

ESI Mock Test For RBI Grade B Exam 2018

ONE MARKERS

Q.1 The Wholesale Price Index (WPI) is released by:-

- a) Office of Governor ,RBI
- b) Ministry of finance
- c) Central Statistical Organization,(MSPI)
- d) Office of the Economic Adviser ,DIPP

Ans) D (Office of Economic Adviser, Dept of Industrial Policy and Promotion)

Q.2) Which of the constitutes have the highest weightage in Consumer Price Index?

- a) Housing
- b) Clothing and Associated Items
- c) Fuel and Light
- d) Food and Associated Items

Ans) D

Q.3) A death insurance cover in PM Jan Dhan Yojana is provided to:-

- a) Families Below Poverty Line
- b) Unorganized sector workers
- c) Any person who opened a bank account under the scheme, with certain conditions
- d) Subscribers of the Atal Pension Yojana

Ans) C (Any person who opened a bank account under the scheme ,with certain conditions)

Under the PMJDY, any person who opened his first bank account between August 15, 2014, and January 26, 2015, along with a RuPay card, is eligible for a life cover of Rs 30,000 on death due to any cause. The idea is to provide security to poor families in both urban and rural areas who cannot afford direct insurance and are not covered under any social security scheme.

Q.4) Where is the Headquarters of Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) ?

- a) Mumbai
- b) Hyderabad
- c) New delhi
- d) Bengaluru
- e) Lucknow

Ans) C

Q.5) What is an Escrow account, a term seen in news sometimes?

- a) It is an account held with Micro-credit agencies.
- b) It is temporary account that is often connected with real estate projects.
- c) The whole amount accrued to the account is not transferred to the actual owner until the purpose for which the account was opened is fulfilled.

Select the correct answer using the codes below:-

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

Ans) C

It is a temporary account that is often connected with real estate projects.

An Escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties. This is a temporary account as it operates until the completion of a transaction process, which is implemented after all the conditions between the buyer and the seller are settled.

As per the Real Estate (Regulation and Development Act, 2016, the promoter of a real estate development firm has to maintain a separate escrow account for each of their projects.

Q.6) E-Shakti project aims at

- a) Digitization of all the SHG accounts
- b) Link all water supply networks under a smart grid
- c) opening a single window online grievance redressal system for women
- d) Coordination of major international NGOs operating in India on a single online platform
- e) Strives to create an equitable and inclusive society

Ans) A (Digitization of all the SHG accounts.)

E - Shakti is a pilot project of National Bank for Agriculture and Rural Development (NABARD). □ The project aims at digitisation of Self Help Groups (SHGs). □ It was initiated to address certain aspects like improving the quality of book keeping of SHGs and to enable banks to take informed credit decisions.

Q.7) A Hard currency is the one which

- a) does not change its value relative to movements in the international market
- b) is considered as a strong currency with high levels of liquidity
- c) is abundant in the foreign exchange market
- d) is not convertible to Special Drawing Rights

e) is used by all markets

Ans) B (is considered as a strong currency with high levels of liquidity.)

It is the International currency in which the highest faith is shown and is needed by every economy .

The strongest currency of the world is one which has a high level of liquidity,i.e people are easily willing to sell or buy it due to the high confidence shown in it.

Q.8) Which organization is known as the private arm of the World Bank?

- a)International bank for Reconstruction and Development
- b)Multilateral Investment Guarantee Agency
- c) International Finance Corporation
- d)Bilateral Investment Protection agency
- e)International Organization for Standarization

Ans) C

The International Finance corporation was setup in 1956. It lends money to private sector companies of its member nations.

Q.9) Which Multilateral Development Banks has an Indian national serving as its President?

- A) World Bank
- b) New Development Bank
- C) Asian Development Bank
- d) Asian Infrastructure Investment Bank
- e) South Asia Bank

Ans) B (New Development Bank)

Q.10) Initiative taken for Upliftment of Agri-StartUps

- a) Agri-udaan

- b) Sankalp
- c) Strive
- d) RISE
- e) Thread

Ans) A

AGRI UDAAN is a unique initiative for upliftment of Agri start-ups.

