

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE TOLD TO DO SO

T.B.C. : STS-K-TPT
Serial No.:

Test Booklet Series

TEST BOOKLET

Subject : Test 11 – ECONOMICS
Question Paper



Time Allowed : Two Hours

Maximum Marks : 200

INSTRUCTIONS

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS, ETC. IF SO, GOT IT REPLACED BY A COMPLETE TEST BOOKLET.

2. Please note that it is the candidate's responsibility to encode and fill in the Roll Number and Test Booklet Series A, B, C or D carefully and without any omission or discrepancy at the appropriate places in the OMR Answer Sheet. Any omission/discrepancy will render the Answer Sheet liable for rejection.

3. You have to enter your Roll Number on the Test Booklet in the Box provided alongside. DO NOT write anything else on the Test Booklet.

4. This Test Booklet contains 100/80 items (questions).

Each item is printed in English. Each item comprises of four responses (answers). You will select the response

which you want to mark on the Answer Sheet. In case you feel that there is more than one correct response, mark the response which you

consider the best. In any case, choose ONLY ONE response for each item.

5. You have to mark all your responses ONLY on the separate Answer Sheet provided. See directions in the Answer Sheet.

6. All items carry equal marks

7. Before you proceed to mark in the Answer Sheet the response to various items in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per instructions sent to you with your Admission Certificate.

8. After you have completed filling in all your responses on the Answer Sheet and the examination has concluded, you should hand over to the Invigilator only the Answer Sheet. You are permitted to take away with you the Test Booklet.

9. Sheets for rough work are appended in the Test Booklet at the end.

10. **Penalty for wrong answers:**

THERE WILL BE PENALTY FOR WRONG ANSWERS MARKED BY A CANDIDATE IN THE OBJECTIVE TYPE QUESTION PAPERS

(i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, **one third** if the marks assigned to that question will be deducted as penalty.

(ii) If a candidate gives more than one answer, it will be treated as a wrong answer even if one of the given answers happens to be correct and there will be same penalty as above to that question.

(iii) If a question is left blank, i.e., no answer is given by the candidate, there will be no penalty for that question.

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1. With reference to the recent revision of India's National Accounts base year, consider the following statements:

1. The base year for Gross Domestic Product (GDP) and Index of Industrial Production (IIP) has been revised to 2022–23.
2. The base year for Consumer Price Index (CPI) has been revised to 2024.
3. One of the objectives of rebasing is to align India's statistical system with global standards such as those recommended by the United Nations.
4. Rebasing eliminates the need for using administrative datasets such as GST and digital platforms like e-Vahan.

Which of the statements above are correct?

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

2. Which of the following is **NOT** a stage of money laundering?

- (a) Placement
- (b) Layering
- (c) Integration
- (d) Diversification

3. With reference to *reciprocal tariffs* and trade measures adopted during the presidency of Donald Trump, consider the following statements:

1. A reciprocal tariff is imposed to match or mirror the tariff rates levied by another country on similar goods.
2. The United States imposed higher tariffs on steel and aluminium imports citing national security concerns under Section 232.
3. Reciprocal tariffs are fully consistent with the Most Favoured Nation (MFN) principle of the World Trade Organization.
4. The trade measures under Trump triggered retaliatory tariffs from countries such as China.

Which of the statements given above are correct?

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

4. With reference to committees related to poverty estimation in India, consider the following pairs:

Committee	Key Recommendation
1. Alagh Committee	Poverty line based on calorie consumption
2. Lakdawala Committee	Continued use of state-specific poverty lines with CPI-based price adjustments
3. Tendulkar Committee	Inclusion of private expenditure on health and education in poverty estimation

Which of the pairs given above are correctly matched?

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

5. With reference to the *Annual Financial Statement (AFS)* under Article 112 of the Constitution of India, consider the following statements:

1. It distinguishes expenditure into revenue and capital accounts within the Consolidated Fund of India.
2. It includes the estimated receipts and disbursements of the Public Account of India.
3. The Contingency Fund of India does not form part of the Annual Financial Statement.

