

## WBCS (Main) Exam. Paper–V Practice Set

### Answers with Explanation

1. (d) National Development Council is not constitutional.
2. (b) The government of India consists of a number of ministers/departments for its administration, each ministry assigned to a minister who runs it with the assistance of a secretary in charge of the particular ministry.
3. (d) The government may be expressed by the House of People by all the statements given. So the all statements are correct. শ্রীচিভর্ষ
4. (c) The first Public Service Commission was set up on October 1st, 1926. However, its limited advisory functions failed to satisfy the people's aspirations and the continued stress on this aspect by the leaders of our freedom movement resulted in the setting up of the **Federal Public Service Commission** under the Government of India Act 1935. Under this Act, for the first time, provision was also made for the formation of Public Service Commissions at the provincial level.
5. (c) Vice president as the chairman of the upper house does not come under the basic structure of parliamentary system. শ্রীচিভর্ষ
6. (a) However the term federation has nowhere been used in the constitution. Instead, Article one of the constitution describes India as a Union of 'states'. According to Dr. B.R. Ambedkar. The phrase 'Union of States' has been preferred to Federation of States to indicate two things (i) the Indian constitution is not the result of an agreement among the states like the American federation; and (ii) the states have no right to secede from the federation. The federation is union because it is indestructible. In an emergency the central government becomes all powerful and the states go into the total control of the centre. It converts federal structure into a unitary one without a formal amendment of the constitution. This kind of transformation is not found in any other federation.
7. (d) The features of parliamentary government in India are:
  1. Nominal and Real Executive
  2. Majority Party Rule. শ্রীচিভর্ষ
  3. Collective Responsibility
4. Political homogeneity
5. Double Membership শ্রীচিভর্ষ
6. Leadership of the Prime Ministers
7. Dissolution of the Lower House
8. Secrecy
9. Fusion of Powers
8. (c) The ministers are collectively responsible to the parliament in general and to the Lok Sabha in particular (Article 75). The principle of collective responsibility implies that the Lok Sabha can remove the ministry (Council of Ministers headed by the prime minister) from office by passing a vote of no confidence.
9. (c) Features of Federal Government :-
  - Dual Government (National Government and Regional Government)
  - Written Constitution
  - Division of powers between national and regional government
  - Supremacy of the Constitution
  - Rigid Constitution
  - Independent Judiciary শ্রীচিভর্ষ
  - Bicameral Legislature
10. (c) Narasimha Rao's tenure as Chief Minister of Andhra Pradesh is well remembered even today for his land reforms and strict implementation of land ceiling act in Telangana region. Charan Singh became Chief Minister of Uttar Pradesh in 1967, and later in 1970. Deve Gowda was the 14th Chief Minister of Karnataka from 1994 to 1996. V.P. Singh was appointed by Indira Gandhi as the Chief Minister of Uttar Pradesh in 1980, when Gandhi was re-elected after the Janata interlude.  
Before the independence of India, Morarji Desai became Bombay's Home Minister and later was elected as Chief Minister of Bombay State in 1952.
11. (c) The National Integration Council (NIC) is a group of senior politicians and public figures in India that looks for ways to address the problems of communalism, casteism and regionalism is chaired by Prime Minister. The Prime Minister is the Chairman of National Water Resources Council. The National Development Council (NDC) or the Rashtriya Vikas Parishad is the apex body for decision

- making and deliberations on development matters in India, presided over by the Prime Minister. The Inter-State Council shall consist of :
- (a) Prime Minister - Chairman
- (b) Chief Ministers of all States - Member
- (c) Chief Ministers of Union Territories having a Legislative Assembly and Administrators of UTs not having a Legislative Assembly - Member
- (d) Six Ministers of Cabinet rank in the Union Council of Ministers to be nominated by the Prime Minister – Member
12. (a) Late B. R. Ambedkar stated as under in the Constituent Assembly: “The President occupies the same position as the King under the English Constitution. In a parliamentary system of Government, the Executive is responsible to the Legislature. The Council of Ministers hold their offices not by the grace of the President (or literally during the pleasure of the President) but because of the confidence of Parliament which they enjoy.
