

WBCS Exam Related Economics & Finance Questions

Answers with Explanation

1. (a) Union Budget of India is presented by Finance Minister of India in Lok Sabha on 1st February every year. শ্রীচিভর্ষ
2. (d) Union Budget of India is presented maximum number of times by Morarji Desai.
3. (c) R K Sanmukham Chetty presented the first budget (Interim) of Independent India.
4. (b) In an oligopoly market there are a few sellers and many buyers.
5. (a) The aim of 1st 5 year plan was to correct the disequilibrium in the economy.
6. (b) Maharastra has the highest number of cotton textile mills.
7. (d) 5th Five Year Plan (1974-1979). শ্রীচিভর্ষ
8. (c) Census of India held after every 10 years.
9. (a) M S Swaminathan was the Chief Architect of Green revolution.
10. (a) Mumbai Stock Exchange was set up in 1875. It is Asia's oldest stock exchange.
11. (b) NSDL – National Securities Depository Limited.
12. (c) NABARD looks after the credit needs of agriculture and rural development in India.
13. (c) Credit Card is not provided by payments Bank.
14. (a) Taxes levied by state governments-excise duty on liquor.
15. (a) Tea industry employs the largest number of women in India. শ্রীচিভর্ষ
16. (c) Maastricht Treaty provided for a common currency for the member countries of European Community.
17. (b) SEBI – Securities and Exchange Board of India.
18. (c) SEBI has the regulatory authority for mutual funds and stock markets.
19. (b) Terms 'Bulls and bears' are associated with stock exchange market.
20. (a) Small and medium scale industries.
21. (a) Income tax is a progressive tax. As income rises, tax also rises and vice-versa.
22. (a) Stamp duties are levied by Union and collected and appropriated by the states.
23. (c) New Industrial Policy – 1991.
24. (c) Chelliah Committee of 1992 deals with the overhauling of tax system. শ্রীচিভর্ষ
25. (b) Economic planning is an essential feature of socialist economy.
26. (b) Essential characteristic of mixed economy– Co-existence of private and public sectors.
27. (d) Value of goods and services produced in a country within a year is called Gross National Products (GNP) at market prices.
28. (d) COFEPOSA deals with economic offences.
29. (b) Bank of Hindustan is the oldest bank of India. It started functioning in 1770. শ্রীচিভর্ষ
30. (b) Bank of Calcutta, Bank of Bombay and Bank of Madras were merged in 1921 to form Imperial bank of India.
31. (d) Imperial bank of India nationalised in 1955 to form State Bank of India.
32. (b) Reserve Bank of India has the sole right of issuing currency in India.
33. (c) In India, coins and subsidiary coins are issued by Ministry of Finance.
34. (b) Reserve Bank of India.
35. (c) International Development Association (IDA) provides long term loans at zero interest to the poorest developing countries. শ্রীচিভর্ষ
36. (d) The best indicator of economic development of any country is its per capita income.
37. (c) Father of operation Flood – Dr. Varghese Kurien.
38. (b) Yellow revolution is related to increase in oil seeds.
39. (b) Third Five Year Plan is known as Gadgil Yojana.
40. (b) 1st bank purely managed by Indians – Punjab National Bank.
41. (a) Broad money – M1.
42. (b) Current fund transaction limit under UPI – Rs. 1,00,000.
43. (c) International Rice Research Centre – Phillipines.
44. (c) Terms 'Entry load' and 'Exit load' are frequently used in context of mutual funds.
45. (d) 1, 2, 3 all are correct. শ্রীচিভর্ষ
46. (d) World Economic Outlook is a survey conducted and published by IMF.
47. (c) The Book Titled 'Poverty and Famines' author – Amartya Sen.
48. (c) Equal distribution of wealth is not a characteristic of Indian Economy.
49. (c) First Five Year Plan is also known as – Harrod domar plan.
50. (d) Indian Corporations accessing foreign funds.
51. (a) FATF founded in the year 1989. শ্রীচিভর্ষ
52. (b) Sharia index launched by BSE – 2010.
53. (a) Financial instrument deriving value from an asset is called derivative.