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

6. Which of the following hydrocarbons are currently kept outside the purview of the Goods and Services Tax (GST) in India?

1. Petrol
2. Diesel
3. Natural Gas
4. Aviation Turbine Fuel (ATF)
5. Liquefied Petroleum Gas (LPG)

Select the correct answer using the code below:

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

7. The *Fiscal Responsibility and Budget Management (FRBM) Act* primarily aims at ensuring fiscal discipline by targeting which of the following deficits?

- (a) Fiscal Deficit and Primary Deficit
- (b) Revenue Deficit and Primary Deficit
- (c) Fiscal Deficit and Revenue Deficit
- (d) Revenue Deficit and Budgetary Deficit

8. The initiative titled “*No Money for Terror*” (*NMFT*), aimed at combating the financing of terrorism, is associated with which of the following?

- (a) Financial Action Task Force
- (b) Organisation for Economic Co-operation and Development
- (c) Office of Foreign Assets Control
- (d) Shanghai Cooperation Organisation

9. With reference to domestic support measures under the Agreement on Agriculture of the World Trade Organization, consider the following pairs:

Support Measure	Specification
1. Green Box	Causes no or minimal trade distortion
2. Blue Box	Directly linked to production-limiting programmes
3. Amber Box	Allowed without any limits

Which of the pairs given above are correctly matched?

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

10. With reference to India’s *foreign exchange reserves*, consider the following components:

1. Foreign Currency Assets (FCA)
2. Gold Reserves
3. Special Drawing Rights (SDRs) with the International Monetary Fund
4. Reserve Tranche Position (RTP) with the International Monetary Fund

Which of the components given above are included in India’s foreign exchange reserves?

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

11. Consider the following statements:

1. Gross Value Added (GVA) represents the value of output minus intermediate consumption, i.e., income generated by producers.
2. Gross Domestic Product (GDP) represents the total final expenditure in an economy.
3. GVA and GDP are always equal.
4. A lower capital-output ratio indicates higher efficiency of capital and does not constrain economic growth.

Which of the statements given above are correct?

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

12. With reference to the *charged expenditure* on the Consolidated Fund of India under Article 112, which of the following is NOT correctly matched?

- (a) Emoluments of the President, Speaker and Chairman of Rajya Sabha — Charged expenditure
- (b) Salaries and allowances of Deputy Speaker and Deputy Chairman — Charged expenditure
- (c) Salary of Comptroller and Auditor General (CAG) and debt charges — Charged expenditure
- (d) Salaries and pensions of Supreme Court and High Court Judges — Charged expenditure

13. If the *Net Factor Income from Abroad (NFIA)* of a country is positive, which of the following does it imply?

- (a) GDP is higher than GNP
- (b) GNP is higher than GDP
- (c) The country has higher external liabilities than assets
- (d) There is a net outflow of factor income from the country

14. Which of the following statements are correct regarding inclusion of items as *charged expenditure* on the Consolidated Fund of India?

- 1. A new item can be included as charged expenditure only through a Constitutional Amendment.
- 2. A new item can be included as charged expenditure by a law of Parliament.
- 3. A new item can be included as charged expenditure by a resolution of the Lok Sabha.
- 4. A new item can be included as charged expenditure only through a bill initiated in the Rajya Sabha.

Select the correct answer:

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

15. The situation in which an economy experiences slow GDP growth, high inflation, and rising unemployment is known as:

- (a) Stagnation
- (b) Deflation
- (c) Stagflation
- (d) Recession

16. In macroeconomics, *National Income* is best represented by which of the following?

- (a) Net National Product at market prices
- (b) Net National Product at factor cost
- (c) Net Domestic Product at market prices
- (d) Net Domestic Product at factor cost

17. Which among the following parameters are used in the calculation of **GDP at Basic Price**?

- 1. Cost of factors of production such as land, labour, and capital
- 2. Production subsidies
- 3. Product taxes

Select the correct answer:

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

18. With reference to the Finance Commission of India, which of the following statements is correct?

- 1. It encourages the inflow of foreign capital for infrastructure development
- 2. It facilitates the distribution of finances among Public Sector Undertakings
- 3. It ensures transparency in financial administration

Select the correct answer:

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

19. With reference to GDP calculation, consider the following statements:

- 1. Transfer payments such as pensions, unemployment benefits, and gifts are not included in GDP.
- 2. Foreign remittances into India are directly included in GDP.

