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ACADEMY**

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# **PRELIMS TEST SERIES 2023**

## **General Studies**

### **Test - 1**

#### **TOPICS COVERED**

**ECONOMY – Macro Economy**

**GEOGRAPHY – Fundamentals of Physical Geography**

**RELATED CURRENT AFFAIRS**

1. Consider the following statements with reference to green manure:

1. It refers to decomposed plant matter
2. It helps in controlling growth of weeds
3. They improve soil quality by addition of Nitrogen

Choose the correct statements from the codes given below:

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

2. Consider the following statements with regard to Heat Dome phenomenon

1. Heat Dome occurs when an area experiences intense low pressure
2. It has severe effect on vegetation, crops and may lead to droughts

Choose the correct statements from the codes given below:

- a) 1 only
- b) 2 only
- c) Both 1 & 2
- d) Neither 1 nor 2

3. Consider the following statements with reference to Bomb Cyclone

1. Bomb Cyclones are mostly associated with Temperate cyclones
2. They are more prominent in Summer over Winter
3. The pressure at the centre of the cyclone drops at rate of 1 mb/hour for at least 24 hours

Choose the correct statements from the codes given below:

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

4. Match the following

Term in news	Phenomena
A. Derecho	1. Interaction between two tropical cyclone storms

B. Amalthea	2. Atmospheric conveyor belt for moisture
C. Fujiwhara	3. Straight-line wind storm with rapidly moving showers
D. Pineapple Express	4. Jupiter's moon recently in news

Identify the correct match among the following:

- a) A-4, B-1, C-2, D-3
- b) A-2, B-3, C-4, D-1
- c) A-4, B-2, C-1, D-3
- d) A-3, B-4, C-1, D-2

5. Match the following:

Type of Drought	Effect
A. Meteorological Drought	1. Low soil moisture
B. Hydrological Drought	2. Abnormal water shortage
C. Agricultural Drought	3. Dried up water bodies
D. Socio-Economic Drought	4. Low rainfall

Identify the correct match among the following:

- a) A-4, B-3, C-1, D-2
- b) A-4, B-2, C-1, D-3
- c) A-3, B-4, C-1, D-2
- d) A-2, B-3, C-4, D-1

6. Consider the following statements with reference to cloud burst:

1. A rain event is termed as cloud burst, if 10 mm rainfall is received at a station in 1 hour.
2. It is very difficult to predict the cloud bursts due to its small scale
3. Cloud bursts do not occur at plains

Choose the **incorrect** statements from the codes given below:

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

7. Which of the pairs given below are matched correctly:

Type of Hydrogen	Generated from
1. Black Hydrogen	Bituminous coal
2. Brown Hydrogen	Lignite coal
3. Grey Hydrogen	Natural Gas
4. Pink Hydrogen	Nuclear Energy

Choose the correct option from the codes given below:

- a) 1, 2 and 3 only  
 b) 2, 3 and 4 only  
 c) 1, 2 and 4 only  
 d) 1, 2, 3 and 4
8. Recently Union Government released India's Arctic Policy. Consider the following statements with respect to India's engagement in the Arctic Region
1. India is a full-time observer member in the Arctic Council
  2. India presently has one research station only in the Arctic Region
  3. IMD is the lead organization for India's Polar research programme
- Choose the **incorrect** statements from the codes given below:
- a) 1 and 3 only  
 b) 2 and 3 only  
 c) 1 and 2 only  
 d) 1 only
9. Consider the following statements with reference to 'aftershocks' of an earthquake
1. Aftershocks happen due to readjustment of tectonic plates after the main earthquake
  2. Aftershocks can be seen up to weeks or years after the main earthquake
  3. Aftershocks can be of more magnitude than the main earthquake
- Choose the correct statements from the codes given below:
- a) 1 and 2 only  
 b) 2 and 3 only

- c) 1 and 3 only  
 d) 1, 2 and 3

10. Beaufort number is used to indicate

- a) Intensity of flood level  
 b) Intensity of heat wave  
 c) Intensity of wind speed  
 d) Intensity of cold wave

11. Which of the following reasons could be responsible for Joshimath Land Subsidence:

1. Located in Seismic Zone I
2. Located on unconsolidated sediments
3. Undercutting by rivers
4. Construction activities
5. Widening roads & tunnels
6. Hydroelectric projects
7. Withdrawal of ground water

Choose the correct option from the codes given below:

- a) 1, 2, 4 and 5 only  
 b) 3, 4, 5, 6 and 7 only  
 c) 2, 3, 4, 5 and 6 only  
 d) 2, 3, 4, 5, 6 and 7 only

12. The Aral Sea fast shrinking due to multiple anthropogenic factors is often in news.

Consider the following statements regarding Aral Sea:

1. It is bordered by Kazakhstan, Uzbekistan and Turkmenistan
2. Rivers Amu Darya and Syr Darya drain into the Aral Sea

Choose the correct statement/s from the codes given below:

- a) 1 only  
 b) 2 only  
 c) Both 1 & 2  
 d) Neither 1 nor 2

13. Choose the correct order of arrangement of Islands of the Indian Ocean from North to South

- a) Maldives-Socotra-Reunion-Mauritius-Seychelles  
 b) Socotra- Seychelles- Maldives- Reunion- Mauritius

- c) Socotra-Maldives-Seychelles-Mauritius-Reunion
- d) Maldives-Socotra-Mauritius-Seychelles-Reunion

14. Arrange the following ports from West to East

- 1. Gwadar Port
- 2. Chabahar Port
- 3. Hambantota Port
- 4. Duqm Port

Select the correct code from below:

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

15. Which of the following Seas are marginal seas of the Arctic Ocean

- 1. Kara Sea
- 2. North Sea
- 3. Beaufort Sea
- 4. Barents Sea

Select the correct code from below:

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

16. Consider the following statements regarding British Commonwealth of Nations:

- 1. Gabon is the recent most countries to have joined Commonwealth
- 2. There are no European countries in the Commonwealth

Choose the correct statement/s from the codes given below:

- a) 1 only
- b) 2 only
- c) Both 1 & 2
- d) Neither 1 nor 2

17. Consider the following statements regarding Earthquake Waves:

- 1. All natural earthquakes take place in the lithosphere.
- 2. Body waves are first generated at the Epicentre and move in all the directions.

- 3. The S wave propagation reveals that the inner core is made of liquid.
- 4. P- Waves propagate longitudinally while S- Waves propagate transversally.

Which of the above statements are correct?

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

18. Which of the following observations neither supports nor goes against the claims made by the big bang theory regarding the origin of the universe?

- a) Hubble's theory, farther the galaxy is, faster it is moving away
- b) Detection of gravitational waves
- c) Continuous birth and death of new stars
- d) Discovery of cosmic microwave background

19. Consider the following features of Mass Movement?

- 1. Mass movements are favoured by torrential rainfall and scarcity of vegetation
- 2. Geomorphic agents do not have active role in Mass Movement
- 3. Weathering is a pre-requisite for mass movement to happen

Which of the above statements are correct?

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

20. Which of the following statements are correct?

- 1. An area drained by a river and its tributaries is best referred as Catchment area
- 2. Drainage basin is when a river collects the water from specific area to a common point
- 3. The catchments of large rivers are called river basins while those of small rivulets are referred to as watersheds.

Select the correct answer using the codes given below:

- a) 1 and 2 only

- b) 1, 2 and 3
- c) 3 only
- d) 1 and 3 only

21. Consider the following statements regarding Drainage Pattern:

1. The drainage pattern is referred to be “centripetal” when the rivers originate on a hill and flow in all directions.
2. The drainage pattern resembling the branches of a tree is known as ‘trellis’.

Which of the above statements is/are correct:

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

22. Match the following:

Source Rock	After Metamorphism
A. Slate	1. Quartzite
B. Clay	2. Gneiss
C. Granite	3. Phyllite
D. Sandstone	4. Schist

Select the correct answer using the code given below:

A B C D

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

23. Which of the phenomena given below indicate an El-Nino condition?

1. Westward blowing trade winds weaken along the Equator
2. Increase in the temperature of the water on the Peruvian coast
3. Abundance of plankton and hence fishing in the Eastern Pacific

Select the correct answer using the codes given below:

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

24. Assertion(A): Earth experiences the highest temperature in the subtropics rather than at the Equator

Reason(R): Subtropical areas have longer day hours in the summer than the Equatorial

Select the correct answer using the codes given below:

- a) Both A and R are true and R is the correct explanation of A.
- b) Both A and R are true but R is not the correct explanation of A
- c) A is true but R is false
- d) A is false but R is true.

25. Consider the following statements regarding Condensation:

1. The temperature of air reaches dew point only when Relative Humidity is 100%
2. For Dew to form, the dew point needs to be above 0 degree C
3. Mist has greater moisture than Fog
4. Fog has a greater visibility than Mist

Which of the above statements are correct?

