

MEER SIR ACADEMY

Excellence in Competitive Exam Preparation

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200 MCQs — Business & Economic Awareness + General GK

5 Units | 200 Questions | Complete Answer Key with Explanations

Unit 1: Indian Economy (Q1-40) | Unit 2: Business Concepts (Q41-80) | Unit 3: Banking & Finance (Q81-115) | Unit 4: International Economy (Q116-150) | Unit 5: Economic Policies & GK (Q151-200)

GENERAL INSTRUCTIONS

1. This paper contains 200 MCQs covering Business & Economic Awareness and General GK.
2. Each question carries 1 mark. Total Marks: 200. No negative marking.
3. Duration: 3 Hours. Read each question carefully before answering.
4. Correct answer and explanation are provided at the end of each question for self-study.

UNIT 1 INDIAN ECONOMY

Questions 1 – 40

Q1 GDP stands for:

- A) Gross Domestic Product
- B) General Development Plan
- C) Gross Development Programme
- D) Global Domestic Produce

Answer: A

Explanation: GDP = Gross Domestic Product — the total monetary value of all final goods and services produced within a country in a year.

Q2 India's economic planning was guided by which document after independence?

- A) White Paper
- B) Five-Year Plans
- C) Green Revolution Policy
- D) Budget Speech

Answer: B

Explanation: India adopted Five-Year Plans (modelled on the Soviet system) from 1951 to guide economic development. The Planning Commission oversaw them until NITI Aayog replaced it in 2015.

Q3 Which sector is known as the 'backbone of the Indian economy'?

- A) Industry
- B) Services
- C) Agriculture
- D) IT sector

Answer: C

Explanation: Agriculture remains the backbone of India's economy as it employs the largest share of the workforce and contributes to food security and rural income.

Q4 The Green Revolution in India was mainly related to:

- A) Afforestation
- B) High-yielding variety seeds and modern farming
- C) Environment protection
- D) Increase in forest cover

Answer: B

Explanation: The Green Revolution (1960s–70s) introduced HYV seeds, chemical fertilisers, and irrigation to boost foodgrain production, especially wheat and rice.

Q5 Which body replaced the Planning Commission of India?

- A) Finance Commission
- B) Economic Advisory Council
- C) NITI Aayog
- D) Cabinet Committee

Answer: C

Explanation: NITI Aayog (National Institution for Transforming India) replaced the Planning Commission on 1 January 2015.

Q6 India's first Five-Year Plan gave priority to:

- A) Heavy industries
- B) Defence production
- C) Agriculture and irrigation
- D) Export promotion

Answer: C

Explanation: The First Five-Year Plan (1951–56) focused on agriculture, land reforms, and irrigation to address post-partition food shortages.

Q7 The second largest sector in India's GDP contribution is:

- A) Agriculture
- B) Industry
- C) Services
- D) Mining

Answer: C

Explanation: The Services sector is the largest contributor to India's GDP (over 50%), followed by Industry and then Agriculture.

Q8 'Garibi Hatao' slogan was associated with which Prime Minister?

- A) Jawaharlal Nehru
- B) Lal Bahadur Shastri
- C) Indira Gandhi
- D) Rajiv Gandhi

Answer: C

Explanation: 'Garibi Hatao' (Remove Poverty) was the powerful slogan used by PM Indira Gandhi during the 1971 elections and was central to the Fifth Five-Year Plan.

Q9 The base year currently used for calculating India's GDP is:

- A) 2004–05
- B) 2011–12
- C) 2014–15
- D) 2017–18

Answer: B

Explanation: India revised its base year for GDP calculation from 2004–05 to 2011–12 in January 2015, along with a change in methodology.

Q10 Which of the following is included in India's National Income?

- A) Transfer payments
- B) Capital gains only
- C) Factor incomes — wages, rent, interest, profit
- D) Gifts received from abroad

Answer: C

Explanation: National Income is the sum of all factor incomes (wages, rent, interest, and profit) earned by residents of a country in a year.

Q11 Which state has the highest GSDP (Gross State Domestic Product) in India?

- A) Tamil Nadu
- B) Uttar Pradesh
- C) Maharashtra
- D) Karnataka

Answer: C

Explanation: Maharashtra consistently has the highest GSDP among Indian states, driven by its financial, industrial, and services sectors centred in Mumbai.

Q12 Which Indian port handles the most cargo by volume?

- A) Mumbai Port
- B) JNPT (Nhava Sheva)
- C) Chennai Port
- D) Paradip Port

Answer: B

Explanation: JNPT (Jawaharlal Nehru Port Trust) in Mumbai handles the highest container traffic and is the busiest port in India.

Q13 The term 'Demographic Dividend' refers to:

- A) Large elderly population
- B) High birth rate
- C) Economic growth due to a large working-age population
- D) Government grants for population control

Answer: C

Explanation: Demographic dividend is the economic growth potential that can result from a country having a large proportion of working-age people relative to dependents.

Q14 The Human Development Index (HDI) measures development based on:

- A) GDP alone
- B) Income, education, and life expectancy
- C) Military strength and exports
- D) Tax collection and inflation

Answer: B

Explanation: HDI combines three dimensions: long and healthy life (life expectancy), education (literacy/enrolment), and a decent standard of living (GNI per capita).

Q15 India's major source of tax revenue is:

- A) Customs duty
- B) Corporation tax
- C) Income tax
- D) GST

Answer: D

Explanation: GST (Goods and Services Tax) is India's largest indirect tax revenue source since its implementation in 2017, consolidating multiple central and state taxes.

Q16 'Ease of Doing Business' ranking is published by:

- A) IMF
- B) World Bank
- C) WTO
- D) UNDP

Answer: B

Explanation: The World Bank published the annual Ease of Doing Business Index (now called Business Ready / B-READY) measuring the regulatory environment for businesses.

Q17 The term 'Brain Drain' refers to:

- A) Loss of intellectual capital due to emigration of skilled workers
- B) Loss of funds from the banking system
- C) Decrease in literacy rates
- D) Reduction in research spending

Answer: A

Explanation: Brain drain is the emigration of trained and talented individuals to other nations, depriving the home country of skilled human capital.

Q18 India's foreign exchange reserves are maintained by:

- A) Ministry of Finance
- B) SEBI
- C) Reserve Bank of India
- D) NITI Aayog

Answer: C

Explanation: The RBI manages and holds India's foreign exchange reserves, using them to stabilise the rupee and meet international payment obligations.

Q19 Which scheme provides employment guarantee to rural households in India?

- A) PMAY
- B) MGNREGS
- C) PM-KISAN
- D) Atal Pension Yojana

Answer: B

Explanation: MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) guarantees 100 days of wage employment per year to rural households.

Q20 India's current account in the Balance of Payments (BoP) includes:

- A) FDI flows
- B) Trade in goods, services, income, and current transfers
- C) Foreign debt repayments
- D) Capital market transactions

Answer: B

Explanation: The Current Account records trade in goods (visible) and services (invisible), along with income flows and current transfers like remittances.

Q21 The 'Nifty 50' index is associated with:

- A) BSE
- B) NSE
- C) MCX
- D) RBI

Answer: B

Explanation: Nifty 50 is the benchmark index of the National Stock Exchange (NSE), representing the top 50 companies across key sectors.

Q22 Inflation measured using the Consumer Price Index (CPI) is called:

- A) Wholesale Inflation
- B) Retail Inflation
- C) Core Inflation
- D) Structural Inflation

Answer: B

Explanation: CPI-based inflation is called Retail Inflation as it measures price changes from the consumer's perspective at the retail level.

Q23 Which Indian organisation publishes the Index of Industrial Production (IIP)?

- A) RBI
- B) MOSPI
- C) SEBI
- D) DPIIT

Answer: B

Explanation: The Ministry of Statistics and Programme Implementation (MOSPI) releases the IIP data, which measures the growth of industrial sectors monthly.

Q24 The 'Pradhan Mantri Jan Dhan Yojana' aimed at:

- A) Housing for all
- B) Financial inclusion by providing bank accounts
- C) Free education for girls

D) Rural road connectivity

Answer: B

Explanation: PM Jan Dhan Yojana, launched in August 2014, is a financial inclusion programme aimed at providing every household with bank account access.

Q25 The concept of 'Inclusive Growth' means:

- A) Growth benefiting only urban areas
- B) High GDP growth with no inflation
- C) Economic growth that benefits all sections of society
- D) Growth driven only by exports

Answer: C

Explanation: Inclusive growth ensures the benefits of economic development reach all segments of society, reducing inequality and poverty simultaneously.

Q26 Which organisation conducts the National Sample Survey (NSS) in India?

- A) NABARD
- B) RBI
- C) MOSPI / NSSO
- D) Finance Commission

Answer: C

Explanation: The National Statistical Office (NSO/NSSO) under MOSPI conducts the National Sample Survey to collect socio-economic data across India.

Q27 Which tax is levied on production of goods in India (replaced by GST)?

- A) Service Tax
- B) Central Excise Duty
- C) Customs Duty
- D) Octroi

Answer: B

Explanation: Central Excise Duty was levied on manufacture of goods in India and was subsumed into GST along with VAT and service tax from July 2017.

Q28 The 'Atmanirbhar Bharat' initiative focuses on:

- A) Promoting imports
- B) Reducing self-sufficiency
- C) Making India self-reliant economically
- D) Encouraging dependence on foreign technology

Answer: C

Explanation: Atmanirbhar Bharat (Self-Reliant India), launched in May 2020 by PM Modi, aims to make India economically self-sufficient and reduce import dependence.

Q29 Which Indian state is the largest producer of sugarcane?

- A) Punjab
- B) Haryana
- C) Uttar Pradesh
- D) Maharashtra

Answer: C

Explanation: Uttar Pradesh is India's largest sugarcane-producing state, followed by Maharashtra and Karnataka.

Q30 Per Capita Income is calculated as:

- A) GDP x Population
- B) National Income divided by Population
- C) Tax Revenue / Workforce
- D) Exports minus Imports

Answer: B

Explanation: Per Capita Income = National Income / Total Population. It measures the average income earned per person in a country.

Q31 The term 'Stagflation' refers to:

- A) High growth and low inflation
- B) Low growth and low inflation

- C) High inflation combined with stagnant economic growth
D) High growth and high inflation

Answer: C

Explanation: Stagflation is an economic condition characterised by persistent high inflation, high unemployment, and slow economic growth simultaneously.

Q32 The Laffer Curve is associated with:

- A) Population growth
B) Tax revenue and tax rates
C) Import-export balance
D) Interest rates and investment

Answer: B

Explanation: The Laffer Curve illustrates the relationship between tax rates and tax revenue, suggesting that beyond a point, higher tax rates reduce total revenue.

Q33 Which organisation is the apex bank for rural credit in India?

- A) SBI
B) RBI
C) NABARD
D) SIDBI

Answer: C

Explanation: NABARD (National Bank for Agriculture and Rural Development) is the apex institution for agricultural and rural credit in India.