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

20. Which of the following planning documents in India first officially endorsed universal healthcare and recommended increasing public health expenditure to around 2.5% of GDP?

- (a) Fourth Five-Year Plan
- (b) Sixth Five-Year Plan
- (c) Tenth Five-Year Plan
- (d) Twelfth Five-Year Plan

21. Persons below the poverty line (BPL) in India are classified as such based on:

- (a) Entitlement to a minimum prescribed food basket
- (b) Availability of work for a prescribed minimum number of days in a year
- (c) Belonging to agricultural labour households and SC/ST groups
- (d) Daily wages falling below the prescribed minimum wages

22. Consider the following statements:

- 1. Economic growth is quantitative progress.
- 2. Economic development is both quantitative and qualitative progress.

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

23. With reference to the *World Trade Organization Appellate Body*, consider the following statements:

- 1. It is a standing body comprising seven members.
- 2. It hears appeals against reports issued by dispute settlement panels.
- 3. Its reports, once adopted by the Dispute Settlement Body (DSB), are binding on the parties to the dispute.

Which of the statements given above is/are correct?

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

24. A redistribution of income in a country can be best brought about through:

- (a) Progressive taxation combined with progressive expenditure
- (b) Progressive taxation combined with regressive expenditure
- (c) Regressive taxation combined with regressive expenditure
- (d) Regressive taxation combined with progressive expenditure

25. Consider the following events in the evolution of planning in India:

- 1. Establishment of the Planning Commission
- 2. Formation of the National Development Council (NDC)
- 3. Approval of the First Five-Year Plan by the NDC
- 4. Constitution of the National Planning Committee

Which of the following is the correct chronological sequence of the above events?

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

26. GDP Deflator is defined as:

- (a) $\text{Real Income} / \text{Nominal Income} \times 100$
- (b) $\text{Nominal Income} / \text{Real Income} \times 100$
- (c) $\text{Real Income} / \text{Population} \times 100$
- (d) None of the above

27. Since 1980, the share of the tertiary (services) sector in India's GDP has:

- (a) Shown an increasing trend
- (b) Shown a decreasing trend
- (c) Remained constant
- (d) Been fluctuating

28. The Lorenz Curve shows the relationship between:

- (a) Inflation and unemployment
- (b) Tax rate and tax collection
- (c) Percentage of total income earned by cumulative percentage of the population
- (d) Tax rate and GDP growth

29. Consider the following statements about the Special Drawing Rights (SDRs) of the International Monetary Fund:

1. SDR is an international reserve asset created by the IMF to supplement global liquidity.
2. SDRs can be held and used by private entities, countries, and individuals.

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

30. Consider the following statements:

1. The Constitution mandates that the Union Budget must be presented every year.
2. The Constitution mandates that the Finance Minister or a person appointed by him must present the Budget.
3. The Constitution mandates the President to get the Budget laid before the House of the People.
4. The Constitution specifies the exact date on which the Budget must be presented.

Which of the statements given above are correct?

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

31. With reference to Central Sector Schemes (CSS), consider the following statements:

1. They are fully funded by the Union Government.
2. They are implemented by State Governments.
3. A Central Ministry can implement a Central Sector Scheme directly in States/UTs.

Which of the statements given above is/are correct?

