

Examrace

Competitive Exams: Economics MCQs (Practice_Test 77 of 122)

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1. Which one of the following is the nature of convertibility of the Indian currency?
 - a. Convertibility at trade account
 - b. Convertibility at current account
 - c. Convertibility at capital account
 - d. Freely convertible
2. Which one of the following is not an affiliate of the World Bank?
 - a. The International Finance Corporation
 - b. The Multi-lateral Investment Guarantee Agency
 - c. The International Development Association
 - d. The Asian Development Bank
3. Special Drawing Rights (SDRs) scheme is criticised on which of the following grounds?
 - a. Inequitable distribution.
 - b. Not linked with development finance.
 - c. Low rate of interest.
 - d. Failure to meet the requirement of international liquidity.

Select the correct answer using the codes given below:

- a. 1 and 3
 - b. 1,2, 3 and 4
 - c. 2,3 and 4
 - d. 1,2 and 4
4. Which of the following are among the types of assistance provided by the IMF?
 - a. Buffer stock financing.
 - b. Compensatory and contingency financing.

- c. Financing agricultural development.
- d. Financing infrastructure development.

Select the correct answer using the codes given below:

- a. 1 and 2
 - b. 2 and 3
 - c. 2,3 and 4
 - d. 1,3 and 4
5. The Geographical Indications of Goods (Registration of Goods) Act, 1999, was enacted in India to meet commitment of which one of the following agreements under the WTO?
- a. Trade Related Investment Measure (TRIMs)
 - b. Trade Related Intellectual Property Rights (TRIPs)
 - c. General Agreement on Trade in Services (GATS)
 - d. Agreement on Agriculture (AoA)
6. Match List-I (Term) with List-II (Used for) and select the correct answer using the codes given below the lists

List-I (Term)	List-II (Used for)
A. Gini Coefficient	1. Analysis of benefits of development going to the lowest level
B. Lorenz Curve	2. Study of improvement of ability level of a person
C. Trickle-down Effect	3. To calculate ratio of the concentration area to the total area under the line of equality
D. Capability Approach	4. Study of leakage of water and its waste
	5. To study percentile shares of population in income distribution

A B C D

a. 3 1 4 2

b. 2 5 1 3

c. 3 5 1 2

d. 2 1 4 3

7. Which of the following items are included in the Human Development Index?

- a. Life expectancy.
- b. Education.
- c. GDP per capita (PPP US \$) .
- d. Infant mortality.

Select the correct answer using the codes given below:

- a. 1,2 and 3
- b. 1,3 and 4
- c. 2,3 and 4
- d. 1,2 and 4

8. What does inverted U-shaped Kuznet's curve depict where PCY stands for per capita income?

- a. As PCY increases, equality of income increases and then falls
- b. As PCY increases, inequality of income increases and then falls
- c. PCY and inequality are inversely related to each other
- d. PCY and equality of incomes are inversely related to each other

9. Which one of the following is the correct statement? 'Verdoorn Coefficient' reflects a relationship between

- a. growth of labour productivity in agriculture and growth of agricultural output
- b. growth of labour productivity in agriculture and growth of manufacturing output
- c. growth rate of labour productivity in manufacturing and growth of manufacturing output

d. growth rate of labour productivity in manufacturing and growth of agriculture output

10. Sum of a set of 100 observations is 500. If its Standard Deviation is 4, which one of the following is equal to the value of sum of squares of these observations?
- a. 2500
 - b. 4100
 - c. 2516
 - d. 50000
11. Which one of the following is the correct statements? According to Harrod, technical change is said to be capital saving if it
- a. raises the capital output ratio
 - b. leaves the capital output ratio unchanged
 - c. lowers the capital output ratio
 - d. raises the capital labour ratio
12. Consider the following statements: In Harrod’s Growth Model (assuming no technical progress) the ‘knife edge’ problem arises because
- a. The natural rate of growth is exogenously given.
 - b. Capital output ratio is constant.
 - c. There is no technical progress.

Which of the statements given above is/are correct?

- a. 1 only
- b. 2 and 3
- c. 1 and 2
- d. 1,2 and 3

13. Match List-I (Term) with List-II (Occurrence) and select the correct answer using the codes given below the lists

List-I (Term)	List-II (Occurrence)
A. East Asian Miracle B. Brazilian model of development of the seventies	1. Economic relations between developed and developing countries could only lead to development of underdeveloped countries 2. Soviet Union in the early 20 th century

C. Neo-Marxist view of development	3. Success of free-market economies like South Korea, Hong Kong, Taiwan etc.
D. Success of planning in achieving rapid economic development	4. Those countries where share of industrial output in GDP is rising most rapidly
	5. Growth based on increased international borrowing

A B C D

- a. 2 3 4 1
- b. 3 4 1 2
- c. 2 5 3 1
- d. 3 5 1 2

14. Consider the following statements: Market failure refers to a situation in which
- a. True benefit of output may not reflect price because of externalities.
 - b. Price may not reflect marginal cost because of market imperfections.
 - c. There is disequilibrium in demand and supply.

Which of the statements given above is/are correct?

- a. 2 only
- b. 1 and 2
- c. 1 and 3
- d. 1,2 and 3

15. Match List-I (Economic term) with List-II (Applicability of the term) and select the correct answer using the codes given below the lists

List-I (Economic term)	List-II (Applicability of the term)
A. Asymmetric Information	1. Failure to protect law and order, property and interest of vulnerable group
B. Lack of Government Credibility	2. Abuse of public office for private gain
	3. Imbalance of knowledge in a market between buyers and sellers

C. Rent-seeking Behaviour	4. Effective economic policies with improved state capability
D. Institutional Environment	

A B C D

a. 3 1 2 4

b. 2 4 3 1

c. 3 4 2 1

d. 2 1 3 4

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