54. (b) Contribution of service sector to GDP of India – 55.39%. প্র্যাচিভর্স
55. (a) Development expenditure of the central government does not include – defence expenditure.
56. (b) Market of Government securities is known as Gild edged market.
57. (c) In the second nationalisation of commercial banks, 6 bank were nationalised.
58. (a) Reduction in the value of a currency vis-a-vis major international trade currencies.
59. (c) Depreciation means – loss of equipment over time due to wear and tear.
60. (b) India changed over to the decimal system of coinage in April 1957. প্র্যাচিভর্স
61. (a) If cash reserve ratio is lowered by the RBI, then its impact on credit creation will be to increase it.
62. (b) 'The currency convertibility concept' in its original form originated in Bretton woods agreement.
63. (c) States earn maximum revenue through commercial taxes.
64. (b) Debenture holders of a company are its creditors. প্র্যাচিভর্স
65. (c) Excise duty is a tax levied on the production of goods.
66. (a) To govern entry of new private sector banks to make the banking sector more productive.
67. (a) Deficit financial means that the government borrows money from the RBI.
68. (a) Regional rural banks (i) have limited area of operation (ii) have free access to liberal refinance facilities from NABARD.
69. (b) SLR: a minimum percentage of liquids that a commercial bank has to maintain in the form of liquid cash, gold or other securities.
70. (c) RBI nationalised in the year 1949.
71. (b) 14 banks were nationalised in 1969. প্র্যাচিভর্স
72. (c) NABARD.
73. (b) Ministry of finance formulates the fiscal policy.
74. (c) Difference between all receipts and all the expenditure.
75. (a) Paper currency first started in 1861.
76. (c) Deficit financing = Public Expenditure – Public Revenue.
77. (b) Planning in India derives its objectives from – Directive Principles of state policy.
78. (b) The concept of Five year plans in India was introduced by Jawaharlal Nehru.
79. (c) 1st Deputy Chairman of Planning Commission of India – Shri V T Krishnamachari.
80. (c) The decntralisation system was recommended by Balwant Rai Mehta. প্র্যাচিভর্স
81. (c) The strategy of Rolling plan was adopted during the prime ministership of Morarji Desai.
82. (c) Ragner Frisch introduced terms 'Micro Economics' and 'Macro Economics'.
83. (c) 1st ATM in India introduced by HSBC in 1987 in Mumbai.
84. (b) Tata Communication Pvt. Ltd. is the 1st non banking organisation that introduced ATM in India.
85. (d) India's 1st fully computerised Bank is Bank of India.
86. (a) India's 1st bank opened its foreign Branch is Bank of India in 1946 in London. প্র্যাচিভর্স
87. (b) If a customer deposits money with a Bank than he becomes a lender.
88. (b) Pledge.
89. (d) When a banker gives a safe deposit locker to a customer, then the customer will become the licensee.
90. (a) UNIDO Headquarters – Vienna, Austria.
91. (a) Headquarters of United Nations University – Tokyo, Japan.
92. (a) Mortgagor. প্র্যাচিভর্স
93. (c) Golden hand shake scheme its related with – Voluntary retirement.
94. (a) New Economic Policy was introduced by Lenin.
95. (a) Low rate of Interest.
96. (a) Greater.
97. (b) Capital market deals with long term fund.
98. (b) Imports exceed export.
99. (c) Integration of the domestic economy with world economy.
- 100.(c) Nationalised Commercial Bank.
- 101.(b) Second Five Year Plan (1956-61) is based on Nehru Mahalanabis model. Rapid industrialisation with particular emphasis on basic and heavy industries is the objective of the 2nd five year plan.
- 102.(d) Tenure of 5th five year plan is 1974-1979. The main objective of this plan is 'Garibi Hatao' and attainment of self-reliance.
- 103.(a) Plan Holiday was during 1966-1969. It was after 3rd five year plan. প্র্যাচিভর্স
- 104.(d) 'Jawhar Rojgar Yojana' was launched in 7th five year plan (1985-1990).
- 105.(c) A disguisedly unemployed person is the one who seems to be employed but actualy he is not. His contribution to the total output is zero or negligible. When more people are engaged in a job than actually required a state of disguised unemployment is created.