- It is implemented by Indian Council of Agriculture Research in collaboration with IIM-Ahmedabad.
- It aims at scaling up innovative start-ups through education, mentorship, and financing.
- The initiative has 6 month program in which shortlisted Agri startups with promising innovative business models will be mentored and guided to scale up their operations with market traction.

Q.11) E-RAKAM (e-Rashtriya Kisan Agri Mandi) aims at:-

- a) Digitization of all the SHG accounts
- b) introducing digital platform portal which enables farmers to sell their agricultural products through auction
- c) Link all water supply networks under a smart grid
- d) opening a single window online grievance redressal system for women
- e) Coordination of major international Ngo's operating in India on a single online platform

Ans) B

The digital platform portal enables farmers to sell their agricultural products through auction.

- Various E-Rakam centers are being developed to facilitate farmers for online sale of their products across the country.

The farmers would get the payment for their products directly into their bank accounts without any intermediaries.

Central Rail side Warehousing Company (CRWC) Ltd, a subsidiary of the Central Warehousing Corporation Ltd, will provide logistics support for sellers and buyers in case they need it.

Q.12) Currency swap is an instrument to manage _____

- (a) Interest Rate Risk
- (b) Currency Risk
- (c) Cash flows in different countries
- (d) All of the Above
- (e) None of the given options is true

Ans) C

Q.13) Reserve Bank of India (RBI) has constituted an expert committee under the chairmanship of _____ to look into a range of issues relating to classification of bad loans, rising incidents of frauds and effectiveness of audits.

- a)NK Singh
- b)Ashok Dalwai
- c) Urjit Patel
- d) YH Malegam

Ans) D

Q.14) Which state is declared Most Competitive state by recent study ?

- a)Madhya Pradesh
- b)Punjab
- c) Uttar Pradesh
- d) Gujarat

e) Maharashtra

Ans) D

According to recent study conducted **by National Council for Applied Economic Research (NCAER)**, Gujarat has topped in business investment potential and has become the most competitive state.

- Gujarat is followed by Delhi, Andhra Pradesh, Haryana, Telangana and Tamil Nadu.
- West Bengal ranks last on the index, followed by Uttar Pradesh and Bihar.
- The Study ranks the states' competitiveness on six pillars: 1. land 2. labour 3. infrastructure 4. economic climate 5. political stability and governance 6. and business perception.

Q.15) Global Financial Development Report is released by :-

- a) World Economic forum
- b) International Monetary Fund
- c) World Bank
- d) UNCTAD
- e) Amnesty International

Ans) C

World Bank has released its annual "**Global Financial Development Report 2017/18: Bankers without Borders**".

- GFDR 2017/2018 is the fourth in a World Bank series.
- It provides a unique contribution to financial sector policy debates, building on novel data, research, and wide-ranging country experience, with emphasis on emerging markets and developing economies.

Q.16) Which of the nations have Cryptocurrency?

- a) China

- b) Germany
- c) Russia
- d) Venezuela
- e) Brazil

Ans) D (Venezuela)

Venezuelan Government has launched its own Cryptocurrency ,called the “PETRO” which will be backed by the countries large natural resources.

Q.17) According to Current Income Tax slab, for people under 60 years of age, on what value surcharge is imposed?

1. 10% of income tax when annual income is more than 10 lakh
2. 10% of income tax when annual income is between 50 lakh and 1 crore.
3. 15% of income tax when annual income is over 1 crore.

Which of the above statements are correct?