Select the correct answer using the codes given below:

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

26. Which of the following statements regarding ITCZ are correct?

1. It is a zone of intense low pressure referred to as Thermal Equator
2. It aids in the development of Monsoon Trough during South West Monsoon
3. It facilitates the onset of North East Monsoon by reversal of winds

Select the correct answer using the codes given below

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

27. Consider the following statements
1. The annual range of temperature is greatest over Mid-latitudes
  2. The diurnal range of temperature is least over Equator
- Which of the above statements are correct?
- a) 1 only
  - b) 2 only
  - c) Both 1 and 2
  - d) Neither 1 nor 2

28. Consider the following statements regarding Coriolis Force:
1. Coriolis Force is directly proportional to angle of latitude
  2. It acts perpendicular to the pressure gradient force
  3. It strengthens the wind speed as we move towards poles
- Which of the above statements are correct?
- a) 1 and 2 only
  - b) 1 and 3 only
  - c) 2 only
  - d) 1, 2 and 3

29. Match the following:

Type of Biome	Soil Characteristics
A. Equatorial Forest	1. Thin soil cover
B. Desert	2. Acidic, poor in nutrients
C. Tropical Savannah	3. Rich in nutrients with little organic matter
D. Boreal	4. Porous with thin layer of humus

Choose the correct answer from the codes given below:

- A B C D
- a) 4, 1, 3, 2
  - b) 2, 3, 4, 1
  - c) 2, 4, 1, 3
  - d) 3, 4, 1, 2

30. Consider the following statements regarding Mechanical Weathering:
1. Exfoliated Domes and Exfoliated Tors are developed due to expansion from unloading and pressure release
  2. Exfoliation Dome is a large, smooth, dome-shaped rock masses
  3. Exfoliated Tors are smooth surfaced, rounded small to big boulders
- Which of the above statements are correct?
- a) 1 only
  - b) 2 and 3 only
  - c) 1 and 2 only
  - d) 1, 2 and 3

31. Tibetan Plateau can be best categorized as:
- a) Piedmont Plateau
  - b) Volcanic Plateau
  - c) Continental Plateau
  - d) Intermontane Plateau
32. Regarding the Equatorial Climate, which among the following statements is/are **incorrect**:
1. There is no typical winter
  2. There is rain in every month
  3. Epiphytes are a feature of this type of climate.
  4. The rainfall peaks twice coinciding with Solstices
- Choose the correct answer from the codes given below
- a) 1 and 2 only
  - b) 4 only
  - c) 2 and 4 only
  - d) 1, 2 and 3 only

33. Consider the following statements:
1. A dry, warm summer with offshore trade winds.
  2. Rainfall in winter with on-shore westerlies.
- Which of the following climate type best suits the above characteristics?
- a) Laurentian
  - b) British
  - c) China
  - d) Mediterranean

34. Regarding the Extra Tropical Cyclones, consider the following statements:

1. The isobars are widespread and hence pressure gradient is gentle
2. Since they are formed due to front formation, they are confined to a particular season.

Which of the above statements are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

35. Which of the following statements regarding the temperature inversion are correct?

1. Over polar areas, temperature inversion is normal throughout the year.
2. Temperature inversion takes place in hills and mountains due to air drainage
3. Temperature inversion over an area indicates stable air

Select the correct answer using the codes given below:

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

36. Consider the following statements regarding Jet Streams:

1. Jet Streams are formed because of unequal heating of Poles & Equator
2. Jet Streams are generally found in the lower Stratosphere
3. Jet Streams follow the boundaries between hot and cold airmass
4. The apparent movement of the sun has no effect on the location of Jet Stream

Which of the above statements are correct?

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

37. Consider the following factors?

1. Earth's rotation
2. Moon's gravitational pull
3. Local winds

4. Pressure conditions
5. Shape of the shoreline

Which of the above given factors affects the formation of tides?

- a) 2 and 5 only
- b) 1, 2 and 5 only
- c) 1 and 2 only
- d) 1, 2, 3, 4 and 5

38. Which of the following statements regarding local winds of the world is incorrect?

- a) Foehn and Chinook are warm, dry winds
- b) Mistral is cold and dry wind in France
- c) Karaburan is cold violent wind in Bangladesh
- d) Pampero is a cold wind over Argentina

39. Consider the following pairs:

1. Strait of Dover: Connects North Sea with English Channel
2. Davis Strait: Connects Baffin Bay with Labrador Sea
3. Kerch Strait: Connects Sea of Azov with Black Sea
4. Yucatan Strait: Connects Gulf of Mexico with Caribbean Sea

How many of the above pairs are correctly matched?

- a) One pair only
- b) Two pairs only
- c) Three pairs only
- d) All Four pairs

40. Consider the following statements about Savannah type of climate:

1. It is transitional type of climate found between the equatorial forests and the semiarid and subtropical humid climate.
2. It does not have distinct dry and wet seasons.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

41. Consider the following rivers of Africa:

1. River Congo
2. River Zambezi
3. River Orange
4. River Limpopo

Which of the above rivers drain into the Atlantic Ocean?

