

• Question No. 1

If the elasticity of demand is -2 and price charged by the firm is Rs.10 and quantity sold is 15 units. What is the Lerner's Index of Monopoly power?

Options :

- 1. 1
- 2. $1/2$
- 3. $1/9$
- 4. $1/4$
- 5. 2

Answer : $1/2$

• Question No. 2

Which of the following is not an instrument of Monetary Policy?

Options :

- 1. Cash Reserve Ratio
- 2. Statutory Liquidity Ratio
- 3. Repo Rate
- 4. Reverse Repo Rate
- 5. None of these

Answer : None of these

• Question No. 3

Calculate Personal Income:

GDP	3000
Transfer Payments	500

Corporate income taxes	50
Indirect business taxes	210
Personal taxes	250
Undistributed corp profit	25
Depreciation	500

Options :

1. 3512
2. 2715
3. 2290
4. 3540
5. 4000

Answer : 2715

- Question No. 4

If Mean is 39, Median is 40, what is the value of Mode?

Options :

1. 55
2. 40
3. 42
4. 41
5. 39

Answer : 42

- Question No. 5

Calculate NNP_{fc} from the following data:

(in Rs crores)

PFCE	700
Profit	100
GFCE	400
Net indirect taxes	100
Gross domestic capital formation	250
Change in stock	50
NFIA	-40
Consumption of fixed capital	20
Net imports	30

Options :

1. Rs. 1160 crore
2. Rs. 1300 crore
3. Rs. 1330 crore
4. Rs. 1390 crore
5. Rs. 1370 crore

Answer : Rs. 1160 crore

- Question No. 6

Which of the following is not true with regard to credit rating agency?

Options :

1. Credit rating is an opinion formed by credit evaluation of a borrower's potential to repay debt.
2. The rating agencies follow a thorough and transparent evaluation so as to lend credibility to their findings
3. Credit rating will guide the investor in selection of debt instrument.
4. High credit rating gives assurance to the investors about the safety of the instrument and minimum risk of bankruptcy.
5. None of these

Answer : None of these

• Question No. 7

An increase in the expected rate of inflation

Options :

1. will cause the Phillips curve to shift down.
2. will cause the Phillips curve to shift up.
3. will cause the inflation-rate, unemployment-rate combination to move up to the left along the Phillips curve.
4. will cause the inflation-rate, unemployment-rate combination to move down to the right along the Phillips curve.
5. None of these

Answer : will cause the Phillips curve to shift up.

• Question No. 8

Which one of the following cannons of taxation was not advocated by Adam Smith?

Options :

1. Cannons of equality
2. Cannons of certainty
3. Cannons of convenience
4. Cannon of fiscal adequacy
5. None of these

Answer : Cannon of fiscal adequacy

• Question No. 9

Which of the following is a case of the principal-agent problem?

Options :

1. The ice cream man offers you \$3 for an ice cream cone. You think this is too high and try to convince him to lower the price to \$2, but he won't budge.
2. A car dealer tries to sell you a car. She lowers the price and throws in perks. What she doesn't know is that the car is way outside your budget and there is no way you'll buy it.
3. You pick one hotel over another because its website advertises having a pool. After you arrive, you find out the pool is closed for the season. If you'd known this, you would have picked the other hotel.
4. Your doctor could diagnose your symptom herself as part of your regular visit. But she receives a bonus for referrals, so she recommends you make an appointment with a specialist.
5. None of these

Answer : You pick one hotel over another because its website advertises having a pool. After you arrive, you find out the pool is closed for the season. If you'd known this, you would have picked the other hotel.

• Question No. 10

Money multiplier equals:

Options :

1. $(1+k) / (r+k)$
2. $1/k$
3. $1/(1+r)$
4. $1+r$
5. $1+k$

Answer : $(1+k) / (r+k)$

• Question No. 11

Which of the following statements is not true regarding CRISIL ?

Options :

1. CRISIL is a global company that provides the research, rating, risk related advisory services.
2. The main objective of CRISIL is to rate the quality of bonds, deposits, debentures, etc. These are assessed when companies use these tools to raise debt capital.

3. The rating helps an investor to understand the risk of the debt related to the company.
4. The main shareholder of CRISIL is Standard and Poors. They are also one of the leading credit agency in India
5. None of these

Answer : None of these

• Question No. 12

Which of the following statements is not true regarding CIBIL?