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

Ans) B

New Income Tax Slab Rates for FY 2017-18 (AY 2018-19)

Income tax slab for individual tax payers & HUF (less than 60 years old) (both men & women)

Tax Rate Income Tax Slab

Income up to Rs. 2,50,000* No Tax

Income from Rs. 2,50,000 – Rs. 5,00,000 5%

Income from Rs. 5,00,000 – 10,00,000 20%

Income more than Rs. 10,00,000 30%

Surcharge : 10% of income tax, where total income is between Rs. 50 lakhs and Rs.1 crore. 15% of income tax, where total income exceeds Rs. 1 crore.

Cess: 3% on total of income tax + surcharge.

* Income upto Rs. 2,50,000 is exempt from tax if you are less than 60 years old.

Q.18) Ishan Vikas program aims at

- a) Digitization of all the SHG accounts
- b) Link all water supply networks under a smart grid
- c) opening a single window online grievance redressal system for women
- d) Coordination of major international Ngo's operating in India on a single online platform
- e) introducing North eastern students to best institutions of higher education.

Ans) E

The aim of the 'IshanVikas' programme is to introduce school children of the north-eastern states to the best institutions of higher education in the country and to motivate them to pursue science, technology, engineering and mathematics.

Q.19) Which among the following Small Finance Bank has signed an MoU with LIC to offer Pradhan Mantri JYoti Bima Yojana(PMJJB)?

- (a) Capital Local Area Bank Limited
- (b) Equitas Holdings P Limited
- (c) AU Small Finance Bank
- (d) India Post Payments Bank
- (e) Fincare Small Finance Bank

Ans) C (AU Small Finance Bank)

Q.20) Which Bank has signed an MoU with National Housing Bank for the Rural Housing Interest Subsidy Scheme (RHIS) of the Ministry of Rural Development?

- (a) Punjab National Bank
- (b) Indian Overseas Bank
- (c) Bank of India
- (d) State Bank of India
- (e) Vijaya Bank

Ans) B (Indian Overseas Bank)

The aim of RHIS is to provide subsidy for housing loans taken by those living in rural areas for construction and modifications of their dwelling units.

Q.21) The Union minister for Finance and corporate affairs launched CriSidEx, India's first sentiment index for micro and small enterprises developed jointly by :-

- (a) TRAI and SBI
- (b) IRDAI and NPCI
- (c) RBI and SEBI
- (d) NABARD and FICCI
- (e) CRISIL and SIDBI

Ans) E

Q.22) The Reserve Bank of India will link the base rate with the MCLR from 1st April 2018 to ensure expeditious transmission of its policy rate to borrowers. What is the meaning of "R" in MCLR?

- (a) Ratio
- (b) Reimburse
- (c) Risk
- (d) Reserve
- (e) Rates

Ans) E

The RBI had introduced the Marginal Cost of Funds based Lending Rates(MCLR) system with effect from 1st April 2016.

Q.23) An account for which a bank acts as a uninterested third party is termed as?

- (a) Savings Account
- (b) Current Account
- (c) Reserve Account
- (d) Escrow Account
- (e) Fixed Account

Ans) D

An Escrow account is a temporary pass through account held by a third party during the process of a transaction between two parties.

Q.24) Which of the following services is NOT provided by the post offices in India?

- (a) Savings Bank Scheme
- (b) Retailing of Mutual Funds
- (c) Sale of stamp Papers (Judicial)
- (d) Life Insurance cover
- (e) Issuance of Demand Drafts

Ans) E

Q.25) Which of the following is mainly used by banks in order to meet their temporary requirement of cash on a daily basis?

- a) Broad Money
- b) Call Money
- c) Narrow Money
- d) Cash Reserve ratio

e) SLR

Ans) B

Call money market is a market for uncollateralized lending and borrowing of funds. This market is predominantly overnight and is open for participation only to scheduled commercial banks and the primary dealers.

Q.26) In Union Budget 2018-19, the Government has made a commitment to the welfare of farmers and doubling farmers income by which year?

a) 2019

b) 2020

c) 2022

d) 2024

e) 2023

Ans) C

Q.27) The Budget has proposed an outlay of how much crore for the textile sector in 2018-19?

