

**Prepare yourself for IAS Prelims - 2016
with our**

Prep Series : Part-11

50 QUESTIONS ECONOMY

by



KEYNOTE IAS
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1. Consider the following statements regarding the minimum alternate tax (MAT)
 - A. The objective of introduction of MAT is to bring into the tax net "zero tax companies" which in spite of having earned substantial book profits and having paid handsome dividends, do not pay any tax due to various tax concessions and incentives provided under the Income-tax Law
 - B. Finance minister recently clarified that minimum alternate tax (MAT) would not be applicable on foreign companies' earning from capital gains on securities, royalty, fee on technical services and interest, providing a huge breather to foreign investors.

Which of the statements given above is/are correct. Select the answer from the codes given below

 - a. Only A
 - b. Only B
 - c. Both A and B
 - d. Neither A nor B
2. Which of the following body/ministry acts as India's National Implementing Entity (NIE) for the Adaptation Fund created under the United Nations Framework Convention on Climate Change (UNFCCC)?
 - a. National Bank for Agriculture and Rural Development
 - b. Ministry of Environment and Forest.
 - c. Reserve Bank of India
 - d. Prime Minister's Office
3. Consider the following statements regarding Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
 - A. Under it any adult in rural area can avail employment.
 - B. The central government bears the entire cost of wages of unskilled workers.

Which of the statements given above is/are correct. Select the answer from the codes given below

 - a. Only A
 - b. Only B
 - c. Both A and B
 - d. Neither A nor B
4. Economic Survey 2014-15 mentions - The Indian banking system is afflicted by what might be called "double financial repression". In this context which of the following has caused financial repression on the asset side of the balance sheet?
 1. High inflation.
 2. Statutory Liquidity Ratio requirement.
 3. Priority Sector Lending requirement.

Select the correct answer from the codes given below.

 - a) 3 only
 - b) 2 only
 - c) 2 and 3 only
 - d) 1, 2 and 3
5. Consider the following pairs and identify the correct one/ones
 1. Global Competitiveness Index : IMF
 2. Ease of doing business report : World Bank
 3. World Trade Report : UNCTAD

DISCUSSION ON PREP SERIES-11

**11th Jan.
2.30PM**

Select the correct answer from the codes given below.

- a) 2 only b) 3 only
c) 2 and 3 only d) 1, 2 and 3
6. Which of the Following steps can be taken by a country to handle the situation of "Balance of payment" crisis?
1. Improving current account balance by increasing exports or decreasing imports or both.
 2. Improving capital account balance with more external borrowing/FDI.
 3. Expansionary fiscal and monetary policies.
 4. Devaluation of the indigenous Currency
- a. 1, 2 and 3 only b. 2, 3 and 4 only
c. 1, 2 and 4 only d. All of the above
7. Consider the following statements in context of the National Investment Manufacturing Zones (NIMZs)
- A. They are notified by Parliament as they create industrial township under article 243 Q(c)
 - B. The central government bears the cost of master planning for the NIMZ.
- Which of the statements given above is/are correct. Select the answer from the codes given below
- a. Only A b. Only B
c. Both A and B d. Neither A nor B
8. The current account of the balance of payments (BoP) includes which of the following
1. foreign aid.
 2. foreign institutional investments.
 3. remittances.
- Select the correct answer using the codes given below.
- a. 1 only b. 1 and 3 only
c. 3 only d. 2 and 3 only
9. Consider the following schemes
1. Janani Suraksha Yojana (JSY)

2. Janani Shishu Suraksha Karyakram (JSSK)
3. Indira Gandhi Matritva Sahyog Yojana (IGMSY)

Which of the above mentioned scheme/schemes have been brought under the National Rural Health Mission. Select the correct answer using the codes given below.

- a. 1 only b. 1 and 2 only
c. 1 and 3 only d. 2 and 3 only
10. Consider the following class of employees
1. Employees of central government
 2. Employees of state government
 3. Autonomous bodies employees
 4. People employed in unorganized sector.

Which of the above mentioned classes can avail the benefits under National Pension System (NPS). Select the correct answer using the codes given below.

- a. 1 and 2 only b. 1, 2 and 3 only
c. 1 and 3 only d. 1, 2, 3 and 4

11. Consider the following crops

1. Tea
2. Coffee
3. Tobacco

Which of the above mentioned crop/crops are covered under the Price Stabilisation Fund Scheme? Select the correct answer from the codes given below.