Q34 'Disinvestment' in the Indian context means:

- A) Government investing in new public sector units
B) Reducing government equity in PSUs by selling shares
C) Banning foreign investment
D) Nationalisation of private companies

Answer: B

Explanation: Disinvestment refers to the government selling its equity stake (partial or full) in public sector undertakings (PSUs) to raise funds and improve efficiency.

Q35 Which five-year plan introduced the concept of 'self-reliant and self-generating' growth?

- A) First Plan
B) Third Plan
C) Fourth Plan
D) Sixth Plan

Answer: C

Explanation: The Fourth Five-Year Plan (1969–74) introduced the twin objectives of 'growth with stability' and a 'self-reliant and self-generating' economy.

Q36 The term 'Fiscal Deficit' means:

- A) Excess of exports over imports
B) Excess of government expenditure over revenue receipts and non-debt capital receipts
C) Difference between direct and indirect taxes
D) Deficit in the trade balance

Answer: B

Explanation: Fiscal Deficit = Total Expenditure - Total Receipts (excluding borrowings). It indicates the extent of government borrowing needed to meet its expenditure.

Q37 Which ministry controls the monetary policy in India?

- A) Ministry of Finance
B) Ministry of Commerce
C) Reserve Bank of India (RBI)
D) NITI Aayog

Answer: C

Explanation: Monetary policy in India is controlled by the RBI through tools like repo rate, CRR, SLR, and open market operations. The Ministry of Finance handles fiscal policy.

Q38 The 'Sensex' is composed of how many stocks?

- A) 50
- B) 100
- C) 30
- D) 25

Answer: C

Explanation: The BSE Sensex (Sensitive Index) is composed of 30 financially sound and well-established companies listed on the Bombay Stock Exchange.

Q39 India's rank in the Global Hunger Index has been a concern. The index is published by:

- A) UNICEF
- B) FAO only
- C) Concern Worldwide and Welthungerhilfe
- D) World Health Organisation

Answer: C

Explanation: The Global Hunger Index is published annually by Concern Worldwide (Ireland) and Welthungerhilfe (Germany), ranking countries by hunger levels.

Q40 Which of the following is NOT a Millennium Development Goal (MDG)?

- A) Eradicate extreme poverty
- B) Achieve universal primary education
- C) Reduce carbon emissions by 50%
- D) Promote gender equality

Answer: C

Explanation: The MDGs (2000–2015) had 8 goals. Reducing carbon emissions was NOT one of them — that is addressed under the SDGs and climate agreements.

UNIT 2 BUSINESS CONCEPTS

Questions 41 – 80

Q41 A 'Partnership' firm must have a minimum of how many partners?

- A) 1
- B) 2
- C) 5
- D) 7

Answer: B

Explanation: A partnership requires a minimum of 2 partners. The maximum is 50 partners for general businesses (per Companies Act 2013).

Q42 Which of the following is a feature of a Joint Stock Company?

- A) Unlimited liability
- B) Limited membership
- C) Separate legal entity and limited liability
- D) No transferability of shares

Answer: C

Explanation: A joint stock company has a separate legal identity from its owners, and shareholders enjoy limited liability up to the face value of their shares.

Q43 The 'Break-Even Point' is where:

- A) Profit is maximum
- B) Fixed costs equal variable costs
- C) Total Revenue equals Total Cost
- D) Sales volume is highest

Answer: C

Explanation: At the break-even point, a business's Total Revenue equals Total Cost — there is neither profit nor loss.

Q44	'Working Capital' is defined as: A) Total long-term capital B) Capital raised through debentures C) Current Assets minus Current Liabilities D) Paid-up share capital Answer: C Explanation: Working Capital = Current Assets - Current Liabilities. It measures a company's short-term financial health and liquidity.
Q45	Marketing mix consists of the '4 Ps'. Which of the following is NOT one of them? A) Product B) Price C) Promotion D) Profit Answer: D Explanation: The traditional Marketing Mix (4 Ps) = Product, Price, Place (distribution), Promotion. 'Profit' is an outcome, not one of the 4 Ps.
Q46	A 'Debenture' is: A) A share in the profits of a company B) A long-term debt instrument issued by a company C) A government bond D) An equity instrument Answer: B Explanation: A debenture is a debt instrument issued by a company to raise long-term funds, carrying a fixed rate of interest and repaid at maturity.
Q47	'Goodwill' in accounting is classified as: A) Current Asset B) Fixed Tangible Asset C) Intangible Asset D) Current Liability Answer: C Explanation: Goodwill is an intangible asset representing a business's brand reputation, customer base, and other non-physical advantages.
Q48	Which principle of management was given by Henri Fayol? A) Division of Labour B) Theory X and Theory Y C) Maslow's Hierarchy D) Hawthorne Effect Answer: A Explanation: Henri Fayol gave 14 Principles of Management, including Division of Work (Labour), Authority, Discipline, Unity of Command, etc.
Q49	'Economies of Scale' refers to: A) Reduction in average cost as output increases B) Increase in cost due to expansion C) Benefits of diversification D) Reduction in workforce Answer: A Explanation: Economies of scale are the cost advantages a business gains as it increases output — per-unit costs fall as production grows.
Q50	A 'Sole Proprietorship' is best defined as: A) Business owned by two partners B) Business owned and operated by a single person C) Government-owned enterprise D) Business listed on a stock exchange Answer: B

Explanation: A sole proprietorship is the simplest business form — owned, managed, and controlled by a single individual who bears all risks and profits.

Q51 The term 'USP' in marketing stands for:

- A) Universal Sales Procedure
- B) Unique Selling Proposition
- C) Uniform Service Protocol
- D) Unit Selling Price

Answer: B

Explanation: USP (Unique Selling Proposition) is the distinct benefit or feature that makes a product/service stand out from competitors in the market.

Q52 Which financial statement shows a company's financial position at a specific point in time?

- A) Income Statement
- B) Cash Flow Statement
- C) Balance Sheet
- D) Trial Balance

Answer: C

Explanation: The Balance Sheet (Statement of Financial Position) shows assets, liabilities, and equity at a specific date — a financial 'snapshot'.

Q53 'Depreciation' in accounting means:

- A) Increase in asset value
- B) Systematic reduction in the value of a fixed asset over time
- C) Loss due to theft
- D) Reduction in stock price

Answer: B

Explanation: Depreciation is the allocation of the cost of a tangible fixed asset over its useful life, reflecting wear and tear or obsolescence.

Q54 Which type of market has a single buyer?

- A) Monopoly
- B) Oligopoly
- C) Monopsony
- D) Duopoly

Answer: C

Explanation: A Monopsony is a market structure where there is only one buyer (as opposed to a monopoly, which has only one seller).

Q55 The 'Invisible Hand' concept was introduced by:

- A) Karl Marx
- B) John Maynard Keynes
- C) Adam Smith
- D) Milton Friedman

Answer: C

Explanation: Adam Smith introduced the 'invisible hand' metaphor in 'The Wealth of Nations' (1776), describing how individual self-interest guides market efficiency.

Q56 'Venture Capital' is a form of:

- A) Bank loan
- B) Government grant
- C) Private equity investment in early-stage or startup companies
- D) Long-term bond

Answer: C

Explanation: Venture capital is funding provided by investors to startups and small businesses with high growth potential in exchange for equity.

Q57 The term 'Liquidity' in finance refers to:

- A) Profitability of a business
- B) The ease with which an asset can be converted into cash
- C) Total market value of assets

D) Long-term solvency

Answer: B

Explanation: Liquidity measures how quickly and easily an asset can be converted into cash without significantly affecting its value.

Q58 Which of the following is a long-term source of finance for a company?

- A) Bank overdraft
- B) Trade credit
- C) Equity share capital
- D) Commercial paper

Answer: C

Explanation: Equity share capital is a long-term, permanent source of finance. Overdraft, trade credit, and commercial paper are short-term instruments.

Q59 A 'Cartel' is formed when:

- A) Competing firms collude to fix prices or limit competition
- B) One company acquires another
- C) Government controls production
- D) Two firms merge legally

Answer: A

Explanation: A cartel is a formal agreement among competing firms to coordinate prices, output, or market shares to maximise collective profits.

Q60 The concept of 'Price Elasticity of Demand' measures:

- A) Change in supply due to price change
- B) Responsiveness of quantity demanded to a change in price
- C) Change in income due to demand
- D) Relationship between price and supply

Answer: B

Explanation: Price Elasticity of Demand (PED) = % change in Quantity Demanded ÷ % change in Price. It shows how sensitive demand is to price changes.

Q61 'Corporate Social Responsibility' (CSR) under the Companies Act 2013 is mandatory for companies with:

- A) Turnover above Rs. 500 crore
- B) Net worth above Rs. 500 crore or turnover Rs. 1000 crore or net profit Rs. 5 crore
- C) Listed companies only
- D) All private companies

Answer: B

Explanation: Under Section 135 of the Companies Act 2013, CSR is mandatory for companies with net worth ≥ Rs. 500 crore OR turnover ≥ Rs. 1000 crore OR net profit ≥ Rs. 5 crore.

Q62 'Maslow's Hierarchy of Needs' theory is used in:

- A) Production management
- B) Motivation in management
- C) Financial planning
- D) Marketing mix

Answer: B

Explanation: Abraham Maslow's Hierarchy of Needs (1943) is a motivational theory in psychology and management, depicting a five-level pyramid of human needs.

Q63 A 'Bear Market' in stock exchange refers to:

- A) Market with rising prices
- B) Market dominated by large investors
- C) Market where prices are consistently falling
- D) A market with no regulations

Answer: C

Explanation: A Bear Market is characterised by falling stock prices (typically >20% decline) and widespread pessimism among investors.

Q64 The process of recording financial transactions in a systematic way is called:

- A) Auditing

- B) Bookkeeping
- C) Budgeting
- D) Forecasting

Answer: B

Explanation: Bookkeeping is the systematic recording of all financial transactions of a business on a day-to-day basis.

Q65 Which of the following best describes 'Oligopoly'?

- A) Many sellers, homogeneous product
- B) Single seller
- C) A few dominant sellers
- D) Single buyer

Answer: C

Explanation: An oligopoly is a market structure dominated by a small number of large sellers who are interdependent in their pricing and output decisions.

Q66 'Return on Investment' (ROI) is calculated as:

- A) $(\text{Net Profit} / \text{Revenue}) \times 100$
- B) $(\text{Net Profit} / \text{Cost of Investment}) \times 100$
- C) $(\text{Sales} / \text{Assets}) \times 100$
- D) $(\text{Profit} / \text{Sales}) \times 100$

Answer: B

Explanation: $\text{ROI} = (\text{Net Profit} / \text{Cost of Investment}) \times 100$. It measures the efficiency and profitability of an investment.

Q67 What does 'FMCG' stand for?

- A) Fixed Market Consumer Goods
- B) Fast Moving Consumer Goods
- C) Foreign Market Consumer Group
- D) Federal Management Consumer Goods

Answer: B

Explanation: FMCG stands for Fast Moving Consumer Goods — products sold quickly at relatively low cost, such as food, beverages, toiletries, and medicines.