A) Rs.8795 crore

b) Rs.6500 crore

c) Rs. 7148 crore

d) Rs.8170 crore

Ans) C

Q.28) UDAN stands for?

(a) Utho Desh ka Aam Nagrik

(b) Ude Dono ka Aam Nagrik

(c) Ude Desh ka Aam Nagrik

(d) Ude Desh ka Aam Nation

(e) Ude Desh ka Agency Nagrik

Ans) C

Ude Desh Ka Aam Nagrik

Under the Regional connectivity scheme of UDAN initiated by the government last year, 56 unreserved airports and 31 unreserved helipads would be connected.

Q.29) The Budget 2018-19 has proposed to expand the airport capacity more than five times to handle a billion trips a year under a new initiative . What is the name of that initiative?

(a) NAYA Nirman

(b) NATION Nirman

(c) NAVAL Nirman

(d) NABH Nirman

(e) NOTA Nirman

Ans) D

NABH Nirman

Q.30) Finance Ministry has proposed acceptance of key recommendations of the Fiscal Reform and Budget Management committee to bring down Central governments's debt to GDP ratio to :-

a) 38%

b) 30%

c) 40%

d) 20%

e) 51%

Ans) C

TWO MARKERS

Q.1) An economy heats up due to Demand deficit

1. Excess supply
2. High liquidity
3. infusion

Select the correct answer using the codes below.

- A. 1 and 2 only.
- B. 2 only
- C. 3 only
- D. 2 and 3 only
- E. All of the above

Ans) C

Overheating of an economy occurs when its productive capacity is unable to keep pace with growing aggregate demand leading to inflation. When there is excess demand and low supply, high consumption and low savings can lead to a situation where there is a shortage of investible capital. The economy is unable to supply demanded goods and prices start increases.

Q.2) Which of the following statements correctly explains the term 'Tax Shift'?

- a) It is a change in taxation that eliminates or reduces one or several taxes and establishes or increases others while keeping the overall revenue the same.
- b) It is an overall reduction in the tax rates with the sudden growth in Economy.
- c) It is shift of tax rates to higher rate to generate more revenue by the government to generate more revenue.
- d) None of the above

Ans) A

Tax shift or Tax swap is a change in taxation that eliminates or reduces one or several taxes and establishes or increases others while keeping the overall revenue the same. The term can refer to desired shifts, such as towards Pigovian taxes (typically sin taxes and ecotaxes) as well as (perceived or real) undesired shifts, such as a shift from multi-state corporations to small businesses and families.

Q.3) Which of the following reforms were taken in the Budget 2017-18?

1. Advancement of Budget to 1 st February.
2. Merger of Railway budget with general budget
3. Removal of plan and non-plan expenditure

Select the code from below:

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

Ans) D

Budget 2017-18 contains 3 major reforms.

- First, presentation of Budget advanced to 1 st February to enable the Ministries to operationalise all activities from the commencement of the financial year.
- Second, merger of Railways Budget with General Budget to bring Railways to the centre stage of Government's Fiscal Policy and
- Third, removal of plan and non - plan classification of expenditure to facilitate a holistic view of allocations for sectors and ministries.

Q.4) Agenda for the budget 2017 – 18 is TEC – India. What does TEC stand for?

- a) Transform, Energise and Clean India

- b) Technologically Connecting India
- c) Transform, Electrify and Connect India
- d) Transform Economy by Ending Corruption

Ans) A

TEC India seeks to

- Transform the quality of governance and quality of life of our people;
- Energise various sections of society, especially the youth and the vulnerable, and enable them to unleash their true potential; and
- Clean the country from the evils of corruption, black money and non - transparent political funding

Q.5) Fiscal Responsibility and Budget Management Act (FRBMA) was enacted to impose fiscal Discipline on the Government. It concerns

- a) Fiscal Deficit
- b) Revenue Deficit
- c) Both a and b
- d) Neither a nor b

Ans) C

FRBMA Under the Fiscal Responsibility and Budget Management Act (FRBMA) 2003, both the Centre and States were supposed to wipe out revenue deficit and cut fiscal deficit to 3% of GDP by 2008-09, thus bringing much needed fiscal discipline. Originally, the FRBM bill had given annual numerical targets as well. But in the process of making it a law, the annual targets were dissolved and the act simply said that the Centre will take appropriate measures to eliminate revenue deficit by March 31, 2008.