13. (a) When a bill has been passed, it is sent to the President for his approval. The President can assent or withhold his assent to a bill or he can return a bill, other than a money bill which is recommended by president himself to the houses, with his recommendations. The president can exercise absolute veto on aid and advice of council of ministers. Following position can be arrived by reading article 111 of Indian constitution with article 74. The president may also effectively withhold his assent as per his own discretion, which is known as pocket veto. If the president returns it for reconsideration, the Parliament must do so, but if it is passed again and returned to him, he must give his assent to it.
14. (d) All bills passed by the Parliament can become laws only after receiving the assent of the President. After a bill is presented to him, the President shall declare either that he assents to the Bill, or that he withholds his assent from it. As a third option, he can return a bill to the Parliament, if it is not a money bill or a constitutional amendment bill, for reconsideration. When, after reconsideration, the bill is passed and presented to the President, with or without amendments, the President cannot withhold his assent from it.
15. (d) MGNREGA Programme provides employment to every household adult members to do unskilled manual work, focuses on natural resources management and encourages sustainable development. The statute is hailed by the government as “the largest and most ambitious social security and public works programme in the world”.
16. (a) The public account committee of India is formed every year and its chairman is appointed by the speaker of the Lok Sabha.
17. (a) The 117th constitution amendment bill of India, related to the claims of SC and ST to the government services and posts demands retaining of article 335.
18. (d) The commission can inquire suo moto or on a petition presented to it by victim or any person on his behalf or on a direction into complaint of violation of human rights.
19. (b) According to article 342 of the constitution it is the parliament, which can decide on the inclusion and exclusion of a tribe into the list of schedule tribe. The President may with respect to any State or Union territory, and where it is a State, after consultation with the Governor thereof, by public notification, specify the tribes or tribal communities or parts of or groups within tribes or tribal communities which shall for the purposes of this Constitution be deemed to be Scheduled Tribes in relation to that State or Union territory, as the case may be.
20. (b) Service taxation is an example of residuary powers in India.
21. (c) The supreme court has no adjudicatory jurisdiction to change the award in the case of interstate river water disputes and delimitation of constitution.
22. (d) The concept of ‘Basic Features’ that was introduced by the Supreme Court in the Kesvananda Bharati case verdict was a response to the 24th constitutional Amendment Act. The Twenty-fourth Amendment of the Constitution of India, officially known as The Constitution (Twenty-fourth Amendment) Act, 1971, enables Parliament to dilute Fundamental Rights through Amendments of the Constitution. It also amended article 368 to provide expressly that Parliament has power to amend any provision of the Constitution. The amendment further made it obligatory for the President to give his

- assent, when a Constitution Amendment Bill was presented to him. শ্রীচিভর্ষ
23. (c) Under Article 131, disputes between different units of the Federation will be within the exclusive original jurisdiction of the Supreme Court. Subject to the provisions of this Constitution, the Supreme Court shall, to the exclusion of any other court, has original jurisdiction in any dispute (a) between the Government of India and one or more States; or (b) between the Government of India and any State or States on one side and one or more other States on the other; or (c) between two or more States.
24. (a) The award is binding in the arbitration among the three types of alternative dispute resolution—arbitration, conciliation and mediation.
25. (d) 'A' is wrong because, there are 25 High Courts in the country, B having jurisdiction over more than one state.
26. (a) Article 76 of the constitution says about Attorney General of India. The president shall appoint a person who is qualified the same as a judge of the Supreme Court.
27. (a) 'No-confidence motion' need not state the reason for it being adopted in the Lok Sabha.
28. (c)
29. (c) The ministry of parliamentary affairs constitutes consultative committees of MPs attached to various ministers and arranges meetings thereof.
30. (a) The Rajya Sabha alone has the power to declare that it would be in national interest for the parliament to legislative with respect to a matter in the state list. শ্রীচিভর্ষ
31. (a) Haryana state - Act 1966  
Fourth Lok Sabha - 16th March 1967  
Manipur Tripura and Meghalaya- Act, 1971  
Karnataka - Act, 1973
32. (b) As mentioned in Article 72 of Indian Constitution, the President is empowered with the powers to grant pardons in the following situations:
- Punishment is for offence against Union Law
  - Punishment is by a Military Court শ্রীচিভর্ষ
  - Sentence is that of death
  - The executive power is vested mainly in the President of India, as per Article 53 (1) of the constitution. Article 75 (1) of the Constitution of India reads: "The Prime Minister shall be appointed by the President and the other Ministers shall be appointed by the President on the advice of the Prime Minister." The
- Attorney General for India is the Indian government's chief legal advisor, and its primary lawyer in the Supreme Court of India. He is appointed by the President of India under Article 76(1) of the Constitution and holds office during the pleasure of the President.
