

WBCS (Main) Exam Paper – V Practice Set

Answers with Explanation

1. (c) The Government of India Act 1935, the voluminous and final constitutional effort at governing British India, articulated three major goals: establishing a loose federal structure, achieving provincial autonomy, and safeguarding minority interests through separate electorates. The federal provisions, intended to unite princely states and British India at the centre, were not implemented because of ambiguities in safeguarding the existing privileges of princes. In February 1937, however, provincial autonomy became a reality when elections were held. অ্যাচিভার্স
2. (d) The most profound influence was exercised by the Government of India Act of 1935. Such features as the federal scheme, office of governor, power of federal judiciary, emergency powers etc were drawn from this Act. The British practice influenced the lawmaking procedures, rule of law, system of single citizenship, besides, of course, the model of a parliamentary government. The US Constitution inspired details on the independence of judiciary, judicial review, fundamental rights, and the removal of Supreme Court and High Court judges. The Irish Constitution was the source of the Directive Principles, method of Presidential elections, and the nomination of members of Rajya Sabha by the President. অ্যাচিভার্স
3. (d) The National Green Tribunal was established on 18 October 2010 under the National Green Tribunal Act 2010 for effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources. It is responsible for enforcement of any legal right relating to environment. অ্যাচিভার্স
4. (c) The Constituent Assembly of India was elected to write the Constitution of India. Some of its prominent members were Pandit Jawaharlal Nehru, Maulana Abul Kalam Azad, Sardar Vallabhbhai Patel, Acharya J. B. Kriplani, Dr. Rajendra Prasad, Smt. Sarojini Naidu, Shri Hare-Krushna Mahatab, Pandit Govind Ballabh Pant, Dr. B. R. Ambedkar, Shri Sarat Chandra Bose, Shri C. Rajagopalachari and Shri M. Asaf Ali.
5. (c) India is a republic because India elects its supreme head. It is called a republic because of the applicable definition of a republic: a form of government in which representatives are entitled to act on behalf of the people whom they represent. অ্যাচিভার্স
6. (c) Benegal Narsing Rau was an Indian bureaucrat, jurist, diplomat and statesman known for his key role in drafting the Constitution of India. He was also India's representative to the United Nations Security Council from 1950 to 1952. B. N. Rau was appointed as the Constitutional Adviser to the Constituent Assembly in formulating the Indian Constitution. He was responsible for the general structure of the its democratic framework of the Constitution and prepared its original draft. The President of the Constituent Assembly Dr. Rajendra Prasad, before signing the Constitution on 26 November, 1949, thanked Rau for having 'worked honorarily all the time that he was here, assisting the assembly not only with his knowledge and erudition but also enabled the other members to perform their duties with thoroughness and intelligence by supplying them with the material on which they could work.' অ্যাচিভার্স
7. (a) The slogan "Sarva Dharma Sama Bhava" was coined by Mahatma Gandhi in pursuit of his dream of Hindu-Muslim unity. Dr. S. Radhakrishnan was the President of the Republic of India who consistently described Indian Secularism as 'Sarva Dharma Samabhav'. অ্যাচিভার্স
8. (c) Dr. B. R. Ambedkar, the chairman of the Drafting committee, called the fundamental right to constitutional remedies as the heart and soul of the Indian constitution. Right to constitutional remedies empowers the citizens to move a court of law in case of any denial of the fundamental rights. The courts can issue various kinds of writs. These writs are habeas corpus, mandamus, prohibition, quo warranto and certiorari.
9. (c) A Draft Constitution was prepared by the committee and submitted to the Assembly on

4 November 1947. Draft constitution was debated and over 2000 amendments were moved over a period of two years. Finally on 26 November, 1949, the process was completed and Constituent assembly adopted the constitution. 284 members signed the document and the process of constitution making was complete.

