



Economy Previous Year Question

Previous Year Question 2017-II

1. Who among the following used the term Industrial Revolution for the first time in English to describe the changes that occurred in the British industrial development between 1760 and 1820?

(a) Friedrich Engels
(b) Eric Hobsbawm
(c) Arnold Toynbee
(d) Georges Michelet

Exp (c) The term 'Industrial Revolution' was coined by Auguste Blanqui, a French economist, in 1837 to denote the economic and social changes arising out of the transition from industries carried in the homes with simple instruments, to industries in factories with power-driven machinery in Britain. But it came into vogue when Arnold Toynbee, the great historian, used it in 1882.

Previous Year Question 2016-II

1. Which of the following was/were the feature(s) of Lenin's New Economic Policy (NEP) for the Soviet Union?

1. Private retail trading was strictly forbidden.
2. Private enterprise was strictly forbidden.
3. Peasants were not allowed to sell their surplus.
4. To secure liquid capital, concessions were allowed to foreign capitalists, but the state retained the option of purchasing the products of such concerns.

Select the correct answer using the codes given below

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

Exp (c) In March, 1921, Lenin introduced the New Economic Policy in order to revive the economy. The new programme signified a return to a limited capitalist system. The features of Lenin's New Economy Policy (NEP) were as follow

- Forced requisition of grain was replaced by a specific tax in kind, peasants could retain excess produce and sell it for a profit.
- Smaller businesses were permitted to operate as private enterprises.
- Large industries remained under State control. They operated on the open market, but the State controlled the fixing of prices and the appointment of boards of directors.
- Private trade and wages were restored, and compulsory labour service was abolished.

Previous Year Question 2015-II

1. Which one of the following is not correct in the context of balance of payments of India during 2013-14?

(a) India's exports were less than its imports.
(b) Trade balance was negative.
(c) Net invisibles were positive.
(d) Capital account balance was negative.

Exp (d) According to the Economic Survey 2013-14 the India's exports were less than imports. Trade balance is the calculation of a country's exports minus its imports.

Net invisibles refer to the services and products that do not result in the transfer of any physical object, it was positive in 2013-14.

Capital account is the net result of public and private international investments following in and out of a country, which were positive in 2013-14.

2. Which one of the following continents accounts for the maximum share in exports from India?

(a) Asia (b) Europe (c) Africa (d) North America

Exp (a) Share of export from India in 2013-14

Asia	—	49.6 %
Europe	—	18.6 %
America	—	17.3 %
Africa	—	9.9 %

3. During the Eleventh Five Year Plan, agriculture sector in India witnessed a growth rate of 3.3% per annum which is higher than 2.4% per annum in the previous Five Year Plan. This is largely due to better performance of

(a) crops and livestock (b) oilseeds and fibres
(c) fishing and oilseeds (d) fibres and fishing

Exp (a) 11th Plan had some success in reversing the declaration of agricultural growth witnessed during the 9th and 10th Plan. The foodgrain production registered record level of growth during 11th Five Year Plan. The Sub-sector livestock emerged as a important source of alternate income for small and marginal farmers.

4. Which of the following statement(s) about the livestock sector in India is/are correct?

1. Livestock contributed about 25% of gross value added in agriculture.
2. It provides self employment to a large segment of population.
3. Rapid growth of livestock sector can be egalitarian and inclusive.

Select the correct answer using the codes given below

(a) Only 3 (b) 1 and 2
(c) 2 and 3 (d) 1, 2 and 3

Exp (d) Livestock production performance has been more impressive than that of foodgrain production. Milk, egg, meat and fish showed impressive growth rates of 5 to 10%. The minimum targeted growth rate for attaining self sufficiency in milk, fish, meat and egg by AD 2001 are 5.54, 6.25 and 5.54% per annum respectively. It provides alternate source of income to small and marginal farmers. Hence, livestock growth leads to egalitarian and inclusive growth.

5. Which one of the following is not correct in the current Indian scenario?

- (a) Life expectancy is on the increase and is about 67 years as of now.
- (b) Infant mortality rate is on the decline and has reached 47 per thousand.
- (c) Maternal mortality rate is on the rise due to lack of medical facilities.
- (d) Percentage of women giving birth in health institutions is on the rise.