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

32. Which of the following can necessarily be associated with a negative Net Factor Income from Abroad (NFIA)?

1. GDP is higher than GNP
2. Closed economic model
3. Higher merchandise trade deficit

Select the correct answer:

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

33. Which of the following economic conditions characterize stagflation?

1. Decline in GDP growth rates
2. Increase in the rate of inflation
3. Decrease in unemployment

Select the correct answer:

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

34. Which of the following recommended the formation of the Planning Commission in India?

- (a) National Planning Committee
- (b) Economic Programme Committee
- (c) National Development Council
- (d) Planning Advisory Board

35. When there is a sustained increase in the prices of one or a small group of commodities, the phenomenon is known as:

- (a) Stagflation
- (b) Inflation
- (c) Reflation
- (d) Skewflation

36. Which of the following pairs are correctly matched?

Tax	Description
1. Capital Gains Tax	Tax imposed on companies with zero tax liability
2. Minimum Alternate Tax (MAT)	Tax imposed on sale of assets when profit is made
3. Securities Transaction Tax (STT)	Tax imposed on transactions on domestic stock exchanges

Select the correct answer:

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

37. The era of planned economic development in India is considered to have formally begun with:

- (a) The People's Plan prepared by M.N. Roy (1945)
- (b) The Bombay Plan prepared by J.R.D. Tata and others (1944)
- (c) The Gandhian Plan prepared by S.N. Agarwal (1944)
- (d) The launch of the First Five-Year Plan (1951)

38. Which of the following taxes is not classified as a Direct Tax in India?

- (a) Corporate Tax
- (b) Income Tax
- (c) Central Sales Tax
- (d) Dividend Tax

39. What is meant by "rebasings" in the context of national income accounting?

- (a) Changing the base year to reflect current economic structure and price levels
- (b) Revising tax rates and fiscal policies to improve GDP growth
- (c) Adjusting inflation artificially to control price rise in the economy
- (d) Changing the currency denomination to account for inflation

40. Consider the following statements regarding *taxation concepts*:

1. The impact of tax refers to the point at which a tax is initially imposed.
2. The incidence of tax refers to the final burden of tax borne by the person who ultimately pays it.

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. With reference to the recommendations of the 16th Finance Commission of India, consider the following statements:

1. It retained the vertical devolution of tax revenue to States at 41%.
2. It introduced forest cover as a criterion in horizontal devolution for the first time.
3. It emphasized fiscal discipline and performance-based incentives for States.
4. It recommended complete abolition of revenue deficit grants to States.

Which of the statements given above are correct?

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

42. With reference to the World Trade Organization (WTO), consider the following statements:

1. The WTO is the successor to the General Agreement on Tariffs and Trade.
2. The WTO was established in 1948 as the global trade organization.
3. The WTO aims to establish a rules-based trading system to prevent arbitrary trade restrictions by member countries.

Which of the statements given above are correct?

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

43. Consider the following statements regarding the *velocity of money*:

1. A significant increase in the velocity of money leads to an increase in nominal GDP, other things remaining constant.
2. An increase in the velocity of money necessarily implies an increase in the total money supply in the economy.
3. A sustained increase in the velocity of money can contribute to inflationary pressures.

Which of the statements given above are correct?

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

44. A government is facing a persistent budget deficit. Which of the following measures can help in reducing the deficit?

1. Reducing revenue expenditure
2. Introducing new welfare schemes
3. Rationalising subsidies
4. Reducing import duties

Select the correct answer using the code given below:

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

45. With reference to the *Periodic Labour Force Survey (PLFS)* in India, consider the following statements:

1. It is a regular survey conducted to estimate employment and unemployment indicators.
2. It is conducted by the Ministry of Labour and Employment.
3. It measures labour force participation using both Usual Status (annual) and Current Weekly Status (CWS) approaches.

Which of the statements given above are correct?

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

46. The concept of *tax buoyancy* refers to which of the following?

- (a) The responsiveness of tax revenue to changes in inflation
- (b) The responsiveness of tax revenue to changes in Gross Domestic Product (GDP)
- (c) The responsiveness of tax revenue to changes in investment levels
- (d) The responsiveness of tax revenue to changes in aggregate demand

47. With reference to the *Bretton Woods Conference*, consider the following statements:

1. It led to the establishment of the International Monetary Fund (IMF) and the World Bank.
2. The Bretton Woods system replaced the gold exchange standard with a system of fixed exchange rates anchored to the US dollar.

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

48. Requirements such as *local content requirement, domestic employment, trade balancing, and technology transfer obligations* are associated with which of the following under international trade rules?