33. (d) In article 158 of the Constitution, after clause (3), the following clause shall be inserted, namely: "(3A) Where the same person is appointed as Governor of two or more States, the emoluments and allowances payable to the Governor shall be allocated among the States in such proportion as the President may by order determine." Clause 6 -Article 153 provides that there shall be a Governor for each State. Since it may be desirable in certain circumstances to appoint a Governor for two or more States, it is proposed to add a proviso to this article to remove any possible technical bar to such an appointment. শ্রীচিভর্ষ
34. (a) The Constitution Provides for a Council of Ministers to aid and advise the President in the exercise of his functions. (Art 74).
35. (c) As per Article 56, "Term of office of President (1) The President shall hold office for a term of five years from the date on which he enters upon his office under various provision.  
(2) Any resignation addressed under clause (a) of the proviso to clause (1) shall forthwith be communicated by him to the Speaker of the House of the People."
36. (b) 1. **24th Amendment** - Enables parliament to dilute fundamental rights through amendments to the constitution  
2. **39th Amendment** - It placed the election of the president, the Vice-President, the Prime Minister and the Speaker of the Lok Sabha beyond the scrutiny of Indian courts.  
3. **42nd Amendment** - It attempted to reduce the power of the supreme court and High Courts to pronounce upon the constitutional Validity of laws. It laid down the fundamental duties of Indian Citizens to themselves.  
4. **70th Amendment** - includes National Capital of Delhi and Union Territory of Pondicherry in Electoral College for Presidential Election
37. (a) 1. **37th Amendment** - Formation of Arunachal Pradesh legislative assembly  
2. **49th Amendment** - Recognizes Tripura as a Tribal State and enables the creation of a Tripura Tribal Areas Autonomous District Council

3. **58th Amendment** - Provision to publish authentic Hindi translation of constitution as on date and provision to publish authentic Hindi translation of future amendments
4. **77th Amendment** - A technical amendment to protect reservation to SC/ST Employees in promotions.
38. (a) Article 50 – Separation between judiciary and executive.  
Article-143- Advisory Jurisdiction of the Supreme Court.  
Article 51 – Impeachment of the President.  
Article- 320 – Function of Public Service Commission.
39. (c) Right to equality – Article-14  
Right to Freedom- Article-19  
Right to freedom of Religion- Article 25  
Right to constitutional Remedies – Article 32
1. Union List contains 100 subjects (Originally 97)
  2. Subjects of Union State and Concurrent Lists
  3. Union List contains 100 subjects (Originally 97)
  4. State List contains 61 subjects (Originally 66)
  5. Concurrent List contains 52 subjects (Originally 47)
40. (c) is correct, Article 39-A Free legal Aid  
Article- 43- Living wage of workers.  
Article- 44 – Uniform Civil Code. অ্যাচিভর্স  
Article- 50- Separation of Judiciary.  
Articles mentioned above are the part of Directive principles of the state policy.
41. (c) The Central Information Commission was established by the central government in 2005. It was constituted through an official Gazette Notification under the provisions of the Right to Information act (2005). Hence, It is not a constitutional body.
42. (b) The term of Office of the AG is not fixed by the constitution. Further the Constitution does not contain the procedure and grounds for his removal.  
He holds office during the pleasure of the president. অ্যাচিভর্স
43. (d) The Scheduled Castes and Tribes (Prevention of Atrocities) Act, 1989 an Act of the Parliament of India enacted to prevent atrocities against scheduled castes and scheduled tribes  
To, further strengthen the constitutional provision in Article 15 and Article 17, the parliament of India enacted the Untouchability (offences) Act in 1955. This act was further amended and renamed in 1976 as Protection of Civil Rights Act, 1955. অ্যাচিভর্স
44. (c) The CAG submits three audit report to the president-audit report on appropriation accounts, audit report on financial accounts and audit report on public undertakings. The president lays these reports before both the Houses of parliament. After this the public accounts committee examines them and reports its findings to the parliament.
45. (a) CAG audits the accounts related to all expenditure from the Consolidated Fund, Consolidated Fund of each state, Contingency Fund of India and Public Accounts of India.