Q68 The Companies Act 2013 in India replaced the earlier Companies Act of:

- A) 1947
- B) 1955
- C) 1956
- D) 1972

Answer: C

Explanation: The Companies Act 2013 replaced the Companies Act 1956 and brought major reforms in corporate governance, CSR, and shareholder rights.

Q69 'Market Capitalisation' of a company is calculated as:

- A) Total revenue x Net profit
- B) Share price x Total number of outstanding shares
- C) Total assets - Total liabilities
- D) Annual dividend x Number of shares

Answer: B

Explanation: $\text{Market Capitalisation} = \text{Current Share Price} \times \text{Total Number of Outstanding Shares}$. It represents the total market value of a company.

Q70 The principle of 'Unity of Command' states that:

- A) All commands should be written
- B) An employee should receive orders from only one superior
- C) All managers must have equal authority
- D) Only the CEO gives commands

Answer: B

Explanation: Unity of Command (Fayol's principle) states that each employee should receive orders and instructions from only one superior to avoid confusion and conflict.

Q71 Which of the following represents 'Primary Market' activity?

- A) Trading of existing securities
- B) Initial Public Offering (IPO)
- C) Buying shares from another investor
- D) Futures and options trading

Answer: B

Explanation: The Primary Market is where new securities are issued for the first time (like IPOs), directly raising capital for the issuing company.

Q72 'Double Entry System' of bookkeeping means:

- A) Entries are made twice for verification
- B) Every transaction has equal and opposite debit and credit entries
- C) Two accountants record each transaction
- D) Transactions are recorded twice annually

Answer: B

Explanation: The double-entry system records both the debit and credit aspects of every financial transaction, ensuring the accounting equation always balances.

Q73 Which of the following is a 'Variable Cost'?

- A) Rent of factory
- B) Salaries of permanent staff
- C) Raw material cost
- D) Insurance premium

Answer: C

Explanation: Variable costs change directly with output. Raw material cost increases as production increases — unlike fixed costs such as rent and insurance.

Q74 'E-commerce' refers to:

- A) Electronic money printing
- B) Commerce conducted via electronic networks and the internet
- C) Electronic commodity trading only
- D) Government's digital finance system

Answer: B

Explanation: E-commerce (electronic commerce) is the buying and selling of goods and services over the internet, including B2B, B2C, C2C, and mobile commerce.

Q75 The 'Objective' of a business in the long run according to modern management theory is:

- A) Profit maximisation only
- B) Wealth maximisation for shareholders and stakeholders
- C) Minimising all expenses
- D) Expanding product range only

Answer: B

Explanation: Modern management theory holds that the primary long-term objective is wealth maximisation — creating sustained value for shareholders and all stakeholders.

Q76 A 'Cheque' is an example of:

- A) Promissory Note
- B) Bill of Exchange
- C) Negotiable Instrument — specifically a bill drawn on a bank
- D) Receipt

Answer: C

Explanation: A cheque is a negotiable instrument (bill of exchange) drawn on a bank, directing it to pay a specified amount to the holder on demand.

Q77 'Public Limited Company' differs from 'Private Limited Company' mainly in that it:

- A) Cannot raise capital from the public
- B) Can raise capital from the general public through a stock exchange
- C) Has fewer regulatory requirements
- D) Cannot have more than 200 members

Answer: B

Explanation: A Public Limited Company can invite the general public to subscribe to its shares and is listed on stock exchanges, unlike a Private Limited Company.

Q78	Which type of business organisation has 'perpetual succession'? A) Sole Proprietorship B) Partnership Firm C) Joint Hindu Family Business D) Joint Stock Company Answer: D <i>Explanation: A Joint Stock Company (registered company) has perpetual succession — it continues to exist regardless of changes in ownership or death of members.</i>
Q79	'Cash Flow Statement' shows: A) Profit and loss of the business B) Assets and liabilities at year end C) Inflows and outflows of cash during a period D) Capital structure of the firm Answer: C <i>Explanation: The Cash Flow Statement records actual cash inflows (receipts) and outflows (payments) under operating, investing, and financing activities.</i>
Q80	The term 'SWOT Analysis' stands for: A) Sales, Work, Output, Target B) Strengths, Weaknesses, Opportunities, Threats C) Strategy, Workforce, Operations, Tactics D) Supply, Wage, Order, Trade Answer: B <i>Explanation: SWOT Analysis is a strategic planning tool identifying internal Strengths and Weaknesses, and external Opportunities and Threats.</i>

UNIT 3 BANKING & FINANCE

Questions 81 – 115

Q81	The Reserve Bank of India (RBI) was established in: A) 1947 B) 1935 C) 1949 D) 1952 Answer: B <i>Explanation: The RBI was established on April 1, 1935, under the Reserve Bank of India Act, 1934, and nationalized in 1949.</i>
Q82	The 'Repo Rate' is the rate at which: A) Banks lend to customers B) RBI lends money to commercial banks C) Banks borrow from each other D) Government borrows from RBI Answer: B <i>Explanation: The Repo (Repurchase) Rate is the rate at which the RBI lends short-term funds to commercial banks against approved securities.</i>
Q83	'CRR' stands for: A) Capital Reserve Ratio B) Credit Repayment Rate C) Cash Reserve Ratio D) Central Revenue Requirement Answer: C

Explanation: CRR (Cash Reserve Ratio) is the percentage of a bank's total deposits that must be maintained as cash reserves with the RBI — a key monetary tool.

Q84 SEBI was established in which year?

- A) 1988 (statutory in 1992)
- B) 1980
- C) 1994
- D) 1998

Answer: A

Explanation: SEBI was established as a non-statutory body in 1988 and was given statutory powers through the SEBI Act, 1992.

Q85 'NPA' in banking stands for:

- A) Net Profit Account
- B) New Payment Agreement
- C) Non-Performing Asset
- D) National Payment Authority

Answer: C

Explanation: NPA (Non-Performing Asset) is a loan or advance for which interest or principal has been overdue for more than 90 days.

Q86 The largest commercial bank of India in terms of assets is:

- A) Punjab National Bank
- B) HDFC Bank
- C) State Bank of India
- D) ICICI Bank

Answer: C

Explanation: The State Bank of India (SBI) is the largest commercial bank in India by assets, deposits, branches, and employees.

Q87 'UPI' stands for:

- A) Unified Payment Interface
- B) Universal Payment Infrastructure
- C) Unique Personal Identification
- D) Urban Payment Index

Answer: A

Explanation: UPI (Unified Payments Interface) is a real-time payment system developed by NPCI that allows instant fund transfers between bank accounts.

Q88 NPCI stands for:

- A) National Payment Corporation of India
- B) National Payments Council of India
- C) National Policy for Credit Infrastructure
- D) New Payment and Commerce Institution

Answer: A

Explanation: NPCI (National Payments Corporation of India) is an umbrella organisation for operating retail payments and settlement systems in India.

Q89 The 'Monetary Policy Committee' (MPC) of India is chaired by:

- A) Finance Minister
- B) RBI Governor
- C) PM's Economic Advisor
- D) SEBI Chairman

Answer: B

Explanation: The MPC, constituted under the RBI Act 1934, is chaired by the RBI Governor. It decides the key policy rates including the repo rate.

Q90 Which type of bank account earns the highest interest?

- A) Current Account
- B) Savings Account
- C) Fixed Deposit Account

D) Demat Account

Answer: C

Explanation: Fixed Deposit accounts earn the highest interest among bank accounts, as funds are locked in for a fixed period.

Q91 'SWIFT' in banking refers to:

- A) Society for Worldwide Interbank Financial Telecommunication
- B) Secured Wire Investment and Fund Transfer
- C) State-Wide Integrated Finance Technology
- D) System for World Interbank Financial Transactions

Answer: A

Explanation: SWIFT is the global messaging network used by financial institutions to securely transmit information and instructions for international money transfers.

Q92 Which of the following is a development bank in India?

- A) HDFC Bank
- B) Axis Bank
- C) NABARD
- D) Kotak Mahindra Bank

Answer: C

Explanation: NABARD (National Bank for Agriculture and Rural Development) is a development bank providing credit and developmental support to agriculture and rural sectors.

Q93 The 'Reverse Repo Rate' is the rate at which:

- A) RBI borrows from commercial banks
- B) Banks lend to each other
- C) Government lends to RBI
- D) Banks lend to foreign banks

Answer: A

Explanation: Reverse Repo Rate is the rate at which the RBI borrows money from commercial banks, absorbing excess liquidity from the system.

Q94 'SLR' stands for:

- A) Statutory Liquidity Ratio
- B) Standard Lending Rate
- C) Secured Loan Requirement
- D) Special Liquidity Reserve

Answer: A

Explanation: SLR (Statutory Liquidity Ratio) is the minimum percentage of total deposits that banks must maintain in liquid assets like gold, government securities, etc.

Q95 The process of converting illiquid assets into marketable securities is called:

- A) Privatisation
- B) Securitisation
- C) Monetisation
- D) Nationalisation

Answer: B

Explanation: Securitisation is the process of pooling illiquid assets (like mortgages) and converting them into tradeable securities in the capital markets.

Q96 Which of the following is NOT a function of the RBI?

- A) Issuing currency notes
- B) Regulating commercial banks
- C) Accepting deposits from the public
- D) Acting as banker to the government

Answer: C

Explanation: The RBI does not accept deposits from the general public. That is the function of commercial banks. RBI issues currency, regulates banks, and acts as the government's banker.

Q97 A 'Mutual Fund' is best described as:

- A) A direct investment in shares

- B) A pool of funds from investors managed by a professional fund manager
 C) A government savings scheme
 D) A fixed deposit with higher returns

Answer: B

Explanation: A mutual fund pools money from multiple investors to invest in diversified securities (stocks, bonds, etc.) managed by a professional fund manager (AMC).

Q98 What is 'IMPS' in banking?

- A) Immediate Payment Service — real-time interbank fund transfer
 B) Integrated Market Payment System
 C) International Monetary Payment Service
 D) Instant Mobile Pay System

Answer: A

Explanation: IMPS (Immediate Payment Service) is an instant interbank electronic fund transfer service available 24/7 including holidays, operated by NPCI.

Q99 'Priority Sector Lending' by banks refers to:

- A) Loans to large corporations
 B) Mandatory lending to sectors like agriculture, MSMEs, and weaker sections
 C) Government-directed lending only
 D) Loans only to the manufacturing sector

Answer: B

Explanation: Priority Sector Lending (PSL) norms require banks to lend a specified percentage of their credit to priority sectors: agriculture, MSMEs, education, housing, and weaker sections.

Q100 'CIBIL Score' in India is related to:

- A) A company's credit rating
 B) Individual or company's credit history and creditworthiness score
 C) Government bonds rating
 D) Bank's capital adequacy ratio

Answer: B

Explanation: CIBIL Score (300–900) is a credit score issued by TransUnion CIBIL, India's first credit bureau, measuring an individual's creditworthiness based on loan/credit history.