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

42. Match the following

River	Drains into
A. Yangtze	1. South China Sea
B. Mekong	2. Yellow Sea
C. Huang Ho	3. Andaman Sea
D. Salween	4. East China Sea

Choose the correct answer from the code given below:

A B C D

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

43. Which of the following countries are part of "Horn of Africa"

1. Somalia
2. Ethiopia
3. Kenya
4. Eritrea
5. Djibouti

Choose the correct answer from the codes given below:

- a) 1 and 2 only
- b) 1, 4 and 5 only
- c) 1, 2, 4 and 5 only
- d) 1, 2 and 4 only

44. Which of the following country(s) border the Mediterranean Sea?

1. Israel
2. Syria

3. Jordan

4. Lebanon

Choose the correct answer from the codes given below:

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

45. Which countries are referred to as Baltic States

1. Norway, Sweden and Finland
2. Estonia, Latvia and Lithuania
3. Denmark

Choose the correct answer from the codes given below:

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

46. Which of the following ocean currents contribute in aggravating the Great Pacific Garbage Patch?

1. California Current
2. North Equatorial Current
3. Kuroshio Current
4. Oyashio Current
5. Alaska Current

Select the correct answer using the code given below:

- a) 1, 2 and 3 only
- b) 1, 2 and 4 only
- c) 2, 3 and 5 only
- d) 1, 2, 3, 4 and 5

47. Which of the following are the depositional coastal landforms:

1. Tombolo
2. Beaches
3. Cliffs
4. Spits
5. Caves

Which of the statements given above is/are correct?

- a) 1, 2 and 4 only
- b) 2, 3 and 4 only
- c) 1, 2 and 5 only



d) 1, 2, 3, 4 and 5

48. Fluvial Erosional Landforms are landforms created by the 'erosional activity of rivers' in this context, consider the following:

1. Hydration
2. Corrosion
3. Attrition
4. Abrasion

Which of the given above are the actions needed to form the fluvial erosional landforms?

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

49. Consider the following landforms:

1. Valleys
2. Plunge Pools
3. Alluvial Fans
4. Deltas

Which of the landforms given above are considered as Erosional Landforms developed by Running Water?

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

50. Pediplains and Pediments are erosional landforms are formed due to which of the following geomorphic agents?

- a) Waves and Currents
- b) Glacier
- c) Wind
- d) Groundwater

51. Which of the following are the limitations of using GDP as a measure of welfare?

1. The increase in the level of GDP may not increase the welfare level in the society.
2. It focuses more on the total estimate of income distribution of individuals in an economy.
3. It undervalues all the non-monetary transactions within an economy.

4. It does not take into consideration the impact of negative and positive externalities in an economy.

Select the correct answer using the code given below.

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

52. With reference to Priority sector lending (PSL), consider the following statements:

1. Loans under PSL can be given to Renewable Energy projects.
2. Provisions of PSL lending are not applicable to Small Finance Bank (SFB).
3. Regional Rural Banks needs to provide 75% of ANBC as PSL

Which of the statements given above is/are correct?

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

53. With reference to the factors determining the price elasticity of demand for a good, consider the following statements:

1. Low-priced products often are highly elastic.
2. Goods with many alternatives or competitors are elastic.

Which of the statement(s) given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

54. Which of the following are known as 'Non debt creating capital receipts in an annual budget'?

1. Recoveries of loans
2. Disinvestment proceeds
3. Loans received from foreign governments

Select the correct answer using the code given below:

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

55. Which of the following actions can be taken in balance of payment (BoP) crisis by India to stabilize the economy?

1. Artificially stabilization of rupee by the RBI
2. Issue of masala bonds by the government of India
3. Raising of interest rate in the economy

Select the correct answer using the code given below:

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

56. Which of the following constitutes part of revenue receipts?

1. Dividends and Profits
2. Currency, Coinage, Mint
3. Internal Borrowings
4. Funded Securities
5. Union Excise Duties

Select the correct answer using the codes given below:

- a) 1, 2 and 5 only
- b) 1, 2, 3 and 4 only
- c) 2, 3, 4 and 5 only
- d) 1, 2, 3, 4 and 5

57. Consider the following statements with reference to the various deficits of the government:

1. The revenue deficit represents that the government's own earnings are not sufficient to meet the day-to-day operations.
2. Fiscal deficit is the difference between the government's total expenditure and its total receipts including borrowings.
3. Primary Deficit is the difference between the current year's fiscal deficit and the interest paid on the borrowings of the previous year.

Which of the statements given above is/are correct?

- a) 1 and 2 only

- b) 2 and 3 only
- c) 1 and 3 only
- d) 1, 2 and 3

58. Consider the following statements:

1. Purchasing Power Parity (PPP) exchange rates are calculated by comparing the prices of the same basket of goods and services in different countries
2. In terms of PPP dollars, India is the fourth largest economy in the world.

