

## Combined Graduate Level Examination Tier II 2021

Roll Number	
Candidate Name	
Venue Name	
Exam Date	10/08/2022
Exam Time	2:00 PM - 4:00 PM
Subject	Paper 4 General Studies Finance and Economics

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Section : Part A Finance and Accounts

**Q.1** Which of the following options is an INCORRECT pair considering a firm's balance sheet?

- Ans**
- ✓ 1. Tangible assets - trademarks
  - ✗ 2. Fictitious assets - discount on issue of shares
  - ✗ 3. Wasting assets - Oil wells
  - ✗ 4. Current assets - Bills receivable

Question Type : MCQ

Question ID : 26433084293

Status : Not Answered

Chosen Option : --

**Q.2** Consider the following statements in the context of the nature of financial accounting. How many statements are correct?

- i) It records only economic events.
- ii) It records information as per some specified rules.
- iii) It records business transactions only on cash basis.

- Ans**
- ✗ 1. None of the statements
  - ✗ 2. Only 1 statement
  - ✓ 3. Only 2 statement
  - ✗ 4. All 3 statements

Question Type : MCQ

Question ID : 26433084170

Status : Answered

Chosen Option : 2

**Q.3** Which of the following is/are INCORRECT match(es) of the account maintained in the context of self-balancing ledgers?

- (i) Bought ledger adjustment account – Total creditors account
- (ii) Sales ledger adjustment account – Total debtors account

- Ans**
- 1. Only (ii)
  - 2. Neither (i) nor (ii)
  - 3. Only (i)
  - 4. Both (i) and (ii)

Question Type : **MCQ**  
Question ID : **26433084208**  
Status : **Not Answered**  
Chosen Option : --

**Q.4** Which of the given statement(s) is(are) correct in the context of manufacturing account?

- (i) A Manufacturing Account is prepared for finding out the cost of goods produced (also called Cost of Production)
- (ii) Sale of scrap and the closing work-in-progress are shown on the credit side of the Manufacturing Account.

- Ans**
- 1. Both (i) and (ii)
  - 2. Neither (i) nor (ii)
  - 3. Only (i)
  - 4. Only (ii)

Question Type : **MCQ**  
Question ID : **26433084289**  
Status : **Answered**  
Chosen Option : 1

**Q.5** Which of the following is an INCORRECT pair, in the context of the Adjustment Account given in General Ledger under self-balancing ledger system?

- Ans**
- 1. Bills payable dishonored - appear on credit side of creditors ledgers adjustment account
  - 2. Bad debts - appear on credit side of debtors ledgers adjustment account
  - 3. Interest debited to a customer - appear on debit side of debtors ledgers adjustment account
  - 4. Provision for bad debts - appear on credit side of debtors ledgers adjustment account

Question Type : **MCQ**  
Question ID : **26433084309**  
Status : **Not Answered**  
Chosen Option : --

**Q.6** Which accounting conventions are related to the following actions?

- i) Closing stock is valued at lower of the cost or realizable value.
- ii) Some stationary items purchased in a year and used for a number of years are treated as an expense and not as an asset.

- Ans**
- 1. i) - Materiality; ii) - Prudence
  - 2. i) - Prudence; ii) - Materiality
  - 3. i) - Prudence; ii) - Consistency
  - 4. i) - Full disclosure; ii) - Materiality

Question Type : **MCQ**

Question ID : **26433084176**

Status : **Not Answered**

Chosen Option : --

**Q.7** Which of the following statement is TRUE in the context of type of errors made while recording a business transaction?

- i) A sale of Rs. 500 made to Kamal has been posted on the debit side Of Kishore's Account is an example of one-sided error.
- ii) A payment of Rs. 1,000 towards interest was posted twice to Interest Account is an example of one-sided error.

- Ans**
- 1. Only (ii)
  - 2. Both (i) and (ii)
  - 3. Neither (i) nor (ii)
  - 4. Only (i)

Question Type : **MCQ**

Question ID : **26433084287**

Status : **Not Answered**

Chosen Option : --

**Q.8** Identify the correct pair of the causes of depreciation with its types.

- Ans**
- 1. Passage of time – Internal depreciation
  - 2. Fire accident – Internal depreciation
  - 3. Obsolescence – External depreciation
  - 4. Depletion – External depreciation

Question Type : **MCQ**

Question ID : **26433084198**

Status : **Not Answered**

Chosen Option : --

Q.9 In amended cash book, which of the following will be recorded?