Q101 The headquarters of SEBI is located in:

- A) New Delhi
 B) Kolkata
 C) Mumbai
 D) Chennai

Answer: C

Explanation: SEBI (Securities and Exchange Board of India) has its headquarters in Mumbai, the financial capital of India.

Q102 What is 'Inflation Targeting' adopted by RBI?

- A) Setting a target for GDP growth
 B) Maintaining CPI inflation around 4% (with $\pm 2\%$ band)
 C) Fixing foreign exchange rates
 D) Controlling money supply only

Answer: B

Explanation: RBI adopted Flexible Inflation Targeting in 2016, maintaining CPI inflation at 4% with a tolerance band of $\pm 2\%$ (i.e., 2%–6%).

Q103 Which payment bank was first to launch in India?

- A) Jio Payments Bank
 B) Airtel Payments Bank
 C) Paytm Payments Bank
 D) India Post Payments Bank

Answer: B

Explanation: Airtel Payments Bank was the first payments bank in India to go live, launching its services in January 2017.

Q104 The Insolvency and Bankruptcy Code (IBC) was enacted in:

- A) 2014
- B) 2015
- C) 2016
- D) 2018

Answer: C

Explanation: The Insolvency and Bankruptcy Code (IBC) was enacted in 2016 to consolidate and streamline insolvency resolution for companies, partnerships, and individuals.

Q105 'Open Market Operations' (OMO) by RBI means:

- A) Opening new bank branches
- B) Buying and selling government securities to regulate money supply
- C) Allowing foreign banks to operate freely
- D) Liberalising trade policies

Answer: B

Explanation: OMOs are RBI's tool to regulate liquidity — it buys government securities to inject money into the system and sells them to absorb excess liquidity.

Q106 IRDAI regulates which sector in India?

- A) Banking
- B) Capital Markets
- C) Insurance
- D) Mutual Funds

Answer: C

Explanation: IRDAI (Insurance Regulatory and Development Authority of India) is the regulatory body for the insurance sector in India.

Q107 The term 'Bad Bank' in India refers to:

- A) A bank with poor customer service
- B) Asset Reconstruction Company dealing with stressed bank assets
- C) A bank that has been deregistered
- D) A private bank with no government oversight

Answer: B

Explanation: A Bad Bank (like NARCL in India) is an Asset Reconstruction Company that acquires non-performing assets (NPAs) from banks and attempts to recover them.

Q108 Which index measures stock performance at the National Stock Exchange?

- A) Sensex
- B) Nifty 50
- C) BSE 500
- D) Midcap 100

Answer: B

Explanation: Nifty 50 is the flagship index of the National Stock Exchange (NSE) of India, comprising the top 50 companies by market capitalisation.

Q109 'RTGS' stands for:

- A) Real Time Gross Settlement
- B) Regional Transaction and Guarantee System
- C) Reserve Transfer and Growth System
- D) Real Trade and Goods Settlement

Answer: A

Explanation: RTGS is a real-time, continuous gross settlement system for high-value (minimum Rs. 2 lakh) interbank fund transfers, operated by RBI.

Q110 'Microfinance' is best described as:

- A) Large loans to multinational companies
- B) Financial services for high-net-worth individuals
- C) Small loans and financial services to low-income groups
- D) Government grants for infrastructure

Answer: C

Explanation: Microfinance provides small loans (microcredit), savings, and insurance to low-income individuals and small businesses excluded from the formal banking system.

Q111	The concept of 'Financial Inclusion' primarily aims to: A) Maximise bank profits B) Bring unbanked and underserved populations into the formal financial system C) Increase interest rates D) Reduce government debt Answer: B <i>Explanation: Financial inclusion ensures that all individuals and businesses have access to useful and affordable financial products and services — savings, credit, insurance, and payments.</i>
Q112	Which is the largest life insurance company in India? A) HDFC Life B) ICICI Prudential C) Life Insurance Corporation (LIC) D) SBI Life Answer: C <i>Explanation: LIC (Life Insurance Corporation of India), established in 1956, is India's largest life insurance company by premium income, assets, and customer base.</i>
Q113	'Gold Monetisation Scheme' in India aims to: A) Ban gold imports B) Mobilise idle gold held by households and put it to productive use C) Fix the price of gold D) Replace gold with digital currency Answer: B <i>Explanation: The Gold Monetisation Scheme (2015) allows individuals to deposit idle physical gold with banks to earn interest while the gold is used productively.</i>
Q114	'PMJDY' stands for: A) Pradhan Mantri Jan Dhan Yojana B) Pradhan Mantri Jeevan Dhara Yojana C) Prime Minister's Job Development Yojana D) Public Market Jan Deposit Yojana Answer: A <i>Explanation: PMJDY (Pradhan Mantri Jan Dhan Yojana), launched in August 2014, is India's national financial inclusion mission ensuring bank accounts for all.</i>
Q115	'Bancassurance' means: A) Insurance offered by commercial banks B) Bank guarantee for insurance companies C) A type of government insurance scheme D) Banks insuring deposits Answer: A <i>Explanation: Bancassurance is a partnership where banks sell insurance products on behalf of insurance companies, allowing customers to access both banking and insurance services.</i>

UNIT 4 INTERNATIONAL ECONOMY

Questions 116 – 150

Q116	The World Trade Organization (WTO) was established in: A) 1948 B) 1975 C) 1995 D) 2000 Answer: C
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Explanation: The WTO was established on 1 January 1995, replacing the General Agreement on Tariffs and Trade (GATT) that had been in operation since 1948.

Q117 The headquarters of the International Monetary Fund (IMF) is in:

- A) New York
- B) Geneva
- C) London
- D) Washington D.C.

Answer: D

Explanation: The IMF headquarters is located in Washington D.C., USA. It was established in 1944 at the Bretton Woods Conference.

Q118 'BRICS' stands for:

- A) Brazil, Russia, India, China, South Africa
- B) Britain, Russia, Indonesia, China, Singapore
- C) Brazil, Romania, India, Croatia, Spain
- D) Bangladesh, Russia, Indonesia, China, Sri Lanka

Answer: A

Explanation: BRICS is an association of five major emerging economies: Brazil, Russia, India, China, and South Africa (South Africa joined in 2010).

Q119 The term 'Balance of Trade' refers to:

- A) Difference between government revenue and expenditure
- B) Difference between a country's exports and imports of goods
- C) Total foreign exchange reserves
- D) Total trade agreements signed

Answer: B

Explanation: Balance of Trade (BoT) = Value of Exports – Value of Imports of goods (visible trade). A surplus means exports > imports.

Q120 Which organisation provides long-term loans to developing countries for infrastructure?

- A) IMF
- B) World Bank
- C) WTO
- D) ADB

Answer: B

Explanation: The World Bank (IBRD and IDA) provides long-term loans and grants to developing countries for development projects including infrastructure, education, and health.

Q121 The 'Plaza Accord' (1985) was related to:

- A) Nuclear disarmament
- B) Depreciation of the US Dollar against major currencies
- C) Agricultural trade subsidies
- D) Formation of WTO

Answer: B

Explanation: The Plaza Accord was an agreement among G5 nations (USA, UK, France, West Germany, Japan) to depreciate the US Dollar to correct trade imbalances.

Q122 'Purchasing Power Parity' (PPP) is used to:

- A) Calculate trade deficits
- B) Compare the real purchasing power of currencies between countries
- C) Fix exchange rates
- D) Measure inflation only

Answer: B

Explanation: PPP theory compares the relative value of currencies by measuring what they can actually buy in their respective countries, accounting for cost-of-living differences.

Q123 'Globalisation' primarily refers to:

- A) Cultural uniformity across all nations
- B) Increased integration and interdependence of world economies
- C) Domination of one country over another

D) Growth in international military alliances

Answer: B

Explanation: Globalisation is the process of increasing interconnection of economies through trade, investment, capital flows, migration, and technology transfer.

Q124 The G20 group consists of:

- A) 20 richest nations
- B) 19 countries + EU representing major economies
- C) 20 emerging market nations only
- D) 20 UN Security Council members

Answer: B

Explanation: G20 comprises 19 individual countries (including major economies like USA, China, India, EU) plus the European Union, representing ~85% of global GDP.

Q125 Which country is the largest trading partner of India (by total trade)?

- A) USA
- B) UAE
- C) China
- D) Saudi Arabia

Answer: C

Explanation: China is India's largest trading partner by total trade (exports + imports), though the trade relationship is characterised by a large deficit on India's side.

Q126 'Dumping' in international trade is when:

- A) Goods are imported without documentation
- B) A country exports goods below their production cost or home market price
- C) Goods are sold only in domestic markets
- D) Countries ban exports of certain products

Answer: B

Explanation: Dumping is an unfair trade practice where a company sells goods in a foreign market at a price lower than the cost of production or its domestic price.

Q127 The Asian Development Bank (ADB) is headquartered in:

- A) Beijing
- B) Tokyo
- C) Manila
- D) Singapore

Answer: C

Explanation: The Asian Development Bank (ADB), established in 1966, is headquartered in Manila, Philippines. It supports social and economic development across Asia.

Q128 'MFN' status in WTO means:

- A) Most Favoured Nation — equal trade treatment
- B) Maximum Free Nation
- C) Minimum Foreign Necessity
- D) Market Friendly Norm

Answer: A

Explanation: MFN (Most Favoured Nation) principle requires WTO members to grant any trade concession given to one country equally to all other WTO members.

Q129 Which agreement governs international trade in services?

- A) GATT
- B) TRIPS
- C) GATS
- D) TRIMS

Answer: C

Explanation: GATS (General Agreement on Trade in Services) governs international trade in services and was established as part of the WTO framework in 1995.

Q130 'SDR' issued by IMF stands for:

- A) Special Drawing Rights

- B) Standard Development Reserve
- C) Sovereign Debt Ratio
- D) Structural Development Resources

Answer: A

Explanation: SDR (Special Drawing Rights) is an international reserve asset created by the IMF to supplement member countries' official reserves.

Q131 The SAARC headquarters is located in:

- A) New Delhi
- B) Islamabad
- C) Dhaka
- D) Kathmandu

Answer: D

Explanation: SAARC (South Asian Association for Regional Cooperation) has its Secretariat in Kathmandu, Nepal. It was established in 1985.

Q132 'Forex' refers to:

- A) Foreign Exports
- B) Foreign Exchange Market
- C) Formal Exchange Regulation
- D) Fixed Exchange Rate

Answer: B

Explanation: Forex (Foreign Exchange Market) is the global decentralised marketplace for trading national currencies — the world's largest financial market.

Q133 Which country has the world's largest foreign exchange reserves?

- A) USA
- B) Japan
- C) China
- D) Germany

Answer: C

Explanation: China holds the world's largest foreign exchange reserves, exceeding \$3 trillion, followed by Japan.

Q134 'Free Trade Agreement' (FTA) between countries means:

- A) Countries share military resources
- B) Reduced or eliminated tariffs and trade barriers between them
- C) All trade is made free of cost
- D) Technology is shared freely

Answer: B

Explanation: An FTA is a treaty where countries agree to reduce or eliminate tariffs, quotas, and other trade barriers on goods and services traded between them.