Which of the statement given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

59. In the context of 'Balance of Payments', which of the following components form part of the 'Current Account'?

1. Services
2. Foreign portfolio investments
3. Income from financial investments
4. Current Transfers

Select the correct answer using the code given below:

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

60. Consider the following statements:

1. The weightage of food in Consumer Price Index (CPI) is higher than that in Wholesale Price Index (WPI).
2. The WPI does not capture changes in the prices of services, which CPI does.
3. Reserve Bank of India has now adopted WPI as its key measure of inflation and to decide on changing the key policy rates.

Which of the statements given above is/are correct?

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

61. With reference to the fiscal management in India, consider the following statements:

1. The Central government aims to limit the, fiscal deficit to 4.5% of GDP by 2025-26.
2. The annual fiscal deficit target can be exceeded by up to 2% under the escape clause of the Fiscal Responsibility and Budget Management Act.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

62. In the context of international trade, which one of the following conditions make a product eligible for 'Countervailing duty'?

1. when the product has potential of harming the environment of destination country.
2. when the product has not followed the international sanitary rules while production process.
3. when the product has received unfair advantage through export subsidy in the source country.

Select the correct answer using the code given below:

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

63. Consider the following:

1. Foreign currency convertible bonds.
2. Foreign institutional investment with certain conditions.
3. Global depository receipts.
4. Non-resident external deposits.

Which of the above can be included in Foreign Direct Investments?

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

64. In the context of the economy, the concept of inclusive growth inculcates which of the following?

1. Industrial development
2. Agriculture development
3. Equal distribution of income
4. Environment protection
5. Reduction in regional disparities

Select the correct answer using the codes given below:

- a) 2, 3 and 5 only
- b) 1, 2, 3 and 5 only
- c) 2, 3, 4 and 5 only
- d) 1, 2, 3, 4 and 5

65. Consider the following statements with respect to the public debt in India:

1. India's public debt has consistently been rising in the last five years.
2. Non-resident deposits comprises the largest component of external debt.
3. The public debt to GDP ratio is a measure of government debt sustainability.

Which of the statements given above is/are correct?

- a) 1 and 2 only
- b) 3 only
- c) 2 and 3 only
- d) 1 and 3 only

66. Consider the following pairs with respect to different kinds of economic recovery:

Shape of Economic	Recovery Implication
1. K-shape	One sector of the economy trends upwards while other sector sinks
2. V-shape	Economy declines and then spends a significant period of time at the trough before improving.
3. W-shape	Double-dip recession

Which of the pairs given above is/are correctly matched?

- a) 1 and 2 only
- b) 3 only
- c) 2 and 3 only

d) 1 and 3 only

67. Which of the following are the possible impacts of higher 'Tax Expenditure' on Indian economy?

1. More complex tax system
2. Promotion of Crony capitalism
3. Decline in Revenue Receipts

Select the correct answer using the code given below.

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

68. With regard to the surplus income of RBI, which of the following statements is/are correct?

1. RBI is exempted from paying income tax on its surplus income but has to pay wealth tax.
2. The amount of transfer of surplus to the Centre is decided by the central bank after consultations with the government.
3. Surplus transfer to the Government forms part of its capital receipts.
4. Banking Regulations Act of 1949 provides for the transfer of surplus income by the RBI to the Centre.

Select the correct answer using the code given below:

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

69. Which of the following are the intended benefits of strategic disinvestment?

1. Meeting budgetary requirements.
2. To improve public finances and overall economic efficiency
3. To depoliticise non-essential services
4. Transfer of commercial risks.
5. To raise funds for technological upgradation of PSUs

Select the correct answer using the code given below:

- a) 2 and 3 only
- b) 1, 2 and 5 only
- c) 1, 2, 3 and 5 only

d) 1, 2, 3, 4 and 5

70. India has recorded the highest-ever annual FDI inflow of USD 83.57 billion in the Financial Year 2021-22. In this context, consider the following statements:

1. United Kingdom was the top investor country with respect to FDI Equity inflow.
2. Computer Software & Hardware was the top recipient sector of FDI Equity inflow.
3. Maharashtra was the highest recipient state of FDI Equity inflow.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) 2 and 3 only
- d) None

71. Which of the following statements best describes the Reserve Tranche Position of an economy?

- a) It is the total amount of money held by the banks with the Central Bank.
- b) It is the total liability of the monetary authority (Central Bank) of the country.
- c) It is the proportion of money that banks keep with themselves as reserve requirement.
- d) It is the foreign currency amounts that a member country may draw from the IMF without agreeing to conditions.

