

WBCS Exam Related Economics & Finance Questions

Answers with Explanation

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| <p>1. (d) Devaluation is the deliberate downward adjustment of the value of a country's money relative to another currency, group of currencies, or currency standard. Devaluation reduces the cost of a country's exports, rendering them more competitive in the global market. শ্রুতিভাষ</p> <p>2. (c) Devaluation is the deliberate downward adjustment of the value of a country's money relative to another currency, group of currencies, or currency standard. It has effects on a country's international trade by alluring traders. But internal prices remain unaffected.</p> <p>3. (b) Dear money refers to money that is hard to obtain because of abnormally high interest rates.</p> <p>4. (a) Narrow money is a category of money supply that includes all physical money such as coins and currency, demand deposits and other liquid assets held by the central bank.</p> <p>5. (b) Cash Reserve Ratio (CRR) is a specified minimum fraction of the total deposits of customers, which commercial banks have to hold as reserves either in cash or as deposits with the central bank. CRR is set according to the guidelines of the central bank of a country. শ্রুতিভাষ</p> <p>6. (b) Legal tender is any official medium of payment recognized by law that can be used to extinguish a public or private debt, or meet a financial obligation. The national currency is legal tender in practically every country.</p> <p>7. (d) The terms bear and bull are used to describe general actions and attitudes, or sentiment, either of an individual or the market. A bear market refers to a decline in prices, usually for a few months, in a single security or asset, group of securities or the securities market as a whole. A bull market is when prices are rising. শ্রুতিভাষ</p> <p>8. (c) Gresham's law is a monetary principle stating that "bad money drives out good."</p> <p>9. (c) A creditor is an entity (person or institution) that extends credit by giving another entity permission to borrow money intended to be repaid in the future. Shareholders are those who own stock in a company, whereas</p> | <p>bondholders are those who own bonds issued by a company. S10. 10.(d)Sol. Unique Selling Proposition or USP is the one feature or the perceived benefit of a good which makes it unique from the rest of the competing brands in the market. It is that very reason which motivates a buyer to purchase that product even though it might be costlier than other products. শ্রুতিভাষ</p> <p>10. (d) Unique Selling Proposition or USP is the one feature or the perceived benefit of a good which makes it unique from the rest of the competing brands in the market. It is that very reason which motivates a buyer to purchase that product even though it might be costlier than other products.</p> <p>11. (d) Direct tax is a type of tax where the incidence and impact of taxation fall on the same entity income.</p> <p>12. (a) The major instruments of fiscal policy are – Budget, Taxation, Public Expenditure, Public Works, Public Debt (public borrowing).</p> <p>13. (d) The India's first Green Rail Corridor was inaugurated on the 114-km long Rameswaram-Manamadurai stretch in Tamil Nadu.</p> <p>14. (a) Supply-side economics is the theory that says increased production drives economic growth. So, the supply-side economics lays greater emphasis on Producer.</p> <p>15. (a) Octroi is a tax levied on various goods entering a town or city. শ্রুতিভাষ</p> <p>16. (b) A merchant bank is a company that deals mostly in international finance, business loans for companies and underwriting. These banks are experts in international trade, which makes them specialists in dealing with multinational corporations.</p> <p>17. (c) The relationship between note issue and its reserve backing is usually done on the basis of a reserve system by central banks across the world. The reserve system provides guidelines for the issue of new currencies.</p> <p>18. (d) The primary objective of monetary policy is to maintain price stability while keeping in mind the objective of growth. Price stability is a necessary precondition to sustainable growth. শ্রুতিভাষ</p> |
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19. (b) total productive income
20. (d) balanced industrial development across regions.
21. (b) A stamp duty is the tax placed on legal documents, usually in the transfer of assets or property. অ্যাজিভার্স
22. (a) General equilibrium theory, or Walrasian general equilibrium, attempts to explain the functioning of the macroeconomy as a whole, rather than as collections of individual market phenomena. The theory was first developed by the French economist Leon Walras in the late 19th century.
23. (a) The third significant stage of growth is the stage of take-off. The period of this stage is 20 to 30 years during which the economy development process is automatic and the economy becomes self-reliant. Self-reliance, means that the economy can develop without external assistance. অ্যাজিভার্স
24. (b) Thomas Robert Malthus, an English cleric, and scholar published this theory in his 1798 writings, An Essay on the Principle of Population. He believed that through preventative checks and positive checks, the population would be controlled to balance the food supply with the population level.
25. (b) The Great Depression was the worst economic downturn in the history of the industrialized world, lasting from the stock market crash of 1929 to 1939. অ্যাজিভার্স
26. (c) Pakistani economist Mahbub ul Haq created HDI in 1990 which was further used to measure the country's development by the United Nations Development Program (UNDP).
27. (a) World Economic Outlook" report by the International Monetary Fund (IMF) contains analysis and projections of the integral elements of the IMF's surveillance of economic developments and policies in its member countries, and of the developments in the global financial markets and economic system
28. (b) Perfect Competition is a market in which buyers and sellers are so numerous and well informed that all elements of monopoly are absent and the market price of a commodity is beyond the control of individual buyers and sellers. অ্যাজিভার্স
29. (a) An indifference curve is a graph showing combination of two goods that give the consumer equal satisfaction and utility.
30. (c) The Lorenz curve is a graphical representation of income inequality or wealth inequality developed by American economist Max Lorenz in 1905.
31. (c) Market Economy is the economy in which the market forces namely demand and supply decide the path of function. অ্যাজিভার্স
32. (c) Fiscal policy in India is formulated by Finance Ministry.
33. (d) The Human Development Report calculate the HDI combining three dimensions:
A long and healthy life: Life expectancy at birth
Education index: Mean years of schooling and Expected years of schooling
A decent standard of living: GNI per capita (PPP US\$)
34. (b) Five permanent members of United Nations Security Council: China, France, Russian Federation, the United Kingdom, and the United States
35. (c) The SDR is an international reserve asset, created by the IMF in 1969 to supplement its member countries' official reserves. The value of the SDR is based on a basket of five currencies—the U.S. dollar, the euro, the Chinese renminbi, the Japanese yen, and the British pound sterling. অ্যাজিভার্স
36. (c) The break-even point (BEP) in economics, business—and specifically cost accounting—is the point at which total cost and total revenue are equal, i.e. “even”.
37. (c) Resolution of the Government of India in March 1950
38. (d) Niti Ayog was established in the year 2015
39. (b) Integrated Rural Development Programme (I R D P) launched on October 2nd. 1980 all over the Country and accordingly all the 15 Blocks of Boudh- Kandhamal district have been covered under the Scheme. অ্যাজিভার্স
40. (a) Mixed farming is a type of farming which involves both the growing of crops as well as the raising of livestock.
41. (c) 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.
42. (a) ISI mark is a mark for industrial products in India. The mark certifies that a product conforms to the Indian Standard (IS).