Exp (c) The Maternal Mortality Rate (MMR) is the annual number of female deaths per 1,00,000 live births from any cause related to aggravated by pregnancy or its management (excluding accidental or incidental causes). India's maternal rate reduced from 212 deaths per 1 lakh live births in 2007 to 174 deaths in 2015.

Under National Health Mission Central Government had launched several schemes such as the Janani Suraksha Yojana, Accredited Social Health Activist (ASHA) programme providing economic incentives to pregnant women which were important strategy in improving the maternal Mortality ratio and institutional deliveries in India.

6. The First Five Year Plan (1951-56) was drafted by

- (a) PC Mahalanobis
- (b) KN Raj
- (c) JC Kumarappa
- (d) Jawaharlal Nehru

Exp (b) Kakkadan Nandanath Raj, who by then had a PhD from the London School of Economics, was drafted in by Jawaharlal Nehru to co-author the plan document. He also wrote it afterwards. As the economist would reminisce later, the job was not easy by any standard given that the country did not have a statistical department then.

Previous Year Question 2015-I

1. The concept of Demographic Transition provides a model for

- (a) analysing government responses to changing pattern of population growth
- (b) explaining major patterns of global population movement throughout the history
- (c) analysing spatial variations in the distribution, growth and movement of population overtime
- (d) examining the relationship between economic development and natural population change

Exp (d) Demographic Transition (DT) refers to the transition from high birth and death rates to low birth and death rates as a country develops from a pre-industrial to an industrialised economic system. It examines the relationship between population change and economic development in particular regions of the world.

2. The Second Five Year Plan that called for the establishment of socialist pattern of society was commonly referred to as the

- (a) Harrod-Domar Plan
- (b) Mahalanobis Plan
- (c) Nehru Plan
- (d) People's Plan

Exp (b) The Second Five Year Plan (1956-61) was to set India on the path of Industrialisation. PC Mahalanobis was the moving spirit behind the Second Five Year Plan. He gave the highest priority to strengthening the industrial base of the economy.

Previous Year Question 2014-II

1. Which one of the following is the correct sequence of economic sectors in terms of their contribution to the GDP of India in decreasing order?

- (a) Service—Industry—Agriculture
- (b) Agriculture—Industry—Service
- (c) Industry—Service—Agriculture
- (d) Agriculture—Service—Industry

Exp (a) Today, Service sector contributes about 64.8% (in 2013), while the Industrial sector contributes about 21.5% and Agriculture sector only 13.7%. However, Agriculture sector employs the largest portion of the Indian labour force. The Gross Domestic Product (GDP) is the monetary value of all final goods and services produced within a country's border in a specific time. The GDP is the indicator of the performance of an economy. Today, in India, Service sector contributes about 64.8% in GDP, while the Industrial sector contributes about 21.5% and agriculture sector only 13.7% in GDP of India.

2. Which one of the following is not an ASEAN member?

- (a) Cambodia
- (b) Laos
- (c) Myanmar
- (d) Taiwan

Exp (d) ASEAN is the political and economic organisation of 10 South-East Asian countries formed on 8th August, 1967 by Indonesia, Malaysia, the Philippines, Singapore and Thailand. Its membership has expanded to include Brunei, Cambodia, Laos, Myanmar and Vietnam. Now there are 10 members in ASEAN.

3. Which one among the following countries was the top contributor to India's FDI for the year 2013-14?

- (a) Mauritius
- (b) Singapore
- (c) USA
- (d) Japan

Exp (b) Singapore overtook Mauritius last year as the leading source of FDI into India, according to data released by India's Department of Industrial Policy and Promotion (DIPP).

Previous Year Question 2014-I

1. Which of the following is/are true relating to the Lokpal Bill, 2013, which was assented to by the President on January 1, 2014?

- 1. It provides for creation of antigraft ombudsman to investigate corruption charges against public functionaries including the Prime Minister, Ministers and Members of the Parliament.
- 2. The Bill makes it incumbent upon states to make within a year their own law for setting up Lokayuktas on the lines of the Lokpal Bill.
- 3. States are free not to set-up Lokayuktas, if they do not so desire.

Select the correct answer using the codes given below

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

Exp (a) It is an Anti-Corruption Act of Indian Parliament which seek to provide for the establishment of the institution of Lokpal to inquire into allegations of corruption against certain public functionaries and for matters connecting them.