46. (b) The seven current union territories are:
- Andaman and Nicobar Islands.
  - Chandigarh.
  - Dadra and Nagar Haveli. অ্যাচিভর্স
  - Daman and Diu.
  - Delhi (National Capital Territory of Delhi)
  - Lakshadweep.
  - Puducherry (Pondicherry)
47. (a) 1. Article 280 of the constitution of India provides for a finance Commission as a quasi judicial body. It is constituted by the president of India every fifth year or at such earlier time as he considers necessary.
48. (b) Art. 51A, Part IVA of the Indian Constitution, specifies the list of fundamental duties of the citizens. It says "it shall be the duty of every citizen of India" :
1. to abide by the constitution and respect its ideal and institutions;
  2. to cherish and follow the noble ideals which inspired our national struggle for freedom;
  3. to uphold and protect the sovereignty, unity and integrity of India;
  4. to defend the country and render national service when called upon to do so;
  5. to promote harmony and the spirit of common brotherhood amongst all the people of India transcending religious, linguistic and regional diversities, to renounce practices derogatory to the dignity of women;
  6. to value and preserve the rich heritage of our composite culture;
  7. to protect and improve the natural environment including forests, lakes, rivers, and wild-life and to have compassion for living creatures;
- অ্যাচিভর্স

8. to develop the scientific temper, humanism and the spirit of inquiry and reform;
9. to safeguard public property and to abjure violence;
10. to strive towards excellence in all spheres of individual and collective activity, so that the nation constantly rises to higher levels of endeavour and achievement.
49. (c) Though the swaran singh committee suggested the incorporation of eight fundamental duties in the constitution, the 42nd Constitutional Amendment Act 1976 included ten fundamental duties. শ্রীচিভর্ষ
50. (a) Swaroop Committee recommended the no-entry load structure for insurance products. So it is associated with financial products marketing.
51. (c) Presently, the threat of climate change poses a challenge for sustainable agricultural growth. This threat is compounded due to accumulated greenhouse gas emissions in the atmosphere, anthropogenically generated through long-term intensive industrial growth and high consumption lifestyles and preferences. While the international community is collectively engaging it self to deal with this threat, India needs to evolve a national strategy for adapting to climate change and its variabilities in order to ensure ecological sustainability in its socio-economic developmental priorities. Thus the National Mission for Sustainable Agriculture (NMSA) was launched in 2008 with the objective of promoting Sustainable Agriculture.
52. (c) Farm Income Insurance Scheme was designed to provide a comprehensive crop insurance cover to farmers against loss in farm income due to fluctuations in yield and price, the scheme was adopted as a pilot project in respect of paddy and wheat at a block each in 25 States. Implemented by the National Insurance Company, the scheme carried a subsidy of 75 per cent on the premium, given by the Union Government in respect of small and marginal farmers and 50 per cent in respect of others.
53. (c) National Seed Research and Training Centre (NSRTC) is located at Varanasi. This institute has been notified as a Central Seed Testing and Referral Laboratory (CSTL), with effect from 1 April 2007. The primary objective for establishing the NSRTC is to have a separate National Seed Quality Control Laboratory to serve as CSTL and a referral laboratory for courts in India, and also to act as a human resource development centre in the field of seed quality. The CSTL of the NSRTC has become a member laboratory of the International Seed Testing Association (ISTA), Zurich, Switzerland with effect from 2007. শ্রীচিভর্ষ
54. (d) Indian Institute of Horticultural Research is located at Bengaluru. The Institute spreads research activities by establishing its experimental stations at Lucknow, Nagpur, Ranchi, Godhra, Chettalli and Gonikopal.
55. (b) National seed policy was announced in 2002. National seed policy is based on the recommendations of M.V. Rao committee in 2002. The Policy is meant to “strengthen the seed industry” in view of the liberalisation in the farm sector under the World Trade Organisation. The policy seeks to provide intellectual property protection to stimulate investment in research and development of new plant varieties.
56. (c) The National Bamboo Mission is a Centrally Sponsored Scheme in which the contribution of the Central Government will be 100%. The Scheme is implemented by the Division of Horticulture under the Department of Agriculture and Cooperation in the Ministry of Agriculture.