- Ans
- 1. Wrong entry in pass book
  - 2. Interest allowed by bank credited in the pass book
  - 3. Cheque deposited into bank but not credited by banks
  - 4. Cheque issued but not presented for payment in banks

Question Type : **MCQ**  
Question ID : **26433084281**  
Status : **Not Answered**  
Chosen Option : --

Q.10 Generally, non-profit organisations prepare which of the following?

- i) Receipt and Payment Account
- ii) Income and Expenditure Account
- iii) Balance Sheet

- Ans
- 1. Only (i)
  - 2. Only (ii)
  - 3. All (i), (ii) and (iii)
  - 4. Only (i) and (iii)

Question Type : **MCQ**  
Question ID : **26433084202**  
Status : **Answered**  
Chosen Option : 3

Q.11 Which of the following is/are example(s) of a two-sided error while recording a business transaction?

- (i) ₹100 received from Deshmukh was posted to his account as ₹10.
- (ii) The Purchases Book is overcast by ₹1,000.
- (iii) A credit sale of ₹1,080 to Anand was wrongly recorded in the Sales Book for ₹1,800.

- Ans
- 1. Only (ii)
  - 2. Only (iii)
  - 3. Only (i)
  - 4. Only (i) and (ii)

Question Type : **MCQ**  
Question ID : **26433084188**  
Status : **Not Answered**  
Chosen Option : --

**Q.12** Which of the following statements is/are INCORRECT in the context of the Bank Reconciliation Statement?

- (i) When balance as per the Pass Book is the starting point, direct deposits by customers are added.
- (ii) When balance as per the Pass Book is the starting point, uncollected cheques are added.
- (iii) When balance as per the Cash Book is the starting point, unpresented cheques are added.

- Ans**
- 1. Only (ii)
  - 2. All (i), (ii) and (iii)
  - 3. Only (i)
  - 4. Only (ii) and (iii)

Question Type : **MCQ**  
Question ID : **26433084182**  
Status : **Answered**  
Chosen Option : **4**

**Q.13** Which of the following is (are) the attribute(s) of accounting information?

- i) It should help in making inter-firm comparisons but not necessarily inter-period comparisons
- ii) It should show an accurate and fair view of the profitability of the firm
- iii) The financial statements should be accompanied by all the source documents while reporting to the stakeholders.

- Ans**
- 1. Only (ii)
  - 2. Only (i)
  - 3. Both (i) and (iii)
  - 4. All of (i), (ii) and (iii)

Question Type : **MCQ**  
Question ID : **26433084271**  
Status : **Not Answered**  
Chosen Option : **--**

**Q.14** Which of the following can be an arrangement in case of accommodation bill?

- (i) A bill is drawn for accommodation of the drawer only
- (ii) A bill is drawn and the proceeds are shared by drawer and drawee.

- Ans**
- 1. Only (i)
  - 2. Neither (i) nor (ii)
  - 3. Only (ii)
  - 4. Both (i) and (ii)

Question Type : **MCQ**  
Question ID : **26433084307**  
Status : **Answered**  
Chosen Option : **3**

Q.15 A trial balance shows

- (i) Credit balances
- (ii) Debit balances

- Ans
- 1. Only (ii)
  - 2. Either (i) or (ii)
  - 3. Only (i)
  - 4. Both (i) and (ii)

Question Type : MCQ  
Question ID : 26433084285  
Status : Answered  
Chosen Option : 2

Q.16 Which of the following are accounting limitations?

- (i) Accounting system records only historical events.
- (ii) Accounting ignores the effect of inflation on the value of fixed assets.
- (iii) Accounting information does not include the costs of pollution and employee accidental injuries.

- Ans
- 1. None of (i), (ii) and (iii)
  - 2. All of (i), (ii) and (iii)
  - 3. Only (i) and (ii)
  - 4. Only (ii) and (iii)

Question Type : MCQ  
Question ID : 26433084172  
Status : Answered  
Chosen Option : 4

Q.17 Which of the following statements is/are correct in the context of the Trading Account?

- (i) Trading Account is prepared for ascertaining the net profit.
- (ii) Cost of goods purchased includes all expenses incurred till goods are brought to the place of business.

