

IPB 2.0 PRELIMS TEST - 8

(IPM 2021)

42. Which of the following are part of assets of banks?

1. Buildings and furniture 2. Loans given to public 3. Reserves 4. Deposits

Select the correct answer using the code given below:

- A. 1 and 4 only B. 2 and 3 only C. 1, 2 and 3 only D. 1, 2, 3 and 4

43. Consider the following statements regarding paradox of thrift

1. It is an economic theory that posits that personal savings are a net drag on the economy during a recession.
2. The paradox of thrift was popularized by British economist John Maynard Keynes.
3. It calls for a lowering of interest rates to boost spending levels during an economic recession.

Which of the statements given above is/are correct?

- A. 1 only B. 2 and 3 only C. 3 only D. 1, 2 and 3

44. Which of the following are part of Revenue Receipts?

1. Personal income tax 2. Excise taxes
3. Cash grants-in-aid from foreign countries 4. Recovery of loans given to state governments

Select the correct answer using the code given below:

- A. 1, 2 and 3 only B. 2, 3 and 4 only C. 1, 2 and 4 only D. 1, 2, 3 and 4

45. Consider the following statements regarding Ricardian equivalence

1. In the face of high deficits, people save more.
2. It argues that taxation and borrowing are equivalent means of financing expenditure.

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

46. Consider the following statements regarding Goods and Service Tax

1. It is a destination-based consumption tax with facility of Input Tax Credit in the supply chain.
2. It is applicable throughout the country with one rate for all types of goods/services.
3. It is effectively a tax on value addition at each stage of supply.

Which of the statements given above are correct?

- A. 1 and 2 only B. 2 and 3 only C. 1 and 3 only D. 1, 2 and 3

47. Which of the following form a part of Capital Account of BOP?

1. Foreign Direct Investments 2. Foreign Institutional Investments
3. External commercial borrowings 4. Bilateral Loans

Select the correct answer using the code given below:

- A. 1, 2 and 3 only B. 2, 3 and 4 only C. 1, 3 and 4 only D. 1, 2, 3 and 4

48. Consider the following statements regarding Exchange Rate

1. A rise in the interest rates at home often leads to an appreciation of the domestic currency.
2. When imports increase, there is a depreciation of the domestic currency.

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

49. Consider the following statements regarding planning in India

1. National Planning Committee was set up by Indian National Congress in 1930.
2. Bombay Plan was recommended by post war reconstruction Committee of Indian Trade Union.

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

50. Consider the following statements regarding Five-Year Plans (FYPs)

1. Fifth Plan proposed to achieve two main objectives removal of poverty (Garibi Hatao) and attainment of self-reliance.
2. Ninth Plan focused on Growth with Social Justice & Equality.

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

51. Tropic of Cancer passes through which of the following states?

1. Haryana 2. Maharashtra 3. Madhya Pradesh 4. Gujarat

Select the correct answer using the codes given below:

- A. 1 and 2 only B. 3 and 4 only C. 2, 3 and 4 only D. 1 and 3 only

52. Consider the following statements regarding Katchatheevu islands:

1. It is located in the Gulf of Mannar.
2. India has ceded it to Sri Lanka.

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