43. (a) AGMARK is a certification mark employed on agricultural products in India, assuring that they conform to a set of standards approved by the Directorate of Marketing and Inspection, an agency of the Government of India.
44. (b) Agricultural productivity is measured as the ratio of agricultural outputs to agricultural inputs. শ্রুতিভঙ্গ
45. (b) The Janata Party government rejected the Fifth Five-Year Plan and introduced a new Sixth Five-Year Plan (1978–1980). This plan was again rejected by the Indian National Congress government in 1980 and a new Sixth Plan was made.
46. (c) National Bank for Agriculture and Rural Development is an apex development financial institution in India, headquartered at Mumbai with regional offices all over India.
47. (b) Gandhian Plan was put forward by Shriman Narayan Aggarwal in 1944 who was principal of Wardha Commercial College. It was a modest kind of plan.
48. (c) Rolling plan concept was coined by Gunnar Myrdal. শ্রুতিভঙ্গ
49. (c) Suresh Tendulkar committee was constituted by the Planning Commission in 2005. The current estimations of poverty are based upon the recommendations.
50. (b) The RBI's accounting year is from July to June.
51. (b) National Rural Livelihoods Mission (NRLM) was launched by the Ministry of Rural Development (MoRD), Government of India in June 2011. It is restructured form of Swarna Jayanti Gram Swarojgar Yojna.
52. (c) Price theory, also known as microeconomics, is concerned with the economic behaviour or individual consumers, producers, and resource owners.
53. (a) The joint sector would include units in which both public and private investments have taken place and where the state takes an active part in direction and control. শ্রুতিভঙ্গ
54. (b) A market economy is an economic system in which economic decisions and the pricing of goods and services are guided solely by the aggregate interactions of a country's individual citizens and businesses. There is little government intervention or central planning.
55. (a) Capitalism is an economic system based on the freedom of private ownership of the means of production and their operation for profit.
56. (a) The tertiary industry is the segment of the economy that provides services to its consumers, including a wide range of businesses such as financial institutions, schools and restaurants শ্রুতিভঙ্গ
57. (b) Social Infrastructure is a subset of the infrastructure sector and typically includes assets that accommodate social services, examples of Social Infrastructure Assets include schools, universities, hospitals, prisons and community housing.
58. (a) A closed economy is self-sufficient, which means no imports come into the country and no exports leave the country.
59. (b) The Small Industries Development Organization (SIDO).
60. (b) Insider trading is the illegal practice of trading on the stock exchange to one's own advantage through having access to confidential information. শ্রুতিভঙ্গ
61. (b) The New York Stock Exchange is an American stock exchange located at 11 Wall Street, Lower Manhattan, New York City, New York.
62. (b) National Securities Depository Limited is an Indian central securities depository based in Mumbai. It was established on 8 November 1996 as the first electronic securities depository in India with national coverage.
63. (c) 'Bilateral Monopoly' A market that has only one supplier and one buyer.
64. (d) Agriculture is the main occupation. It provides employment to nearly 61% persons of total population. Agriculture in India mainly depends on monsoon. Due to large scale sub-division and fragmentation of holdings, land holding size is quite small. শ্রুতিভঙ্গ
65. (d) Structural unemployment is a form of unemployment caused by a mismatch between the skills that workers in the economy can offer, and the skills demanded of workers by employers. Structural unemployment is often brought about by technological changes that make the job skills of many workers obsolete.
66. (c) During the slack season, crops are generally sown. Agriculture and related businesses are slack and loans taken during the previous busy season tend to be returned.
67. (c) The twin objectives of poverty eradication and attainment of self reliance were inculcated in the fifth plan. শ্রুতিভঙ্গ
68. (b) Birth Rate is the term used to define the