- Ans
- 1. Neither (i) nor (ii)
  - 2. Only (i)
  - 3. Only (ii)
  - 4. Both (i) and (ii)

Question Type : MCQ  
Question ID : 26433084190  
Status : Answered  
Chosen Option : 4



- Q.18** AS 2 excludes certain costs and recognize them as expenses in the period in which they are incurred, while valuing inventories. Which of the following are such costs?
- i) abnormal amounts of wasted materials,
  - ii) storage costs, unless those costs are necessary in the production process prior to a further production stage;
  - iii) administrative overheads that do not contribute to bringing the inventories to their present location and condition

- Ans**
- 1. All of (i), (ii) and (iii)
  - 2. Only (i)
  - 3. Only (ii) and (iii)
  - 4. Only (ii)

Question Type : **MCQ**  
Question ID : **26433084301**  
Status : **Not Answered**  
Chosen Option : --

- Q.19** Which option shows the correct accounting treatment given in the nonprofit organization accounting?
- (i) Small donations - revenue receipts
  - (ii) Subscriptions - revenue receipts

- Ans**
- 1. Neither (i) nor (ii)
  - 2. Both (i) and (ii)
  - 3. Only (i)
  - 4. Only (ii)

Question Type : **MCQ**  
Question ID : **26433084303**  
Status : **Answered**  
Chosen Option : 4

- Q.20** Which of the following options DO NOT relate to examples of revenue expenditure?
- a) Repair expenses
  - b) Insurance expense
  - c) Installation expenses
  - d) overhauling expenses of second-hand machinery

- Ans**
- 1. Only c and d
  - 2. Only a and b
  - 3. All of a, b, c and d
  - 4. Only a, b and c

Question Type : **MCQ**  
Question ID : **26433084295**  
Status : **Answered**  
Chosen Option : 4

**Q.21** Which of the following is not considered as inventory under AS 2?

- Ans** ✓ 1. Machinery  
✗ 2. Raw material  
✗ 3. Finished goods  
✗ 4. Work in progress

Question Type : **MCQ**  
Question ID : **26433084299**  
Status : **Answered**  
Chosen Option : **4**

**Q.22** Consider the given statements and select the correct option in the context of the cost concept.

Assertion (A): The cost concept is applicable only to fixed assets and not to current assets.

Reason (R): If a firm does not pay anything for a fixed asset, it would not be recorded in the books of accounts.

- Ans** ✓ 1.  
Both A and R are correct but R is not the correct explanation of A  
✗ 2.  
Both A and R are correct and R is the correct explanation of A  
✗ 3. A is correct and R is incorrect  
✗ 4. A is incorrect and R is correct

Question Type : **MCQ**  
Question ID : **26433084174**  
Status : **Not Answered**  
Chosen Option : **--**

**Q.23** Under the single-entry system, when rent is paid,

- (i) it will be recorded in the Cash Book  
(ii) entry will be made in the Rent account

Which of the above statements is/are true?

- Ans** ✗ 1. Neither (i) nor (ii)  
✓ 2. Only (i)  
✗ 3. Only (ii)  
✗ 4. Both (i) and (ii)

Question Type : **MCQ**  
Question ID : **26433084178**  
Status : **Answered**  
Chosen Option : **3**



**Q.24** Which of the following is INCORRECT in the context of bills of exchange?

**Ans** ✓ 1.

When the bill is honored on the due date the drawee credits Bills Payable A/c in his books.

✗ 2.

When the bill is dishonored, the drawee will be debited in books of drawer whether the bill is retained, endorsed or discounted.

✗ 3.

The bill is treated as dishonored in case of insolvency of the drawee.

✗ 4.

When the bill is discounted or endorsed no entry for payment of the bill is passed in the books of the drawer.

Question Type : **MCQ**

Question ID : **26433084305**

Status : **Not Answered**

Chosen Option : --

**Q.25** Which of the following pairs is NOT correctly matched in the context of account balances shown in the Trial Balance?

**Ans** ✓ 1. Bills receivable account – Credit side

✗ 2. Sales account – Credit side

✗ 3. Discount received account – Credit side

✗ 4. Plant and machinery account – Debit side

Question Type : **MCQ**

Question ID : **26433084186**

Status : **Answered**

Chosen Option : 1

**Q.26** The \_\_\_\_\_ Account shows the distribution of profit after the same has been earned and computed by a partnership firm.

**Ans** ✗ 1. Profit and Loss

✗ 2. Trading

✓ 3. Profit and Loss Appropriation

✗ 4. Manufacturing

Question Type : **MCQ**

Question ID : **26433084192**

Status : **Answered**

Chosen Option : 2

**Q.27** Which of the following is the correct match of the types of accounts and the rules?

- (i) For personal accounts — a) Debit the receiver and credit the giver
- (ii) For real accounts — b) Debit all expenses and credit all losses
- (iii) For nominal accounts — c) Debit what comes in and credit what goes out

- Ans**
- 1. i-c; ii-b; iii-a
  - 2. i-b; ii-a; iii-c
  - 3. i-a; ii-c; iii-b
  - 4. i-a; ii-b; iii-c

Question Type : **MCQ**  
Question ID : **26433084180**  
Status : **Not Answered**  
Chosen Option : --

**Q.28** A machine is purchased for Rs7,00,000. Expenses incurred on its cartage and installation Rs 3,00,000. Calculate the amount of depreciation @ 20% p.a. according to Straight Line Method for the first year ending on 31st March, 2022, if this machine is purchased on 1st July, 2021.

