

WBCS (Main) Exam Paper – V Practice Set

Answers with Explanation

1. (d)
 - The proclamation of Emergency must be approved by both houses of Parliament.
 - It also allows the Centre to curtail freedom of the citizens.
 - The President has the authority to declare three types of emergencies:
 - (1) National Emergency
 - (2) State Emergency
 - (3) Financial Emergency
2. (c)
 - Article 66 deals with the election of the Vice-president.
 - Article 63 states that "There shall be a Vice President of India".
 - Article 64 states that "The Vice-President to be ex officio Chairman of the Council of State".
 - Article 68 is related to the Term of Office of Vice-President.
3. (c)
 - * Council of Ministers to aid and advise the governor is mentioned in Article 163 of the Indian Constitution.
 - * Article 213 is about the promulgation of ordinances by the governor when the legislature is not in session.
 - * Governor promulgates ordinance on state subjects on the advice of the council of ministers.
 - * Article 74 describe about the Council of Ministers to aid and advise President.
 - * Schedule V is about the administration of Scheduled areas of Assam, Meghalaya, Tripura and Mizoram.
 - * Article 324 says -Superintendence, direction and control of elections to be vested in an Election Commission.
4. (b)
 - Article 343 of the Constitution states "The Official Language of the Union shall be Hindi in Devanagari script."
 - Unless Parliament decided otherwise, the use of English for official purposes was to cease 15 years after the constitution came into effect, i.e. on 26 January 1965.
 - Article 345 of the Constitution deals with Official language or languages of a state. It empowers state legislature to adopt 'any one or more of the languages in use in the State or Hindi as the language or languages to be used for all or any of the official purposes' of the concerned State.
5. (b) Six fundamental Rights are mentioned in Indian constitution. They are
 - right to equality (article 14-18)
 - right to freedom (article 19-22)
 - right against exploitation (article 23-24)
 - right to freedom of religion (article 25-28)
 - cultural and educational rights (article 29-30)
 - right to constitutional remedies (article 32)
6. (a) Punchhi Commission was related to Centre-State Relations.
 - It was constituted in 2007 under Chairman Madan Mohan Punchhi.
 - Its major recommendation are as follows
 - (1) It sought to protect the interests of the States by trying to curb their misuse by the Centre by A-355 and 356.
 - (2) It recommended that the Centre should consult states before introducing bills on items in the concurrent list.
 - (3) The state chief minister should have a say in the governor's appointment
7. (d)
 - The term 'legislative' is not categorically mentioned in the preamble of constitution.
 - The text of preamble of constitution is as follows-
 - ⇒ WE, THE PEOPLE OF INDIA, having solemnly resolved to constitute India into a SOVEREIGN SOCIALIST SECULAR DEMOCRATIC REPUBLIC and to secure to all its citizens:
 - ⇒ JUSTICE, social, economic and political;
 - ⇒ LIBERTY of thought, expression, belief, faith and worship;
 - ⇒ EQUALITY of status and of opportunity; and to promote among them all;
 - ⇒ FRATERNITY assuring the dignity of the individual and the unity and integrity of the Nation.
8. (d) Indira Gandhi was the First Female who presented Budget in India and also the First Female Prime minister of India.
 - Other Options:
 - Sarojini Naidu was the First Female Governor in India and also called the nightingale of India.