- a. 1 and 2 only b. 1 only
c. 2 only d. 1, 2 and 3

12. According to Economic Survey 2014-15, "unconditional convergence" should be a desirable feature of a sector that can serve as engine of structural transformation. Which of the following correctly defines the term Unconditional convergence

- a) high level of productivity.
- b) faster productivity growth in higher productivity area.
- c) faster productivity growth in lower productivity area.
- d) both (a) and (b).

Prelims - 2016 Class Schedule

1. 11th Jan to 5th Feb 2016	Economy
2. 8th Feb to 25th March 2016	Polity and History
3. 28th March to 29th April 2016	Geography and Ecology/Environment
4. 2nd May to 15th May 2016	General Science
5. 16th May to 30th June 2016	Rescue Batch 1 (Current Issues, India Year Book, Economic Survey & Budget)



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PRELIMS - 2016
CLASSES STARTS with ECONOMY by S.K. Jha

11th Jan.
at 2:30PM

13. Consider the following statements regarding the concept of Gini Coefficient?

1. It is a measure of Relative Poverty
2. It is a quantitative measure that can be derived from the graphical measure of Lorenz Curve
3. Higher Value of Gini Coefficient implies greater income equality in the society

Which of the statements given above is/are correct. Select the answer from the codes given below.

- a. 1 and 2 only b. 1 only
c. 2 only d. 1, 2 and 3

14. Consider the following statements regarding the recently released data from the National Sample Survey (NSS) on the use of liquefied petroleum gas for cooking

1. The use of cooking fuel is sharply dictated by class
2. Maharashtra had the highest use of LPG among rural households
3. In North Indian States, cow-dung cake remains one of the major fuels for cooking.

Which of the statements given above are correct. Select the answer from the codes given below

- a. 1 and 2 b. 2 and 3
c. 1 and 3 d. All of the above

15. Recently the Ministry of Tribal Affairs has revised the Central Sector Scheme known as "Development of Particularly Vulnerable Tribal Groups (PVTGs)". In this regard consider the following statements

- A. Under the revised scheme, the Ministry will provide 100% financial assistance for the comprehensive socio-economic development of Particularly Vulnerable Tribal Groups (PVTGs).
- B. The assistance will be based on Conservation-cum-Development (CCD) Plan prepared by the central Government on the basis of assessment of their requirements.

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A b. Only B
c. Both A and B d. Neither A nor B

16. As per the estimates of the Economic Survey 2014-15, the growth trend in Indian economy has shown noticeable improvement because of which of the following factors

1. Decline in oil prices.
2. Monetary easing.
3. Policy support from government.

4. Lowering of unemployment rate.

Select the correct answer from the codes from below.

- a. 1, 2, and 3 only.
b. 2, 3 and 4 only.
c. 1, 3 and 4 only.
d. All of the above

17. Consider the following statements regarding the U.N.'s World Population Projections report released recently

- A. India will surpass China to become the world's most populous country and will have 1.7 billion residents by 2030.
- B. China's population will start declining by the 2030s, while India's is projected to decline only after 2069 when its population is around 1.75 billion.

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A b. Only B
c. Both A and B d. Neither A nor B

18. Consider the following statements regarding the Food Corporation of India (FCI)

- A. It was set up in 1975 under the Food Corporations Act 1974
- B. It is the main agency for procurement, storage and distribution of food grains

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A b. Only B
c. Both A and B d. Neither A nor B

19. Which one of the following statements with regard to the 'Make in India' initiative of the Government of India is incorrect

- a. In order to guide the foreign investors, a body named 'Invest India' has been created
- d. The Government has identified key sectors with potential to attract investment
- c. The initiative also aims to identify selected domestic companies having leadership in innovation and new technology for turning them into global champion
- d. The programme is being implemented by the Ministry of Finance

20. Which of the following is the correct estimation of the Age dependency ratio in India in 2013

- a. 54 b. 55
c. 53 d. 52

21. Which one of the following statements is incorrect regarding the Union Budget of India for the year 2015-2016

- a. India Financial Code to be introduced soon in the Parliament



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NEXT PREP SERIES - 12
POLITY : 30th JANUARY

- b. Allocation in defence sector is kept unchanged
 - c. A Student Financial Aid Authority will be instituted
 - d. No change in the rate of personal income tax
22. The Forward Market Commission (FMC), which regulates commodity trading in India, is under the control of which of the following ministries
- a. Ministry of agriculture
 - b. Ministry of finance
 - c. Ministry of corporate affairs
 - d. Ministry of consumer affairs.

