

IASBABA TEST 6 ECONOMY

48. Consider the following recommendations of the FRBM Review Committee headed by former Revenue Secretary, NK Singh:

1. Public debt to GDP ratio should be considered as a medium-term anchor for fiscal policy in India.
2. Formation of Monetary Board to advise the government.
3. Escape Clause to accommodate counter cyclical issues.

Which of the above statements is/are correct?

- a) 1 and 3 only b) 2 and 3 only c) 3 only d) All the above

49. 'Ad Valorem tax' is imposed on the basis of:

- a) The quantity of the commodity b) The monetary value of the commodity
c) The Value added to the commodity d) It is a fixed amount by the Government

50. Consider the following statements:

1. The term 'budget' is introduced in Article 112 of Constitution of India.
2. According to the Constitution it is the responsibility of the Finance Minister to get the Budget laid in the Parliament.

Which of the above statements are correct?

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

51. NITI Aayog has replaced the older planning commission. Which of the following statements are NOT correct regarding NITI Aayog?

1. NITI Aayog's recommendations are binding over the government unlike Planning Commission.
2. NITI Aayog has included Chief Ministers of all states as well as administrators of UTs.
3. The provision of regional council is there in NITI Aayog to address local / regional development issues.

Select the code from the following:

- a) 1 only b) 2 and 3 c) 1 and 3 d) All of the above

52. 'Tax Terrorism' often in news refers to?

- a) It is the act of tax evasion using illegal means.
b) It is the term given for tax avoidance using loop holes in the Tax laws.
c) It refers to unjustified demand of tax by the government to increase the tax revenue.
d) It refers to the use of disposable income in funding terrorist activities.

53. Which one of the following statements appropriately describes the 'Fiscal Stimulus'?

- a) It is a massive investment by the Government in manufacturing sector to ensure the supply of goods to meet the demand surge caused by rapid economic growth
b) It is an intense affirmative action of the Government to boost economic activity in the country
c) It is Government's intensive action on financial institutions to ensure disbursement of loans to agriculture and allied sectors to promote greater food production and contain food inflation
d) It is an extreme affirmative action by the Government to pursue its policy of financial inclusion

54. Before the reforms of 1991, India controlled its trade and investment regime through which of the following instruments?

1. By placing quantitative restrictions on imports.
2. By placing qualitative restrictions on imports.
3. Through import licensing.

Select the code from following:

- a) 1 and 2 b) 2 and 3 c) 1 and 3 d) All of the above

55. Consider the following statements about 'National Financial Reporting Authority' (NFRA):

1. The Companies Act 2013 provides for setting up NFRA.
2. NFRA will set accounting and auditing standards, monitor and enforce compliance with the standards, and oversee the accounting profession's record of ensuring compliance.

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

56. 'National Investment Fund' (NIF) is seen as a landmark step in restructuring of the PSUs. Which of the following statements are correct regarding NIF?

1. It receives the proceedings from disinvestment in PSUs.
2. It is maintained as a part of Consolidated fund of India.
3. 75% of the annual income of the Fund will be used to finance selected social sector schemes, which promote education, health and employment.

Select the code from following:

- a) 1 and 2 b) 2 and 3 c) 1 and 3 d) All of the above