Options :

1. CIBIL is one of the credit rating agencies in India. They also provide information related to credit in India.
2. Transunion CIBIL is considered as one of the leading credit information agencies in India. Also, it maintains one of the highest collections of consumer information available globally.
3. It also has members from leading financial institutions, banks, NBFC's, etc. Thus, it also maintains the credit scores of businesses as well as individuals.
4. The main objective of CIBIL is to collect the data available for all loans. These loans are availed by individuals across various banks.
5. All the statements are true regarding CIBIL

Answer : All the statements are true regarding CIBIL

• Question No. 13

Which of the following statements is not true regarding ICRA?

Options :

1. ICRA limited was set up in 1991 by the investment and financial institutions.
2. The objective of ICRA is to provide guidance and information to individuals as well as institutions.
3. It wants to enhance the ability of issuers and borrowers to access the capital and money market.
4. It assists in promoting transparency to the regulators in financial markets.
5. None of these

Answer : None of these

- Question No. 14

From the following data, find National income.

Compensation of employees	1866.3
Business interest payments	264.9
Rental income of persons	34.1
Corporate profits	164.8
Proprietors' income	20.3
Corporate dividends	66.4
Personal taxes	402.1
Interest paid by consumers	64.4
Interest paid by government.	105.1
Government and business transfers	374.5
Personal consumption expenditures	1991.9

Options :

1. 2350.4
2. 2516.8
3. 3097.1
4. 2444.9
5. 2309.6

Answer : 2350.4

- Question No. 15

Which of the following would shift the 'Marginal Efficiency of Investment' (MEI) schedule to the right?

Options :

1. A fall in expected annual returns on projects
2. A rise in the supply price of projects
3. A fall in the supply price of projects
4. A rise in the rate of interest
5. None of these

Answer : A fall in the supply price of projects

• Question No. 16

Which of the following are likely to reduce investment expenditure?

Options :

1. Lower initial capital outlays on projects
2. A rise in the rate of interest
3. A fall in the rate of interest
4. More favourable business expectations and less uncertainty
5. None of these

Answer : A rise in the rate of interest

• Question No. 17

Which of the following statements is not true regarding BIS?

Options :

1. The Bureau of Indian Standards (BIS) is the national Standards Body of India working under the aegis of Ministry of Consumer Affairs, Food & Public Distribution, Government of India.
2. It is established by the Bureau of Indian Standards Act, 1986 which came into effect on 23 December 1986.
3. BIS through its core activities of standardization and conformity assessment, has been benefiting the economy by providing safe and reliable and quality goods; minimizing health hazards to consumers; protecting the environment, promoting exports and imports substitute; controlling proliferation of varieties

etc.

- 4. All of these
- 5. None of these

Answer : None of these

• Question No. 18

Which of the following are characteristic of the 'Accelerator Theory' of investment?

Options :

- 1. Relates gross investment to total output in a given year
- 2. Relates net investment to the rate of change of output
- 3. Relates net investment to total output in a given year
- 4. Involves a variable capital/output ratio to be applied when output rises below the full capacity level
- 5. All of these

Answer : Relates net investment to the rate of change of output

• Question No. 19

Which of the following is NOT one of the four priorities on which the budget proposal of 2022-23 rests?

Options :

- 1. PM Gatishakti
- 2. Inclusive Development
- 3. Productivity, Enhancement, and Investment, Sunrise Opportunities
- 4. Minimum Government and maximum governance
- 5. None of the above

Answer : Minimum Government and maximum governance

• Question No. 20

If price charged by the firm is Rs.10 and quantity sold is 15 units. Marginal cost is Rs. 5. What is the Lerner's Index of Monopoly power?

Options :

1. 1
2. 0.5
3. 1/9
4. 1/4
5. 2

Answer : 0.5

- Question No. 21

What is the target Fiscal Deficit as a % of GDP for FY23 in the Union Budget 2022-23?

Options :

1. 6.1%
2. 6.2%
3. 6.4%
4. 6.9%
5. None of the above

Answer : 6.4%

- Question No. 22

What is the Disinvestment Target of the government in the Union Budget 2022-23?

Options :

1. Rs 78000 crores
2. Rs 65000 crores
3. Rs 62000 crores
4. Rs 75000 crores

5. None of the Above

Answer : Rs 65000 crores

• Question No. 23

Which of the following benefits are not stated in the Union Budget 2022-23 for the benefit of MSMEs?

Options :

1. Guarantee cover under ECLGS to be expanded by Rs 50000 Crore to total cover of Rs 5. Lakh Crore
2. Rs 2 lakh Crore additional credit for Micro and Small Enterprises to be facilitated under the Credit Guarantee Trust for Micro and Small Enterprises (CGTMSE)
3. Raising and Accelerating MSME performance (RAMP) program with outlay of Rs 6000 Crore to be rolled out
4. ECLGS to be extended up to March 2024.
5. None of the Above

Answer : ECLGS to be extended up to March 2024.