23. Consider the following taxes

1. Securities transaction tax
2. Services tax
3. Capital gains tax

Which of the above mentioned taxes are the example of direct tax. Select the correct answer from the codes given below.

- a. 1 and 2 only
- b. 1 and 3 only
- c. 2 and 3 only
- d. 1, 2 and 3

24. Consider the following statements

- A. Budget is prepared by Economic Division of Department of Revenue, Ministry of Finance.
- B. Individual Departments/Ministries also prepare and present to Parliament their Detailed Demands for Grants, Outcome Budget and their Annual Reports.

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A
- b. Only B
- c. Both A and B
- d. Neither A nor B

25. With reference to Budget 2015-16, Consider the following statements

- A. Annual Financial Statement (AFS) shows estimated receipts and expenditure of the Government of India for the coming financial year in relation to estimates for the current financial year as also the estimates for the year previous financial year.
- B. Moneys held by Government in Trust as in the case of Provident Funds, Small Savings collections, income of Government set apart for expenditure on specific objects like road development, primary education, Reserve/Special Funds etc. are kept in the Public Account.

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A
- b. Only B
- c. Both A and B
- d. Neither A nor B

26. Consider the following statements

1. Elementary education takes a major share of total education expenditure.
2. Expenditure per student in tertiary education is higher than that of elementary.
3. Public expenditure on education per year is greater than that in Defence sector.

Which of the statements given above are correct in context of the public expenditure on education in India. Select the answer from the codes given below

- a. 1 and 2 only
- b. 1 and 3 only
- c. 2 and 3 only
- d. All of the above

27. Consider the following statements

- A. There is a separate consolidated fund for both Centre and States.
- B. Money can be withdrawn from the Consolidated Fund of India with the President's approval.

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A
- b. Only B
- c. Both A and B
- d. Neither A nor B

No money can be withdrawn from the Consolidated Fund of India without the Parliament's approval

28. Consider the following statements

- A. The emoluments and allowances of the President and other expenditure relating to his office are charged from the Consolidated Fund of India.
- B. The salary and pension payable to the Comptroller and Auditor General of India are charged from the Consolidated Fund of India.

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A
- b. Only B
- c. Both A and B
- d. Neither A nor B

29. The Contingency Fund of India which is placed at the disposal of the President of India to facilitate Government to meet urgent unforeseen expenditure. What is the corpus of this fund at present. Select the answer from the codes given below

- a. 50 crores
- b. 100 crores
- c. 500 crores
- d. 1000 crores

30. Consider the following receipts of the Government of India

1. Provident fund deposits
2. Disinvestment proceeds
3. Spectrum Auctions receipts

Which of the receipts of the Government of India mentioned above is/are credited to the contingency fund of India. Select the correct answer from the codes given below.



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ETHICS INTEGRITY Weekends Only
A. Sheikh (Harvard Graduate & Civil Servant) 17th Jan. to 20th March

- a) 1 only b) 2 and 3 only
c) 3 only d) None of the above
31. Consider the following statements regarding the term "Special Category Status" for the states in India
- A. Special Category Status is granted through an Act passed by the two-third majority in both houses of the Parliament
- B. Special Category Status deals with economic, administrative and financial aspects
- Which of the statements given above is/are correct. Select the correct answer from the codes given below
- a. Only A b. Only B
c. Both A and B d. Neither A nor B
32. Consider the following economic variables
1. Rate of inflation,
 2. Current account deficit
 3. Fiscal deficit
 4. Revenue deficit
- Which of the above mentioned economic variables are taken into consideration while measuring the country's Macroeconomic Vulnerability Index. Select the correct answer from the codes given below
- a. 1, 2, and 3 only b. 1 and 4 only
c. 1, 3 and 4 only d. All of the above
33. The new catchphrase "Fragile Five" is being used to describe markets which have witnessed economic turmoil in recent years. Which of the following countries is not included in the group
- a. Brazil b. India
c. Indonesia d. Greece
34. Consider the following statements regarding Indian Depository Receipts (IDRs).
- A. IDR is an instrument created by Indian depository in India against underlying shares of issuing company.
- B. An Indian investor pays in Indian rupees for the IDR whereas a shareholder in the issuer's home country pays in home currency.
- Which of the statements given above is/are correct. Select the answer from the codes given below
- a. Only A b. Only B
c. Both A and B d. Neither A nor B
35. Which of the following items may be included in the current account part of the Balance of Payments (BoP)?
1. Foreign tourist's expenditure in India.
 2. Foreign short term investment in India.
 3. Income received on investments abroad.

