banks

Which of the statement(s) given above is/are not correct?

- (a) 2 only
- (b) 1 and 3 only
- (c) 1 and 2 only
- (d) 2 and 3 only

Answer: C

Consider the following statements regarding Dear Money Policy:

1. RBI raises the Bank Rate
2. Commercial banks can get the money at the higher rate of interest
3. RBI starts raising the CRR and sells the securities to Commercial Banks.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 3 only
- (c) 1, 2 and 3

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(d) None

Answer: C

With reference to GDP deflator is more comprehensive measure of inflation than consumer price index and wholesale price index

2. Unlike WPL and CPI monthly change in inflation cannot be tracked using GDP deflator

3. A GDP deflator value of zero implies no change in price levels from the base year

Which of the statements given above is/are correct?

(a) 1 only

(b) 1 and 2 only

(c) 2 and 3 only

(d) 1, 2, and 3

Answer: B