• Question No. 24

IPO of which government owned company is scheduled in this year FY 22?

Options :

1. LIC
2. IDBI
3. Bank of Baroda
4. State Bank of India
5. Shipping corporation of India

Answer : LIC

• Question No. 25

Which of the following statements is incorrect regarding Phillips's curve?

Options :

1. High inflation and high unemployment are because of recession/depression
2. As per Friedman, there is no relation between unemployment and inflation in the long-run
3. It depicts relationship between inflation rate and unemployment rate
4. None of these
5. All of these

Answer : High inflation and high unemployment are because of recession/depression

• Question No. 26

When exchange rate in terms of domestic currency rises:-

Options :

1. Exports become cheaper
2. Imports become cheaper
3. Exports become costlier
4. No effect on imports
5. None of these

Answer : Exports become cheaper

• Question No. 27

If the currency-deposit ratio equals 0.5 and the reserve-deposit ratio equals 0.1, then the money multiplier is

Options :

1. 0.6
2. 0.2
3. 0.9
4. 2
5. 2.5

Answer : 2.5

- Question No. 28

Which of the following statements is correct regarding IMF?

Options :

1. The formation of the IMF was initiated in 1934 at the Bretton Woods Conference.
2. IMF came into operation on 27th December 1956 and is today an international organization that consists of 189 member countries.
3. Headquartered in Washington, D.C., IMF focuses on fostering global monetary cooperation, securing financial stability, facilitating and promoting international trade, employment, and economic growth around the world.
4. The IMF is a specialized agency of the United Kingdom.
5. All of these

Answer : Headquartered in Washington, D.C., IMF focuses on fostering global monetary cooperation, securing financial stability, facilitating and promoting international trade, employment, and economic growth around the world.

- Question No. 29

Which of the following statements is correct regarding Mutual Fund?

Options :

1. A mutual fund is a type of financial vehicle made up of a pool of money collected from many investors to invest in securities like stocks, bonds, money market instruments, and other assets.
2. Mutual funds give small or individual investors access to professionally managed portfolios of equities, bonds, and other securities. Each shareholder, therefore, participates proportionally in the gains or losses of the fund.
3. Mutual funds invest in a vast number of securities, and performance is usually tracked as the change in the total market cap of the fund—derived by the aggregating performance of the underlying investments.
4. All of these
5. None of these

Answer : All of these

- Question No. 30

Ability to pay principle is related with?

Options :

1. Proportion taxes.
2. Progressive taxes.
3. Sound taxes.
4. Regressive taxes.
5. None of these

Answer : Progressive taxes.

- Question No. 31

If a country's policy makers were to continuously use expansionary monetary policy in an attempt to hold unemployment below the natural rate the long-run result would be?

Options :

1. An increase in the level of output
2. A decrease in the unemployment rate
3. An increase in the rate of inflation
4. All of these
5. None of these

Answer : An increase in the rate of inflation

- Question No. 32

In a portfolio investment?

Options :

1. Investors are directly involved in managing the operations
2. As in direct investment investors export goods and services abroad

3. Investors transfer the technology to local investors
4. Investors have no control over operations
5. None of these

Answer : Investors have no control over operations

• Question No. 33

Which of the following statements is incorrect?

Options :

1. Impact refers to the initial burden of the tax, while incidence refers to the ultimate burden of the tax.
2. Incidence is at the point of imposition; impact occurs at the point of settlement.
3. The impact of a tax falls upon the person from whom the tax is collected and the incidence rests on the person who pays it eventually.
4. All of these
5. None of these

Answer : Incidence is at the point of imposition; impact occurs at the point of settlement.

• Question No. 34

A firm sells 40 units of commodity X when its price is 10. At what price it will sell 60 units of the commodity if its price elasticity of supply is 0.8.

Options :

1. 14.85
2. 19.1
3. 13.2
4. 17.3
5. 16.25

Answer : 16.25

- Question No. 35

The equation for a supply curve is $P = 3Q - 8$. What is the elasticity in moving from a price of 4 to a price of 7?

Options :

1. 3
2. 4
3. $1/3$
4. 2.9
5. 6

Answer : $1/3$

- Question No. 36

From the following data, find Personal disposable income.

Compensation of employees	1866.3
Business interest payments	264.9
Rental income of persons	34.1
Corporate profits	164.8
Proprietors' income	120.3
Corporate dividends	66.4
Personal taxes	402.1
Interest paid by consumers	64.4
Interest paid by government.	105.1
Government and business transfers	374.5
Personal consumption expenditures	1991.9

Options :

1. 2450.4
2. 2516.8

- 3. 3097.1
- 4. 2578.6
- 5. 2429.5

Answer : 2429.5

• Question No. 37

The measures taken to improve the negative Balance of Payments include _____.