- Sucheta Kriplani was the First Female Chief minister in India. শ্রীচিভর্ষ
9. (d) Tribal Advisory Council (TAC) advises the Governor on matters pertaining to the welfare and advancement of the Scheduled Tribes in the State. To take care of the welfare of the scheduled tribes, a Tribal Advisory Council is constituted in each State with a Scheduled Area.
This Tribal Advisory Council will be made of maximum 20 members out of which the three-fourth will be Scheduled Tribes MLAs in the State.
10. (b) ● The maximum number of Public Accounts Committee members can be Twenty Two.
● The Public Accounts Committee is a committee of selected members of parliament for the purpose of auditing the revenue and the expenditure of the Government of India.
● The chairperson is appointed by the Lok Sabha speaker and the term of office of the members is one year. শ্রীচিভর্ষ
11. (b) ● Article 263 deals with Inter State Council.
● Inter State Council is made on the recommendation of Sarkaria Commission.
● The Prime Minister is the chairman of Inter State Council.
● Chief Ministers of all the states and union territories having legislative assemblies, administrators of UTS are its members.
● The confusing term with this is Zonal Councils, Zonal councils are 6 in India and they are not constitutional bodies.
12. (a) The Bar Council of India is a statutory body.
● It was formed under the Advocates act, 1961. শ্রীচিভর্ষ
● The Attorney General of India and Solicitor general of India are ex officio members of the bar council.
● Council elects chairman and Vice chairman from among its members for a period of two years. শ্রীচিভর্ষ
● It lays down standards of law professionals, promotes law reforms, organises legal aid for the poor etc.
13. (a) ● Cabinet is chaired by Prime Minister.
● This committee reviews the trends in the economy and identify the problems of economy, take price control measures, licensing for joint sector undertakings etc.
● The Cabinet Committees are extra-constitutional in nature.
- Union government has newly formed two new Cabinet Committees শ্রীচিভর্ষ
(1) Cabinet Committee on Investment
(2) Cabinet Committee on Employment and Skill Development
14. (d) Article 20 of the constitution provides safeguards to persons accused of crimes against double jeopardy and self incrimination in connection with conviction under the right to freedom.
15. (a) ● Parliamentary privileges are taken from constitution of Britain.
● India also borrowed some other features from Britain, these are Parliamentary government, Rule of Law, Legislative procedure, Single citizenship, Cabinet system, Prerogative writs and Bicameralism.
● Concept of “procedure established by Law” is taken from Japan.
● Directive Principles of State Policy, Method of Election of the president, Members nomination to the Rajya Sabha by the President are taken from Ireland.
16. (d) ● The Pension Fund Regulatory and Development Authority (PFRDA) has increased the entry age for the National Pension System (NPS) from 65 years to 70 years. শ্রীচিভর্ষ
● As per the new guidelines, the entry age for NPS has been revised to 18-70 years from 18- 65 years.
● According to the new revised guidelines of PFRDA, any Indian citizen and Overseas Citizen of India (OCI) in the age group of 65-70 years can also join NPS and and be a part of the scheme up to the age of 75 years.
● The National Pension Scheme is a social security initiative by the Central Government.
● It provides an adequate retirement income for senior citizens.
● The Pension Fund Regulatory and Development Authority is the regulatory body under the jurisdiction of Ministry of Finance, Government of India. শ্রীচিভর্ষ
● It was founded on August 23, 2003.
● It is headquartered in New Delhi.
● Supratim Bandyopadhyay is the current chairman of PFRDA.
17. (c) According to the Constitution of India, there should not be a gap of more than 6 months between two sessions of Parliament. The

Parliament generally meets in three sessions in a year

1. Budget session (February-May) - longest session
2. Monsoon session (July to September)
3. Winter session (November-December) - shortest session

18. (c) The first Lokpal bill was tabled in Parliament in 1968 by Shantibhushan.
19. (d) ● The Governor of Portuguese India signed the Instrument of Surrender on 19th December 1961.
 ● On December 19th the Portuguese Governor General Silva signed the instrument of surrender.
 ● It ended the Portuguese rule in India.
 ● Operation Vijay or Portuguese Indian War was the Indian armed forces intervention that led to the capture of Portugal's enclaves in India in 1961.
20. (b) ● Part-XV deals with Elections and Election Commissions.
 ● Article 324 of the Constitution provides that the power of superintendence, direction and control of elections to Parliament, state legislatures, the office of President of India and the office of Vice-President of India shall be vested in the election commission.
 ● Part-XIV deals with Civil Services and Public Service Commission.
 ● Part-VIII deals with Union Territories.
 ● Part-XVIII deals with Emergency Provisions.
21. (a) Dr. Rajendra Prasad was the chairman of Rules of Procedure Committee.
 ● He was also the President of Constituent Assembly.
 ● On December 11, 1946, Dr. Rajendra Prasad was elected a permanent president of the Constituent Assembly.
 ● Vallabhbhai Patel was the chairman of Provincial Constitution Committee and Advisory Committee on Fundamental Rights.
 ● Dr B.R Ambedkar was the chairman of Drafting Committee.
22. (b) Life Insurance Corporation of India is an Indian state-owned insurance group and investment corporation.
 It was founded in 1956.
 The Parliament of India passed the Life Insurance of India Act on 19 June 1956.
23. (b) * El Salvador has become the first country to adopt Bitcoin as National Currency.