Q135 The concept of 'Comparative Advantage' in international trade was given by:

- A) Adam Smith
- B) John Stuart Mill
- C) David Ricardo
- D) Alfred Marshall

Answer: C

Explanation: David Ricardo's theory of Comparative Advantage (1817) states that countries should specialise in producing goods at a relatively lower opportunity cost, then trade.

Q136 ASEAN (Association of Southeast Asian Nations) was founded in:

- A) 1945
- B) 1967
- C) 1975
- D) 1982

Answer: B

Explanation: ASEAN was founded on 8 August 1967 in Bangkok, Thailand, with five founding members: Indonesia, Malaysia, Philippines, Singapore, and Thailand.

Q137 Which country became the 164th member of WTO?

- A) Afghanistan
- B) Liberia
- C) Afghanistan
- D) Kazakhstan

Answer: A

Explanation: Afghanistan became the 164th member of the WTO on 29 July 2016.

Q138 'Sovereign Wealth Fund' is best described as:

- A) Funds raised by private corporations abroad
- B) State-owned investment fund from government revenue surpluses
- C) IMF emergency lending facility
- D) International development aid

Answer: B

Explanation: A Sovereign Wealth Fund (SWF) is a state-owned investment fund made up of government surplus revenues used to invest globally for future generations.

Q139 Which of the following is an example of 'Current Account Convertibility'?

- A) Freely converting rupees for trade in goods and services
- B) Foreign investment in Indian stock markets
- C) NRI investment in real estate
- D) FDI in manufacturing

Answer: A

Explanation: Current Account Convertibility allows free conversion of domestic currency for trade in goods, services, and income — India has had full current account convertibility since 1994.

Q140 The 'Doha Round' of trade negotiations under WTO was launched in:

- A) 1995
- B) 1999
- C) 2001
- D) 2005

Answer: C

Explanation: The Doha Development Round was launched at the WTO Ministerial Conference in Doha, Qatar, in November 2001 — aimed at improving trade rules for developing countries.

Q141 India's largest export commodity (by value) in recent years has been:

- A) Tea
- B) Software services (IT/ITES)
- C) Rice
- D) Gems and jewellery

Answer: B

Explanation: Software services and IT exports consistently lead India's export basket, followed by petroleum products, gems and jewellery, and pharmaceuticals.

Q142 Which organisation publishes the 'World Economic Outlook'?

- A) World Bank
- B) WTO
- C) IMF
- D) UNDP

Answer: C

Explanation: The IMF publishes the World Economic Outlook (WEO) twice yearly, providing analysis and projections of global economic and financial developments.

Q143 'Protectionism' in trade policy means:

- A) Encouraging free trade
- B) Using tariffs and quotas to protect domestic industries from foreign competition
- C) Providing aid to developing nations
- D) Promoting globalisation

Answer: B

Explanation: Protectionism involves trade policies such as tariffs, quotas, and subsidies used to shield domestic industries from foreign competition.

Q144	The New Development Bank (NDB) was set up by: A) G7 countries B) BRICS nations C) ASEAN countries D) EU members Answer: B Explanation: The New Development Bank (formerly BRICS Development Bank) was established in 2014 by BRICS nations and is headquartered in Shanghai, China.
Q145	'Foreign Portfolio Investment' (FPI) differs from FDI in that it: A) Involves physical asset creation B) Is a long-term investment C) Involves investment in financial securities without management control D) Is restricted to developing countries Answer: C Explanation: FPI involves buying financial assets (stocks, bonds) in foreign countries without seeking management control, unlike FDI which involves direct business control.
Q146	Which major international agreement addressed climate change before the Paris Agreement? A) Montreal Protocol B) Kyoto Protocol C) Rio Convention D) Stockholm Declaration Answer: B Explanation: The Kyoto Protocol (1997) was the first major binding international agreement requiring developed nations to reduce greenhouse gas emissions.
Q147	'Capital Account Convertibility' means: A) Freedom to convert domestic currency for current account transactions B) Freedom to invest in or repatriate capital across countries without restrictions C) Capital gains tax exemption D) Convertibility of currency between states Answer: B Explanation: Capital Account Convertibility allows free movement of capital between countries for investment, borrowing, and lending — India has partial capital account convertibility.
Q148	India joined the BRICS grouping in which year? A) 2001 B) 2006 C) 2009 D) 2012 Answer: C Explanation: India was a founding member of BRIC (Brazil, Russia, India, China), which held its first formal summit in Yekaterinburg, Russia, in June 2009.
Q149	'Transfer Pricing' refers to: A) Pricing goods transferred between domestic firms B) Pricing of transactions between related entities in different countries to shift profits C) Setting prices for imports D) Government pricing of essential goods Answer: B Explanation: Transfer pricing is the setting of prices for transactions between affiliated companies (e.g., subsidiaries) in different tax jurisdictions, often used to minimise global tax liability.
Q150	Which country is the world's largest exporter of goods? A) USA B) Germany C) China D) Japan Answer: C

Explanation: China is the world's largest exporter of goods (merchandise), a position it has held since 2009, primarily driven by manufacturing and electronics.

UNIT 5 ECONOMIC POLICIES

Questions 151 – 200

Q151 GST was introduced in India on:

- A) 1 April 2017
- B) 1 July 2017
- C) 1 January 2018
- D) 15 August 2017

Answer: B

Explanation: GST (Goods and Services Tax) was launched on 1 July 2017, replacing multiple indirect taxes like VAT, Service Tax, and Excise Duty.

Q152 Which tax is levied on income of individuals in India?

- A) Capital Gains Tax
- B) Income Tax
- C) Wealth Tax
- D) Sales Tax

Answer: B

Explanation: Income Tax is a direct tax levied by the central government on income earned by individuals, Hindu Undivided Families, and other entities.

Q153 The 'Union Budget' in India is presented by:

- A) Prime Minister
- B) Finance Secretary
- C) Finance Minister
- D) RBI Governor

Answer: C

Explanation: The Union Budget is presented by the Finance Minister of India in Parliament, typically on 1 February each year.

Q154 'Monetary Policy' deals with:

- A) Government spending and taxation
- B) Control of money supply and interest rates by the central bank
- C) Export and import regulations
- D) Land and agriculture policy

Answer: B

Explanation: Monetary policy, conducted by the RBI, involves regulating money supply, credit, and interest rates to achieve macroeconomic goals like price stability and growth.

Q155 The 'New Economic Policy' (LPG) of 1991 in India stood for:

- A) Labour, Production, Growth
- B) Liberalisation, Privatisation, Globalisation
- C) Land, Price, Government
- D) Legal, Policy, Governance

Answer: B

Explanation: India's 1991 economic reforms under PM Narasimha Rao and FM Manmohan Singh introduced Liberalisation (reducing controls), Privatisation, and Globalisation (LPG).

Q156 The concept of 'Minimum Support Price' (MSP) in India is related to:

- A) Minimum wage for factory workers
- B) Guaranteed price announced by government for agricultural crops
- C) Minimum price for imported goods
- D) Price floor for industrial goods

Answer: B*Explanation: MSP is the price at which the government purchases crops from farmers, ensuring they receive a fair return and are protected from market price fluctuations.***Q157** 'Disinvestment' proceeds in India go to the:

- A) State Government Fund
- B) National Investment and Infrastructure Fund (NIIF)
- C) National Investment Fund (NIF) or general revenue
- D) Directly to PSU management

Answer: C*Explanation: Proceeds from disinvestment of public sector enterprises go to the National Investment Fund (NIF), which is used for social sector investment and fiscal deficit reduction.***Q158** 'Subsidy' in economics means:

- A) Tax on goods
- B) Financial assistance by the government to reduce cost for consumers or producers
- C) Customs duty on imports
- D) Fine imposed by regulatory authority

Answer: B*Explanation: A subsidy is a financial benefit or support given by the government to reduce the cost of production or consumption, promoting certain economic activities.***Q159** The 'Laissez-faire' economic policy means:

- A) Heavy government intervention in the economy
- B) Minimal government interference; markets self-regulate
- C) Nationalisation of all industries
- D) Fixed pricing by government

Answer: B*Explanation: Laissez-faire ('let it be' in French) is an economic philosophy advocating minimal government intervention, allowing free markets to operate independently.***Q160** Which committee recommended introduction of GST in India?

- A) Narasimham Committee
- B) Kelkar Committee
- C) Vijay Kelkar Task Force
- D) Empowered Committee of State Finance Ministers

Answer: D*Explanation: The Empowered Committee of State Finance Ministers, chaired initially by Asim Dasgupta, prepared the design and framework of India's GST.***Q161** 'Revenue Deficit' means:

- A) Excess of capital receipts over revenue receipts
- B) Excess of revenue expenditure over revenue receipts
- C) Total deficit in the economy
- D) Deficit in export revenue

Answer: B*Explanation: Revenue Deficit = Revenue Expenditure – Revenue Receipts. It indicates that the government is using borrowings even for day-to-day expenses.***Q162** 'Primary Deficit' is:

- A) Fiscal Deficit minus interest payments
- B) Revenue Deficit minus capital expenditure
- C) Trade deficit plus fiscal deficit
- D) Surplus of exports over imports

Answer: A*Explanation: Primary Deficit = Fiscal Deficit – Interest Payments. It shows the government's borrowing requirement excluding interest obligations on past debt.***Q163** The 'Goods and Services Tax' in India has how many main rate slabs?

- A) 2
- B) 3

C) 4

D) 5

Answer: C

Explanation: GST has four main rate slabs: 5%, 12%, 18%, and 28%. Essential items are exempt or at 0%, while luxury/sin goods attract the 28% slab plus cess.

Q164 'Public Distribution System' (PDS) in India is used for:

A) Distribution of government salaries

B) Supply of essential commodities at subsidised rates to the poor

C) Distribution of industrial licences

D) Managing stock market operations

Answer: B

Explanation: PDS is India's food security system that distributes essential food commodities (rice, wheat, kerosene) at subsidised rates through a network of fair price shops.

Q165 The concept of 'Deficit Financing' means:

A) Financing through increased taxation only

B) Government borrowing to cover its fiscal deficit

C) Companies raising capital through bond markets

D) Printing of currency by commercial banks

Answer: B

Explanation: Deficit financing involves the government meeting its fiscal deficit through borrowings — from the public, RBI, or international institutions.

Q166 'FRBM Act' in India stands for:

A) Fiscal Responsibility and Budget Management Act

B) Financial Reserve and Banking Management Act

C) Federal Revenue and Budget Monitoring Act

D) Fixed Rate Banking Management Act

Answer: A

Explanation: The FRBM Act 2003 was enacted to institutionalise fiscal discipline, reduce fiscal deficit, and ensure long-term macroeconomic stability in India.

Q167 'Operation Flood' in India was related to:

A) Flood management

B) Increase in wheat production

C) Milk and dairy production revolution

D) Irrigation expansion

Answer: C

Explanation: Operation Flood (1970–1996), launched by NDDB (National Dairy Development Board) under Dr. Verghese Kurien, was the world's largest dairy development programme — the 'White Revolution'.