- 106.(d) The concept of disguised unemployment is given by John Robinson. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 107.(a) This kind of unemployment is called frictional unemployment.
- 108.(b) Usually the labour force of a country is population of 15 to 65 years of age.
- 109.(b) Imperial bank of India was nationalised in the year 1955.
- 110.(c) In the year 1993, New bank of India Merged with Punjab National Bank.
- 111.(d) SWIFT – Society for worldwide Interbank Financial Telecommunication.
- 112.(a) Fiat money is a legal tender whose value is backed by the government that issued it.
- 113.(a) The regulation of mutual funds in India is SEBI.
- 114.(c) Base Rate is the minimum rate set by RBI below which Indian banks are not permitted to lend to their customers. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 115.(a) IRR – Internal rate of Return. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 116.(b) Chairman of the 1st finance commission is K C Niyogi.
- 117.(b) 1st Indian Governor of RBI C D Deshmukh.
- 118.(c) Oriented Bank of Commerce (OBC) and United Bank of India merged into Punjab National Bank.
- 119.(a) Indian bank merged with Allahabad Bank.
- 120.(c) Union Bank of India merged with Andhra Bank and Corporation Bank. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 121.(b) Soft Currency. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 122.(a) GDP at factor cost is = GDP – indirect taxes + subsidies.
- 123.(b) Birth rate is high but death rate is declining due to improving health care.
- 124.(d) National Income of India is compiled by Central Statistical Organisation.
- 125.(a) Whether they are entitled to a minimum prescribed food basket. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 126.(a) The most important source of capital formation in India is : Household savings.
- 127.(d) The sold value of the old fridge, services rendered by the house wives are not added in the calculation of national income.
- 128.(c) In India, per capita income affects poverty line the most.
- 129.(c) Goa, has the highest per capita income in India. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 130.(a) Mixed Economy means an economy where there us co-existence of public sector along with private sector.
- 131.(a) Human development Index is a composite of 3 indicatos such as– longevity, educational attainment and standard of living.
- 132.(b) P K Bardhan
- 133.(b) In India, Inflation is measured by consumer price Index number for Urban non-manual workers.
- 134.(b) Because of its high population in the age group of 15 to 64 years.
- 135.(b) India opted for 'Mixed Economy' in Industrial Policy of 1948.
- 136.(b) The largest percentage of bonded labour in India belong to schedule Tribes. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 137.(b) Borrower benefits from inflation.
- 138.(a) The real measure of a country's International competitiveness is Real Exchange rate.
- 139.(b) Devaluation of Currency leads to increase in domestic prices.
- 140.(d) The components of HDI are–
(i) Life Expectancy Index
(ii) Infant Mortality rate
(iii) Population Growth rate
- 141.(c) In India, Inflation is measured by Consumer Price Index. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 142.(d) All of the Above ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 143.(b) Mumbai
- 144.(c) Foreign capital bridges the gap between domestic investment and savings.
- 145.(c) Disguised unemployment.
- 146.(c) Major burden of excise tax falls on- low middle class and poor persons. ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 147.(c) Stagnation ଓସ୍ତାଚିଡ଼ାକ୍ସ
- 148.(d) A closed economy is an economy where neither export nor import takes place.
- 149.(a) Merit goods are those goods in which the social benefit is much greater than the sum of the private benefits to individual consumers.
- 150.(b) Poverty in less developed countries is mainly because of income inequality.