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10. (a) Dr. Sachidanand Sinha was the first president of the Constituent Assembly. Later, Dr. Rajendra Prasad was elected president of the Constituent Assembly while B. R. Ambedkar was appointed the Chairman of the Drafting Committee.
11. (b) Constitutional government is defined by the existence of a constitution—which may be a legal instrument or merely a set of fixed norms or principles generally accepted as the fundamental law of the polity—that effectively controls the exercise of political power. Persons do not call the shots or frame rules in such governments. Everything that is to be governed is dictated by set of rules enshrined in the constitution.
12. (d) The Constituent Assembly of India was elected to write the Constitution of India. The Constituent Assembly was set up while India was still under British rule, following negotiations between Indian leaders and members of the 1946 Cabinet Mission to India from the United Kingdom.
13. (d) Legal sovereignty represents the lawyer's conception of sovereignty. It is associated with the supreme law-making authority in the state. The body which has the power to issue final commands in the form of laws is the legal sovereign in a state. This power may be vested in one person or a body of persons. It may be a king or dictator or parliament. Legal sovereignty is organized and re-organized by constitutional law.
14. (c) Secularism is the principle of separation of government institutions, and the persons mandated to represent the State, from religious institutions and religious dignitaries. India is a secular country as per the declaration in the Preamble to the Indian Constitution. It prohibits discrimination against members of a particular religion, race, caste, sex or place of birth. Every person has the right to preach, practice and propagate any religion they choose. The government must not favour or discriminate

against any religion. It must treat all religions with equal respect. All citizens, irrespective of their religious beliefs are equal in front of law.

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15. (d) The Constitution of India borrowed the following features from Australia: concurrent list; language of the preamble; and provisions regarding trade, commerce and intercourse.
16. (c) 'Presidential Form of Government' is not a feature of Indian Constitution.
17. (c) At the Faizpur Session of the Congress in December 1936, Pandit Jawaharlal Nehru, in his Presidential Address, referred to the Government of India Act 1935 as "The new Charter of Bondage" which was being imposed upon them despite complete rejection. He said that the Congress was going to the Legislatures to combat the Act and seek to end it.
18. (d) The state has four essential elements: population, territory, government and sovereignty. Absence of any of these elements denies to it the status of statehood.
19. (b) Democracy is a form of government in which all eligible citizens have an equal say in the decisions that affect their lives. Democracy allows eligible citizens to participate equally in creation of laws and enables the free and equal practice of political selfdetermination. So the political aspect can be considered to the most important.
20. (d) The Central Legislative Assembly was a legislature for India created by the Government of India Act 1919 from the former Imperial Legislative Council, implementing the Montagu-Chelmsford Reforms. It was formed in 1920.
21. (b) A parliamentary system is a system of democratic governance of a state in which the executive branch derives its democratic legitimacy from, and is held accountable to, the legislature (parliament). The executive and legislative branches are thus interconnected.
22. (c) The concept of "equality before the law" has been borrowed from the British Common Law upon which English Legal System was founded. However, "equal protection of laws" has its link with the American Constitution.
23. (d) Democratic socialism is a political ideology advocating a democratic political system alongside a socialist economic system. It highlights the central role of democratic

processes and political systems and is usually contrasted with non-democratic political movements that advocate socialism.

24. (c) India has a democratic set up with all citizens having equal rights. This could have been farther from truth if the concept of universal adult suffrage was not adopted. Article 326 of the Indian Constitution grants universal adult suffrage which is one of the defining features of a democratic set up. **ଆଞ୍ଚିତ୍ସ**
25. (d) The idea of Constituent assembly of India was first put forward by Manabendra Nath Roy or M. N. Roy in 1934. In 1935, it became the official demand of Indian National Congress. It was accepted in August 1940 in the August Offer; however, it was constituted under the Cabinet Mission plan of 1946. The constituent assembly drafted the constitution of India.
26. (c) The makers of Indian constitution borrowed the feature of amendment procedures from South Africa. The procedure of amendment in the constitution is laid down in Part XX (Article 368) of the Constitution of India. Besides, the provision of indirect election of members of the Rajya Sabha was also borrowed from the South African constitution.
27. (c) The framers of Indian Constitution adopted the feature of 'written constitution' from USA. The Indian Constitution is the lengthiest written constitution in the world. The other features borrowed from the US Constitution include: an executive head of state known as President; provision of fundamental rights; independence of the judiciary; etc. **ଆଞ୍ଚିତ୍ସ**
28. (a) The Government of India Act 1858, known as the Act for the Good Government of India, provided for liquidation of East India Company, and transferred the powers of government, territories and revenues to the British Crown. The Company's territories in India were vested in the Queen, the Company ceasing to exercise its power and control over these territories. India was to be governed in the Queen's name. **ଆଞ୍ଚିତ୍ସ**
29. (b) The Constituent Assembly elected for an undivided India) met for the first time on 9 December 1946, reassembling on 14 August 1947 as a sovereign body and successor to the British parliament's authority in India. it was formed under the Cabinet Mission Plan on 16 May 1946.
30. (b) To divide the Hindu-Muslim unity, the Indian