- Ans**
- 1. Rs 1,50,000
  - 2. Rs 1,40,000
  - 3. Rs 2,00,000
  - 4. Rs 1,05,000

Question Type : **MCQ**  
Question ID : **26433084297**  
Status : **Not Answered**  
Chosen Option : --

**Q.29** Which of the option shows the correct recording of the trade discount received on purchases in the books of accounts?

- Ans**
- 1. Trade discount is debited to discount allowed account.
  - 2. Trade discount is debited to discount received account.
  - 3. Trade discount is credited to discount received account.
  - 4. Trade discount is deducted from the list price and recorded at net value.

Question Type : **MCQ**  
Question ID : **26433084283**  
Status : **Answered**  
Chosen Option : **3**

Q.30 Which of the following is (are) an example (s) of fictitious assets?

- (i) Debit balance of Profit and Loss account
- (ii) Goodwill

- Ans
- 1. Both (i) and (ii)
  - 2. Neither (i) nor (ii)
  - 3. Only (i)
  - 4. Only (ii)

Question Type : **MCQ**  
Question ID : **26433084273**  
Status : **Answered**  
Chosen Option : **4**

Q.31 In the context of single-entry system, which of the given statement (s) is (are correct) ?

- (i) It is known as partial and incomplete recording of transactions.
- (ii) This system is generally adopted by small traders, petty shop-keepers, doctors, advocates, and other professionals.
- (iii) The limited companies cannot adopt it because they have to maintain complete records of all transactions.

- Ans
- 1. Only (i) and (iii)
  - 2. All of (i), (ii) and (iii)
  - 3. Only (ii)
  - 4. Only (i) and (ii)

Question Type : **MCQ**  
Question ID : **26433084279**  
Status : **Answered**  
Chosen Option : **2**

Q.32 \_\_\_\_\_ convention is an exception of the full disclosure concept.

- Ans
- 1. Comparability
  - 2. Prudence
  - 3. Materiality
  - 4. Relevance

Question Type : **MCQ**  
Question ID : **26433084275**  
Status : **Not Answered**  
Chosen Option : **--**

Q.33 Failure to differentiate between capital and revenue expenditure results in Errors of \_\_\_\_\_.

- Ans
- 1. Compensation
  - 2. Commission
  - 3. Omission
  - 4. Principle

Question Type : MCQ  
Question ID : 26433084194  
Status : Answered  
Chosen Option : 4

Q.34 Which of the given statements is/are correct in the context of account balances of the Ledger?

- (i) A debit balance of a personal account means that the party owes that amount to the business.
- (ii) All real accounts show a debit balance.
- (iii) Nominal accounts are not usually balanced, but closed by transfer to the Profit and Loss Account, at the time of preparing the final accounts.

- Ans
- 1. All (i), (ii) and (iii)
  - 2. Only (i)
  - 3. Only (ii)
  - 4. Only (ii) and (iii)

Question Type : MCQ  
Question ID : 26433084184  
Status : Answered  
Chosen Option : 4

Q.35 Which of the following statement is INCORRECT in the context of Profit and Loss account?

- Ans
- 1. Profit and Loss Account is charged with all indirect expenses
  - 2. Income Tax paid in case of a proprietary concern is charged to Profit and Loss Account
  - 3. Salaries and Wages are charged to Profit and Loss Account
  - 4. Cost of packing is a distribution expense and so charged to Profit and Loss Account

Question Type : MCQ  
Question ID : 26433084291  
Status : Not Answered  
Chosen Option : --

**Q.36** The Sports Club of Orissa had received in 2022-2023, ₹2,000 towards subscription. Subscriptions for 2021-22 unpaid on 1 April 2022 were ₹200. Subscriptions paid in advance on 31 March 2022 were ₹50 and the same on 31 March 2023 were ₹40. Subscriptions for 2022-2023 unpaid on 31 March 2023 were ₹90. How will this be reflected in the books of accounts of a non-profit organisation?

**Ans** ✓ 1.

Subscription income of ₹1,900 for 2022-23 in the Income and Expenditure Account

✗ 2.

Subscription income of ₹1,900 for 2022-23 in the Receipts and Payment Account

✗ 3.

Subscription income of ₹2,380 for 2022-23 in the Income and Expenditure Account

✗ 4.