57. (a) The technology mission on oil seeds was launched by the central government in 1986. The National Agriculture Insurance scheme was launched from 1999-2000. The Kisan Credit Card Scheme was launched in August, 1998. Kisan Call Centres were launched in January 2004. শ্রীচিভর্ষ
58. (b) The centrally sponsored Command Area Development (CAD) Programme was launched in 1974-75 with the main objectives of improving the utilization of created irrigation potential and optimizing agriculture production and productivity from irrigated agriculture.
59. (d) In the year 1999 the National Agricultural Insurance Scheme was introduced by replacing comprehensive crop Insurance Scheme. NAIS covers all food crops (cereals and pulses), oilseeds, horticultural and commercial crops. It covers all farmers, both loanees and non-loanees, under the scheme. Growth rate of primary sector reached above 8% with green revolution. Both the given statements are not correct.
60. (a) In India, commercial banks have the highest share in the disbursement of credit to agriculture and allied activities. The commercial banks

- disburse around 60% credit followed by cooperative banks around 30% and RRB and others.
61. (c) Indian agriculture is typically characterised as land scarce, labour surplus economy. India has high man/land ratio. There are large number of skilled labours but there is absence of land or capital. অ্যাচিভমেন্ট
62. (b) Before independence, M.Visvesvaraya's "District Development Scheme: Economic Progress by Forced Marches" published in 1939, was the first significant attempt at evolving a methodology for decentralised planning. In his district plan Visvesvaraya worked out a concrete programme of action for the economic reconstruction of the countryside. His scheme of district planning included main lines of development, district organisation, village and town organisations and aid development. After independence, in every plan, local planning was recognised as an important requirement for local development.
63. (b) Bharat Nirman is a time-bound business plan for action in rural infrastructure. Under Bharat Nirman, action is proposed in the areas of irrigation, rural housing, rural water supply, rural electrification and rural telecommunication connectivity. The programme was targeted to be implemented over a period of four years but many of its schemes have been extended.
64. (b) Fifth FYP was launched and planned for the period 1974-79 but Janata government came in power in 1978 and ended the plan prematurely in 1978. The Janata government launched sixth FYP for period 1978-1983. Congress government when came in power in 1980 abandoned the sixth FYP and launched a new sixth FYP for period 1980-1985. অ্যাচিভমেন্ট
65. (a) LPG model of economic development process in India involves disinvestment of profit making public sector enterprises, permitting private sectors to establish industrial units without taking a licence and chronically sick industries were referred to BIFR for the formulation of revival or rehabilitation. অ্যাচিভমেন্ট
66. (d) The Bombay Plan is the name commonly given to a World War II-era consisting of a set of proposals for the development of the post-independence economy of India. The plan, published in 1944/1945 was endorsed by eight leading Indian industrialists including Tata & Birla Group. Shri Shriman Narayan was a renowned interpreter of Gandhian economic thought whose "Gandhian plan for Economic Development for India" was published as early as 1944. In 1944, Roy published People's Plan for Economic Development of India. Sarvodaya plan was given by Jai Prakash Narayan for upliftment of all. অ্যাচিভমেন্ট
67. (c) The economy of India had undergone significant policy shifts in the beginning of the 1990s at the time of eighth plan. This new model of economic reforms is commonly known as the LPG or Liberalization, Privatization and Globalization model. LPG model of economic development in India was proposed by Dr Manmohan Singh, economist and finance minister at that time. Moreover the Eighth plan envisaged an annual average growth rate of 5.6% but real growth rate was 6.8%.
68. (d) JNNURM is a huge mission which relates primarily to development in the context of urban conglomerates focusing to the Indian cities. JNNURM aims at creating 'economically productive, efficient, equitable and responsive Cities' by a strategy of upgrading the social and economic infrastructure in cities, provision of Basic Services to Urban Poor (BSUP) and wide-ranging urban sector reforms to strengthen municipal governance in accordance with the 74th Constitutional Amendment Act, 1992.
69. (c) The planning of India derives its objectives and social premises followed by the Directive Principles of State Policy. The Directive Principles of State Policy are guidelines to the central and state governments, 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. অ্যাচিভমেন্ট
70. (d) The economy of India had undergone significant policy shifts in the beginning of the 1990s. This new model of economic reforms is commonly known as the LPG or Liberalization, Privatization and Globalization model. LPG model of economic development in India was proposed by Dr. Manmohan Singh, economist and finance minister at that time under the P V Narshimha Rao Government in 1990.