Councils Act 1909 introduced separate electorates for Muslims. It stipulated that in councils and in the imperial legislature, for the number of reserved seats to be in excess of their relative population (25 percent of the Indian population), and that only Muslims should vote for candidates for the Muslim seats ('separate electorates'). **ଆଞ୍ଚିତ୍ସ**

31. (c) India follows representative democracy that is also known as indirect democracy. It is a type of democracy founded on the principle of elected officials representing a group of people, as opposed to direct democracy. Simply put, a representative democracy is a system of government in which all eligible citizens vote on representatives to pass laws for them. **ଆଞ୍ଚିତ୍ସ**
32. (c) Independence of judiciary means a fair and neutral judicial system of a country. Article 50 in the Constitution Of India, belonging to the Directive Principles of State Policy, deals with separation of judiciary from executive. It says that the State shall take steps to separate the judiciary from the executive in the public services of the State.
33. (d) The principle of 'equal pay for equal work' has an important place in India. It is read with Article 39 (d) and Article 14 of the Constitution of India. During the 1970s and the 1980s, the Supreme Court applied this principle liberally, without demanding clear proof in the pleadings. It is not a fundamental right. **ଆଞ୍ଚିତ୍ସ**
34. (c) A Money Bill can be introduced in Lok Sabha only. If any question arises whether a Bill is a Money Bill or not, the decision of Speaker thereon is final. The Speaker is under no obligation to consult any one in coming to a decision or in giving his certificate that a Bill is a Money Bill. The certificate of the Speaker to the effect that a Bill is a Money Bill, is to be endorsed and signed by him when it is transmitted to Rajya Sabha and also when it is presented to the President for his assent.
35. (c) Under the Indian legal system, jurisdiction to issue 'prerogative writs' is given to the Supreme Court, and to the High Courts of Judicature of all Indian states. Parts of the law relating to writs are set forth in the Constitution of India. The Supreme Court, the highest in the country, may issue writs under Article 32 of the Constitution for enforcement

of Fundamental Rights and under Articles 139 for enforcement of rights other than Fundamental Rights, while High Courts, the superior courts of the States, may issue writs under Articles 226. The Constitution broadly provides for five kinds of “prerogative” writs: habeas corpus, certiorari, mandamus, quo warranto and prohibition.

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36. (b) Literally, Certiorari means to be certified. The writ of certiorari can be issued by the Supreme Court or any High Court for quashing the order already passed by an inferior court, tribunal or quasi judicial authority. A writ of certiorari is a form of judicial review whereby a court is asked to consider a legal decision of an administrative tribunal, judicial office or organization (eg. government) and to decide if the decision has been regular and complete, if there has been an error of law, if the tribunal had the power to make the decision complained of or whether the tribunal exceeded its powers in issuing the decision complained of.
37. (c) The Forty-second Amendment of the Constitution of India, enacted in 1976, attempted to reduce the power of the Indian Supreme Court and High Courts to pronounce upon the constitutional validity of laws. It also declared India to be a socialist and secular republic, and as securing fraternity assuring the unity “and integrity” of the Nation, by adding these words to the Preamble of the Constitution of India.
38. (d) India is a democratic country. People of India elect their representative through direct franchise and representatives elect the government to make or amend rules & regulations and to carry out day to day functioning of governance. One basic principle of democracy is that people are the source of all political power. In a democracy, people rule themselves through institutions of self-governance.
39. (b) Civil and political rights are a class of rights based upon birthright into a polity or designation otherwise of human rights. They ensure a citizen’s ability to fully participate in the civil and political life of the state without discrimination or repression, and protect the freedom of classes of persons and individuals from unwarranted infringement into those rights by governments, private organizations, and other entities. Political rights include natural

justice (procedural fairness) in law, such as the rights of the accused, including the right to a fair trial; due process; the right to seek redress or a legal remedy; and rights of participation in civil society and politics such as freedom of association, the right to assemble, the right to petition, the right of self-defense, and the right to vote.