72. With reference to FDI, consider the following statements:

1. In the Year 2020-21, India received the lowest FDI since the 1991 reforms due to Covid 19.
2. Recently annual FDI inflows in India crossed the 100 Billion mark.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

73. With reference to the recession in an economy, consider the following statements:

1. Two consecutive quarters of negative economic growth is an indicator of recession.
2. Recession is normally considered to be extremely severe than depression as the decline in GDP can exceed 10 percent.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

74. Consider the following statements regarding the World Bank:

1. India is a founding member of the World Bank.
2. The Board of Governors is the highest decision-making body at the Bank.
3. To become a member of the World Bank, a country must first join the United Nations.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) 1 and 2 only

75. Foreign Direct Investment is prohibited under which of the following sectors in India?

1. Trading in Transferable Development Rights
2. Manufacturing of cigarettes
3. Lottery Business
4. Gambling and Betting
5. Air Transport Services

Select the correct answer using the code given below.

- a) 2 and 3 only
- b) 5 only
- c) 1, 2, 3 and 4 only
- d) 1, 2, 3, 4 and 5

76. In the context of the Balance of Payment, which of the following items come under the Capital Account?

1. External Commercial Borrowings

2. Bilateral loans
3. Foreign Direct Investment (FDI)
4. Remittances

Select the correct answer using the code given below.

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

77. Consider the following statements regarding the lending facilities of the International Monetary Fund (IMF):

1. Rapid Credit Facility (RCF) provides rapid concessional financial assistance to low-income countries facing an urgent balance of payments need.
2. Rapid Financing Instrument (RFI) provides rapid financial assistance to all member countries facing an urgent balance of payments need.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

78. In the context of the balance of payment (BOP), which of the following are included in the transfer payments?

1. Aid received in kind from foreign governments
2. Remittances
3. Non-resident deposits
4. Contributions and donations to religious institutions

Select the correct answer using the code given below.

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

79. With reference to the Wholesale Price Index (WPI) and Consumer Price Index (CPI), consider the following statements:

1. WPI is released by the Office of Economic Adviser while the CPI is released by National Statistics Office.
2. Fuel and Power component has the maximum weightage in the WPI while the Food and Beverages component holds the maximum weightage in the CPI.
3. WPI helps in timely intervention by the Government to check inflation in essential items while CPI is used as an anchor for the inflation targeting in India.

Which of the statements given above are correct?

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

80. Consider the following Pairs with reference to types of unemployment and their description:

Types of unemployment	Description
1. Frictional Unemployment	When there is a mismatch between the worker's skills and availability of jobs
2. Disguised Unemployment	More people are doing work than actually required
3. Structural Unemployment	People do not have work during certain seasons of the year
4. Cyclical Unemployment	People are unemployed for a short span of time while searching for a new job or switching between jobs.

How many pairs given above are correctly matched?

- a) Only one pair
- b) Only two pairs
- c) Only three pairs
- d) All four pairs

81. The term 'Non-Accelerating Inflation Rate of Unemployment'(NAIRU), often seen in the news, implies that

- a) It is the rate of unemployment that occurs with changes in economic activity over a business cycle.
- b) It is the lowest unemployment rate that can be sustained without causing wages growth and inflation to rise.
- c) It is the rate of unemployment under which there is a mismatch between the jobs that are available and the people looking for work.
- d) It occurs when people are employed but are unable to afford goods due to high inflation.

82. With reference to changes in prices of commodities in an economy, consider the following pairs:

Terms	Description
1. Skewflation	Episodic rise in prices of all the commodities.
2. Reflation	A sudden increase in the price of some goods due to government action.
3. Stagflation	An economic situation of high inflation and high unemployment levels.

Which of the pairs given above is/are matched correctly?

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

83. The term 'base effect' is related to which of the following?

- a) The impact of aggregate demand on the exchange rate of a currency.
- b) The value of a country's currency in terms of a basket of international currencies.
- c) The impact of the previous year's inflation on the current year's inflation.
- d) The impact of the supply of goods on their prices.

84. With regards to characteristics of recession, which of the following statements is/are correct?

1. Rise in price of gold and silver
2. High retrenchment
3. Reduction in interest rates
4. Increase in corporate bond yield
5. Increase in exports

Select the correct answer using the code given below:

- a) 1, 2 and 3 only
- b) 2, 3 and 4 only
- c) 2, 3 and 5 only
- d) 1, 2, 3 and 4 only

85. Which of the following statements is/are correct regarding the Societal Poverty Line?

1. It was introduced by the World Bank
2. It captures the relative aspects of poverty.

Select the correct answer using the code given below:

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

86. Which of the following measures can be taken to check Demand-Pull Inflation?

1. Increasing imports of goods which are short in supply
2. Increase in CRR and SLR by RBI
3. Increasing interest on loans
4. Reducing public expenditure, especially consumptive type

