

# **MULTIPLE CHOICE QUESTIONS**

**INDIAN ECONOMY - BBA 209**

**BBA III**

**DECEMBER 2021**

## **FOR PRIVATE CIRCULATION**

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1. The best indicator of economic development of any country is:
  - A. Agriculture
  - B. Transport
  - C. Gross Production
  - D. Per Capita Income
  
2. Which of the following explains economic growth?
  - A. Increase in per capita production
  - B. Increase in per capita real income
  - C. Structural change in the economy
  - D. All the above are right
  
3. Economic development is characterized by
  - A. Structural change in the economy
  - B. Change in the occupational structure
  - C. Both a and b
  - D. None of the above
  
4. An underdeveloped economy is characterized by
  - A. High per capita real income
  - B. Large proportion of labor force in the tertiary sector
  - C. State of deprivation of large proportion of population
  - D. All the above
  
5. Scarcity of capital, technological backwardness and unemployment are generally found in:
  - A. Developed countries
  - B. Asian Countries
  - C. Underdeveloped countries
  - D. None of the above
  
6. Which of the following denotes an underdeveloped economy?
  - A. High level of inequality
  - B. Low level of capital productivity
  - C. A relatively closed economy
  - D. All the above
  
7. Which of the following estimates National Income in India?
  - A. Central Statistical Organization
  - B. National Income Committee
  - C. Planning Commission
  - D. Reserve bank of India

8. National Income is the:
  - A. Net National Product at market price
  - B. Net National Product at factor cost
  - C. Net Domestic Product at market price
  - D. Net Domestic Product at factor cost
  
9. Development means economic growth with:
  - A. Price Stability
  - B. Social Change
  - C. Inflation
  - D. Deflation
  
10. To get the Net National Product, we deduct what from the Gross National Product:
  - A. Direct Taxes
  - B. Imports
  - C. Interim payments
  - D. Depreciation
  
11. What is Gross National Product:
  - A. The total output of goods and services produced by the country's economy
  - B. The total domestic and foreign output claimed by residents of the country
  - C. The sum of gross domestic product and investment
  - D. National Income minus National Expenditure
  
12. National Income ignores:
  - A. Sales of a firm
  - B. Salary of Employees
  - C. Exports of the IT Sector
  - D. Sale of land
  
13. The most simple and popular method of measuring economic development is to calculate the trend of Gross National Product (GNP) at:
  - A. Current Prices
  - B. Constant Prices
  - C. Both of the above
  - D. None of the above
  
14. When and by whom was HDI introduced?
  - A. In 1990 by UNDP
  - B. In 1989 by World Bank
  - C. In 1990 by UNO
  - D. In 1989 by IMF
  
15. When National Income is calculated with reference to a base year, it is called:
  - A. Nominal National Income
  - B. Net National Income
  - C. Real National Income
  - D. Gross National Income

- 16 When and by whom was HDI introduced?
- A. In 1990 by UNDP
  - B. In 1989 by World Bank
  - C. In 1990 by UNO
  - D. In 1989 by IMF
- 17 The Human Development Index (HDI) is a summary measure of average achievement in key dimensions of human development like -----
- A. Longevity
  - B. Educational Attainment
  - C. Standard of Living
  - D. All of the above
- 18 What measures Longevity-a long and healthy life in an economy?
- A. Life Expectancy Index
  - B. Education Index
  - C. GNI Index
  - D. None of the above
- 19 What measures Literacy rate- being knowledgeable in an economy?
- A. Life Expectancy Index
  - B. Education Index
  - C. GNI Index
  - D. None of the above
- 20 What measures a decent standard of living in an economy?
- A. Life Expectancy Index
  - B. Education Index
  - C. GNI Index
  - D. None of the above
- 21 Which Five Year Plan gave emphasis on removal of poverty for the first time?
- A. Fourth
  - B. Fifth
  - C. Sixth
  - D. Seventh
- 22 The age composition of Indian population is bottom heavy. It implies that ratio of persons in age group 0-14 is relatively high. Children below 14 years in 2019 were----
- A. 14%
  - B. 40%
  - C. 30%
  - D. 26%
- 23 The Life expectancy in India has increased up to -----in 2020.
- A. 70 years
  - B. 59 years
  - C. 33 years
  - D. 48 years