40. (c) Habeas corpus means “you must present the person in court”. It is a writ (legal action) which requires a person under arrest to be brought before a judge or into court. This ensures that a prisoner can be released from unlawful detention, in other words, detention lacking sufficient cause or evidence. The remedy can be sought by the prisoner or by another person coming to the prisoner’s aid. The legal right to apply for a habeas corpus is also called by the same name.
41. (b) Money Bills are those that are classified under Article 110 (1) of the Constitution of India. The President may either give or withhold his assent to a Money Bill. Under the Constitution, a Money Bill cannot be returned to the House by the President for reconsideration.
42. (b) The Directive Principles are an amalgam of diverse subjects embracing the life of the nation and include principles which are general statements of social policy, principles of administrative policy, socioeconomic rights and a statement of the international policy of the country. Articles 41-43A and Article 48 specifically target the working sections of the nation and provide for the betterment of the workers and their living conditions.
43. (c) Political groups have demanded that the right to work, the right to economic assistance in case of unemployment, old age, and similar rights be enshrined as constitutional guarantees to address issues of poverty and economic insecurity, though these provisions have been enshrined in the Directive Principles of state policy.
44. (c) The preamble to the Constitution of India is a brief introductory statement that sets out the guiding purpose and principles of the document. The Preamble mentions Justice, social, economic and political; LIBERTY, of thought, expression, belief, faith and worship; EQUALITY of status and of opportunity; and FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation.

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45. (c) There is only one article pertaining to the Minorities in the Constitution of India. Article 30 of the Constitution provides that all minorities, whether based on religion or language, shall have the right to establish and administer educational institutions of their choice. The Constitution thus envisages that minorities can be based on religion or language. Minorities are identified on the basis of percentage of the population of the Group to the total population স্মার্টড্রিস
46. (b) It is a constitutional right. Article 326 (in Part XV) of the Constitution gives this right. It is not a Fundamental right.
47. (b) Any person born in India, on or after 26 January, 1950 but prior to the commencement of the 1986 Act on 1 July, 1987, is a citizen of India by birth. The Central Government may, on an application, register as a citizen of India under section 5 of the Citizenship Act 1955 any person (not being an illegal migrant) if he belongs to certain categories. Persons born outside India on or after 26 January, 1950 but before 10 December, 1992 are citizens of India by descent if their father was a citizen of India at the time of their birth. স্মার্টড্রিস
48. (d) The Directive Principles of State Policy are guidelines to the central and state governments of India, to be kept in mind while framing laws and policies. These provisions, contained in Part IV of the Constitution of India, are not enforceable by any court, but the principles laid down therein are considered fundamental in the governance of the country, making it the duty of the State to apply these principles in making laws to establish a just society in the country.
49. (a) The Fundamental Duties of citizens were added to the Constitution by the 42nd Amendment in 1976. Fundamental Duties obligate all citizens to respect the national symbols of India, including the Constitution, to cherish its heritage, preserve its composite culture and assist in its defense. স্মার্টড্রিস
50. (c) The Supreme Court, the highest in the country, may issue writs under Article 32 of the Constitution for enforcement of Fundamental Rights and under Articles 139 for enforcement of rights other than Fundamental Rights, while High Courts, the superior courts of the States, may issue writs under Articles 226. The Constitution broadly provides for five kinds of “prerogative” writs: habeas corpus, certiorari, mandamus, quo warranto and prohibition.
51. (d) There are primarily two types of economies capitalist or free market economy and socialist economy. Mixed economy is a median between these two main economies taking some characteristics of either of them. We have adopted mixed economy in India. All the basic industries such as railways, post and telegraph, defence production, atomic energy etc. are in the public sector. Industries dealing with consumer goods are in the private sector. India has a public private partnership economy.
52. (d) NABARD is the apex institution in the country which looks after the development of the cottage industry, small industry and village industry, and other rural industries. Its other functions are: to coordinate the rural financing activities of all institutions engaged in developmental work at the field level and maintain liaison with Government of India, State Governments, Reserve Bank of India (RBI) and other national level institutions concerned with policy formulation; to re-finance the financial institutions which finances the rural sector; to regulate the cooperative banks and the RRB’s, etc. NABARD’s refinance is available to State Co-operative Agriculture and Rural Development Banks (SCARDBs), State Co-operative Banks (SCBs), Regional Rural Banks (RRBs), Commercial Banks (CBs) and other financial institutions approved by RBI. স্মার্টড্রিস
53. (b) The logo of the Reserve Bank of India comprises a tiger walking underneath a palm tree. When RBI was created, it was decided that the reverse of Double Mohur, the Lion and Palm design should be used as the emblem of RBI. The last minute modification was made introducing Tiger instead of Lion
54. (d) The immediate effect of devoting a larger share of national output to investment is that the economy devotes a smaller share to consumption; that is, “living standards” as measured by consumption fall. The higher investment rate means that the capital stock increases more quickly, so the growth rates of output and output per worker rise. According to Smith, in a developing economy, both income level and capital stock rise. In addition to this, the rate of capital accumulation

also shows a tendency to increase. This leads to increase in the capital stock in successive periods as investment keeps on increasing. Another important factor which contributes to the progress of an economy is the successive decline in the incremental capital-output ratio due to the influence of capital on the productivity of labour.