71. (b) The National Development Council is the final authority in India to adopt the Five Year Plan for the country. Prime Minister of India

presides over the National Development Council of India.

72. (b) Under the third five year plan, the government introduced an agricultural strategy which gave rise to green revolution in India. Under the third plan the goal was to establish self reliance and self generating economy. But the earlier plans had shown that the agricultural production was the limiting factor; so agriculture was given top priority.
73. (b) The Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA) is an Indian law that aims to guarantee the 'right to work' and ensures livelihood security in rural areas by providing at least 100 days of guaranteed wage employment in a financial year to every household whose adult members volunteer to do unskilled manual work. MNREGA was launched in 200 select districts in 2006. However Indira Awas Yojana was launched in the 9th Five Year Plan to provide housing for the rural poor in India.
74. (a) The risk weight for a Government guaranteed advance should be the same as for other advances. To ensure that banks do not suddenly face difficulties in meeting the capital adequacy requirement, the new prescription on risk weight for Government guaranteed advances should be made prospective from the time the new prescription is put in place.
75. (d) The definition of deficit financing is likely to vary with the purpose for which such a definition is needed. In one sense by deficit financing we mean the excess of government expenditure over its normal receipts raised by taxes, fees, and other sources. In this definition such expenditure whether obtained through borrowing or from the banking system measures the budget deficit. Deficit financing is said to have been used whenever government expenditure exceeds its receipts. In under-developed countries deficit financing may be in two forms:
- (i) Difference between overall revenue receipts and expenditure
  - (ii) Deficit financing may be equal to borrowing from the banking system of the country.
76. (d) Currency is most liquid, because you can use it as and when you want. Time deposit with bank (e.g. fixed deposit), are least liquid compared to savings/demand deposit with banks and currency.
77. (b) Because Reserve requirements are designed as "precautionary measures" and not to stop banks from "excessive" profit. This eliminates c and d.
78. (a) For example, reduction in the weight of a packet of chocolate sold at the same price as before. This may take place in quality, too.
79. (a) Gilts are bonds issued by certain, national governments. The term is of British origin and originally referred to the debt securities issued by the Bank of England, which had a gilt (or gilded) edge. Hence, they are called gilt-edged securities, or gilts for short. The term is also sometimes used in Ireland and some British Commonwealth Countries, South Africa and India. The term "Gilt Account" is also a term used by the RBI of India to refer to a constituent account maintained by a custodian bank for maintenance and servicing of dematerialised Government Securities owned by a retail customer.
80. (a) A dual economy is the existence of two separate economic sectors within one country, divided by different levels of development, technology, and different patterns of demand. The concept was originally created by Julius Herman Boeke to describe the coexistence of modern and traditional economic sectors in a colonial economy.
81. (d) The labour force of an economy is known as the activity rate (also called participation rate). It is shown in per cent and always as a proportion of an economy. The concept of the 'demographic dividend' is related to this rate.
82. (d) The gap between poor and rich will be wide and it must be increase when their investment lean towards capital sector. They only prefer profit.
83. (d) Banks are required to investment a portion of their statutory liquidity ratio besides CRR. Statutory liquidity ratio (SLR) is the Indian government term for reserve requirement that the commercial banks in India require to maintain in the form of gold, cash or government approved securities before providing credit to the customers. SLR is determined and maintained by Reserve Bank of India in order to control the expansion of bank credit.
84. (a) When a government's total expenditure exceeds the revenue that it generates (excluding money from borrowings). Deficit differs from debt,

- which is an accumulation of yearly deficits. A fiscal deficit is regarded by some as a positive economic event. অ্যাচিভর্স
85. (b) Open market operation : When RBI buys/sells securities in open market, in case of OMO, first party permanently sells the Government security to second party. Second party is free to do whatever it wants with that security.
86. (a) Deficit financing is a pragmatic tool of economic development and has been used by Indian govt. to obtain necessary resources to finance the five year plans.