- (a) Sanitary and Phytosanitary Measures (SPS)
- (b) Anti-Dumping Measures
- (c) Dispute Settlement Mechanism
- (d) Trade-Related Investment Measures (TRIMs)

49. Match List I with List II and select the correct answer using the codes given below:

List I (Phase)	List II (Description)
A. Boom	1. High level of economic activity with rising income, output and employment
B. Recession	2. Gradual decline in income, output and employment
C. Depression	3. Severe contraction with high unemployment and sharp fall in income and output
D. Recovery	4. Gradual improvement in economic activity after downturn

Codes:

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

50. Which of the following statements is not correct?

- (a) $NNP \text{ at market price} = GNP \text{ at market price} + \text{Depreciation}$
- (b) $NDP \text{ at market price} = NNP \text{ at market price} - \text{Net Factor Income from Abroad (NFIA)}$
- (c) $NDP \text{ at factor cost} = NDP \text{ at market price} - \text{Indirect taxes} + \text{Subsidies}$
- (d) $GDP \text{ at factor cost} = NDP \text{ at factor cost} + \text{Depreciation}$

51. Which of the following elements are contained in the Budget?

1. Estimates of revenue and capital receipts
2. Ways and means to raise revenue
3. Estimates of expenditure
4. Details of actual receipts and expenditure of the previous financial year

Select the correct answer:

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

52. Arrange the following poverty estimation initiatives in India in chronological order:

1. Socio-Economic Caste Census (SECC)
2. Rangarajan Committee
3. Lakdawala Committee
4. Tendulkar Committee
5. Alagh Committee

Select the correct answer:

- (a) 1-2-4-3-5
- (b) 2-1-4-3-5
- (c) 5-3-4-2-1
- (d) 5-3-4-1-2

53. Which of the following are not associated with the International Monetary Fund (IMF)?

1. Rapid Financing Instrument
2. Special Drawing Rights
3. Extended Fund Facility
4. Reserve Tranche Position
5. Contingent Reserve Arrangement

Select the correct answer:

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

54. With reference to *globalisation of economies*, consider the following statements:

1. Every member of the World Trade Organization (WTO) is mandated to promote the process of globalisation.
2. The process of globalisation in India was primarily the result of WTO obligations.

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

55. Consider the following statements regarding output gap in an economy:

1. When real GDP is less than potential GDP, the gap is called a recessionary gap.
2. When real GDP exceeds potential GDP, the gap is called an inflationary gap.

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

56. With reference to the period of “Plan Holidays” in India’s planning history, consider the following statements:

1. This period occurred before the Indo-China War of 1962.
2. It was marked by the implementation of three consecutive Annual Plans instead of a Five-Year Plan.

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

57. The most appropriate measure of economic growth is:

- (a) Gross Domestic Product (GDP)
- (b) Net Domestic Product (NDP)
- (c) Net National Product (NNP)
- (d) Per Capita Real Income

58. Which of the following are **not included** in a country’s GDP?

1. Sale of goods produced outside the country
2. Sale of used (second-hand) goods
3. Remittances

Select the correct answer:

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

59. Consider the following statements:

The Indian rupee is fully convertible:

1. In respect of the current account of the Balance of Payments
2. In respect of the capital account of the Balance of Payments
3. Into gold

Which of the statements given above is/are correct?

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

60. With reference to the Special Drawing Rights (SDR) currency basket of the IMF, consider the following statements:

1. The SDR basket assigns the highest weight to the US Dollar and the lowest weight to the British Pound Sterling.
2. The Chinese Renminbi (RMB) was added to the SDR basket in 2016 and has a higher weight than the Japanese Yen.
3. IMF member countries can pay their quota subscription entirely in SDRs without using national currency.

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

61. With reference to the data sources used in the revised GDP series (base year 2022–23), consider the following statements:

1. The Annual Survey of Unincorporated Sector Enterprises (ASUSE) and Periodic Labour Force Survey (PLFS) are used for improved estimation of the household sector.
2. GST data is used only for indirect tax estimation and not for GDP compilation.
3. e-Vahan database is used to estimate consumption expenditure related to transport services.
4. Public Financial Management System (PFMS) data helps in compiling government expenditure using real-time data.

