

TEST - 13 (IPM 2021)

49. Consider the following statements regarding Foreign direct investment (FDI)

1. Foreign direct investment (FDI) is when a company takes controlling ownership in a business entity in another country.
2. FDI is an important source of debt finance for the economic development of India.
3. Under the Housing and Real Estate sector, FDI is allowed under Automatic route.

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

50. Consider the following statements regarding Purchasing Managers' Index

- A. It is a survey-based measures that asks the respondents about changes in their perception of some key business variables from the month before.
- B. It is an indicator of business activity in the manufacturing sector only.
- C. A figure above 50 denotes expansion in business activity.
- D. The PMI is usually released at the start of the month.

51. Consider the following statements regarding Green Charcoal Hackathon

1. The initiative was launched by Ministry of New and Renewable Energy.
2. The purpose of the event is to bridge the technology gap with the objective to clean the air by eliminating farm fire and producing renewable energy out of the agro residue.

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

52. Consider the following statements regarding Foreign institutional investors (FIIs)

1. Each FII or sub-account of an FII has been permitted to invest upto 10% of the equity of any one company, subject to the overall limit of 50% on investments by all FIIs, NRIs and OCBs.
2. FII's in India are regulated by Reserve Bank of India.

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

53. Consider the following statements regarding WTO and Agricultural subsidies

1. The subsidies which are supposed to distort production and trade fall into the amber box.
2. There is 5 per cent and 10 per cent limit for the developed and the developing countries, respectively, on spending on subsidies in the blue box.
3. The agricultural subsidies which cause minimal or no distortions to trade are put under the green box.

Which of the statements given above is/are correct?

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

54. Consider the following statements regarding Food processing sector

1. 100% FDI is permitted under the automatic route in Food processing industries.
2. It has about 11% Share in total employment and about 11% Share in India's exports.

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

55. An increase in Current Account Deficit as a ratio to GDP can lead to

1. Worsening of Balance of Payment, by drawing down forex reserves.
2. Building the potential to worsen Balance of Payment by increasing the external debt burden.

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. Consider the following statements regarding Merchandise trade

1. Merchandise trade deficit is the largest component of India's current account deficit.
 2. With USA and United Arab Emirates, India has consistently run trade deficit since 2014-15.
- With USA and United Arab Emirates, India has consistently run trade deficit since 2014-15.

- A. 1 only B. 2 only C. Both 1 and 2 D. Neither 1 nor 2

57. Consider the following statements regarding Merchandise Exports

1. An increase in merchandise exports to GDP ratio has a net positive impact on BOP position.
2. Over the years the merchandise exports to GDP ratio has been increasing.

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

58. Consider the following statements regarding Services sector

1. India's net services surplus has been steadily declining in relation to GDP
2. An increase in service imports to GDP ratio has a net positive impact on the BoP position.

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

59. Which of the following is the largest component of service imports?

- A. Software services B. Business services C. Travel services D. Financial services