* Its official announcement was made on 7 September 2021.

* In June 2021, the Legislative Assembly of El Salvador voted legislation to make Bitcoin legal tender in El Salvador.

- * Bitcoin is a decentralized digital currency.
- * The crypto currency was invented in 2008.
- * El Salvador is a country in Central America.
- * San Salvador is the capital city of El Salvador.

24. (b) ● In first elected Lok Sabha, there were 489 seats for which 53 political parties contested.
 ● Indian National Congress won maximum no. of seats and independents won second highest no. of seats i.e 37 seats.
 ● The first Lok Sabha completed its 5 years and dissolved in April, 1957.
 ● There were about 17.3 crore voters in the first elections.
25. (b) ● Tribunals were not a part of original constitution; it was incorporated in constitution by 42nd Constitutional Amendment Act.
 ● Articles related to Tribunals are–
 - Article 323 A deals with Administrative Tribunals
 - Article 323 B deals with tribunals for other matters
 ● Tribunals are quasi judicial bodies to resolve specific problems or cases.
 ● An Administrative Tribunal is not bound by the strict rules of procedure and evidence prescribed by the civil procedure court.
26. (b) ● The 11th schedule of Constitution provides 29 subjects for Panchayati Raj Institutions.
 ● Major among these 29 subjects are- Agriculture, including agricultural extension, Poverty alleviation programme, Fisheries, Libraries, Social Forestry, Rural Housing, Family Welfare etc.
27. (b) ● National Commission for Minorities Educational Institutions comes under Ministry of Human Resources Development.
 ● It gives the minority status to educational institutions on the basis of six religious communities under NCMEI Act, 2004.
 ● The six minorities are- Muslims, Christians, Sikhs, Buddhists, Zoroastrians (Parsis) and Jains.
 ● Linguistic Minorities do not come under the ambit of the NCMEI Act, 2004.
 ● It also ensures to establish the effective implementation of Article 30 of constitution.