Q168 The 'Digital India' programme was launched in which year?

A) 2013

B) 2014

C) 2015

D) 2016

Answer: C

Explanation: Digital India was launched on 1 July 2015 by PM Modi with the vision of transforming India into a digitally empowered society and knowledge economy.

Q169 'Aadhar' in India is linked to which authority?

A) Election Commission

B) UIDAI — Unique Identification Authority of India

C) Ministry of Home Affairs

D) Census Commissioner

Answer: B

Explanation: Aadhaar is a 12-digit unique identification number issued by the UIDAI (Unique Identification Authority of India), established in 2009.

Q170 India's economic survey is published by:

- A) RBI
- B) NITI Aayog
- C) Ministry of Finance (Department of Economic Affairs)
- D) Planning Commission

Answer: C

Explanation: The Economic Survey is an annual flagship document of the Ministry of Finance, presenting the state of the Indian economy before the Union Budget.

Q171 The headquarters of Jamia Millia Islamia is in:

- A) Aligarh
- B) Hyderabad
- C) New Delhi
- D) Lucknow

Answer: C

Explanation: JMI was founded in Aligarh in 1920 but moved to New Delhi in 1925. Its permanent campus is in Okhla, New Delhi.

Q172 Who is known as the 'Father of White Revolution' in India?

- A) M.S. Swaminathan
- B) Verghese Kurien
- C) Norman Borlaug
- D) C. Subramaniam

Answer: B

Explanation: Dr. Verghese Kurien is called the Father of the White Revolution (Operation Flood), which made India the world's largest milk producer.

Q173 The Union Budget 2024–25 was the first budget after the general elections. The Finance Minister of India is:

- A) Smriti Irani
- B) Nirmala Sitharaman
- C) Piyush Goyal
- D) Amit Shah

Answer: B

Explanation: Nirmala Sitharaman has been India's Finance Minister since May 2019 and has presented consecutive Union Budgets including 2024–25.

Q174 India's GDP growth rate for FY 2023–24 was approximately:

- A) 5.5%
- B) 6.5%
- C) 8.2%
- D) 9.5%

Answer: C

Explanation: India's GDP grew at approximately 8.2% in FY 2023–24, making it one of the fastest-growing major economies globally.

Q175 Which Indian company became the first to achieve a market capitalisation of Rs. 10 lakh crore?

- A) Infosys
- B) TCS
- C) Reliance Industries
- D) HDFC Bank

Answer: C

Explanation: Reliance Industries became India's first company to cross the Rs. 10 lakh crore (Rs. 10 trillion) market capitalisation milestone.

Q176 The 'Startup India' initiative was launched in which year?

- A) 2014
- B) 2016
- C) 2018
- D) 2020

Answer: B

Explanation: Startup India was launched on 16 January 2016 by PM Modi to build a strong ecosystem for nurturing innovation and startups in India.

Q177 Which payment application was developed in India and became popular globally?

- A) PayPal
- B) Google Pay
- C) PhonePe / UPI-based apps
- D) Apple Pay

Answer: C

Explanation: UPI (Unified Payments Interface) is India's homegrown payment infrastructure. PhonePe, Google Pay, Paytm, and BHIM are popular UPI apps.

Q178 India's first 'Unicorn' startup was:

- A) Flipkart
- B) Ola
- C) InMobi
- D) Paytm

Answer: C

Explanation: InMobi, a mobile advertising platform, became India's first unicorn (startup valued over \$1 billion) in 2011.

Q179 Which scheme provides pension to unorganised sector workers in India?

- A) EPFO
- B) NPS
- C) PM Shram Yogi Maan-dhan (PM-SYM)
- D) Atal Pension Yojana for corporates

Answer: C

Explanation: PM Shram Yogi Maan-dhan (PM-SYM), launched in 2019, provides monthly pension to unorganised sector workers (age 18–40, income below Rs. 15,000/month).

Q180 The National Education Policy (NEP) 2020 replaced the education policy of:

- A) 1968
- B) 1986
- C) 1992
- D) 2005

Answer: B

Explanation: NEP 2020, approved in July 2020, replaced the National Policy on Education 1986 (modified in 1992), bringing a major overhaul to India's education system.

Q181 'Make in India' was launched to promote manufacturing. Which animal is its mascot?

- A) Tiger
- B) Elephant
- C) Lion
- D) Peacock

Answer: C

Explanation: The Make in India logo features a lion made of cogs/gears, symbolising strength, courage, and India's manufacturing ambitions.

Q182 India's rank in the IMD World Competitiveness Ranking 2023 was approximately:

- A) 20th
- B) 40th
- C) 55th
- D) 70th

Answer: B

Explanation: India ranked 40th in the IMD World Competitiveness Yearbook 2023, a significant improvement reflecting economic reforms and market size.

Q183 Which is India's largest public sector undertaking (PSU) by revenue?

- A) ONGC
- B) Indian Oil Corporation (IOC)
- C) NTPC
- D) Coal India

Answer: B*Explanation: Indian Oil Corporation (IOC) is consistently India's largest PSU by revenue, ranking among the Fortune Global 500 companies.***Q184** 'Smart Cities Mission' in India aims to:

- A) Build entirely new cities in rural areas
- B) Develop sustainable and citizen-friendly urban infrastructure in 100 cities
- C) Provide housing for all citizens
- D) Digitise all government records

Answer: B*Explanation: Smart Cities Mission, launched in June 2015, aims to develop 100 cities across India with citizen-friendly and sustainable infrastructure and services.***Q185** The 'Insolvency and Bankruptcy Code (IBC)' primarily deals with:

- A) Bank fraud investigation
- B) Time-bound resolution of insolvency of companies and individuals
- C) Regulation of NBFCs
- D) Corporate tax disputes

Answer: B*Explanation: The IBC 2016 provides a consolidated framework for resolving insolvency and bankruptcy for corporates, partnerships, and individuals within a time-bound process.***Q186** 'RERA' in India stands for:

- A) Real Estate Regulatory Authority
- B) Rural Employment Rights Act
- C) Revenue Estimation and Reform Authority
- D) Real Exchange Rate Agreement

Answer: A*Explanation: RERA (Real Estate Regulatory Authority) was established under the Real Estate (Regulation and Development) Act 2016 to protect homebuyers and regulate the real estate sector.***Q187** The term 'Unicorn' in startup ecosystem refers to:

- A) A startup with profit above Rs. 100 crore
- B) A privately held startup valued at over \$1 billion
- C) A startup with operations in 10+ countries
- D) A government-backed startup

Answer: B*Explanation: A 'Unicorn' is a startup company that has been valued at over \$1 billion (approximately Rs. 8,000 crore) by private investors.***Q188** Who wrote the famous book 'The Wealth of Nations'?

- A) Karl Marx
- B) John Maynard Keynes
- C) Adam Smith
- D) Milton Friedman

Answer: C*Explanation: 'The Wealth of Nations' (1776) by Adam Smith laid the foundations of classical economics and introduced concepts like the invisible hand and division of labour.***Q189** 'PM Gati Shakti' is a national plan for:

- A) Healthcare infrastructure
- B) Multi-modal connectivity and infrastructure development
- C) Digital education
- D) Financial inclusion

Answer: B*Explanation: PM Gati Shakti National Master Plan (2021) is an integrated digital platform for multi-modal infrastructure development covering roads, railways, ports, and airports.***Q190** Which Indian state is most known for its IT industry?

- A) Maharashtra
- B) Tamil Nadu

- C) Karnataka
D) Andhra Pradesh

Answer: C

Explanation: Karnataka, especially Bengaluru (Bangalore), is India's IT hub and home to the largest concentration of IT companies, including Infosys and Wipro headquarters.

- Q191** The 'PM Kisan Samman Nidhi' scheme provides:
A) Rs. 3,000/month pension to farmers
B) Rs. 6,000/year income support to small and marginal farmers
C) Free crop insurance to all farmers
D) Rs. 10,000 one-time grant to landless farmers

Answer: B

Explanation: PM-KISAN (2019) provides Rs. 6,000 per year (in three instalments of Rs. 2,000) to small and marginal farmer families across India.

- Q192** India's first Indigenous aircraft carrier is named:
A) INS Vikramaditya
B) INS Vikrant
C) INS Viraat
D) INS Arihant

Answer: B

Explanation: INS Vikrant is India's first indigenously built aircraft carrier, commissioned in September 2022. It is built by Cochin Shipyard Limited.

- Q193** Who is the founder of the Jamia Millia Islamia?
A) Sir Syed Ahmed Khan
B) Maulana Mohammad Ali Johar and others
C) Muhammad Iqbal
D) Maulana Abul Kalam Azad alone

Answer: B

Explanation: JMI was founded in 1920 by Maulana Mohammad Ali Johar, Maulana Mahmud Hasan, Hakim Ajmal Khan, Dr. Mukhtar Ahmed Ansari, and Zakir Husain, among others.

- Q194** The term 'Ease of Living Index' in India is published by:
A) NITI Aayog
B) Ministry of Housing and Urban Affairs
C) RBI
D) SEBI

Answer: B

Explanation: The Ease of Living Index is published by the Ministry of Housing and Urban Affairs to assess the quality of life and urban governance across Indian cities.

- Q195** India's first space tourist was:
A) Rakesh Sharma
B) Sunita Williams
C) Kalpana Chawla
D) Shubhanshu Shukla

Answer: D

Explanation: Shubhanshu Shukla is an Indian Air Force officer selected as India's representative for the Axiom Space Mission 4 to the ISS (2025), making him effectively the first Indian to fly to space in the private era.

- Q196** 'Operation Sindoor' in 2025 was India's military response to:
A) Chinese incursion in Ladakh
B) Pahalgam terrorist attack in Jammu & Kashmir
C) Pakistani naval aggression
D) Bangladesh border crisis

Answer: B

Explanation: Operation Sindoor (May 2025) was India's precision military strike against terrorist infrastructure in Pakistan and PoK, in response to the Pahalgam terror attack (April 2025) that killed 26 civilians.

- Q197** Who was the first woman to serve as India's Finance Minister?

	A) Sushma Swaraj B) Nirmala Sitharaman C) Smriti Irani D) Indira Gandhi (in 1970) Answer: B Explanation: Nirmala Sitharaman, appointed Finance Minister in May 2019, is India's first full-time female Finance Minister (Indira Gandhi held the portfolio briefly as PM).
Q198	The G20 Summit 2023 was hosted by India in: A) Mumbai B) New Delhi C) Varanasi D) Bengaluru Answer: B Explanation: India hosted the G20 Leaders' Summit on 9–10 September 2023 in New Delhi under the theme 'Vasudhaiva Kutumbakam — One Earth, One Family, One Future'.
Q199	Which Indian won the Nobel Prize in Economics (2019)? A) Amartya Sen B) Manmohan Singh C) Abhijit Banerjee D) Raghuram Rajan Answer: C Explanation: Abhijit Banerjee (along with Esther Duflo and Michael Kremer) won the 2019 Nobel Memorial Prize in Economic Sciences for experimental approaches to alleviating poverty.
Q200	Jamia Millia Islamia's BBA programme falls under which school? A) Faculty of Social Sciences B) Faculty of Engineering C) Faculty of Humanities D) Faculty of Law Answer: A Explanation: The BBA programme at Jamia Millia Islamia is offered under the Faculty of Social Sciences, which houses disciplines including commerce, economics, and management.