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55. (c) The proceeds of income tax are compulsorily shareable between the Centre and the States. It is imposed and collected by the Central government but the proceeds are shared between the both. The share of the states in the net proceeds of income tax has varied from 55 per cent as under the First Finance Commission to 85 per cent as under the ninth Commission. regarding criterion for fixation of the shares of individual states, the percentage of the net proceeds of income tax assigned to them, the first to seventh finance commissions recognised 'population' and contribution to be the relevant factors. So a major portion of the proceeds of income tax goes to the states. But, the truth is they are shared between the centre and the states.

56. (b) Open Market Operations (OMOs) are the market operations conducted by the Reserve Bank of India by way of sale/ purchase of Government securities to/ from the market with an objective to adjust the rupee liquidity conditions in the market on a durable basis. When the RBI feels there is excess liquidity in the market, it resorts to sale of securities thereby sucking out the rupee liquidity. Similarly, when the liquidity conditions are tight, the RBI will buy securities from the market, thereby releasing liquidity into the market. The two traditional type of OMO's used by RBI are: Outright purchase (PEMO): Is outright buying or selling of government securities; and Repurchase agreement (REPO): Is short term, and are subject to repurchase.

57. (a) Statutory liquidity ratio is the amount of liquid assets such as precious metals (Gold) or other approved securities, which a financial institution must maintain as reserves other than the cash. The statutory liquidity ratio is a term most commonly used in India. The objectives of SLR are to restrict the expansion of bank credit. They serve to augment the investment of the banks in government securities and ensure solvency of banks.

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58. (b) National income measures the monetary value of the flow of output of goods and services produced in an economy over a period of time. National Income is the total economic activity (production of finished goods and services calculated in monetary value) within the economic territory of a country by its residents during the year of accounting. In other words National Income of a country is the Net National Product at factor cost.

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59. (c) Originally, the assets of the Issue Department were to consist of not less than two-fifths of gold coin, gold bullion or sterling securities provided the amount of gold was not less than Rs. 40 crore in value. The remaining three-fifths of the assets might be held in rupee coins, Government of India rupee securities, eligible bills of exchange and promissory notes payable in India. Due to the exigencies of the Second World War and the post-war period, these provisions were considerably modified. Since 1957, the Reserve Bank of India is required to maintain gold and foreign exchange reserves of Rs. 200 crore (2 billion), of which at least Rs. 115 crore should be in gold and Rs. 85 crore in the form of Government Securities. The system as it exists today is known as the minimum reserve system.

60. (d) In India, there are some regulations and restrictions with regard to establishing industries in certain categories. This is done by making it mandatory to obtain licenses before setting up such an industry. The Licence Raj which continued till 1991 (liberalization was introduced) was a result of India's decision to have a planned economy where all aspects of the economy are controlled by the state and licences are given to a select few. Up to 80 government agencies had to be satisfied before private companies could produce something and, if granted, the government would regulate production. The Industrial Policy Resolution 1956 aimed at the removal of regional disparities through development of regions with low industrial base. The Indian economy was then guided by the socialistic model of planned development rather than being guided by profit.

61. (b) The Constitution of India has a number of other provisions relevant to stamp duties. Of these, Article 246 and the Seventh Schedule are relevant in regard to the legislative power

to levy Stamp duties. Article 268 states that stamp duties and such duties of excise on medicinal and toilet preparations as are mentioned in the Union List shall be levied by the Government of India but shall be collected (a) in the case where such duties are leviable within any Union Territory, by the Government of India, and (b) in other cases, by the States within which such duties are respectively leviable. It further states that proceeds in any financial year of any such duty leviable within any State shall not form part of the Consolidated Fund of India, but shall be assigned to that State.

62. (d) A sales tax is a consumption tax charged at the point of purchase for certain goods and services. The tax is usually set as a percentage by the government charging the tax. Sales tax can be levied either by the Central or State Government or Central Sales tax department. The revenue from this tax was assigned to the States by amending Article 269 of the Constitution. Thus, sale within the State (Intra-State sale) is within the authority of State Government, while sale outside State (Inter-State sale) is within the authority of Central Government.
63. (b) Some of the taxes of the central government are: Taxes on income other than agricultural income; Duties of customs including export duties; Duties of excise on tobacco and other goods manufactured or produced in India except (i) alcoholic liquor for human consumption, and (ii) opium, Indian hemp and other narcotic drugs and narcotics, but including medicinal and toilet preparations containing alcohol or any substance; Corporation Tax; Taxes on capital value of assets, exclusive of agricultural land, of individuals and companies, taxes on capital of companies; Estate duty in respect of property other than agricultural land; etc. Central tax means taxes that are levied and collected by the central government.
64. (d) The fiscal deficit is the difference between the government's total expenditure and its total receipts (excluding borrowing). The elements of the fiscal deficit are (a) the revenue deficit, which is the difference between the government's current (or revenue) expenditure and total current receipts (that is, excluding borrowing) and (b) capital expenditure. The

