

Section 3a: General Studies–Indian Economy

- Q.65** Along a linear demand curve, the price elasticity of demand is
(1 mark)
- [A] elastic over the upper portion of the demand curve and inelastic over the lower portion of the demand curve.
 - [B] inelastic over the upper portion of the demand curve and elastic over the lower portion of the demand curve.
 - [C] elastic throughout.
 - [D] constant along the demand curve.
- Q.66** Suppose a bundle X lies on an indifference curve and another bundle Y lies to the right of the indifference curve, then the consumer
(1 mark)
- [A] prefers bundle X to Y.
 - [B] prefers bundle Y to X.
 - [C] indifferent between bundle X and Y.
 - [D] must receive more of both – with bundle Y.
- Q.67** Movement along the demand curve is caused by
(1 mark)
- [A] changes in the tastes and preferences of the consumer.
 - [B] changes in the price of the good.
 - [C] changes in the incomes of the consumer.
 - [D] changes in the prices of related goods.
- Q.68** The option that contains **WRONG** expansion of an abbreviation is
(1 mark)
- [A] FIPB Foreign Investment Promotion Board
 - [B] IRBI Industrial Reconstruction Bank of India
 - [C] IREDA Indian Renewable Energy Development Association
 - [D] IIP Index of Industrial Production
- Q.69** Currency notes, coins and demand deposits held by the public in commercial banks are known as
(1 mark)
- [A] high powered money.
 - [B] narrow money.
 - [C] fiat money.
 - [D] commodity money.

- Q.70** Gross National Product (GNP) can be defined as the
(1 mark)
- [A] total value of goods and services produced within a country in the current period.
 - [B] total value of all market transactions carried out in an economy in the current period.
 - [C] total value of goods and services produced in the current period including the net factor income earning from abroad.
 - [D] depreciation of capital stock and additions to stock (inventory).

- Q.71** The regime in which the Central Bank intervenes in the foreign exchange market by buying and selling foreign currencies to keep exchange rate fluctuations within bounds is known as
(1 mark)
- [A] fixed exchange rate.
 - [B] dirty floating exchange rate.
 - [C] pegged exchange rate.
 - [D] clean float exchange rate.

- Q.72** Bank rate refers to the rate at which
(1 mark)
- [A] commercial banks lends to public.
 - [B] commercial banks borrow money from Reserve Bank of India (RBI).
 - [C] Reserve Bank of India (RBI) lends to the Government of India.
 - [D] commercial banks charge from another bank for borrowing.

- Q.73** If Average Total Cost (ATC) is falling then
(1 mark)
- [A] Marginal Cost (MC) must be less than Average Total Cost (ATC).
 - [B] Total Cost (TC) must be constant.
 - [C] the Average Fixed Cost (AFC) must be above the Average Variable Cost (AVC) curve.
 - [D] Marginal Cost (MC) must be greater than the Average Total Cost (ATC).

- Q.74** The process of moving from self-employment and regular salaried employment to wage work is known as
(1 mark)
- [A] informalization.
 - [B] disguised unemployment.
 - [C] casualization of workforce.
 - [D] distress employment.

Q.75 The indicator used to measure the number of people dying prematurely or living in the state of 'disability' is known as

(1 mark)

- [A] Global Burden of Disease.
- [B] infant mortality and maternal mortality rates.
- [C] crude death rate.
- [D] life expectancy.

Q.76 A price ceiling will have no effect if the

(1 mark)

- [A] demand curve is vertical.
- [B] demand curve is horizontal.
- [C] supply curve is vertical.
- [D] supply curve is horizontal.

Q.77 Specific poverty alleviation programmes aimed at creation of assets by means of employment generation started during the

(1 mark)

- [A] First Five-Year Plan.
- [B] Second Five-Year Plan.
- [C] Third Five-Year Plan.
- [D] Fourth Five-Year Plan.

Q.78 The 'education cess' on all union taxes is earmarked for

(1 mark)

- [A] spending on elementary education.
- [B] spending on colleges, polytechnics and universities.
- [C] providing loans for students to pursue higher education.
- [D] making investment in the skill development programmes.

Q.79 **This question carries 2 marks. One option or more options is/are correct answer(s) to this question.**

Among the following elements, the essential element(s) of foreign aid or Overseas Development Assistance (ODA) given by the international agencies to the developing countries is/are

(2 marks)

- [A] development grants
- [B] loans with at least 25% grant
- [C] military assistance
- [D] technical co-operation

Q.80 **This question carries 2 marks. One option or more options is/are correct answer(s) to this question.**

The characteristic(s) of a perfectly competitive market structure is/are

(2 marks)

- [A] firms in the market produces homogenous goods
- [B] both sellers and buyers are price takers
- [C] firms can enter and exit the market freely
- [D] price and average revenue for the firm is the same