COMPLETE ANSWER KEY WITH EXPLANATIONS

Q1. Ans: A — GDP = Gross Domestic Product — the total monetary value of all final goods and services pr...	Q2. Ans: B — India adopted Five-Year Plans (modelled on the Soviet system) from 1951 to guide economic ...
Q3. Ans: C — Agriculture remains the backbone of India's economy as it employs the largest share of the...	Q4. Ans: B — The Green Revolution (1960s–70s) introduced HYV seeds, chemical fertilisers, and irrigatio...
Q5. Ans: C — NITI Aayog (National Institution for Transforming India) replaced the Planning Commission ...	Q6. Ans: C — The First Five-Year Plan (1951–56) focused on agriculture, land reforms, and irrigation to...
Q7. Ans: C — The Services sector is the largest contributor to India's GDP (over 50%), followed by Indu...	Q8. Ans: C — 'Garibi Hatao' (Remove Poverty) was the powerful slogan used by PM Indira Gandhi during th...
Q9. Ans: B — India revised its base year for GDP calculation from 2004–05 to 2011–12 in January 2015, a...	Q10. Ans: C — National Income is the sum of all factor incomes (wages, rent, interest, and profit) earne...
Q11. Ans: C — Maharashtra consistently has the highest GSDP among Indian states, driven by its financial...	Q12. Ans: B — JNPT (Jawaharlal Nehru Port Trust) in Mumbai handles the highest container traffic and is ...
Q13. Ans: C — Demographic dividend is the economic growth potential that can result from a country havin...	Q14. Ans: B — HDI combines three dimensions: long and healthy life (life expectancy), education (literac...
Q15. Ans: D — GST (Goods and Services Tax) is India's largest indirect tax revenue source since its impl...	Q16. Ans: B — The World Bank published the annual Ease of Doing Business Index (now called Business Read...
Q17. Ans: A — Brain drain is the emigration of trained and talented individuals to other nations, depriv...	Q18. Ans: C — The RBI manages and holds India's foreign exchange reserves, using them to stabilise the r...
Q19. Ans: B — MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme) guarantees 100 days of...	Q20. Ans: B — The Current Account records trade in goods (visible) and services (invisible), along with ...

Q21. Ans: B — Nifty 50 is the benchmark index of the National Stock Exchange (NSE), representing the top...	Q22. Ans: B — CPI-based inflation is called Retail Inflation as it measures price changes from the consu...
Q23. Ans: B — The Ministry of Statistics and Programme Implementation (MOSPI) releases the IIP data, whi...	Q24. Ans: B — PM Jan Dhan Yojana, launched in August 2014, is a financial inclusion programme aimed at p...
Q25. Ans: C — Inclusive growth ensures the benefits of economic development reach all segments of societ...	Q26. Ans: C — The National Statistical Office (NSO/NSSO) under MOSPI conducts the National Sample Survey...
Q27. Ans: B — Central Excise Duty was levied on manufacture of goods in India and was subsumed into GST ...	Q28. Ans: C — Atmanirbhar Bharat (Self-Reliant India), launched in May 2020 by PM Modi, aims to make Ind...
Q29. Ans: C — Uttar Pradesh is India's largest sugarcane-producing state, followed by Maharashtra and Ka...	Q30. Ans: B — Per Capita Income = National Income / Total Population. It measures the average income ear...
Q31. Ans: C — Stagflation is an economic condition characterised by persistent high inflation, high unem...	Q32. Ans: B — The Laffer Curve illustrates the relationship between tax rates and tax revenue, suggestin...
Q33. Ans: C — NABARD (National Bank for Agriculture and Rural Development) is the apex institution for a...	Q34. Ans: B — Disinvestment refers to the government selling its equity stake (partial or full) in publi...
Q35. Ans: C — The Fourth Five-Year Plan (1969–74) introduced the twin objectives of 'growth with stabili...	Q36. Ans: B — Fiscal Deficit = Total Expenditure - Total Receipts (excluding borrowings). It indicates t...
Q37. Ans: C — Monetary policy in India is controlled by the RBI through tools like repo rate, CRR, SLR, ...	Q38. Ans: C — The BSE Sensex (Sensitive Index) is composed of 30 financially sound and well-established ...
Q39. Ans: C — The Global Hunger Index is published annually by Concern Worldwide (Ireland) and Welthungeo...	Q40. Ans: C — The MDGs (2000–2015) had 8 goals. Reducing carbon emissions was NOT one of them — that is ...
Q41. Ans: B — A partnership requires a minimum of 2 partners. The maximum is 50 partners for general bus...	Q42. Ans: C — A joint stock company has a separate legal identity from its owners, and shareholders enjo...
Q43. Ans: C — At the break-even point, a business's Total Revenue equals Total Cost — there is neither p...	Q44. Ans: C — Working Capital = Current Assets - Current Liabilities. It measures a company's short-term...
Q45. Ans: D — The traditional Marketing Mix (4 Ps) = Product, Price, Place (distribution), Promotion. 'P...	Q46. Ans: B — A debenture is a debt instrument issued by a company to raise long-term funds, carrying a ...
Q47. Ans: C — Goodwill is an intangible asset representing a business's brand reputation, customer base,...	Q48. Ans: A — Henri Fayol gave 14 Principles of Management, including Division of Work (Labour), Authori...
Q49. Ans: A — Economies of scale are the cost advantages a business gains as it increases output — per-u...	Q50. Ans: B — A sole proprietorship is the simplest business form — owned, managed, and controlled by a ...
Q51. Ans: B — USP (Unique Selling Proposition) is the distinct benefit or feature that makes a product/s...	Q52. Ans: C — The Balance Sheet (Statement of Financial Position) shows assets, liabilities, and equity ...
Q53. Ans: B — Depreciation is the allocation of the cost of a tangible fixed asset over its useful life,...	Q54. Ans: C — A Monopsony is a market structure where there is only one buyer (as opposed to a monopoly,...
Q55. Ans: C — Adam Smith introduced the 'invisible hand' metaphor in 'The Wealth of Nations' (1776), des...	Q56. Ans: C — Venture capital is funding provided by investors to startups and small businesses with hig...
Q57. Ans: B — Liquidity measures how quickly and easily an asset can be converted into cash without sign...	Q58. Ans: C — Equity share capital is a long-term, permanent source of finance. Overdraft, trade credit,...
Q59. Ans: A — A cartel is a formal agreement among competing firms to coordinate prices, output, or mark...	Q60. Ans: B — Price Elasticity of Demand (PED) = % change in Quantity Demanded ÷ % change in Price. It s...
Q61. Ans: B — Under Section 135 of the Companies Act 2013, CSR is mandatory for companies with net worth...	Q62. Ans: B — Abraham Maslow's Hierarchy of Needs (1943) is a motivational theory in psychology and mana...
Q63. Ans: C — A Bear Market is characterised by falling stock prices (typically >20% decline) and widesp...	Q64. Ans: B — Bookkeeping is the systematic recording of all financial transactions of a business on a d...
Q65. Ans: C — An oligopoly is a market structure dominated by a small number of large sellers who are in...	Q66. Ans: B — ROI = (Net Profit / Cost of Investment) × 100. It measures the efficiency and profitabilit...
Q67. Ans: B — FMCG stands for Fast Moving Consumer Goods — products sold quickly at relatively low cost,...	Q68. Ans: C — The Companies Act 2013 replaced the Companies Act 1956 and brought major reforms in corpor...
Q69. Ans: B — Market Capitalisation = Current Share Price × Total Number of Outstanding Shares. It repre...	Q70. Ans: B — Unity of Command (Fayol's principle) states that each employee should receive orders and i...
Q71. Ans: B — The Primary Market is where new securities are issued for the first time (like IPOs), dire...	Q72. Ans: B — The double-entry system records both the debit and credit aspects of every financial trans...
Q73. Ans: C — Variable costs change directly with output. Raw material cost increases as production incr...	Q74. Ans: B — E-commerce (electronic commerce) is the buying and selling of goods and services over the ...
Q75. Ans: B — Modern management theory holds that the primary long-term objective is wealth maximisation...	Q76. Ans: C — A cheque is a negotiable instrument (bill of exchange) drawn on a bank, directing it to pa...
Q77. Ans: B — A Public Limited Company can invite the general public to subscribe to its shares and is l...	Q78. Ans: D — A Joint Stock Company (registered company) has perpetual succession — it continues to exis...
Q79. Ans: C — The Cash Flow Statement records actual cash inflows (receipts) and outflows (payments) und...	Q80. Ans: B — SWOT Analysis is a strategic planning tool identifying internal Strengths and Weaknesses, ...
Q81. Ans: B — The RBI was established on April 1, 1935, under the Reserve Bank of India Act, 1934, and n...	Q82. Ans: B — The Repo (Repurchase) Rate is the rate at which the RBI lends short-term funds to commerci...