Options :

- 1. Exchange control
- 2. Currency devaluation
- 3. Import substitution
- 4. All of the above
- 5. None of the above

Answer : All of the above

• Question No. 38

In the foreign exchange market price of US Dollar rises from ₹ 60 to ₹ 61. This means that _____

Options :

- 1. Rupee has depreciated
- 2. US Dollar has appreciated
- 3. Both a) and b)
- 4. None of the above
- 5. Only a)

Answer : Both a) and b)

• Question No. 39

Under the PM-KISAN Scheme, the Centre transfers an amount of _____ per year, in _____ equal instalments, directly into the bank accounts of all landholding farmers irrespective of the size of their land holdings.

Options :

1. Rs. 6000, 2
2. Rs. 6000, 3
3. Rs. 8000, 2
4. Rs. 8000, 4
5. None of the above

Answer : Rs. 6000, 3

- Question No. 40

PM SVANidhi Scheme is one of the major safety net programmes launched during the Pandemic. What is the main objective of the Scheme?

Options :

1. Promote Savings
2. Promote Investment into Mutual Fund
3. Promote One nation One Provident Fund
4. Working Capital Loan for Street Vendors
5. Spatial Mapping of Villages

Answer : Working Capital Loan for Street Vendors

- Question No. 41

A decrease in planned investment spending causes aggregate output to;

Options :

1. decrease by an amount equal to the change in investment spending.
2. increase by an amount less than the change in investment spending.
3. increase by an amount greater than the change in investment spending.

4. decrease by an amount less than the change in investment
5. none of these

Answer : decrease by an amount equal to the change in investment spending.

• Question No. 42

Keynes assumed that the price level was fixed because

Options :

1. inflation was not a serious problem during the Great Depression.
2. his primary focus was on money supply.
3. his primary focus was on interest rates and investment spending.
4. Both (a) and (b) of the above.
5. None of the above

Answer : inflation was not a serious problem during the Great Depression.

• Question No. 43

IS curve shows that when income decreases

Options :

1. Interest rate must fall to restore equilibrium in the goods market
2. Interest rate must fall to restore Equilibrium in the asset market
3. Interest rate must rise to restore equilibrium in the asset market
4. Interest rate must rise to restore equilibrium in the goods market
5. None of these

Answer : Interest rate must rise to restore equilibrium in the goods market

• Question No. 44

Classical economists argue that money is neutral because

Options :

1. prices are fixed in the short run.
2. prices adjust quickly to a monetary expansion.
3. prices adjust to a monetary expansion only in the long run.
4. prices are slow to adjust to a monetary expansion.
5. None of these

Answer : prices adjust quickly to a monetary expansion.

• Question No. 45

All of the following curves are U-shaped, except the

Options :

1. AFC curve
2. MC curve
3. AC curve
4. AVC curve
5. None of these

Answer : AFC curve

• Question No. 46

“ All Giffen goods are inferior, but all inferior goods are not Giffen”. The statement is

Options :

1. sometimes true
2. true
3. false
4. none of the above
5. all of the above

Answer : true

- Question No. 47

What is the reserve deposit ratio (rdr)?

Options :

1. the proportion of money RBI lends to commercial banks
2. the proportion of total deposits commercial banks keep as reserves
3. the total proportion of money that commercial banks lend to the customers
4. none of the above
5. all of the above

Answer : the proportion of total deposits commercial banks keep as reserves

- Question No. 48

What is the Cash Reserve Ratio (CRR)?

Options :

1. the fraction of the deposits that commercial banks lend to the customers
2. the fraction of the deposits that RBI must keep with commercial banks
3. the fraction of the deposits that commercial banks must keep with RBI
4. none of the above
5. all of the above

Answer : the fraction of the deposits that commercial banks must keep with RBI

- Question No. 49

What is the currency deposit ratio (cdr)?

Options :

1. ratio of money held by the public in currency to that of money held in bank deposits
2. ratio of money held by public in bank deposits to that of money held by public in currency
3. ratio of money held in demand drafts to that of money held in treasury bonds

- 4. none of the above
- 5. all of the above

Answer : ratio of money held by the public in currency to that of money held in bank deposits

- Question No. 50

Which among the following is not an objective of SEBI?

Options :

- 1. To regulate securities market
- 2. To protect interests of inventors
- 3. To promote individual businesses
- 4. To promote the development of the securities market
- 5. None of these

Answer : To promote individual businesses

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