Subscription income of ₹2,380 for 2022-23 in the Receipts and Payment Account

Question Type : **MCQ**

Question ID : **26433084204**

Status : **Answered**

Chosen Option : **3**

**Q.37** A machine is purchased for ₹7,00,000. Expenses incurred on its cartage and installation are ₹3,00,000. Depreciation is charged @ 20% p.a. according to the Straight Line Method for the first year ending on 31 March 2022. Calculate the difference in the amount of depreciation for the 1<sup>st</sup> year, if this machine was purchased on 1 April 2021 and if the machine was purchased on 1 July 2021.

**Ans** ✓ 1. ₹50,000

✗ 2. ₹35,000

✗ 3. ₹1,00,000

✗ 4. ₹45,000

Question Type : **MCQ**

Question ID : **26433084196**

Status : **Not Answered**

Chosen Option : **--**

**Q.38** Krishna Ltd. purchased raw material 'R'. The cost price is ₹1,000. The other information is as follows:

Freight: ₹50

Unloading charges: ₹20

Trade discount: ₹15

Determine the cost of purchase for inventory valuation.

**Ans** ✗ 1. ₹985

✗ 2. ₹1,070

✗ 3. ₹1,000

✓ 4. ₹1,055

Question Type : **MCQ**

Question ID : **26433084200**

Status : **Answered**

Chosen Option : **4**

**Q.39** When the holder of a bill endorses the bill to a third party, the bill is said to be endorsed. The party to whom the bill is endorsed is called a/an \_\_\_\_\_.

- Ans**
- 1. banker
  - 2. endorser
  - 3. endorsee
  - 4. retainer

Question Type : **MCQ**  
Question ID : **26433084206**  
Status : **Answered**  
Chosen Option : **3**

**Q.40** Ind AS 1 requires financial statements to comprise of SOCIE, a concept which was not there under Indian GAAP. SOCIE refers to

- Ans**
- 1. Statement of changes in equity
  - 2. Statement of cash-flows in economy
  - 3. System of cash inflow and equity
  - 4. System of change in equity holders

Question Type : **MCQ**  
Question ID : **26433084277**  
Status : **Answered**  
Chosen Option : **3**

Section : **Part B Economics and Governance**

**Q.1** Which of the following is NOT one of the recognised systems of medicines under AYUSH?

- Ans**
- 1. Homeopathy
  - 2. Allopathy
  - 3. Naturopathy
  - 4. Yoga

Question Type : **MCQ**  
Question ID : **26433084254**  
Status : **Answered**  
Chosen Option : **4**



**Q.2** Which of the following is true as per the law of supply?

- (1) There is a negative relation between quantity supplied and price
- (2) There is a positive relationship between quantity supplied and factors of production

- Ans**
- 1. Only 1
  - 2. Only 2
  - 3. Both 1 and 2
  - 4. Neither 1 nor 2

Question Type : **MCQ**  
Question ID : **26433084329**  
Status : **Answered**  
Chosen Option : **3**

**Q.3** When the demand curve is a horizontal straight line, it indicates that the price elasticity of demand is \_\_\_\_\_.

- Ans**
- 1. zero
  - 2. one
  - 3. minus one
  - 4. infinite

Question Type : **MCQ**  
Question ID : **26433084224**  
Status : **Answered**  
Chosen Option : **1**

**Q.4** People who never move above the poverty line are referred as \_\_\_\_\_.

- Ans**
- 1. Chronic poor
  - 2. Absolute poor
  - 3. Relatively poor
  - 4. Occasional poor

Question Type : **MCQ**  
Question ID : **26433084343**  
Status : **Answered**  
Chosen Option : **1**

**Q.5** Which of the following pairs of goods is/are likely to have a positive cross price elasticity of demand?

- (1) Cars and Petrol
- (2) Tea and Coffee
- (3) Rice and Air-tickets

- Ans**
- 1. Both 1 and 2
  - 2. Only 2
  - 3. Both 1 and 3
  - 4. Only 1

Question Type : **MCQ**  
Question ID : **26433084226**  
Status : **Answered**  
Chosen Option : **1**

**Q.6** Which of the following is/are true at equilibrium in a perfect competition?

- (1)  $MR = MC$
- (2)  $AC = MC = AR = MR$
- (3) MC is falling

- Ans**
- 1. All 1, 2 and 3
  - 2. Only 1 and 2
  - 3. Only 1
  - 4. Only 1 and 3

Question Type : **MCQ**  
Question ID : **26433084240**  
Status : **Not Answered**  
Chosen Option : **--**

**Q.7** Which of the statement is TRUE considering the Central problems of an economy?

- Ans**
- 1. In every economic system, scarcity imposes limitations on households and firms but not the government.
  - 2. All human wants cannot be satisfied.
  - 3. Only a resource rich economy like Dubai is not faced with the problem of choice.
  - 4. Scarcity is only limited to man made goods

Question Type : **MCQ**  
Question ID : **26433084317**  
Status : **Answered**  
Chosen Option : **3**

Q.8 Identify the incorrect statement.

