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NET, IAS, State-SET (KSET, WBSET, MPSET, etc.), GATE, CUET, Olympiads etc.: Economics MCQs (Practice_Test 36 of 122)

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1. Consider the following statements: Regional rural banks in India
 - a. are required to assist the weaker 's sections ' are to help the small and marginal farmers only
 - b. Have free access to liberal financial assistance from NABARD
 - c. have free access to liberal financial assistance from NABARD
 - d. have a limited area of operation
- o Of these statements
 - a. 1,3 and 4 are correct
 - b. 2 alone is correct
 - c. 2 and 3 are correct
 - d. 1 and 4 are correct
2. Which of the following pairs are correctly matched?
 - a.
 - Match Item 1: Treasury Bills
 - Match Item 2: RBI
 - Match Item 1: Interest Rate
 - Match Item 2: Discount and finance House of India
 - b.
 - Match Item 1: Call money a rate
 - Match Item 2: Commercial banks
 - Match Item 1: Prudential norms
 - Match Item 2: RIB
- o Select the correct answer using the codes given below:
 - Codes:
 - a. 1,2, 3 and 4
 - b. 2 and 4
 - c. 1,2 and 3
 - d. 1,3 and 4

3. it is generally believed that a rise in the tax rate would normally lead to a rise in the revenue. But there is also a view the reduced rates on income tax would lead to a significant rise in income tax revenue. This later view has been attributed to
- Arthur Laffer
 - Robert Lucas
 - Heerbert Simon
 - J B Say
4. After allowing for states share of taxation which one of the following tax revenues brings in the largest amount of revenue to the Central Government?
- Corporation tax
 - Income tax
 - custom duties
 - Union excise duties
5. match List I with List II and select the correct answer using the codes given below the lists:

List-I	List-II
<ol style="list-style-type: none"> Service tax Stamp duty Property tax Sales tax 	<ol style="list-style-type: none"> Central government State government both none
<p><i>Table Supporting: NET, IAS, State-SET (KSET, WBSET, MPSET, Etc.) , GATE, CUET, Olympiads Etc. : Economics MCQs</i></p> <p><i>(Practice_Test 36 of 122)</i></p>	

D

1223 1123

ABC 1232 3112

6. Short-term measure focused under the new economy policy is
- correcting the disequilibrium in foreign exchange market
 - reforms in financial and capital market
 - Trade and industrial reforms
 - Technological up-gradation of production facilities in different fields
7. The tenth finance Commission has recommended that the states share of total income tax collection may be kept at
- 755

b. 77.5%

c. 80%

d. 85%

8. As per the recommendations of the finance Commission, besides income tax, the net proceeds of which of the following tax (ex) is/are to be shared between the Centre and the states?

a. Additional duties of excise

b. Wealth tax on agricultural properties

c. Union Excise Duties

○ Select the correct answer using the codes given below:

■ Codes:

a. 1,2 and 3

b. 3 alone

c. 1 and 2

d. 2 and 3

9. Population of India for different years is set out in the following table:

Year	Year 1951	Year 1961	Year 1971	Year 1981	Year 1991
Population (in crores)	36.1	43.9	54.8	68.5	84.6

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○ Which of the following inference (s) can be drawn from above data?

a. The trend confirms the Malthusian theory of above data?

b. There has been a population explosion in India in 1991.

c. There has been a fall in the population growth rate in 1981 – 91.

■ Select the correct answer using the codes given below:

■ Codes:

a. 1,2 and 3

b. 1 and 3

c. 1 and 2

d. 3 alone

10. ○ **Assertion (A)** : Bihar is an economically backward state even though has vast natural resources.

- **Reason (R)** : As per the 1991 census, the rate of growth of population in Bihar is much higher than the rate of growth of population of India as a whole.
 - a. Both A and R are true and R is the correct explanation of A
 - b. Both A and R are true but R is NOT a correct explanation of A
 - c. a is true but r is false
 - d. A is false but R is true
- **Assertion (A)** : Removal of poverty remains a central concern of planning in India.
- **Reason (R)** : Development is not just about factories, dams and roads. It is basically about people.
 - a. Both A and R are true and R is the correct explanation of A
 - b. Both A and R are true but R is NOT a correct explanation of A
 - c. a is true but r is false
 - d. A is false but R is true
- 11. ◦ **Assertion (A)** : Industrial a development strategy in India is faced with the choice of scale, size and intensity of factor use.
- **Reason (R)** : Factor imbalances and resource flows are not favourable to sustainable industrial development in India.
 - a. Both A and R are true and R is the correct explanation of A
 - b. Both A and R are true but R is NOT a correct explanation of A
 - c. a is true but r is false
 - d. A is false but R is true
- **Assertion (A)** : In India, the traditional small scale industries have greater employment potential than the modern small scale industries.
- **Reason (R)** : The value of capital per worker in traditional small scale industries is smaller than the value of capital per worker in the modern small scale industries.
 - a. Both A and R are true and R is the correct explanation of A
 - b. Both A and R are true but R is NOT a correct explanation of A
 - c. a is true but r is false
 - d. A is false but R is true
- 12. ◦ **Assertion (A)** : The public sector enterprises in India have not shown promising results.
- **Reason (R)** : Profit maximisation is not their sole objective.
 - a. Both A and R are true and R is the correct explanation of A
 - b. Both A and R are true but R is NOT a correct explanation of A
 - c. a is true but r is false

d. A is false but R is true

- **Assertion (A)** : Indian agriculture still absorbs a major.
- **Reason (R)** : Employment elasticity of agricultural production is high.

a. Both A and R are true and R is the correct explanation of A

b. Both A and R are true but R is NOT a correct explanation of A

c. a is true but r is false

d. A is false but R is true