Q.6) Under GST, how much percentage of tax is fixed for Telecom and IT services?

- a) 0%

- b) 5%
- c) 12%
- d) 18%
- e) 20%

Ans) D

Q.7) “ According to the UN’s 2017 International Migration Report ,India has the maximum number of people living outside its borders, followed by Mexico and Russian Federation”. Which agency/agencies publishes the World Migration Report 2018?

- a) International Organization for Migration
- b) World Economic forum
- c) World Trade Organization
- d. United Nations
- e. a and b both

Ans) A

Q.8) “Implemented by the Ministry of Women & Child Development in collaboration with State Governments. It is a conditional cash transfer scheme for pregnant and lactating women of 19 years of age or above for first two live births.”

Name the scheme discussed above ?

- a) Vanbandhu Kalyan yojana
- b) Pradhan Mantri Kaushal Vikas Yojana
- c) Swadhar scheme
- d) Pradhan Mantri Matritva Vandana yojana

Ans) D

Pradhan Mantri Matritva Vandana Yojana (PMMVY) , previously Indira Gandhi Matritva Sahyog Yojana (IGMSY) . It provides a partial wage compensation to women for wage-loss during childbirth and childcare and to provide conditions for safe delivery and good nutrition and feeding practices. In 2013, the scheme was brought under the National Food Security Act, 2013 to implement the provision of cash maternity benefit of Rs. 6,000 stated in the Act. The Benefits will be provided through Direct Benefit Transfer (DBT). Till now the scheme was implemented as a pilot project in 53 Districts but recently PM has announced the pan India implementation of this scheme.

**** “National Nutrition Week is observed from 1 st September to 7 th September to create awareness on importance of nutrition for health.”**

Q.9) This comes under which of the following Ministries?

- a) Ministry of Health and Welfare
- b) Ministry of Women and Child Development
- c) Ministry of Social Affairs
- d) Ministry of Home affairs
- e) Ministry of Agriculture

Ans) A

Q.10) The theme of this year’s National Nutrition Week ?

- a) “Child and Mother First, Prosperity for All”
- b) “Nature with Man”
- c) “Make sustainable, break sustainable”C
- d) “Strengths and Diversity
- e) “Optimal Infant & Young Child feeding Practices (IYCF): Better Child Health.”

Ans) E

Q.11) Which of the following industry is referred as 'Sun Rising Industry'?

- a) Dairy industry
- b) Car manufacturing
- c) Information and technology
- d) Cotton textile
- e) Food processing

Ans) C A sunrise industry is typically characterized by high growth rates, numerous start-ups and an abundance of venture capital funding. Sunrise industries generally have plenty of "buzz" surrounding them as public awareness about the sector increases and investors get attracted to its long-term growth prospects.

IT, Cloud computing, Artificial Intelligence, Cryogenics etc. are some examples of sunrise industry.

**** Cabinet approved the Interest Subvention Scheme (ISS) for farmers for the year 2017-18.**

Q.12) This scheme will provide

- a. short-term credit upto 3lakh to farmers at interest rate of 4%
- b. . short-term credit upto 3lakh to farmers at interest rate of 6%
- c. short-term credit upto 5 lakh to farmers at interest rate of 4%
- d. short-term credit upto 4 lakh to farmers at interest rate of 4%
- e. short-term credit upto 6lakh to farmers at interest rate of 4%

Ans) This will help farmers getting short term crop loan up to Rs. 3 lakh payable within one year at only 4% per annum.