Select the correct option using the code given below:

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

87. Which among the following are categorised as Above-the-Line fiscal measures?

1. Capital Grants
2. Loans and Credit Guarantees
3. Schemes like MGNREGA
4. Tax Cuts
5. Direct Transfers

Select the correct option using the code given below:

- a) 1, 2 and 3 only
- b) 2, 3 and 4 only
- c) 1, 3, 4 and 5 only
- d) 1, 2, 3, 4 and 5

88. With reference to the Indian economy, consider the following statements:

1. Under a counter-cyclical fiscal policy, the government decreases expenditure during a recession.
2. During a boom in the economy, countercyclical fiscal policy aims at reducing taxes to control inflation.
3. Counter-cyclical fiscal policy can help in crowding in private investment.

Which of the statements given above is/are correct?

- a) 1 and 2 only
- b) 2 and 3 only
- c) 3 only
- d) 1 and 3 only

89. With reference to the concept of business cycle, consider the following statements:

1. It is a microeconomic concept that explains the growth dynamics of individual companies.
2. Boom stage may be characterized as a mismatch between demand and supply.

Which of the given statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

90. Which of the following impacts of high inflation can be seen in an economy?

1. Benefit to the creditors
2. Unemployment decreases in short-term
3. Depreciation of currency

Select the correct answer using the code given below:

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

91. Which of the following is correct with reference to the Marginal Cost of Production?

- Producer gets profit if marginal cost is less than the average cost of production.
- It is defined as the total cost of production per unit produced.
- It remains fixed throughout time.
- Producers have to pay the marginal costs even when there is zero production.

92. If the Gross Domestic Product (GDP) of a country is increasing constantly, then which of the following is definitely true?

- The quality and standard of life is increasing within the middle class and lower class in the same proportion.
- The income inequality is decreasing in the country.
- The resources available to people in the country are increasing.
- The unemployment rate will decline in the country.

Select the correct answer from the code given below:

- 1 and 2 only
- 3 only
- 2, 3 and 4 only
- None

93. Which of the following is/are the possible impacts of Currency Swap?

- Increase Exports of goods and commodities.
- Help in fund and currency risk management
- Increases volatility in foreign exchange markets
- Higher depreciation of domestic currency

Select the correct answer using the code given below.

- 1 and 2 only
- 1, 3 and 4 only
- 2 and 4 only
- 2, 3 and 4 only

94. With reference to the Cash reserve ratio (CRR) and Statutory liquidity ratio (SLR), consider the following statements:

- Small finance banks and payments banks need not maintain CRR
- The CRR has to be maintained in cash whereas the SLR can be maintained either in cash or in assets.
- Unlike CRR, the banks don't earn any returns from the money maintained in the form of SLR.
- The CRR meet short-term liquidity requirements whereas the SLR controls excess money flow in the economy.

Which of the statements given above is/are correct?

- 1 and 2 only
- 1, 3 and 4 only
- 2 and 4 only
- 1, 2 and 4 only

95. Which one is correct with reference to Central Bank Digital Currency (CBDC)?

- CBDC is just a wallet or an electronic purse, issued by a central bank.
- It cannot be exchanged for cash
- CBDC will be based on blockchain technology and will be regulated by the RBI.

Select the correct answer using the code given below.

- 1 and 2 only
- 2 and 3 only
- 1 and 3 only
- 3 only

96. Which of the following pairs are correctly matched?

List I Terms	List II Description
1. Securitization	It is the method of converting existing assets into securities.
2. Cumulative shares	Shares that are entitled to receive dividends of a particular year in the coming years.
3. Buy back	The investor buys the securities without owning the securities



4. Short selling	It refers to the issuer buying the securities again to accumulate shares in his hands.
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Select the correct answer using the code given below:

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

97. With reference to Participatory notes (Pnotes), consider the following statements:

1. They are issued by registered foreign portfolio investors (FPIs) to overseas investors.
2. Investments flowing through P-notes are considered as offshore derivative investments (ODIs).
3. The investors in P-Notes derive the economic benefits of investing in the security without actually holding it.

Which of the statements given above is/are correct?

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

98. In the context of RBI's Repo operations, consider the following statements:

1. For Repo transactions, the Reserve Bank of India accepts Oil bonds issued by government as collateral.
2. A cut in the repo rate will prove beneficial to depositors and debt mutual fund investors.

Which of the statements given above is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

99. It is the total value of finished goods and services produced by a country's citizens overseas and

domestically, minus depreciation. It is considered as the purest form of income. It is used in finding per capita income of a nation. Which of the following income accounting method is described in the above given paragraph?