- number of babies born every year per 1000 people in a population.
69. (b) Food for work programme was introduced at the time of Tenth Five Year Plan.
70. (b) The Frictional unemployment is a type of unemployment which exists in any economy due to people being in the process of moving from one job to another.
71. (a) If the price of an inferior good falls its demand rises. প্র্যাচিভর্স
72. (c) Both assets and liabilities
73. (d) Agriculture
74. (d) Commercial taxes
75. (c) Green Revolution started in 1966-67.
76. (c) External debt is the portion of a country's debt that was borrowed from foreign lenders including commercial banks, governments or international financial institutions.
77. (d) Investment that is dependent on the level of income or on the rate of interest is called induced investment.
78. (b) Portfolio investments are investments in the form of a group (portfolio) of assets, including transactions in equity securities, such as common stock, and debt securities, such as banknotes, bonds, and debentures. প্র্যাচিভর্স
79. (a) Dumping is a term used in the context of international trade. It's when a country or company exports a product at a price that is lower in the foreign importing market than the price in the exporter's domestic market.
80. (c) The balance of payments is a statement of all transactions made between entities in one country and the rest of the world over a defined period of time, such as a quarter or a year.
81. (d) Convertibility is the ease with which a country's currency can be converted into gold or another currency in global exchanges. It indicates the extent to which the regulations allow inflow and outflow of capital to and from the country. প্র্যাচিভর্স
82. (c) Devaluation is a deliberate downward adjustment of the value of a country's currency relative to another currency, group of currencies or standard. Devaluation reduces the cost of a country's exports, rendering them more competitive in the global market.
83. (c) The rupee has been convertible on the current account since 1994.
84. (c) A revaluation is a calculated upward adjustment to a country's official exchange rate relative to a chosen baseline.
85. (b) In the post independence period, India's exchange rate policy has seen a shift from a par value system to a basket-peg and further to a managed float exchange rate system.
86. (d) Trade policy refers to the regulations and agreements that control imports and exports to foreign countries. Trade Policy is prepared and announced by the Central Government (Ministry of Commerce). প্র্যাচিভর্স
87. (d) The Foreign Exchange Management Act, 1999 is an Act of the Parliament of India "to consolidate and change the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India".
88. (d) India has large foreign-exchange reserves; holdings of cash, bank deposits, bonds, and other financial assets denominated in currencies other than India's national currency, the Indian rupee. The reserves are managed by the Reserve Bank of India for the Indian government and the main component is foreign currency assets. প্র্যাচিভর্স
89. (c) Hot money is currency that moves regularly, and quickly, between financial markets, so investors ensure they are getting the highest short-term interest rates available.
90. (c) Monetary policy is designed as to maintain the price stability in the economy. Thus, its main objective is to promote economic growth with Price stability. Monetary policy is the macroeconomic policy laid down by central bank.
91. (a) The New Development Bank's purpose is to support infrastructure and sustainable development projects in BRICS and other emerging economies.
92. (a) Micro Units Development and Refinance Agency Bank (or MUDRA Bank) is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs. It was launched by Prime Minister Narendra Modi on 8 April 2015. প্র্যাচিভর্স
93. (a) The World Bank Group consists of five member institutions: International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC),

- Multilateral Investment Guarantee Agency (MIGA), and International Centre for Settlement of Investment Disputes (ICSID). Established in 1944, the World Bank Group is headquartered in Washington, D.C. প্র্যাচিডর্স
94. (b) The World Trade Organization (WTO) is an intergovernmental organization that is concerned with the regulation of international trade between nations. The WTO officially commenced on 1 January 1995 under the Marrakesh Agreement,
95. (d) The acronym “BRICs” was initially formulated in 2001 by economist Jim O’Neill, of Goldman Sachs, in a report on growth prospects for the economies of Brazil, Russia, India and China – which together represented a significant share of the world’s production and population. প্র্যাচিডর্স
96. (a) The World Economic Outlook (WEO) is a survey conducted and published by the International Monetary Fund. It is published biannually and partly updated two times a year.
97. (a) The WTO officially commenced on 1 January 1995 under the Marrakesh Agreement, signed by 124 nations on 15 April 1994, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. প্র্যাচিডর্স
98. (b) Global Environment Fund (GEF) is a global alternative asset manager established in 1990 to invest in high-growth clean energy, energy and resource efficiency, environmental, and sustainable natural resource management industries throughout the world.
99. (b) The International Monetary Fund is an international organization headquartered in Washington, D.C. প্র্যাচিডর্স
100. (b) A bear is an investor who believes that a particular security or market is headed downward and attempts to profit from a decline in stock prices.