Q.13) To be implemented by?

- a) RBI

- b) NABARD
- c) Ministry of Agriculture
- d) NABARD and RBI
- e) RBI and Ministry of Agriculture

Ans) D

Q.14 Which of the following economic concepts is categorised on the basis of Current Account or Capital Account or both?

- (a) Balance of Payments
- (b) Value of the food grain stock of a country
- (c) Gross National Product
- (d) Gross National Income(GNI)
- (e) Total collection of Direct Taxes in a year

Ans) A

**In 2015, under the Indradhanush plan, the government had announced capital infusion of Rs. 70,000 crore in public sector banks for four years, starting from 2015-16.

Q.15) Mission Indradhanush was brainchild of ?

- a) Dalwai committee
- b) NK Singh committee
- c) PJ Nayak committee
- d) TSR committee
- e) Patel committee

Ans) C

Q.16 Recently in news, 'Migration and Mobility Partnership Agreement' will be signed between India and

- a) EU
- b) France
- c) UK
- d) USA
- e) Germany

Solution (b) Migration and Mobility Partnership Agreement will be signed between India and France. The Union Cabinet chaired by Prime Minister recently approved the signing of the Agreement which is expected to be signed during the forthcoming State visit of the French President to India. The Agreement represents a major milestone in enhancing people-to-people contacts, fostering mobility of students, academics, researchers and skilled professionals and strengthening cooperation on issues related to irregular migration and human trafficking between the two sides. The Agreement is a testimony to India's rapidly expanding multi-faceted relationship with France and symbolizes the increasing trust and confidence between the two sides. The Agreement is initially valid for a period of seven years, incorporates provision for automatic renewal and a monitoring mechanism through a Joint Working Group.

Q.17) The debt which is irrecoverable and is therefore written off as loss in the accounts of an institution or bank is known as _____

- (a) external debt
- (b) good debt
- (c) bad debt
- (d) internal debt
- (e) None of the given options is true

Ans) C

Q.18) "They are imposed after an investigation finds that a foreign country subsidizes its exports, injuring domestic producers in the importing country. It is imposed in accordance with the GATT Article VI and the GATT Agreement on Subsidies and Countervailing Measures."

Which duties/duty are/is imposed to neutralize the negative effects of subsidies?

- a) Excise duties
- b) Countervailing duties
- c) Excise and custom duties
- d) Customs duties
- e) Anti-dumping duties

Ans) B

Q.19) According to accepting public deposits, NBFCs can be classified into ____ broad categories.

- A) one
- b) three
- c) two
- d) five
- e) four

Ans) C

According to accepting public deposits, NBFCs can be classified into two broad categories, viz., (i) NBFCs accepting public deposit (NBFCs-D) (ii) NBFCs not accepting/holding public deposit (NBFCs-ND).

Q.20) The RBI has triggered PCA against Corporation Bank in view of high non-performing loans and requirement to raise capital recently. PCA stands for-

- (a) Prompt Corrective Area
- (b) Prompt Corrective Action
- (c) Prompt Concern Action
- (d) Prompt Common Action
- (e) Prime Corrective Action

Ans) B

The Reserve Bank of India (RBI) has imposed certain restrictions on Corporation Bank on carrying out banking activities as its share of bad loans rose sharply. The RBI has triggered

prompt corrective action (PCA) against it in view of high non-performing loans and requirement to raise capital.

Q.21) The term Prompt Corrective Action refers to:-

- (a) adopting innovative construction technologies for building affordable house at rapid rate.
- (b) improving financial and socio-economic status of old age artisans and scholars.
- (c) transforming and expanding Indian firms into Multi-National companies.
- (d) taking corrective actions on banks in order to restore their financial health

Ans) D

PCA is a supervisory tool which involves monitoring of certain performance indicators of the banks as an early warning exercise and is initiated once such thresholds as relating to capital ,asset quality etc. are breached.