- 24 The major cause of population explosion in India is .....
- A. Universality of marriage
  - B. Religious & social superstitions
  - C. Lack of education
  - D. All Above
- 25 As per human development report 2020 India ranks at ----- out of 189 indicating 'Inequality and deprivation continues to be high in the country'.
- A. 92
  - B. 131
  - C. 74
  - D. 112
- 26 The HDI fails to show the wide discrepancies of -----within a country.
- A. Political parties
  - B. Production of different sectors
  - C. Income and gender bias
  - D. None
- 27 Acc. to the poverty lines of the World Bank people earning & spending less than ----- a day in India are considered living below subsistence level.
- A. U.S. dollar 2.00
  - B. U.S. dollar 1.25
  - C. U.S. dollar 5.00
  - D. None of the above
- 28 If in an economy most of the people are living below subsistence level, it is called:
- A. Relative poverty
  - B. Absolute poverty
  - C. Multidimensional poverty
  - D. All of the above
- 29 If in an economy there is a huge gap in the level of incomes of its people, it is called:
- A. Relative poverty
  - B. Absolute poverty
  - C. Multidimensional poverty
  - D. All of the above
- 30 The MPI identifies -----across health, education and living standards
- A. Achievements
  - B. Failures
  - C. deprivations
  - D. None
31. Steel is a ..... industrial sector.
- A. Labour-intensive
  - B. capital-intensive
  - C. Both
  - D. None

32. Railways are naturally the ----- of transportation for large scale industry like steel.
- A. Neglected mode
  - B. preferred mode
  - C. preferred mode
  - D. None
33. Solid wastes and emissions like GHGs are byproducts of the steel manufacturing process and result in-----.
- A. Water pollution
  - B. environmental pollution
  - C. soil pollution
  - D. None
34. Regional disparity in per capita income in India has increased in the post-reform period due to factors.
- A. Decline in the share of public investment
  - B. Change in policy regime regulating investment location
  - C. Poor governance and poor infrastructure
  - D. Allocation of funds by the central Government
35. First Industrial Policy Resolution was passed in ----- keeping in view speedy Industrial growth and various tax concessions to the Industry by the Govt.
- A. 1956
  - B. 1987
  - C. 1991
  - D. 2014
36. First Industrial Policy Resolution provided more powers to the ----- for industrial development of India
- A. Foreign sector
  - B. governmental machinery
  - C. Private sector
  - D. None
37. In the year -----Industrial trade and Foreign Investment Policies were substantially liberalized.
- A. 1956
  - B. 1987
  - C. 1991
  - D. 2014
38. The category of industries left to the -----sector was kept under state control through a system of licenses under First Industrial Policy Resolution by the Govt.
- A. Government
  - B. Private
  - C. Foreign
  - D. Social

- 39 Sugar is a -----industry, with multiple linkages from cane-growing to sugar and alcohol production.
- A. labour-Intensive
  - B. capital-intensive
  - C. technology-based
  - D. None
- 40 Indian government has come up with a number of export promotion policies for the textiles sector, like It has also allowed -----in the sector under the automatic route.
- A. 25%
  - B. 75%
  - C. 100% FDI
  - D. None
41. The Directorate General of Foreign Trade (DGFT) has revised rates for incentives under the Merchandise Exports from India Scheme (MEIS) for two subsectors of Textiles Industry - readymade garments and made-ups - from -----
- A. 0% to 1%.
  - B. 1% to 2%.
  - C. 2% to 3%.
  - D. 2% to 4%.
- 42 India earns maximum foreign exchange by the export of?
- A. Iron
  - B. Handloom
  - C. Textiles
  - D. Tea
- 43 The largest trading partner of India is \_\_\_\_\_.
- A. Russia
  - B. China
  - C. America
  - D. Britain
44. High cost of sugarcane is due to-----, and
- A. inefficient technology
  - B. uneconomic process of production
  - C. heavy excise duty result in high cost of manufacturing.
  - D. All Above
45. In India, the vast majority of ethanol is produced from sugarcane molasses, a by-product of -----
- A. Sugar
  - B. Cotton
  - C. Cement
  - D. Steel