28. (d) ● In Lok Sabha, minimum 50 numbers of members are required to put Non Confidence motion on the floor of the house.
- The Rule 198 of Rules of Procedure and Conduct of Business of Lok Sabha provide mechanism for no confidence motion.
 - No confidence motion can only be placed in LS.
 - Article 75(3) of our Constitution of India embodies this rule indirectly as it states that Council of Ministers is collectively responsible to LS.
29. (c) * Governor of state nominates 1/6th members of Legislative Council.
- * He is an integral part of the State Legislature.
 - * He has the right of addressing and sending messages and of summoning, proroguing and dissolving the State Council.
 - * Under article 153, the Governor is the Constitutional Head of the state.
 - * Under article 154, the same Governor can act as Governor of more than one state.
30. (c) ● The normal term of every Lok Sabha is 5 years.
- Lok Sabha is the lower house of India's bicameral Parliament. শ্রীচিড়র্ষ
 - The maximum membership of the House allotted by the Constitution of India is 552.
 - The house meets in the Lok Sabha Chambers of the Sansad Bhavan, New Delhi.
 - The Lok Sabha was duly constituted for the first time on 17 April 1952.
 - It is composed of 543 members as of 26 January 2020.
 - The Speaker of Lok Sabha is both a member of the House and its Presiding Officer.
31. (a) * If the office of the President falls vacant due to death, resignation or removal, then Vice-President acts as President.
- * If Vice President is not available then Chief Justice of India,
 - * If Chief Justice of India is not available then the most senior Judge of the Supreme Court shall act as the President of India.
32. (a) * Sardar Iqbal Singh Lalpura took charge as the Chairman of National Commission for Minorities on September 10, 2021.
- * He is a retired Indian Police Service (IPS) officer of Punjab cadre.
 - * He has also received numerous awards such as the President's Police Medal, a felicitation for meritorious services, Shiromani Sikh Sahitkar Award and the Sikh scholar award.
- * The National Commission for Minorities (NCM) was established on 23 October 1993 by the Central Government under the National Commission for Minorities Act, 1992.
33. (a) ● Article 20 guarantees certain protection in respect of conviction for offenses.
- Part third represents the Fundamental right.
 - It consists of 6 rights: right to equality, right to liberty, right against exploitation, right to freedom of religion, cultural and educational right, right to constitutional remedies.
 - There were originally 7 fundamental rights, the right to property was taken away by the 44 amendment act 1979. শ্রীচিড়র্ষ
 - Now the right to property is a legal right under Article 300A.
34. (d) * Karnataka was formed as a Mysore State on 1 November 1956.
- * Mysore state was created by bringing together all Kannada speaking regions in 1956.
 - * In 1973 the name of Mysore state was changed to Karnataka.
 - * Basavaraj Bommai is the current and 23rd Chief Minister of Karnataka. শ্রীচিড়র্ষ
 - * Thawar Chand Gehlot is the current and 19th Governor of Karnataka.
35. (c) ● President of India's removal from office is to be in accordance with the procedure prescribed in Article 61 of the Constitution.
- Article 61 is related to the Procedure for impeachment of the President.
 - Article 71 is related to the Election of a president or Vice President.
 - Article 51 is related to the Promotion of international peace and security.
 - Article 41 deals with the Right to work, education and public assistance in certain cases. শ্রীচিড়র্ষ
36. (b) * The chairman and members of the State Public Service Commission has a tenure of 6 years or 62 years of age whichever is earlier.
- * In the case of UPSC it is 6 years or 65 years of age, whichever is earlier.
 - * Chairman and members of State public service commission enjoy tenure security and can only be removed by President.
 - * Article 316 deals with the appointment and term of office of members. শ্রীচিড়র্ষ
37. (b) ● The minimum age requirement for an appointment as a Governor is 35 years.