fiscal deficit can be financed by borrowing from the Reserve Bank of India (which is also called deficit financing or money creation) and market borrowing (from the money market that is mainly from banks).

65. (a) The Finance Commission of India came into existence in 1951. It was established under Article 280 of the Indian Constitution by the President of India. It was formed to define the financial relations between the centre and the state. The Constitution of India has made several provisions to bridge the gap of finances between the Centre and the States. These include various articles in the constitution like Article 268, which facilitates levy of duties by the Centre but equips the states to collect and retain the same. Similarly, there are Articles 269, 270, 275, 282 and 293 all of which specify ways and means of sharing resources between Union and States. Apart from the above- mentioned provisions, The Indian Constitution provides an institutional framework to facilitate Centre- State Transfers. This body is the Finance Commission.
66. (b) Under Section 22 of the Reserve Bank of India Act, the Bank has the sole right to issue bank notes of all denominations. The distribution of one rupee notes and coins and small coins all over the country is undertaken by the Reserve Bank as agent of the Government. The one rupee note is issued by the Ministry of Finance and bears the signature of the secretary. The responsibility for coinage vests with Government of India on the basis of the Coinage Act, 1906 as amended from time to time. The designing and minting of coins in various denominations is also attended to by the Government of India.
67. (d) There are two components of expenditure - plan and non-plan. Of these, plan expenditures are estimated after discussions between each of the ministries concerned and the Planning Commission. Non-plan revenue expenditure is accounted for by interest payments, subsidies (mainly on food and fertilisers), wage and salary payments to government employees, grants to States and Union Territories governments, pensions, police, economic services in various sectors, other general services such as tax collection, social services, and grants to foreign governments.

68. (b) The Commission for Agricultural Costs and Prices (CACP), the government's nodal agency to recommend the minimum price for farm commodities. The Agricultural Prices Commission was set up in January, 1965 to advise the Government on price policy of major agricultural commodities with a view to evolving a balance and integrated price structure in the perspective of the overall needs of the economy and with due regard to the interests of the producer and the consumer. Since March 1985, the Commission has been known as Commission for Agricultural Costs and Prices অ্যাডভান্স
69. (c) The Planning Commission is an institution in the Government of India, which formulates India's Five- Year Plans, among other functions. It was set up on 15 March 1950, with Prime Minister Jawaharlal Nehru as the chairman. Planning Commission though is a non statutory as well extra constitutional body, i.e. has been brought by an executive order. The Planning Commission does not derive its creation from either the Constitution or statute, but is an arm of the Central/Union Government.
70. (c) Eleventh Five-Year Plan (2007–2012) aims to accelerate GDP growth from 8% to 10% and then maintain at 10% in the 12th Plan in order to double per capita income by 2016–17; create 70 million new work opportunities; increase agricultural GDP growth rate to 4% per year to ensure a broader spread of benefits; etc.
71. (b) The Foreign Exchange Regulation Act (FERA) was legislation passed by the Indian Parliament in 1973 with the aim of regulating payments and foreign exchange. FERA was repealed in 1999 by the government of Atal Bihari Vajpayee and replaced by the Foreign Exchange Management Act, which liberalised foreign exchange controls and restrictions on foreign investment. FEMA, which replaced Foreign Exchange Regulation Act (FERA), had become the need of the hour since FERA had become incompatible with the pro-liberalisation policies of the Government of India. FEMA has brought a new management regime of Foreign Exchange consistent with the emerging framework of the World Trade Organisation (WTO). অ্যাডভান্স
72. (b) Mixed economy is an economic system in which both the state and private sector direct the economy, reflecting characteristics of both market economies and planned economies. The basic idea of the mixed economy is that the means of production are mainly under private ownership; that markets remain the dominant form of economic coordination; and that profit-seeking enterprises and the accumulation of capital remain the fundamental driving force behind economic activity. However, unlike a free-market economy, the government would wield considerable indirect influence over the economy through fiscal and monetary policies.
73. (c) The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is an Indian job guarantee scheme, enacted by legislation on August 25, 2005. It aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work. The law was initially called the National Rural Employment Guarantee Act (NREGA) but was renamed on 2 October, 2009. অ্যাডভান্স
74. (c) The Reserve Bank of India was set up on the basis of the recommendations of the Hilton Young Commission. The Reserve Bank of India Act, 1934 (II of 1934) provides the statutory basis of the functioning of the Bank, which commenced operations on April 1, 1935. The Reserve Bank of India was nationalised with effect from 1st January, 1949 on the basis of the Reserve Bank of India (Transfer to Public Ownership) Act, 1948. All shares in the capital of the Bank were deemed transferred to the Central Government on payment of a suitable compensation. অ্যাডভান্স
75. (d) The Annapurna Scheme was launched by the Ministry of Rural Development on April 1, 2000 as a 100 per cent Centrally Sponsored Scheme aiming at providing food security to meet the requirement of those destitute senior citizens who though eligible have remained uncovered under the National Old Age Pension Scheme (NOAPS). From 2002-2003, this scheme was transferred to State Plan along with the NSAP. Indigent senior citizens or 65 years of age or above who though eligible for old age pension under the National Old Age Pension Scheme (NOAPS) but were not getting the pension were covered under the Scheme. 10 kgs of foodgrains per person per month was supplied free of cost under the scheme. অ্যাডভান্স