- Ans
- 1. Support Price helps regulate the incomes of the farmers
  - 2.  $MC=MR$  at equilibrium in case of perfect competition
  - 3. Equilibrium price is the price which clears the market
  - 4. Price Ceiling is the minimum price fixed by the government

Question Type : **MCQ**  
Question ID : **26433084339**  
Status : **Answered**  
Chosen Option : **3**

Q.9 Which of the following statements is true for a mixed economy?

- Ans
- 1. The private sector dominates the economic activity.
  - 2. All resources are controlled and owned by the government.
  - 3. Economic decisions are driven by the motive of both profit maximisation and social welfare.
  - 4. The market determines the price of all goods with no intervention from the government.

Question Type : **MCQ**  
Question ID : **26433084216**  
Status : **Answered**  
Chosen Option : **3**

Q.10 जब कीमत की उच्चतम सीमा को संतुलन कीमत से नीचे तय किया जाता हो, तो इसके कारण निम्नलिखित में से क्या घटित होता है?

- (1) अधिपूर्ति
- (2) अधि माँग
- (3) कालाबाजारी

- Ans
- 1. 1 और 3 दोनों
  - 2. केवल 2
  - 3. 2 और 3 दोनों
  - 4. केवल 1

Question Type : **MCQ**  
Question ID : **26433084238**  
Status : **Answered**  
Chosen Option : **2**

**Q.11** Which of the following statements is INCORRECT about the Finance Commission?

**Ans** ✓ 1.

It gives its recommendations on the distribution of tax revenues between the Union and the States only and not among the States.

✗ 2.

It is constituted by the President under Article 280 of the Constitution.

✗ 3.

It recommends measures needed to augment the Consolidated Fund of a State to supplement the resources of the Panchayats.

✗ 4.

Its work involves redressing the vertical imbalances between the taxation powers and expenditure responsibilities of the Centre and the States, respectively.

Question Type : **MCQ**

Question ID : **26433084212**

Status : **Answered**

Chosen Option : **3**

**Q.12** Which of the following is NOT the main type of audit that are conducted by Comptroller and Auditor General as per the Regulations on Audit and Accounts (Amendments) 2020?

**Ans** ✗ 1. Performance audit

✗ 2. Financial audit

✗ 3. Compliance audit

✓ 4. Electronic audit

Question Type : **MCQ**

Question ID : **26433084311**

Status : **Answered**

Chosen Option : **4**

**Q.13** Which of the following is an INCORRECT match in the context of economics?

(i) Study of an individual firm an industry - macro economics

(ii) Want satisfying capacity of a good - utility

(iii) Exchange of apples with eggs - ceteris paribus

**Ans** ✗ 1. Only (ii)

✗ 2. Only (iii)

✗ 3. All of (i), (ii) and (iii)

✓ 4. Only (i) and (iii)

Question Type : **MCQ**

Question ID : **26433084315**

Status : **Answered**

Chosen Option : **4**

**Q.14** Which of the following grants are provided from the center's resources over the 2021-26 period?

- i) Grants to local bodies
- ii) Disaster risk management funds
- iii) Sector specific grants
- iv) Revenue deficit grants

**Ans**  1. Only iii and iv

2. Only i and ii

3. Only i and iii

4. All of i, ii, iii and iv

Question Type : **MCQ**

Question ID : **26433084313**

Status : **Answered**

Chosen Option : **4**

**Q.15** Which of the following statements is true?

**Ans**  1.

When the total product is maximum, the marginal product is increasing at an increasing rate.

2.

The total product is maximum at the end of the first stage of production.

3.

When the total product is maximum, the marginal product is zero.

4.

The second stage of production is the stage of increasing returns.

Question Type : **MCQ**

Question ID : **26433084234**

Status : **Not Answered**

Chosen Option : **--**

**Q.16** Which of the following statements is/are true?

(1) Outsourcing of services is an outcome of globalisation.

(2) Privatisation implies supremacy of social interest over self interest.

**Ans**  1. Only 2

2. Neither 1 nor 2

3. Both 1 and 2

4. Only 1

Question Type : **MCQ**

Question ID : **26433084258**

Status : **Answered**

Chosen Option : **3**

**Q.17** Which of the following pairs is INCORRECT considering the constitutional provisions of the Comptroller and Auditor General of India?