Q.22) Ways and Means Advances is :-

1. It is an overdraft facility provided by RBI to the government.
2. Government issues securities to get a temporary loan from National Banks.
3. WMA is used to meet temporary mismatches between receipts and payments.

Select the code from following:

- a) 1 and 2
- b) 2 and 3
- c) 1 and 3
- d) All of the above
- e) None of the above

Ans) C (It is an overdraft facility provided by RBI to the government. WMA is used to meet temporary mismatches between receipts and payments.)

The Reserve Bank of India gives temporary loan facilities to the centre and state governments as a banker to government. This temporary loan facility is called Ways and

Means Advances (WMA). The WMA scheme for the Central Government was introduced on April 1, 1997, after putting an end to the four-decade old system of adhoc (temporary) Treasury Bills to finance the Central Government deficit. The WMA scheme was designed to meet temporary mismatches in the receipts and payments of the government. This facility can be availed by the government if it needs immediate cash from the RBI. The WMA is to be vacated after 90 days. The limits for WMA are mutually decided by the RBI and the Government of India.

****The Economic Survey 2017-18 estimates a Learning Poverty Headcount (LPC) as well as a Learning Poverty Gap(LPG).**

Q.22) Learning Poverty Headcount refers to :-

- (a) the number of children who do not meet the basic learning benchmark.
- (b) the number of households where no adult member is literate.
- (c) the statistical method to calculate the number of below poverty line (BPL) households.
- (d) the number of school-enrolled children who come from poor families.

Ans) A

Q.23) Learning Poverty Gap refers to:-

- (a) the number of children who do not meet the basic learning benchmark.
- (b) the number of households where no adult member is literate.
- (c) the statistical method to calculate the number of below poverty line (BPL) households.
- (d) gap between basic learning benchmark and average scores of students who did not meet the benchmark.

Ans) D

LPG measures the gap between the basic learning benchmark and the average scores of those students who did not meet the benchmark. It takes into account how far each student is from the benchmark.

Q.24) After Agriculture which of the sectors provides the largest employment in India?

- (a) Real estate and construction

- (b) Mining
- (c) Information Technology
- (d) Education
- (e) Manufacturing

Ans) A

Real estate and Construction together is the second largest employment provider in the country after agriculture. It employed over 40 million workforce in 2013 and as per projections is slated to employ over 52 million workforce by 2017 and 67 million workforce by 2022.

Q.25) APY is open to all citizens of India who have a savings bank account. The minimum age of joining APY is ____ years and maximum age is ____ years.

- a) 18years,60 years
- b) 20 years,40 years
- c) 20years,60 years
- d) 16years,45 years
- e)18years,40 years

Ans) E 18 years, 40 years

Q.26) The objectives of setting up of payments banks will be to further financial inclusion by providing-

- a) Small savings accounts (b) Payments/remittance services to migrant labour workforce, (c) Low income households (d) All of the above (e) None of the given options is true

Ans) D

The objectives of setting up of payments banks will be to further financial inclusion by providing

(i) small savings accounts

(ii) payments/remittance services to migrant labour workforce, low income households, small businesses, other unorganised sector entities and other users.

Q.27) Acceptance of demand deposits. Payments bank will initially be restricted to holding a maximum balance of _____ per individual customer.

(a) Rs 1 lakh (b) Rs 5 lakh (c) Rs 50 lakh (d) Rs 10,000 (e) Rs 2 lakh

Ans) A (Payments bank will initially be restricted to holding a maximum balance of Rs. 100,000 per individual customer.)

Q.28) 'Long Term Capital Gains Tax' which is re-introduced in Union Budget 2018-19 refers to:-

(a) It is the tax paid on profit generated by an asset held for a particular time.

(b) It is the tax levied on import of capital goods.

(c) It is the tax levied on manufacturing industries deploying capital intensive technology.