- Governor is a person who is in charge of the political administration of a region or state.
 - He is appointed by the president for a term of five years.
 - The primary function of the governor is to preserve, protect and defend the constitution.
 - He appoints the chief minister and other members of the Council of Ministers.
 - He has the power to grant pardons and to suspend, remit or commute sentences in certain cases.
38. (b) ● Part III of the Indian Constitution talks about fundamental rights.
- Article 12 to 35 of the Indian Constitution deals with Fundamental Rights.
 - There are six fundamental rights given in Constitution:
 - (1) Right to equality ଓଡ଼ିଆ ଲିପି
 - (2) Right to freedom
 - (3) Right against exploitation
 - (4) Right to freedom of religion
 - (5) Cultural and educational rights
 - (6) Right to constitutional remedies
 - Part IV of the Indian Constitution deals with Directive Principles of our State Policy.
 - Part VI of the constitution of India deals with The States.
 - Part I of the constitution of India is related to The Union and its territory.
39. (a) ● Jawahar Lal Nehru was the Prime Minister of India when the constitution was amended the first time.
- The first amendment of the constitution took place in 1951. ଓଡ଼ିଆ ଲିପି
 - In this amendment:
 - (a) Article 15, 19, 85, 176, 342, 372, etc., were amended.
 - (b) Ninth Schedule was added.
 - (c) Thirteen laws passed by State Legislatures were included in it, so that, those Acts might not be challenged in courts.
40. (c) ● Article 112 of the Constitution of India makes provision regarding the 'annual financial statement' of the country. ଓଡ଼ିଆ ଲିପି
- Article 141 states that the law declared by the Supreme Court shall be binding on all courts within the territory of India
 - Article 136 deals with the Special leave to appeal by the Supreme Court.
 - Article 123 deals with the Power of the President to promulgate Ordinances during recess of Parliament.
- Article 213 deals with the Power of Governor to promulgate Ordinances during recess of Legislature. ଓଡ଼ିଆ ଲିପି
41. (d) ● The first finance minister of independent India was R K Shanmukham Chetty.
- He also presented India's first Budget.
 - The finance minister is responsible for the fiscal policy of the government.
 - The Finance Minister presents the annual Union Budget (Article 112) in Parliament.
 - R K Shanmukham Chetty served as the finance minister in Jawaharlal Nehru's Cabinet between 1947-1949. ଓଡ଼ିଆ ଲିପି
 - On November 26th, 1947 he presented the first budget of Independent India.
42. (a) ● An expenditure that has been made but cannot be recovered is called sunk cost.
- In economics and business decision-making, a sunk cost is a cost that has already been incurred and cannot be recovered.
 - Sunk costs are contrasted with prospective costs, which are future costs that may be avoided if action is taken.
43. (d) * Charter Act of 1853 provided Indian Civil Service as an open competition.
- * Macaulay was made Chairman of the Committee. ଓଡ଼ିଆ ଲିପି
 - * The legislative and executive functions of the Governor-General's council were separated by this act.
44. (b) The provision of acting chief justice is mentioned under article 126 of constitution.
- It says that the President can appoint a judge of the Supreme Court as an acting chief justice when (a) The office of CJI is vacant (b) The CJI is temporarily absent or (c) The CJI is unable to perform the duties of his office ଓଡ଼ିଆ ଲିପି
45. (d) ● Article 44 of the Indian Constitution states that the State shall endeavour to secure for the citizens a uniform civil code throughout the territory of India.
- The desirability of a uniform civil code is consistent with human rights and the principles of equality, fairness and justice.
 - Article 40 of the constitution of India is related to the Organisation of village panchayats. ଓଡ଼ିଆ ଲିପି
 - Article 52 of the constitution of India deals with The President of India.
 - Article 55 of the constitution of India is

- related to Manner of election of the President.
46. (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.
47. (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.
48. (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.
49. (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.
50. (b) The limited advisory function accorded to the Public Service Commission and the continued stress on this aspect by the leaders of our freedom movement resulted in the setting up of a Federal Public Service Commission under the Government of India Act, 1935. The Federal Public Service Commission became the Union Public Service Commission after Independence. The portfolio system in the Executive was introduced by the Indian constitution council act, 1861. The separation of provincial budgets from the central budget was introduced by the Indian councils Act, 1919.
51. (b) The money market consists of financial institutions and dealers in money or credit who wish to either borrow or lend. Participants borrow and lend for short periods of time, typically up to thirteen months. Money market trades in short-term financial instruments commonly called "paper."
52. (c) Zero-based budgeting is an approach to planning and decision-making which reverses the working process of traditional budgeting. In zero based 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.
53. (d) Inflation is a persistent increase in the general price level of goods and services in an economy over a period of time . When the general price level rises, each unit of currency buys fewer goods and services. Consequently, inflation reflects a reduction in the purchasing power per unit of money – a loss of real value .High inflation means excessive supply of money and thus leads to rise in the cost of credit and interest rates. Higher inflation leads to reduction in economic growth, decrease in cost of credit, increase in spending rather than saving as the value of money is declining.
54. (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.
55. (d) Deflation may be caused by a combination of the supply and demand for goods and the

supply and demand for money, specifically the supply of money going down and the supply of goods going up.