87. (d) A liquidity trap is a situation in which injections of cash into the private banking system by a central bank fail to lower interest rates and hence fail to stimulate economic growth. A liquidity trap is caused when people hoard cash because they expect interest to rise in future ,an adverse event such as deflation, insufficient aggregate demand, or war. অ্যাচিভর্স
88. (c) Financial inclusion or inclusive financing is the delivery of financial services at affordable costs to sections of disadvantaged and low-income segments of society. For financial inclusion 'Know your customer' norms should be relaxed and no frills account should be opened for low income segments which are looking for basic banking only. Along with general purpose credit cards should be issued and bank branches should be opened in unbanked rural areas. অ্যাচিভর্স
89. (a) "Taxation over taxes" or "cascading-effect" of the taxes adds to the deadweight loss i.e. slump in total surplus of supply chain consisting of supplier, manufacturer, retailer and consumer. Due to cascading tax imposition leads to a disproportionate increase in prices by an extent more than the rise in the tax.
90. (b) Between 1951 and 2000 the share of agriculture in GDP fell from around 59% to around 25%. Share of the services sector in GDP was more than industrial sector. Between 1951 and 2000 it was around 28% for services and 13% for manufacturing in 1950. In 1990 it was around 40% services and 24% manufacturing. It was around 51% services in 2000.
91. (a) A regressive tax is generally a tax that is applied uniformly. This means that it hits lower income individuals harder. Regressive tax imposes a greater burden (relative to resources) on the poor than on the rich — there is an inverse relationship between the tax rate and the taxpayer's ability to pay as measured by assets, consumption, or income.
92. (c) Zero-based budgeting is an approach to planning and decision-making which reverses the working process of traditional budgeting. In zerobased budgeting, every line item of the budget must be approved, rather than only changes. During the review process, no reference is made to the previous level of expenditure. Regarding zero Base Budgeting (ZBB) Existing Government programme can be discarded under ZBB if they are found to be outdated. Moreover ZBB is difficult to be applied to Human Development programmes as the outcome of such programmes is intangible in nature. অ্যাচিভর্স
93. (d) Inflation-indexed bonds are bonds where the principal is indexed to inflation. They are thus designed to cut out the inflation risk of an investment. These bonds thus decrease the inflation risk attached to the investment. Moreover these bonds are a better hedge than gold in a volatile economy as gold does.
94. (d) Hedge funds invest in a diverse range of markets and use a wide variety of investment styles and financial instruments. Hedge funds are open only to certain types of investors in a country specified by the regulator and cannot be offered or sold to the general public. Legally, hedge funds are most often set up as private investment partnerships that are open to a limited number of investors and require a very large initial minimum investment. অ্যাচিভর্স
95. (b) Green shoots is the first signs of an improvement in an economy that is performing badly. It was first used in this sense by Norman Lamont, the then Chancellor of the Exchequer of the United Kingdom, during the 1991 recession. অ্যাচিভর্স
96. (d) The National Development Council (NDC) or the Rashtriya Vikas Parishad is the apex body for decision making and deliberations on development matters in India, presided over by the Prime Minister. The functions of the Council are to prescribe guidelines for the formulation of the National Plan; to consider the National Plan as formulated by the NITI Aayog; to consider important questions of social and economic policy affecting national development; and to review the working of the Plan from



- time to time and to recommend such measures as are necessary for achieving the aims and targets set out in the National Plan. অর্থাৎ
97. (c) At present, index is being developed only for residential housing sector. However, at a later stage, the index could be expanded to develop separate indices for commercial property and land. Primary data on housing prices is being collected from real estate agents by commissioning the services of private consultancy/research organisations of national repute. In addition, data on housing prices is also being collected from the housing finance companies and banks, which is based on housing loans contracted by these institutions.
98. (c) Inclusive growth is a concept which includes equitable allocation to every section of society. It creates an environment of equality in opportunity in all dimensions such as employment creation, market, consumption, and production and has created a platform for people who are poor to access a good standard of living. অর্থাৎ
99. (c) A reserve currency (or anchor currency) is a currency that is held in significant quantities by governments and institutions as part of their foreign exchange reserves, and that is commonly used in international transactions for commodities like oil and gold. Persons who live in a country that issues a reserve currency can purchase imports and borrow across borders more cheaply than persons in other nations because they need not exchange their currency to do so.
100. (c) Seasonal employment refers to a situation where a number of persons are not able to find jobs during some months of the year. Example, Agriculture is a seasonal activity. There is an increased demand for labour at the time of sowing, harvesting, weeding & threshing. In between there is little or no demand for labour. Besides, disguised unemployment is also seen in agriculture in India. অর্থাৎ