76. (d) National Income is the money value of all goods and services produced in a country during a year. The income method of the calculation of National Income adds up all incomes received by the factors of production generated in the economy during a year. This includes wages from employment and selfemployment, profits to firms, interest to lenders of capital and rents to owners of land.
77. (b) As per the Union Budget 2011-12, direct taxes contributed between 50-60 per cent of tax revenue. Corporation Tax is the single biggest income source for the government. The contributions of excise and customs duties have been gradually declining after 1990-91 reform due to rationalization of tax structures and reduction of levy rates. Excise duties, at present, contribute 17 per cent; Custom duties: 17 per cent, while Service Duty contributes 9 per cent. In the early 1990s, the share of net corporate tax revenues in the total tax revenues (from direct and indirect tax) stood at 12.4 per cent, while that of net excise duty was 32 per cent. However, over the years, economic gains in India Inc have trickled down to the exchequer in the form of higher Corporate Tax collections. অ্যাচিভার্স
78. (d) The agricultural policy of the Government of India envisages substantial credit flow to increase agricultural production and productivity. Banks provide term finance to farmers for development purposes and short term loans for production purposes. Besides, NABARD provides its refinance for the promotion of agriculture in India.
79. (b) India borrowed features of fundamental duties and planning mechanism from the former Soviet Union. India opted for planned economic growth model as resources were scarce at the time of independence. So it was imperative for the leaders to move along planned model so as to achieve optimum utilization of resources development and meeting the aim of social justice simultaneously. অ্যাচিভার্স
80. (d) The Export-Import Policy announced on March 31, 1992 said that all goods, except those coming under the negative list, could be freely imported and exported. The negative list consisted of goods, the import or export of which was prohibited; restricted through licensing or otherwise; or canalized. Canalized items can be imported by Canalizing Agency only and not by an individual importer. An individual importer requires an Import licence issued under the Export and Import Policy for importing canalized items. অ্যাচিভার্স
81. (c) NABARD provides its refinance for the promotion of agriculture in India.
82. (c) The Reserve Bank of India has the sole right to issue bank notes of all denominations. The distribution of one rupee notes and coins and small coins all over the country is undertaken by the Reserve Bank as agent of the Government. The system as it exists today is known as the minimum reserve system.
83. (c) In 1969, 14 major private commercial banks were nationalized. This was followed by a second phase of nationalization in 1980, when Government of India acquired the ownership of 6 more banks, thus bringing the total number of nationalized Banks to 20.
84. (c) India changed from the rupee, anna, pie system to decimal currency on 1 April 1957. To distinguish between the two, the coins minted between 1957 and 1964 have the legend “Naya Paisa” (“new” paisa). অ্যাচিভার্স
85. (b) In India, ‘Small Farmer’ means a farmer cultivating (as owner or tenant or share cropper) agricultural land of more than 1 hectare and up to 2 hectares (5 acres). ‘Marginal Farmer’ means a farmer cultivating agricultural land up to 1 hectare (2.5 acres).
86. (a) Maruti Udyog Ltd. came into being in the year 1982 when Suzuki Motor Corporation (SMC) entered into a joint venture with Government of India to manufacture fuel-efficient passenger cars under the brand name Maruti. Maruti cars, based on Japanese philosophy for super-efficient manufacturing, brought about the renaissance of the Indian components industry. অ্যাচিভার্স
87. (c) July–December corresponds to the main agricultural season in India, while January–June is a relatively ‘slack’ season. Since more than 50% of India’s workforce is engaged in agriculture sector, the slackness of this sector imparts sluggishness to the entire economy.
88. (c) Money market helps in securing short-term loans to meet working capital requirements through the system of finance bills, commercial papers, etc. it plays crucial role in financing both internal as well as international trade. অ্যাচিভার্স