**Ans** ✓ 1.

Article 146 — Form of Accounts of the Union and of the States

✗ 2. Article 151 — Audit Reports

✗ 3. Article 148 — Comptroller and Auditor General of India

✗ 4.

Article 149 — Duties and Powers of the Comptroller and Auditor General

Question Type : **MCQ**

Question ID : **26433084210**

Status : **Answered**

Chosen Option : **4**

**Q.18** Marginal Rate of Transformation is the slope of \_\_\_\_\_

**Ans** ✗ 1. IS-Curve

✗ 2. Isoquant

✗ 3. Indifference Curve

✓ 4. Production Possibility Curve

Question Type : **MCQ**

Question ID : **26433084319**

Status : **Answered**

Chosen Option : **1**

**Q.19** Which branch of economics deals with the study of the economic activities of individual units?

**Ans** ✓ 1. Micro-economics

✗ 2. Monetary economics

✗ 3. Macro-economics

✗ 4. Socioeconomics

Question Type : **MCQ**

Question ID : **26433084214**

Status : **Answered**

Chosen Option : **1**

**Q.20** In 1991, under the external sector reforms, Indian rupee \_\_\_\_\_.

**Ans** ✗ 1. Appreciated

✗ 2. Depreciated

✗ 3. Revalued

✓ 4. Devalued

Question Type : **MCQ**

Question ID : **26433084357**

Status : **Answered**

Chosen Option : **4**



**Q.21** The National Rural Livelihood Mission, a measure adopted by the Government to alleviate poverty, is also known as \_\_\_\_\_.

- Ans**
- 1. Aajeevika
  - 2. Aahaar
  - 3. Santushti
  - 4. Sanjeevani

Question Type : **MCQ**  
Question ID : **26433084250**  
Status : **Answered**  
Chosen Option : **1**

**Q.22** Which of the following is NOT a model of e- governance as proposed by Prof. Dr. Arie Halachmi?

- Ans**
- 1. The Comparative Analysis Model
  - 2. The Common Minimum Model
  - 3. The Broadcasting Model
  - 4. The Critical Flow Model

Question Type : **MCQ**  
Question ID : **26433084369**  
Status : **Answered**  
Chosen Option : **3**

**Q.23** \_\_\_\_\_ was the first Development Financial Institution of India set up to propel economic growth through development of infrastructure and industry in \_\_\_\_\_.

- Ans**
- 1. IFCI; 1948
  - 2. IDBI; 1947
  - 3. RBI; 1949
  - 4. ICICI; 1950

Question Type : **MCQ**  
Question ID : **26433084353**  
Status : **Answered**  
Chosen Option : **1**

**Q.24** Which of the following is/are included while calculating the national income using the income method?

- (1) Wages and salaries in cash
- (2) Employers' contribution to social security

- Ans**
- 1. Both 1 and 2
  - 2. Only 1
  - 3. Only 2
  - 4. Neither 1 nor 2

Question Type : **MCQ**  
Question ID : **26433084246**  
Status : **Answered**  
Chosen Option : **1**

**Q.25** What is constant along an isoquant?

- Ans**
- 1. Rate of production of output
  - 2. Level of capital
  - 3. Level of labour
  - 4. Level of output

Question Type : **MCQ**  
Question ID : **26433084232**  
Status : **Not Answered**  
Chosen Option : **--**

**Q.26** Which of the following is **INCORRECT** for perfectly competitive markets?

- Ans**
- 1. Firms make zero profits
  - 2. Homogenous products
  - 3. Large number of sellers
  - 4. Firms are price takers

Question Type : **MCQ**  
Question ID : **26433084236**  
Status : **Answered**  
Chosen Option : **3**

**Q.27** Which of the following is true for a normal good when there is a decrease in consumer income?

**Ans**  1.

No shift in the demand curve, the quantity demanded increases along the original demand curve

2. The demand curve shifts to the left

3. The demand curve shifts to the right

4.

No shift in the demand curve, the quantity demanded reduces along the original demand curve

Question Type : **MCQ**

Question ID : **26433084321**

Status : **Answered**

Chosen Option : **3**

**Q.28** A perfectly elastic demand curve is

**Ans**  1. Convex to the origin

2. Parallel to the y-axis

3. Straight Line from the origin

4. Parallel to the x-axis

Question Type : **MCQ**

Question ID : **26433084323**

Status : **Answered**

Chosen Option : **3**

**Q.29** Jammu and Kashmir FRBM Act, 2006 has been passed as per the recommendation of \_\_\_\_\_

**Ans**  1. 11<sup>th</sup> finance commission

2. 12<sup>th</sup> finance commission

3. 15<sup>th</sup> finance commission

4. 10<sup>th</sup> finance commission

Question Type : **MCQ**

Question ID : **26433084268**

Status : **Answered**

Chosen Option : **1**

Q.30 What is constant along an indifference curve?

