

PRESTORMINGTM 2021
TEST 4 - ECONOMIC

59. Consider the following statements:

1. All direct taxes are progressive in nature.
2. All indirect taxes are proportional in nature.
3. Income tax in India is progressive in nature.

Which of the statements given above is/are correct?

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

60. With reference to Cess and Surcharges in India, consider the following statements:

1. While cess is shared with states using the Finance Commission formula by the Union Government, the surcharge is not shared with states.
2. Generally, the surcharge can be used for any purpose, but cess has predefined objectives and can be used only for that purpose.

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

61. Consider the following statements about the disinvestment policy of the Government of India:

1. Department of Investment and Public Asset Management (DIPAM) along with NITI Aayog has been mandated to identify PSUs for strategic disinvestment.
2. In strategic disinvestment, more than 50 percent share of government in public sector units is sold to private parties but the management control remains with the government.
3. There has been a consistent increase in disinvestment target set by the budget in the last few years.

Which of the statements given above is/are correct?

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

62. Consider the following statements:

1. Inflation is always undesirable for the economy.
2. Disinflation is the reduction in the rate of inflation.
3. Stagflation makes the application of monetary policy ineffective.

Which of the statements given above is/are correct?

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

63. Which of the following are the most likely impacts of a very high fiscal deficit on the Indian economy?

1. Increase in borrowings by the government
2. Crowding in effect for private sector
3. High inflation
4. Decrease in credit ratings in the international market
5. Depreciation of Indian rupees

Select the correct answer using the code given below.

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

64. The Government of India can effectively tackle the situation of deflation in the economy by

1. Increasing the direct tax rate
2. Decreasing the direct tax rate
3. Reducing the repo rate
4. Increasing the repo rate
5. Increasing the government spending

Select the correct answer using the code given below.

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

65. Which of the following nutrients are covered under the "Nutrient Based Subsidy Scheme"?

1. Nitrogen
2. Phosphorus
3. Potash
4. Sulphur

Select the correct answer using the code given below.

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

66. "Major Atmospheric Cerenkov Experiment Telescope", sometimes seen in the news recently, belongs to

- (a) Russia (b) United States of America (c) China (d) India

67. Consider the following statements:

1. Both the Central and the State governments have the power to fix the price of sugarcane in India.
2. Fair and remunerative price is the minimum price at which rate sugarcane is to be purchased by the government from farmers.
3. The price of sugar is market-determined in India.

Which of the statements given above is/are not correct?

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