89. (a) Net Factor Income from Abroad (NFIA) refers to income generated by nationals abroad in the form of wages, salaries, rent, interest, dividend and profit. It has the following three components: (a) Net compensation of employees; (b) Net income from property i.e., rent, interest and income from entrepreneurship (that is, profits and dividends); and (c) Net retained earnings of the resident companies working in foreign countries. Profits earned by Indian banks functioning abroad come under 'income from entrepreneurship.' অ্যাডভান্স
90. (b) Provision of Urban Amenities to Rural Areas (PURA) is a strategy for rural development in India. This concept was given by former president Dr. A.P.J. Abdul Kalam and discussed in his book Target 3 Billion which he co-authored with Srijan Pal Singh. PURA proposes that urban infrastructure and services be provided in rural hubs to create economic opportunities. অ্যাডভান্স
91. (c) Macroeconomics is a branch of economics dealing with the performance, structure, behavior, and decision-making of an economy as a whole, rather than individual markets. It explains the relationship between such factors as national income, output, consumption, unemployment, inflation, savings, investment, etc. অ্যাডভান্স
92. (a) The State Bank of India traces its ancestry to British India, when the Bank of Calcutta was established on 2 June 1806. The Bank of Bengal was one of three Presidency banks, the other two being the Bank of Bombay (1840) and the Bank of Madras (1843). The Presidency banks amalgamated on 27 January 1921 as the Imperial Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India.
93. (d) According to Prof. Kindleberger, Todaro, Lewis and Nurkse etc., agriculture makes its contribution to economic development in several ways, viz.,: অ্যাডভান্স
- By providing food and raw material to non-agricultural sectors of the economy,
 - By creating demand for goods produced in non-agricultural sectors, by the rural people on the strength of the purchasing power, earned by them on selling the marketable surplus,
 - By providing investable surplus in the form of savings and taxes to be invested in non-agricultural sector, অ্যাডভান্স
- By earning valuable foreign exchange through the export of agricultural products, etc.
94. (b) The independent review committee headed by Dr. P. Rama Rao was set up to review the functioning of Defence Research and Development Organisation (DRDO). The following recommendations of the committee were accepted by the government: (i) nomination of nodal officers for structured interaction between DRDO and Services; (ii) Integrated Financial Advice Scheme for financial decentralization; etc. অ্যাডভান্স
95. (a) Union Government on 25 September 2014 launched Deen Dayal Upadhyay Antyodaya Yojana for alleviating urban and rural poverty through enhancement of livelihood opportunities through skill development and other means. The Yojana aims at training 10 lakh (1 million) rural youths for jobs in three years, that is, by 2017.
96. (d) The duration of the 12th Five Year Plan is 1 April 2012 to 31 March 2017. The Eleventh Five Year Plan covered the period from 1 April 2007 to 31 March 2012.
97. (a) Open market operations (OMO) refers to the buying and selling of government securities in the open market in order to expand or contract the amount of money in the banking system. A central bank (Reserve Bank of India) uses OMO as the primary means of implementing monetary policy. অ্যাডভান্স
98. (b) India's share in global trade was 2.8 per cent in 2014, up from 2.07 per cent in 2013. The government aims to increase its share in the global trade to 3.5 per cent by 2020.
99. (d) The Mumbai Stock Exchange, also known as Bombay Stock Exchange (BSE), was established in 1875. It claims to be Asia's first stock exchange and the world's fastest stock exchange, with a median trade speed of 6 microseconds.
100. (b) Priority sector lending is an important role given by the Reserve Bank of India (RBI) to the banks for providing a specified portion of the bank lending to few specific sectors like agriculture and allied activities, micro and small enterprises, and weaker sections. It aims to ensure that adequate institutional credit flows into some of the vulnerable sectors of the economy, which may not be attractive for the banks from the point of view of profitability.