

IASBABA TEST 38 ECONOMY

1. Consider the following statements about index/report released by international organisations:

1. World Investment Report is released by World Bank.
2. World Energy Outlook (WEO) is released by OPEC.

Which of the statements given above is/are *incorrect* ?

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

2. The Fifteenth Finance Commission assigned different weight to the following parameters for distribution of tax proceeds to the States:

1. Income distance
2. Population
3. Demographic changes
4. Forest and Ecology

Arrange the aforesaid parameters in descending order in terms of their weights

- a) 1-2-3-4 b) 1-2-4-3 c) 1-3-2-4 d) 4-3-2-1

3. Consider the following statements about National Authority on Anti-profiteering:

1. Chairman of the Central Board of Excise & Customs (CBEC) is the ex-officio chairman of NAA.
2. Penalty levied by NAA is transferred to GST compensation fund for states.

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

4. Which of the following will be included as Gross Capital Formation:

1. Investment in Machinery
2. Investment in intellectual property
3. Net acquisition of gold
4. Total addition of labour
5. Change in stock or inventory

Choose the correct answer from the given options:

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

5. Currently, two defence corridor projects are going to be set up in India. In which of the following states they are going to be set up in –

- a) Karnataka and Maharashtra
- b) Telangana and Andhra Pradesh
- c) Gujarat and Rajasthan
- d) Uttar Pradesh and Tamil Nadu

6. As per the extant policy, Foreign Direct Investment is permitted in the defence sector under the automatic route up to which one of the following limits?

- a) 26 percent b) 74 percent c) 51 percent d) 49 percent

7. Consider the following fact about Asia-Pacific Economic Cooperation (APEC):

1. India is a member of APEC since 2011.
2. Total member of APEC contribute to more than 50% of global GDP.

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

8. Consider the following statement about Regional Comprehensive Economic Partnership (RCEP):

1. India have trade deficit with only 8 countries among 15 who have joined RCEP.
2. India demands base year to be 2019, while majority wants it to be 2013.
3. India does not support Ratchet Clause, i.e. once tariff reduced, it will not be increased.

Which of the statements given above is/are correct?

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

9. Consider the following statements about the Minimum support price:

1. India's MSP to farmer violates subsidy rules under WTO.
2. India, for the first time in the world, used Peace clause under WTO, as total subsidy crossed defined criteria.
3. Price Deficiency Payment system will help solving the WTO subsidy issue.

Choose correct answer from the given options below:

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

10. What best describes the policy of "Pump Priming"?

- a) Policy of increasing tax and increasing government expenditure
- b) Policy of lowering tax and increasing government expenditure
- c) Policy of increasing tax and lowering government expenditure
- d) Policy of lowering tax and lowering government expenditure

11. Consider the following statements about government policy:

1. Increase in expenditure during economic boom period is considered counter cyclical.
2. Decrease in tax during recession period is considered as pro-cyclical.

Choose the correct answer from the given below options

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