Which of the statements given above are correct?

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

62. With reference to *trade remedial measures* under international trade rules, consider the following pairs:

Trade Measure	Description
1. Anti-dumping duty	Imposed when a foreign company exports goods at prices lower than their normal value in the home market
2. Countervailing duty	Imposed to offset injury caused to domestic industry due to subsidised imports
3. Safeguard measures	Temporary restrictions imposed when a surge in imports causes serious injury to domestic industry

Which of the pairs given above are correctly matched?

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

63. With reference to the changes in the Indian economy after the economic liberalisation of 1991, consider the following statements:

1. The share of agriculture in India's GDP has increased significantly.
2. India's share in global exports has increased.
3. Foreign Direct Investment (FDI) inflows into India have increased.
4. India's foreign exchange reserves have increased substantially.

Which of the statements given above are correct?

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

64. Which of the following criteria has been introduced/emphasised for the first time by the 16th Finance Commission in horizontal devolution?

- (a) Income Distance
- (b) Forest and Ecology
- (c) Demographic Performance
- (d) Contribution to GDP

65. Which of the following statements correctly describes *public goods*?

- (a) Goods such as national defence, roads, and government administration are considered public goods
- (b) Public goods are both excludable and rivalrous in nature
- (c) Public goods are restricted to individual consumption only
- (d) Public goods are produced only by the government

66. With reference to the Financial Action Task Force (FATF), consider the following statements:

1. Countries placed on the Grey List are those under increased monitoring for deficiencies in combating money laundering and terror financing.
2. Countries placed on the Black List are those that have significant strategic deficiencies and are subject to countermeasures.
3. Countries on the Grey List are completely cut off from international financial assistance.
4. FATF aims to ensure that countries do not allow financing of terrorism and money laundering.

Which of the statements given above are correct?

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

67. The *Services Trade Restrictiveness Index (STRI)*, which measures regulatory barriers in international trade in services, is compiled by which of the following organizations?

- (a) World Trade Organization
- (b) Organisation for Economic Co-operation and Development
- (c) World Economic Forum
- (d) United Nations Conference on Trade and Development

68. With reference to the European Bank for Reconstruction and Development (EBRD), consider the following statements:

1. It was established to support the transition of Central and Eastern European countries to market economies after the Cold War.
2. It operates with a political mandate to assist countries committed to multi-party democracy and pluralism.
3. Countries such as India and China have recently become members of the EBRD.

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

69. Consider the following statements:

1. Under a Crawling Peg (Crawl-like arrangement), the exchange rate is adjusted periodically in small increments in response to indicators such as inflation or balance of payments conditions.
2. Under a Stabilized Arrangement, the exchange rate is allowed to float freely without any intervention by the central bank.

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

70. Despite relatively high savings and capital formation, India has historically experienced moderate growth rates. The most appropriate explanation for this is:

- (a) High birth rate
- (b) Low inflow of foreign capital
- (c) Low capital-output ratio
- (d) High capital-output ratio

71. A protectionist tariff imposed by a domestic government on imports that are believed to be priced below their fair market value, with the aim of preventing unfair competition and market distortion, is known as:

- (a) Countervailing duty
- (b) Anti-dumping duty
- (c) Safeguard duty
- (d) Customs duty

72. Which of the following data sources are specifically used in the revised GDP series to improve estimation accuracy?

1. Goods and Services Tax (GST) Network
2. Public Financial Management System (PFMS)
3. e-Vahan Portal
4. Household Consumer Expenditure Survey (HCES)
5. Annual Survey of Unincorporated Sector Enterprises (ASUSE)

Select the correct answer using the code below:

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

73. In the context of the Indian Parliament, which of the following best describes the term “Guillotine”?

- (a) A motion to reduce a specific demand for grants as a matter of policy
- (b) The process of putting all remaining demands for grants to vote without further discussion
- (c) The closure of debate on a bill by the presiding officer before all members have spoken
- (d) The selection of only important clauses of a bill for detailed discussion