- Select the correct answer from the codes given below.
- a. 1 only b. 1 and 3 only
c. 2 and 3 only d. 3 only
36. Consider the following economic freedoms
1. Freedom to transact in foreign currency on account of trade in goods and services.
 2. Freedom to convert local financial assets into foreign ones at market determined exchange rates
 3. No restriction on sending or receiving remittances in foreign currency from any country
- Which of the above mentioned economic freedoms correctly defines the term "Capital Account Convertibility". Select the answer from the codes given below.
- a. 1 and 2 only b. 2 only
c. 2 and 3 only d. 1, 2 and 3
37. Consider the following pairs and identify the correct one/ones
- A. Insurance density: Ratio of insurance premium as a percentage of GDP, in a given year.
- B. Insurance penetration: Ratio of Insurance premium as a percentage of the total population in a given year.
- Select the answer from the codes given below
- a. Only A b. Only B
c. Both A and B d. Neither A nor B
38. Consider the following statements regarding the Participatory notes
- A. Participatory notes (or P-notes) are Indian derivative instruments used by resident investors who are interested in betting on Indian securities without revealing their identity.
- B. Participatory note holder does not enjoy any voting rights in relation to security/share
- Which of the statements given above is/are correct. Select the answer from the codes given below
- a. Only A b. Only B
c. Both A and B d. Neither A nor B
39. Consider the following statements regarding Rajiv Gandhi Equity Savings Scheme
- A. The maximum investment permissible for claiming deduction under RGESS is Rs. 50,000.
- B. The total lock-in period for investments under the RGESS would be of three years
- Which of the statements given above is/are correct. Select the answer from the codes given below
- a. Only A b. Only B
c. Both A and B d. Neither A nor B

40. Which of the following correctly defines the expression "Terms of trade"
- The value of a country's exports relative to that of its imports.
 - The excess of import expenditure over export earnings.
 - The terms and conditions of trade agreements between countries.
 - The terms and conditions on which a country is offered loan during BoP difficulties.
41. Transfer payments by the government are not included in the net domestic product for which of the following reasons
- The opportunity cost of such payments is zero.
 - There is no corresponding production of goods and services
 - Such payments are in the nature of gifts from the government to the recipients.

Prelims - 2016 Schedule for Test Series & Discussion

Test No.	No. of Ques.	Date	Topic	Sources
Test 1	100	10th Jan	Geography I	NCERT (Class 6-10)
Test 2	100	17th Jan	Geography II	NCERT (Class 11-12)
Test 3	100	24th Jan	Geography III	Advance Concepts
Test 4	100	31st Jan	Ecology / Environment I	NCERT
Test 5	100	07th Feb	Economy I	NCERT (Class 6-12)
Test 6	100	14th Feb	Economy II	Advance Concepts
Test 7	100	21st Feb	Current Affairs I	Current Events from 01 Aug, 15 to 20 Feb, 16
Test 8	100	28th Feb	History I	Ancient India
Test 9	100	06th March	Polity I	NCERT (Class 6-12)
Test 10	100	13th March	History II	Medieval India
Test 11	100	20th March	Polity II	Advance Concepts
Test 12	100	27th March	History III	Modern India (1757-1907)
Test 13	100	03rd April	Current Affairs II	Current Events from 21 Feb, 16 to 1 April, 16
Test 14	100	10th April	History IV	Modern India (1907-1957)
Test 15	100	17th April	History V	Indian Art & Culture
Test 16	100	08th May	Geo. Comprehensive	Whole Syllabus of Geography
Test 17	100	15th May	Eco. Comprehensive	Whole Syllabus of Economy
Test 18	100	22nd May	Polity Comprehensive	Whole Syllabus of Polity
Test 19	100	29th May	History Comprehensive	Whole Syllabus of History
Test 20	100	05th June	General Science	Biology, Physics, Chemistry
Test 21	100	19th June	FULL LENGTH TEST-I	Whole Syllabus of Prelims with Focus on Current Affairs from 01 Aug, 15 to 15th June
Test 22	100	26th June	FULL LENGTH TEST-II	Whole Syllabus of Prelims with Focus on Current Affairs from 01 Aug, 15 to 25th June
Test 23	100	03rd July	Indian Year Book, Eco. Survey & Budget	
Test 24	100	10th July	FULL LENGTH TEST-III	Whole Syllabus of Prelims with Focus on Current Affairs from 01 Aug, 15 to 8th July
Test 25	100	17th July	FULL LENGTH TEST-IV	Whole Syllabus of Prelims with Focus on Current Affairs from 01 Aug, 15 to 15th July
Test 26	100	24th July	FULL LENGTH TEST-V	Whole Syllabus of Prelims with Focus on Current Affairs from 01 Aug, 15 to 28th July

PRELIMS TEST SERIES
(21 Sectional & 5 Comprehensive)

Starts on
10th JAN.