Q83. Ans: C — CRR (Cash Reserve Ratio) is the percentage of a bank's total deposits that must be maintai...	Q84. Ans: A — SEBI was established as a non-statutory body in 1988 and was given statutory powers throug...
Q85. Ans: C — NPA (Non-Performing Asset) is a loan or advance for which interest or principal has been o...	Q86. Ans: C — The State Bank of India (SBI) is the largest commercial bank in India by assets, deposits,...
Q87. Ans: A — UPI (Unified Payments Interface) is a real-time payment system developed by NPCI that allo...	Q88. Ans: A — NPCI (National Payments Corporation of India) is an umbrella organisation for operating re...
Q89. Ans: B — The MPC, constituted under the RBI Act 1934, is chaired by the RBI Governor. It decides th...	Q90. Ans: C — Fixed Deposit accounts earn the highest interest among bank accounts, as funds are locked ...
Q91. Ans: A — SWIFT is the global messaging network used by financial institutions to securely transmit ...	Q92. Ans: C — NABARD (National Bank for Agriculture and Rural Development) is a development bank providi...
Q93. Ans: A — Reverse Repo Rate is the rate at which the RBI borrows money from commercial banks, absorb...	Q94. Ans: A — SLR (Statutory Liquidity Ratio) is the minimum percentage of total deposits that banks mus...
Q95. Ans: B — Securitisation is the process of pooling illiquid assets (like mortgages) and converting t...	Q96. Ans: C — The RBI does not accept deposits from the general public. That is the function of commerci...
Q97. Ans: B — A mutual fund pools money from multiple investors to invest in diversified securities (sto...	Q98. Ans: A — IMPS (Immediate Payment Service) is an instant interbank electronic fund transfer service ...
Q99. Ans: B — Priority Sector Lending (PSL) norms require banks to lend a specified percentage of their ...	Q100. Ans: B — CIBIL Score (300–900) is a credit score issued by TransUnion CIBIL, India's first credit b...
Q101. Ans: C — SEBI (Securities and Exchange Board of India) has its headquarters in Mumbai, the financia...	Q102. Ans: B — RBI adopted Flexible Inflation Targeting in 2016, maintaining CPI inflation at 4% with a t...
Q103. Ans: B — Airtel Payments Bank was the first payments bank in India to go live, launching its servic...	Q104. Ans: C — The Insolvency and Bankruptcy Code (IBC) was enacted in 2016 to consolidate and streamline...
Q105. Ans: B — OMOs are RBI's tool to regulate liquidity — it buys government securities to inject money ...	Q106. Ans: C — IRDAI (Insurance Regulatory and Development Authority of India) is the regulatory body for...
Q107. Ans: B — A Bad Bank (like NARCL in India) is an Asset Reconstruction Company that acquires non-perf...	Q108. Ans: B — Nifty 50 is the flagship index of the National Stock Exchange (NSE) of India, comprising t...
Q109. Ans: A — RTGS is a real-time, continuous gross settlement system for high-value (minimum Rs. 2 lakh...	Q110. Ans: C — Microfinance provides small loans (microcredit), savings, and insurance to low-income indi...
Q111. Ans: B — Financial inclusion ensures that all individuals and businesses have access to useful and ...	Q112. Ans: C — LIC (Life Insurance Corporation of India), established in 1956, is India's largest life in...
Q113. Ans: B — The Gold Monetisation Scheme (2015) allows individuals to deposit idle physical gold with ...	Q114. Ans: A — PMJDY (Pradhan Mantri Jan Dhan Yojana), launched in August 2014, is India's national finan...
Q115. Ans: A — Bancassurance is a partnership where banks sell insurance products on behalf of insurance ...	Q116. Ans: C — The WTO was established on 1 January 1995, replacing the General Agreement on Tariffs and ...
Q117. Ans: D — The IMF headquarters is located in Washington D.C., USA. It was established in 1944 at the...	Q118. Ans: A — BRICS is an association of five major emerging economies: Brazil, Russia, India, China, an...
Q119. Ans: B — Balance of Trade (BoT) = Value of Exports – Value of Imports of goods (visible trade). A s...	Q120. Ans: B — The World Bank (IBRD and IDA) provides long-term loans and grants to developing countries ...
Q121. Ans: B — The Plaza Accord was an agreement among G5 nations (USA, UK, France, West Germany, Japan) ...	Q122. Ans: B — PPP theory compares the relative value of currencies by measuring what they can actually b...
Q123. Ans: B — Globalisation is the process of increasing interconnection of economies through trade, inv...	Q124. Ans: B — G20 comprises 19 individual countries (including major economies like USA, China, India, E...
Q125. Ans: C — China is India's largest trading partner by total trade (exports + imports), though the tr...	Q126. Ans: B — Dumping is an unfair trade practice where a company sells goods in a foreign market at a p...
Q127. Ans: C — The Asian Development Bank (ADB), established in 1966, is headquartered in Manila, Philipp...	Q128. Ans: A — MFN (Most Favoured Nation) principle requires WTO members to grant any trade concession gi...
Q129. Ans: C — GATS (General Agreement on Trade in Services) governs international trade in services and ...	Q130. Ans: A — SDR (Special Drawing Rights) is an international reserve asset created by the IMF to suppl...
Q131. Ans: D — SAARC (South Asian Association for Regional Cooperation) has its Secretariat in Kathmandu,...	Q132. Ans: B — Forex (Foreign Exchange Market) is the global decentralised marketplace for trading nation...
Q133. Ans: C — China holds the world's largest foreign exchange reserves, exceeding \$3 trillion, followed...	Q134. Ans: B — An FTA is a treaty where countries agree to reduce or eliminate tariffs, quotas, and other...
Q135. Ans: C — David Ricardo's theory of Comparative Advantage (1817) states that countries should specia...	Q136. Ans: B — ASEAN was founded on 8 August 1967 in Bangkok, Thailand, with five founding members: Indon...
Q137. Ans: A — Afghanistan became the 164th member of the WTO on 29 July 2016.	Q138. Ans: B — A Sovereign Wealth Fund (SWF) is a state-owned investment fund made up of government surpl...
Q139. Ans: A — Current Account Convertibility allows free conversion of domestic currency for trade in go...	Q140. Ans: C — The Doha Development Round was launched at the WTO Ministerial Conference in Doha, Qatar, ...
Q141. Ans: B — Software services and IT exports consistently lead India's export basket, followed by petr...	Q142. Ans: C — The IMF publishes the World Economic Outlook (WEO) twice yearly, providing analysis and pr...
Q143. Ans: B — Protectionism involves trade policies such as tariffs, quotas, and subsidies used to shiel...	Q144. Ans: B — The New Development Bank (formerly BRICS Development Bank) was established in 2014 by BRIC...

Q145. Ans: C — FPI involves buying financial assets (stocks, bonds) in foreign countries without seeking ...	Q146. Ans: B — The Kyoto Protocol (1997) was the first major binding international agreement requiring de...
Q147. Ans: B — Capital Account Convertibility allows free movement of capital between countries for inves...	Q148. Ans: C — India was a founding member of BRIC (Brazil, Russia, India, China), which held its first f...
Q149. Ans: B — Transfer pricing is the setting of prices for transactions between affiliated companies (e...	Q150. Ans: C — China is the world's largest exporter of goods (merchandise), a position it has held since...
Q151. Ans: B — GST (Goods and Services Tax) was launched on 1 July 2017, replacing multiple indirect tax...	Q152. Ans: B — Income Tax is a direct tax levied by the central government on income earned by individual...
Q153. Ans: C — The Union Budget is presented by the Finance Minister of India in Parliament, typically on...	Q154. Ans: B — Monetary policy, conducted by the RBI, involves regulating money supply, credit, and inter...
Q155. Ans: B — India's 1991 economic reforms under PM Narasimha Rao and FM Manmohan Singh introduced Libe...	Q156. Ans: B — MSP is the price at which the government purchases crops from farmers, ensuring they recei...
Q157. Ans: C — Proceeds from disinvestment of public sector enterprises go to the National Investment Fun...	Q158. Ans: B — A subsidy is a financial benefit or support given by the government to reduce the cost of ...
Q159. Ans: B — Laissez-faire ('let it be' in French) is an economic philosophy advocating minimal governm...	Q160. Ans: D — The Empowered Committee of State Finance Ministers, chaired initially by Asim Dasgupta, pr...
Q161. Ans: B — Revenue Deficit = Revenue Expenditure – Revenue Receipts. It indicates that the government...	Q162. Ans: A — Primary Deficit = Fiscal Deficit – Interest Payments. It shows the government's borrowing ...
Q163. Ans: C — GST has four main rate slabs: 5%, 12%, 18%, and 28%. Essential items are exempt or at 0%, ...	Q164. Ans: B — PDS is India's food security system that distributes essential food commodities (rice, whe...
Q165. Ans: B — Deficit financing involves the government meeting its fiscal deficit through borrowings — ...	Q166. Ans: A — The FRBM Act 2003 was enacted to institutionalise fiscal discipline, reduce fiscal deficit...
Q167. Ans: C — Operation Flood (1970–1996), launched by NDDB (National Dairy Development Board) under Dr....	Q168. Ans: C — Digital India was launched on 1 July 2015 by PM Modi with the vision of transforming India...
Q169. Ans: B — Aadhaar is a 12-digit unique identification number issued by the UIDAI (Unique Identificat...	Q170. Ans: C — The Economic Survey is an annual flagship document of the Ministry of Finance, presenting ...
Q171. Ans: C — JMI was founded in Aligarh in 1920 but moved to New Delhi in 1925. Its permanent campus is...	Q172. Ans: B — Dr. Verghese Kurien is called the Father of the White Revolution (Operation Flood), which ...
Q173. Ans: B — Nirmala Sitharaman has been India's Finance Minister since May 2019 and has presented cons...	Q174. Ans: C — India's GDP grew at approximately 8.2% in FY 2023–24, making it one of the fastest-growing...
Q175. Ans: C — Reliance Industries became India's first company to cross the Rs. 10 lakh crore (Rs. 10 tr...	Q176. Ans: B — Startup India was launched on 16 January 2016 by PM Modi to build a strong ecosystem for n...
Q177. Ans: C — UPI (Unified Payments Interface) is India's homegrown payment infrastructure. PhonePe, Goo...	Q178. Ans: C — InMobi, a mobile advertising platform, became India's first unicorn (startup valued over \$...
Q179. Ans: C — PM Shram Yogi Maan-dhan (PM-SYM), launched in 2019, provides monthly pension to unorganise...	Q180. Ans: B — NEP 2020, approved in July 2020, replaced the National Policy on Education 1986 (modified ...
Q181. Ans: C — The Make in India logo features a lion made of cogs/gears, symbolising strength, courage, ...	Q182. Ans: B — India ranked 40th in the IMD World Competitiveness Yearbook 2023, a significant improvemen...
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Q185. Ans: B — The IBC 2016 provides a consolidated framework for resolving insolvency and bankruptcy for...	Q186. Ans: A — RERA (Real Estate Regulatory Authority) was established under the Real Estate (Regulation ...
Q187. Ans: B — A 'Unicorn' is a startup company that has been valued at over \$1 billion (approximately Rs...	Q188. Ans: C — 'The Wealth of Nations' (1776) by Adam Smith laid the foundations of classical economics a...
Q189. Ans: B — PM Gati Shakti National Master Plan (2021) is an integrated digital platform for multi-mod...	Q190. Ans: C — Karnataka, especially Bengaluru (Bangalore), is India's IT hub and home to the largest con...
Q191. Ans: B — PM-KISAN (2019) provides Rs. 6,000 per year (in three instalments of Rs. 2,000) to small a...	Q192. Ans: B — INS Vikrant is India's first indigenously built aircraft carrier, commissioned in Septembe...
Q193. Ans: B — JMI was founded in 1920 by Maulana Mohammad Ali Johar, Maulana Mahmud Hasan, Hakim Ajmal K...	Q194. Ans: B — The Ease of Living Index is published by the Ministry of Housing and Urban Affairs to asse...
Q195. Ans: D — Shubhanshu Shukla is an Indian Air Force officer selected as India's representative for th...	Q196. Ans: B — Operation Sindoor (May 2025) was India's precision military strike against terrorist infra...
Q197. Ans: B — Nirmala Sitharaman, appointed Finance Minister in May 2019, is India's first full-time fem...	Q198. Ans: B — India hosted the G20 Leaders' Summit on 9–10 September 2023 in New Delhi under the theme '...
Q199. Ans: C — Abhijit Banerjee (along with Esther Duflo and Michael Kremer) won the 2019 Nobel Memorial ...	Q200. Ans: A — The BBA programme at Jamia Millia Islamia is offered under the Faculty of Social Sciences,...



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