- 46 The major objectives of NITI Aayog are to -  
A. provide technical advice to the Centre and State  
B. design strategic and long-term policies/ programmes for Govt.  
C. Both of above  
D. None
- 47 Planning is essentially a way of organizing and utilizing the resources of a country to get maximum advantage in terms of defined social ends.  
A. Growth with justice and equity  
B. Faster, Sustainable and More Inclusive Growth  
C. Faster and More Inclusive Growth  
D. Cooperative & Competitive Federalism
- 48 The main objectives of Economic planning in India are--  
A A higher rate of growth & Fuller employment opportunities  
B A greater degree of economic equality than earlier possible under free enterprise  
C Larger provision for capital formation to accelerate the rate of growth.  
D All above
- 49 What was the motto/ slogan for Ninth Five Year Plan?  
A. Growth with justice and equity  
B. Faster, Sustainable and More Inclusive Growth  
C. Faster and More Inclusive Growth  
D. Cooperative & Competitive Federalism
- 50 India has one of the world's highest number of billionaires but has extreme income inequality, being a vast informal economy, as barely -----of Indians pay income taxes.  
A. 5%  
B. 2%  
C. 20%  
D. 15%
- 51 Atmanirbhar Bharat' scheme focuses to enhance----  
A. import-substitution  
B. export industrialization  
C. both A & B  
D. None
- 52 Regional development means economic development of all the regions by-----, and-----  
A. exploiting various natural and human resources  
B. increasing per capita income  
C. increasing living standard of people  
D. All above
- 53 Modernization as a planning goal meant a change in the -----set up of an economic activity, which could transform a feudal and colonial economy into a progressive and forward looking economy.  
A. Structural and institutional  
B. Industrial

- C. Agricultural  
D. None
- 53 Planning in India was -----in nature, as it did not carry the burden of compulsion in socialist economies, nor did it give complete freedom as in capitalist economies.  
A. directive  
B. indicative  
C. instructional  
D. None
- 54 Indian planners chose the path of....., where private sector was allowed to operate freely along with public sector.  
A. capitalist economy  
B. socialistic economy  
C. mixed economy  
D. None
- 55 The plan holiday in India was observed from 1966 to 1969.  
A. 1951 to 1956  
B. 1966 to 1969  
C. 1966 to 1975  
D. None
- 56 Fifth Five Year Plan aimed at growth of -----to provide large scale employment and remove poverty through Anti-poverty programs. Growth process in India started from here.  
A. Industrialization  
B. Globalization  
C. Localization  
D. None
- 57 Seventh Five Year Plan aimed at-----  
A. Infrastructure  
B. Import-substitution  
C. both A & B  
D. None
- 58 The per capita income is -----in the year 2020  
A. USD 6390  
B. USD 7120  
C. USD 5000  
D. None
- 59 Opportunities like Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) have been implemented to provide-----  
A. legal guarantee of wage employment to the adult members of rural households who are willing to do unskilled manual labour subject to a maximum of 100 days per household  
B. Wages are paid according to State Minimum Wage rate notified under Minimum Wages Act 1948. The current wage rate is Rs.117/- for all unskilled work and Rs. 120/- for skilled labour.

C Equal payment for men and women

D. All above

**ANSWER KEY:**

1	D	11	B	21	B	31	B	41	D	51	C
2	D	12	D	22	D	32	C	42	A	52	D
3	C	13	B	23	A	33	B	43	B	53	A
4	C	14	A	24	D	34	B	44	D	54	B
5	C	15	C	25	B	35	A	45	A	55	C
6	D	16	A	26	C	36	B	46	C	56	B
7	A	17	D	27	A	37	C	47	A	57	A
8	C	18	A	28	B	38	B	48	D	58	C
9	B	19	B	29	A	39	B	49	A	59	A
10	D	20	C	30	C	40	C	50	B	60	D