74. With reference to the *Balance of Payments (BoP)*, which of the following are components of the Current Account?

- 1. Balance of Trade
- 2. Foreign Assets
- 3. Balance of Invisibles
- 4. Special Drawing Rights (SDRs)

Select the correct answer using the code given below:

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

75. Which of the following are possible consequences of a high revenue deficit?

- 1. Dissaving by the government
- 2. Borrowing to finance consumption expenditure
- 3. Adverse impact on economic growth and welfare
- 4. Increased future debt servicing burden

Select the correct answer using the code given below:

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

76. Consider the following statements regarding agriculture in India:

- 1. The combined share of agriculture and manufacturing in India’s Gross Domestic Product (GDP) has been declining over time.
- 2. Agriculture in India is characterised by a surplus of labour but scarcity of land.

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

77. Which of the following statements are correct with reference to the *Contingency Fund of India*?

- 1. It is placed at the disposal of the President to meet unforeseen expenditure.
- 2. The size of the Contingency Fund can be altered by the President.
- 3. It is provided for in the Constitution and operated through executive action.
- 4. It is constitutionally mandated to maintain ₹30,000 crore in the Fund.

Select the correct answer:

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

78. Fiscal policy in India is formulated by which of the following?

- (a) The Reserve Bank of India
- (b) NITI Aayog
- (c) Ministry of Finance
- (d) Finance Commission

79. The idea of planning in India was drawn from:

- 1. The Bombay Plan
- 2. Experiences of Soviet bloc countries
- 3. Gandhian vision of society
- 4. Demand by peasant organisations

Select the correct answer:

- (a) 2 and 4 only
- (b) 1 and 2 only
- (c) 2 only
- (d) All the above

80. With reference to GDP measured at Factor Cost, Basic Price, and Market Price, consider the following statements:

1. $\text{GDP at Market Price} = \text{GDP at Factor Cost} + \text{Product Taxes} - \text{Product Subsidies}$
2. $\text{GDP at Basic Price} = \text{GDP at Factor Cost} + \text{Production Taxes} - \text{Production Subsidies}$
3. $\text{GDP at Market Price} = \text{GDP at Basic Price} + \text{Product Taxes} - \text{Product Subsidies}$

Which of the statements given above are correct?

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

81. Which of the following are accounted for in the calculation of Gross National Product (GNP)?

- (a) Private remittances
- (b) Interest received on external loans
- (c) External grants
- (d) Income of foreign residents

82. Which of the following sources form part of the Revenue Receipts of the government?

1. Interest received by the government on loans
2. Interest paid by the government on loans
3. Penalties and fines received by the government
4. Borrowings by the government

Select the correct answer:

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

83. Consider the following statements regarding the Union Budget in India:

1. The Budget distinguishes between charged expenditure and voted expenditure.
2. The Budget separately presents revenue expenditure and capital expenditure.
3. Items charged on the Consolidated Fund of India are specified in the Constitution.
4. The President can reduce the amount of expenditure under the charged category in exceptional situations.

Which of the statements given above are correct?

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

84. To fully harness the benefits of the demographic dividend, what should India prioritise?

- (a) Promoting skill development
- (b) Expanding social security schemes
- (c) Reducing infant mortality rate
- (d) Privatization of higher education

85. Consider the following statements:

1. A negative GDP growth rate for at least two consecutive quarters is considered an economic recession.
2. India has recently experienced an economic recession for the first time in its history.

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

86. Given the identity $GDP = C + I + G + NX$, arrange the following components in descending order of their contribution to India's GDP:

1. Private Final Consumption Expenditure (C)
2. Gross Fixed Capital Formation (I)
3. Government Final Consumption Expenditure (G)
4. Net Exports (NX)

Select the correct answer:

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

87. Which of the following statements is incorrect with respect to Angel Investors?

- (a) They provide financial backing to entrepreneurs for starting their business
- (b) They are primarily focused on making substantial profits rather than helping the business succeed
- (c) They may provide technical expertise and mentorship to startups
- (d) In India, they can be recognized under Category I Alternative Investment Funds (AIFs)

88. Consider the following statements:

1. Nominal GDP is referred to as inflation-adjusted GDP.
2. A higher Nominal GDP compared to Real GDP indicates inflation in the economy.