(d) It is the tax exempted to MNCs for their long term association with a country

Ans) A

It is the tax paid on profit generated by an asset such as real estate ,shares etc held for a particular time- frame.

Q.29) Which is the largest contributor to India's current account deficit in 2017-18?

(a) Manufacturing trade deficit

(b) Gold imports

(c) Remittances deficit

- (d) Oil imports
- (e) Exports

Ans) D

Q.30) Which of the taxes are subsumed under GST ?

1. Central excise duty
2. Entertainment tax
3. Luxury tax
4. Octroi tax

Select the correct answer using the code given below.

- (a) 1, 2, 3 and 4
- (b) 2 and 3 only
- (c) 1, 3 and 4 only
- (d) 1, 2 and 4 only
- (e) none of the above

Ans) A

Major Indirect taxes like Central Excise Duty, Service Tax, VAT, CST ,Entertainment Tax, Octroi, Luxury Tax , a large number of cesses/surcharges and various other state and central levies on Goods and Services.

Q.31) What is Benami property?

1. Property held in the name of spouse or child for which the amount is paid out of known sources of income
2. Property held by someone in a fiduciary capacity
3. A joint property with brother for which the amount is paid out of unknown sources of income

Select the correct answer using the codes below.

- A. 1 and 3 only
- B. 2 and 3 only
- C. 3 only
- D. 1 and 2 only
- E. all of the above

Ans) C

A benami transaction is one where a property is held by one person and the amount for it is paid by another person. Therefore, in a benami transaction, the name of the person who paid the money is not mentioned. Directly or indirectly, the benami transaction is done to benefit the one who pays.

Q.32) Crowding Out Effect is :-

1. It is a situation when increased interest rates lead to a reduction in private investment spending such that it dampens the initial increase of total investment spending.
2. Government adopts a contractionary fiscal policy stance and increases its spending to boost the economic activity which may lead to crowding out effect.
3. Fiscal deficit may lead to the crowding out effect.

Which of the statements given above is/are correct?

- a) 2 only
- b) 3 only
- c) 2 and 3 only
- d) 1 and 3 only
- e) all of the above

Ans) D

A situation when increased interest rates lead to a reduction in private investment spending such that it dampens the initial increase of total investment spending .

Q.33) High Powered Money refers to:-

1. High Powered Money is the total liability of the monetary authority of the country, RBI.
2. It consists of currency and deposits held by the Government of India and commercial banks with RBI.
3. The high powered money is considered to be the liability of RBI.

Which of the statements given above is/are correct?

- a) 1 and 3

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

Ans) C

High Powered Money is the total liability of the monetary authority of the country, RBI. It consists of currency and deposits held by the Government of India and commercial banks with RBI.

Q.34) GDP Deflator is :-

1. GDP deflator is the ratio of real GDP to nominal GDP.
2. GDP deflator indicates the change in the price level between the base year and the current year.
3. While calculating GDP deflator, the volume of production is considered as fixed.

Which of statements given above is/are correct?

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

Ans) B

It indicates the change in the price level between the base year and the current year. While calculating GDP deflator, the volume of production is considered as fixed. It takes into account all the goods which are produced in a country.

Q.35) Consider the following statements about Headline inflation.

- 1) It is presently measured in terms of Wholesale Price Index (PPI) in India.
- 2) It excludes the prices of food and fuel that constitute the volatile component of inflation.

Which of the above is/are correct?

- A. 1 only

B. 2 only

C.Both 1 and 2

D.None

Ans) D

Headline inflation is a measure of the total inflation within an economy, including commodities such as food and energy prices (e.g., oil and gas). Core inflation calculations excludes food and energy which tend to be much more volatile and prone to inflationary spikes.

RBI Governor had adopted the new Consumer Price Index (CPI) (combined) as the key measure of inflation in 2014 based on the Urijeet Patel committee recommendation. Earlier, RBI had given more weightage to Wholesale Price Index (WPI) than CPI as the key measure of inflation for all policy purpose