56. (c) Devaluation is a deliberate downward adjustment to the value of a country's currency, relative to another currency, group of currencies. Since it is relative to other currency so internal price remains unchanged. It causes a country's exports to become less expensive and imports more expensive.
57. (c) Real Gross Domestic Product (real GDP) is a macroeconomic measure of the value of economic output adjusted for price changes (i.e., inflation or deflation). Nominal gross domestic product is defined as the market value of all final goods produced in a geographical region.
58. (c) Fiscal policy is the use of government revenue collection (taxation) and expenditure (spending) to influence the economy. The two main instruments of fiscal policy are changes in the level and composition of taxation and government spending in various sectors.
59. (c) Government debt is the debt owed by central government. Government usually borrows by issuing securities, government bonds, bills through NSC, Provident funds etc. However pension policies are not included in the list.
60. (b) Fiscal drag is an economics term referring to a situation where a government's net fiscal position (equal to its spending less any taxation) does not meet the net savings goals of the private economy. Fiscal drag is a concept where inflation and earnings growth may push more taxpayers into higher tax bracket.
61. (b) By buying the government securities from the banks and reducing SLR may inject money into the system. However Raising cash Reserve Ratio may take away liquidity from the market as the banks will have to deposit more money with the RBI and similarly entering the reverse repo operations may also take away liquidity from the market.
62. (a) Micro-credit extended by banks to individuals is reckoned as a part of their priority sector lending and no particular model has been prescribed for microfinance and banks have been extended freedom to formulate their own models.
63. (b) In order to curb inflation if CRR is increased, then it may take liquidity from markets as banks will have to deposit more money with RBI. Moreover inflation may also be curbed by Permitting Central/State agencies to import duty free pulses and sugar. However, Decreasing SLR will leave more money with banks to give loans, which in turn will lead to inflation.
64. (a) Devaluation happens in countries with a fixed exchange rate. In a fixed-rate economy, the government decides what its currency should be worth compared with that of other countries. The exchange rate can change only when the government decides to change it. If a government decides to make its currency less valuable, the change is called devaluation. Depreciation happens in countries with a floating exchange rate. A floating exchange rate means that the global investment market determines the value of a country's currency.
65. (b) GDP deflator is An economic metric that accounts for inflation by converting output measured at current prices into constant-dollar GDP. The GDP deflator shows how much a change in the base year's GDP relies upon changes in the price level.
66. (a) Marginal Standing Facility (MSF) is the rate at which scheduled banks could borrow funds overnight from the Reserve Bank of India (RBI) against approved government securities. Banks can borrow funds through MSF during acute cash shortage (considerable shortfall of liquidity). This measure has been introduced by RBI to regulate short-term asset liability mismatch more effectively and the borrowing is within Statutory liquidity requirements. The Marginal Standing Facility (MSF) is pegged 100bps or 1 % above the Repo Rate.
67. (a) A Pigovian tax is a tax applied to a market activity that is generating negative externalities (costs for somebody else) like cigarette consumption, burning of fossil fuel.
68. (d) Basel III (or the Third Basel Accord) is a global, voluntary regulatory standard on bank capital adequacy, stress testing and market liquidity risk. So all the given statements are correct.
69. (c) A progressive tax is a tax in which the tax rate increases as the taxable base amount increases Regarding progressive tax, marginal tax rate should be increasing and it should be more than average tax rate.
70. (a) The Goods and Services Tax (GST) is a Value Added Tax (VAT) replacing all indirect taxes levied on goods and services by the Indian
-

Central and State governments. India is a federal republic, and the GST is thus implemented concurrently by the central and state governments as the Central GST and the State GST respectively. Exports will be zero-rated and imports will be levied the same taxes as domestic goods and services adhering to the destination principle.