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

89. With reference to Special Drawing Rights (SDRs) of the IMF, consider the following statements:

1. SDR is an international reserve asset created by the IMF.
2. SDR is neither a currency nor a claim on the IMF.
3. SDR serves as a unit of account for IMF quotas and transactions.

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

90. With reference to the *sectoral coverage under the revised GDP framework (base year 2022–23)*, consider the following statements:

1. The revised framework improves sectoral estimates by incorporating more granular and sector-specific data sources.
2. Agriculture and allied sectors now use more detailed sub-sector data such as crops, livestock, and fisheries on a quarterly basis.
3. Manufacturing and services sectors continue to rely primarily on proxy indicators rather than actual data sources.
4. The revised framework enhances estimation in sectors such as financial services and public administration through updated methodologies.

Which of the statements given above are correct?

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

91. Consider the following statements regarding the relationship between Gross Domestic Product (GDP) and Gross Value Added (GVA):

1. GDP at market prices is equal to GVA at basic prices plus taxes on products minus subsidies on products.
2. In an economy without a government sector, GDP will be equal to GVA.

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

92. With reference to the borrowing powers of the Union and the States in India, consider the following statements:

1. Parliament may regulate the borrowing of the Government of India both within India and abroad.
2. State governments can borrow both within India and outside India upon the security of the Consolidated Fund of the State.
3. State governments are required to obtain the consent of the Centre for every borrowing they undertake.

Which of the statements given above are not correct?

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

93. With reference to the *gig economy*, consider the following statements:

1. It is a labour market characterised by short-term, flexible contracts with independent workers.
2. India has enacted a comprehensive legislation exclusively regulating the gig economy.
3. India is witnessing a rapid increase in the number of gig and platform workers.

Which of the statements given above are correct?

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

94. Consider the following statements:

1. The World Trade Organization (WTO) and the World Bank are collectively known as Bretton Woods Institutions.
2. The WTO aims to establish a rules-based trading system to prevent arbitrary trade restrictions.
3. The International Monetary Fund (IMF) provides loans and grants to governments as well as private organizations.

Which of the statements given above are correct?

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

95. With reference to methods of taxation, consider the following pairs:

Type of Taxation	Description
1. Progressive taxation	Tax rate increases with increase in income or wealth
2. Regressive taxation	Tax rate decreases with increase in income or wealth
3. Proportional taxation	Same rate of tax for all, regardless of income or wealth

Which of the pairs given above are correctly matched?

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

96. With reference to GDP estimation in India, consider the following statements:

1. GDP is estimated at market prices rather than factor cost.
2. The base year for GDP calculation is 2011–12.
3. GDP is estimated by the National Statistical Office (NSO).

Which of the statements given above are correct?

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

97. Which of the following are the most prudent ways to increase the Tax–GDP ratio in an economy?

1. Lowering the income tax exemption limit
2. Increasing excise duty on crude oil
3. Formalisation of the labour market
4. Introduction of a Direct Tax Code (DTC)

Select the correct answer:

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

98. Consider the following statements regarding the *Consolidated Fund of India (CFI)*:

1. All legally authorised payments on behalf of the Government of India are made out of this fund.
2. The President can make advances out of it to meet unforeseen expenditure.

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. The *Economic Survey of India* is officially published every year by which of the following?

- (a) Reserve Bank of India
- (b) Planning Commission of India
- (c) Ministry of Finance
- (d) Ministry of Industries, Government of India

100. The National Investment Fund (NIF) of India was constituted primarily for which of the following purposes?

- (a) Attracting new investments for infrastructure development
- (b) Creating an enabling environment for foreign direct investment (FDI)
- (c) Managing and utilizing proceeds from disinvestment of Public Sector Enterprises (PSEs)
- (d) Mobilizing small savings to provide credit to deficit sectors.