Test Timings : 9AM - 11AM
Discussion : 11.15AM onwards

4. Such payments may not ultimately reach the recipient.

Select the correct answer from the codes given below.

- a. 1 and 2 only b. 2 and 3 only
c. 2 only d. 2 and 4 only

42. Consider the following financial assets

1. Money at call and short notice
2. Government securities
3. Loans and advances
4. Cash in Hand

Arrange the above mentioned financial assets in the decreasing order of their liquidity and select the correct answer from the codes given below

- a) 4 2 3 1 b) 4 1 3 2
c) 4 1 2 3 d) 4 2 1 3

43. Consider the following items which are generally found in the balance sheet of a bank

1. Demand deposits.
2. Endorsement of bills of exchange.
3. Cash kept with other banks.
4. Borrowings from other banks.

Which of the above mentioned items are shown in the liability column of the balance sheet of a bank. Select the correct answer from the codes given below.

- a. 1 and 2 only b. 1 and 4 only
c. 2 and 4 only d. 1, 2 and 4 only

44. Consider the following statements regarding the Regional Rural Banks

- A. Regional Rural Banks came into existence on Gandhi Jayanti in 1975 with the formation of a Prathama Grameen Bank.
B. The RRBs were owned by three entities with their respective shares as follows: Central Government → 35% State government → 35% Sponsor bank → 30%

Which of the statements given above is/are correct. Select the answer from the codes given below

- a. Only A b. Only B
c. Both A and B d. Neither A nor B

45. The Union Cabinet has recently approved creation of National Infrastructure and Investment Fund (NIIF) as a trust. In this context consider the following statements

- (a) The fund will have a corpus of Rs 40,000 crore.
(b) The government's contribution would be limited to 59% of the subscribed capital.

Which of the statements given above is/are correct. Select the

answer from the codes given below

- a. Only A b. Only B
c. Both A and B d. Neither A nor B

46. Consider the following economic activities

1. Manufacturing
2. Mining and Quarrying
3. Electricity, Gas and Water Supply
4. Construction

Which of the above mentioned economic activities are considered the part of the "secondary sector" for the estimation of India's GDP. Select the correct answer from the codes given below

- a. 1, 2 and 4 only b. 1, 3 and 4 only
c. 2 and 4 only d. 1 and 2 only

47. According to the latest UNDP report the government spending on education is 4.1 per cent of GDP. In this regard consider the following statements

1. Elementary education takes a major share of total education expenditure.
2. Expenditure per student in tertiary education is higher than that of elementary.
3. Public expenditure on education per year is greater than that in Defence sector.

Which of the statement given above are correct. Select the answer from the codes given below

- a. 1 and 2 Only b. 1 and 3 Only
c. 1, 2 and 3 d. None of the above

48. Consider the following interest rates of the Indian banking system

1. Savings account interest rate
2. Fixed deposit interest rate
3. Current account interest rate

Which of the following interest rates is/are still regulated? Select the correct answer using the codes given below.

- a. 1 only b. 1 and 2 only
c. 3 only d. None of the above

49. Fiscal consolidation is one of the objectives of India's economic policy. Which of the following would help in fiscal consolidation?

1. increasing taxes
2. getting more loans
3. reducing subsidies

Select the correct answer using the codes given below.

- a. 1 and 2 only b. 1 and 3 only
c. 2 and 3 only d. 1, 2 and 3
50. The Atal Pension Yojana launched in the Union Budget 2015-16 focuses on who among the following
1. All citizens in the unorganized sector

2. All income tax payer citizens
3. Only BPL citizens in the unorganized sector
- Select the correct answer using the codes given below.
- a. 1 only b. 1 and 2 only
c. 3 only d. None of the above



KEYNOTE

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Timing 5 PM onwards

GEOGRAPHY
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HISTORY
Parampreet Singh

8th JAN.

POLITY & GOV.
Rajiv Ranjan Singh

9th JAN.

ETHICS APTITUDE
A. Sheikh

10th JAN.

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