71. (b) Financial inclusion is the delivery of financial services, at affordable costs, to sections of disadvantaged and low income segments of society. It includes opening educational centres, opening wealth management centres by Citibank etc. Khan commission had put forward its report on financial inclusion.
72. (c) The Gini coefficient is a measure of statistical dispersion intended to represent the income distribution of a nation's residents. Gini coefficient commonly used as a measure of inequality of individual income or wealth. Lorenz curve helps to find mathematical value of Gini coefficient.
73. (d) Human Development Report the HDI combines three dimensions: A long and healthy life: Life expectancy at birth, Education index: Mean years of schooling and Expected years of schooling and A decent standard of living: GNI per capita (PPP US\$).
74. (a) In India, inflation is measured by the wholesale price Index. The wholesale prices of commodities of base year are compared with wholesale prices of current year to compute inflation.
75. (a) Both A and R are true and R gives correct explanation of A. It believes in universalism and globalism.
76. (d) Expenditure incurred on the non-development plans is called non-plan expenditure which includes subsidies, interest payments etc. Non-plan revenue expenditure is accounted for by interest payments, subsidies, 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. Non-plan capital expenditure mainly includes defence, loans to public enterprises, loans to States, Union Territories and foreign governments.
77. (d) National Income is the Net National product at the factor cost. (NI = NNP at factor cost =

NNP at market price – Indirect taxes + subsidies)

78. (d) The Minimum Alternative Tax (MAT) was introduced for the first time in the Budget for the year 1996-97. Minimum alternate tax or MAT is a tax levied on firms/ companies or limited liability partnership (LLPs) making abundant profits as well as distributing dividend to its shareholders who leveraging on the features of the Indian Taxation system do not contribute towards the government's taxation kitty. Thus, for such corporates a minimal tax amounting to some fixed percentage of book profits i.e. profits according to accounting records is charged as minimal alternative tax (MAT).
79. (a) Fiscal Deficit: When a government's total expenditure exceed the revenue that it generates (excluding money from borrowings). Deficit differs from debt, which is an accumulation of year deficits.
80. (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.
81. (b) Inflation redistributes wealth from creditors to debtors i.e., lenders suffer and borrowers benefit out of inflation. Bond holders = this person has lend money (to debtors) and received bond in return. So he is lender, he suffers, by the way they haven't specifically used the word – "inflation indexed bonds", hence we cannot say inflation benefits the bondholders.
82. (d) Suppose three people work in farm, produce 200 kg wheat. If one of them is removed, still farm produces 200 kg wheat. That is disguised unemployment marginal productivity is zero.
83. (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.
84. (a) To rip maximum demographic dividend, India has to promote skill development. This is what Economic Survey and 12th FYP have been advocating.
85. (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.

86. (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.
87. (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.
88. (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.
89. (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.
90. (a) With the introduction of Economic liberalisation requirement for government licensing has been abolished except for a small list of strategic and potentially hazardous industries and a few industries which are reserved for the small scale sector. For most industries however industrial investment has been effectively delicensed and investors are free to set up new units or expand existing units subject only to environmental clearances.
91. (d) The retirement age of High Court judges is to

be raised to 65 years by the 114th constitution Amendment Bill includes Full time judges, Additional judges and Acting judges.

92. (c) The supreme court has no adjudicatory jurisdiction to change the award in the case of interstate river water disputes and delimitation of constitution.
93. (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.
94. (a) Pensions of High Court judges are charged on the consolidated Fund of the India.
95. (a) Any question arising as to the age of a judge of a High court, the question shall be decided by chief justice of India.
96. (d)
97. (a)
98. (b)
99. (a) Zilla parishads at the sub-divisional level Assam Mandal Praja parishad-Andhra Pradesh, Tribal Councils-Meghalaya and Absence of village panchayats-Mizoram.
100. (b) In 1687, the first municipal corporation in India was set up at Madras during the British rule period. The Chennai Municipal Corporation (officially the Corporation of Chennai), formerly known as the Corporation of Madras, is the civic body that governs the city of Chennai (formerly Madras), India. Inaugurated on September 29, 1688, under a Royal Charter issued by King James II on December 30, 1687 as the Corporation of Madras, it is the oldest municipal body of the Commonwealth of Nations outside Great Britain. It is headed by a mayor, who presides over 200 councilors each of whom represents one of the 200 wards of the city. It is also the second oldest corporation in the world.