- a) Net Domestic Product
- b) Gross National Product
- c) Net National Product
- d) Gross Domestic product

100. Which of the following statements with reference to Gross Value Added (GVA) method is/ are correct?

1. GVA at factor cost is generally lesser than GVA at basic price.
2. GVA at basic prices is calculated using production taxes and subsidies.
3. GVA at market price is calculated using product taxes and subsidies.

Select the correct answer using the code given below:

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

## Key

- |       |       |        |
|-------|-------|--------|
| 1. B  | 46. A | 91. A  |
| 2. B  | 47. A | 92. B  |
| 3. C  | 48. D | 93. A  |
| 4. D  | 49. A | 94. C  |
| 5. A  | 50. C | 95. C  |
| 6. C  | 51. D | 96. A  |
| 7. D  | 52. C | 97. D  |
| 8. A  | 53. B | 98. A  |
| 9. A  | 54. A | 99. C  |
| 10. C | 55. D | 100. D |
| 11. D | 56. A |        |
| 12. B | 57. C |        |
| 13. C | 58. A |        |
| 14. B | 59. B |        |
| 15. D | 60. A |        |
| 16. A | 61. A |        |
| 17. B | 62. C |        |
| 18. C | 63. A |        |
| 19. A | 64. D |        |
| 20. C | 65. B |        |
| 21. D | 66. D |        |
| 22. C | 67. D |        |
| 23. B | 68. D |        |
| 24. B | 69. D |        |
| 25. B | 70. B |        |
| 26. D | 71. D |        |
| 27. C | 72. D |        |
| 28. D | 73. A |        |
| 29. B | 74. D |        |
| 30. B | 75. C |        |
| 31. D | 76. D |        |
| 32. B | 77. A |        |
| 33. D | 78. D |        |
| 34. A | 79. C |        |
| 35. D | 80. A |        |
| 36. A | 81. B |        |
| 37. D | 82. C |        |
| 38. C | 83. C |        |
| 39. D | 84. A |        |
| 40. A | 85. C |        |
| 41. B | 86. D |        |
| 42. D | 87. C |        |
| 43. C | 88. C |        |
| 44. B | 89. B |        |
| 45. B | 90. C |        |



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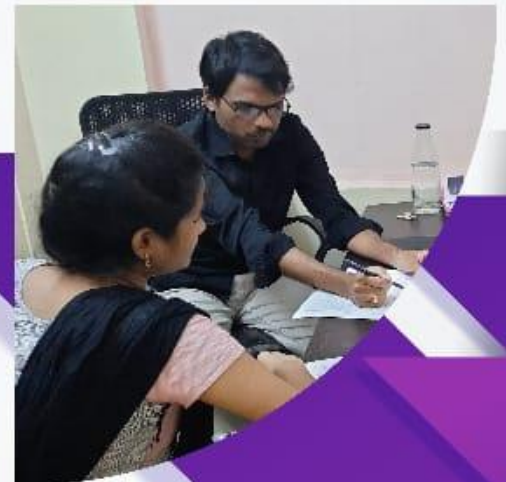


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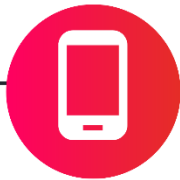
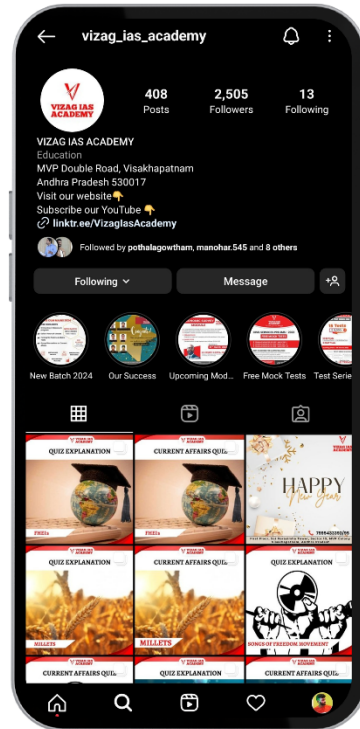
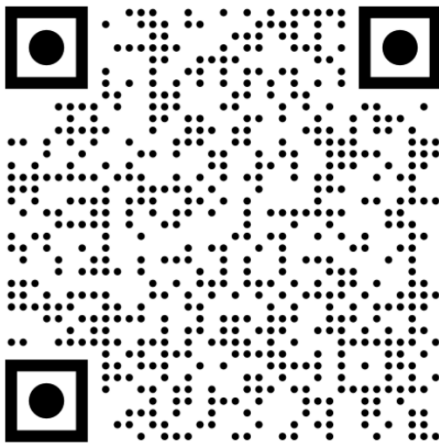
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