Previous Year Question 2013-I

1. Which of the following statement(s) is/are correct?

- 1. The 14th Finance Commission was constituted under the Chairmanship of Shri Vijay Kelkar.
- 2. The 14th Finance Commission has been specifically asked also to recommend how non-priority PSUs be relinquished.

Select the correct answer using the codes given below

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

Exp (b) Finance Commission was set-up under Article-280 of the Constitution. The primary job of it is to recommend measures and methods on how revenue need to be distributed between the centre and state. The 14th Finance Commission was constituted under the chairmanship of former RBI Governor YV Reddy. 13th Finance Commission headed by Shri Vijay Kelkar.

2. Which one among the following stock exchanges was closed for two continuous days in October, 2012 due to the devastating effects of Hurricane Sandy?

- (a) New York Stock Exchange
- (b) Toronto Stock Exchange
- (c) National Stock Exchange of Australia
- (d) London Stock Exchange

Exp (a) A stock exchange is an exchange where stock brokers and traders can buy and/or sell stocks (also called shares), bonds, and other securities. On October 29, 2012, the New York Stock Exchange was shut down for two days due to Hurricane Sandy. Hurricane Sandy (Superstorm Sandy) 2012 was the deadliest and most destructive hurricane and the 2nd costliest hurricane in United State history.

3. **Statement I** Indian economy has experienced slower growth rate during the years 2010-11 and 2011-12.

Statement II Indian economy has experienced weakening industrial growth during the period.

Codes

- (a) Both the statements are individually true and Statement II is the correct explanation of Statement I.
- (b) Both the statements are individually true, but Statement II is not the correct explanation of Statement I.
- (c) Statement I is true, but Statement II is false.
- (d) Statement I is false, but Statement II is true.

Exp (d) After the Global recession of 2008-09, there was some slow down in Indian economic growth. During 2010-11 and 2011-12, due to increase government expenditure, there is increase in growth rate to about 7%. But the industrial growth rate was weak during this period due to weak global demand and reduced export.

Previous Year Question 2012-II

1. Consider the following about the budget proposals for the year 2012-13

- 1. Service tax rate raised and covers all services including those in the negative list.
- 2. Increase in defence allocation over the previous year.

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

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

Exp (b) In the budget 2012-13, the budget allocation for defence hiked by more than 17%. A new service tax regime, based on a negative list of exempted services has been introduced with this, all services (except the 38 activities put on the negative list) will come under the tax at the increased rate of 12%, as announced in the Union budget.

2. Consider the following characteristics of industries

- 1. They can be located in a wide variety of places.
- 2. They are not dependent on any specific raw material.
- 3. They are generally not polluting industries.
- 4. The most important factor in their location is accessibility.

Which one of the following types of industries has the above characteristics?

- (a) Market-oriented
- (b) Foot loose
- (c) Sunset
- (d) Sunrise

Exp (a) A market economy is an economy in which decisions regarding investment, production and distribution are based on supply and demand and the prices of goods and services are determined in a free price system.

Previous Year Question 2012-I

1. Schemes run under the National Rural Employment Guarantee Act are sponsored (NREGA)

- (a) by the Central Government alone
- (b) partly by the Central Government and partly by the State Government
- (c) by Centre, State and Panchayat bodies together
- (d) on public-private partnership basis

Exp (b) NREGA was enacted in 2005, with the primary objective of guaranteeing 100 days of unskilled wage employment per year per household.

3-major items expenditure under NREGA

- Wages (for unskilled, semi- skilled and skilled)
- Material
- Administration

2. The World Bank was created immediately after the Second World War. Its activities are focused on the developing countries. Which among the following are the activities of the bank

- 1. Human development.
- 2. Agriculture and rural development.
- 3. Environmental protection and governance.
- 4. Loans and grants to the member countries.

Select the correct answer using the codes given below

- (a) 1, 2 and 3
- (b) 3 and 4
- (c) 2 and 4
- (d) All of these

Exp (d) The International Bank for Reconstruction and Development (IBRD), commonly referred to as the World Bank (WB) is an international financial institution whose purpose include assisting the development of its member nation's territories, promoting and supplementing private foreign investment and promoting long range balance growth in international trade.

The WB was established in December 1945 at the UN monetary and finance conference in Bretton Woods, New Hampshire. Jim Yong Kim is current President of WB.