- (1) Level of Utility
- (2) Level of Output
- (3) Level of Price

- Ans
- 1. Only 3
  - 2. Only 1
  - 3. Only 2 and 3
  - 4. Only 2

Question Type : **MCQ**  
Question ID : **26433084327**  
Status : **Not Answered**  
Chosen Option : --

Q.31 Which of the following statements is FALSE?

- Ans
- 1. GST is an example of indirect tax.
  - 2. Liberalisation is the same as laissez-faire.
  - 3. Quotas are an example of non-tariff barriers to external trade.
  - 4. Liberalisation allowed FIIs to invest in the Indian financial markets.

Question Type : **MCQ**  
Question ID : **26433084256**  
Status : **Answered**  
Chosen Option : 3

Q.32 Which of the following leads to an outward shift in the supply curve?

- Ans
- 1. Decrease in price
  - 2. Improvement in technology
  - 3. Increase in factor prices
  - 4. Increase in price of competing product

Question Type : **MCQ**  
Question ID : **26433084230**  
Status : **Answered**  
Chosen Option : 1

Q.33 During the first stage of a total product curve, the total product is \_\_\_\_\_

- Ans
- 1. Negative
  - 2. Decreasing
  - 3. Constant
  - 4. Increasing

Question Type : MCQ  
Question ID : 26433084333  
Status : Answered  
Chosen Option : 1

Q.34 Which of the following activities can be undertaken by a payment bank in India, as per RBI guidelines?

- (i) Acceptance of demand deposits
- (ii) Acceptance of time deposits
- (iii) Issue of debit cards
- (iv) Issue credit cards

- Ans
- 1. Only (i) and (iii)
  - 2. Only (ii) and (iv)
  - 3. Only (i) and (ii)
  - 4. Only (iii) and (iv)

Question Type : MCQ  
Question ID : 26433084264  
Status : Answered  
Chosen Option : 4

Q.35 The production possibility curve is a plot between:

- Ans
- 1. quantity of one good and the labour required to produce the good
  - 2. quantity of labour and the capital required to produce the good
  - 3. quantity of two goods with the given resources and the technology required to produce both goods
  - 4. quantity produced of one good and the technology required to produce the good

Question Type : MCQ  
Question ID : 26433084218  
Status : Not Answered  
Chosen Option : --

Q.36 For normal goods, the demand curve has a/an \_\_\_\_\_ slope.

- Ans
- 1. positive
  - 2. infinite
  - 3. zero
  - 4. negative

Question Type : **MCQ**  
Question ID : **26433084220**  
Status : **Answered**  
Chosen Option : 1

Q.37 \_\_\_\_\_ was an important growth strategy adopted by India prior to 1991.

- Ans
- 1. Export IT services
  - 2. Export promotion
  - 3. Import agrarian commodities
  - 4. Import substitution

Question Type : **MCQ**  
Question ID : **26433084244**  
Status : **Answered**  
Chosen Option : 1

Q.38 Balance of Trade is measured as:

- Ans
- 1. the difference between export and import of services
  - 2. the difference between all exports and imports
  - 3. the difference between export and import of oil
  - 4. the difference between export and import of goods

Question Type : **MCQ**  
Question ID : **26433084266**  
Status : **Answered**  
Chosen Option : 2

Q.39 Identify the correct pair of social infrastructure in an economy.

- Ans
- 1. Transport, Education
  - 2. Transport, Communication
  - 3. Education, Health
  - 4. Communication, Health

Question Type : **MCQ**  
Question ID : **26433084252**  
Status : **Answered**  
Chosen Option : 3



**Q.40** Which of the given options is INCORRECT in the context of fiscal deficit?

**Ans**  1.

Fiscal Deficit = Total Expenditure – Revenue Receipts – Repayment of Loans – Sale of Assets

2.

Fiscal Deficit = Total Receipts + Revenue Receipts – Repayment of Loans + Sale of Assets

3.

Fiscal Deficit = Revenue Expenditure + Capital Expenditure – Revenue Receipts – Recovery of Loans – Sale of Assets

4.

Fiscal Deficit = Capital Receipts – Repayment of Loans – Sale of Assets

Question Type : **MCQ**

Question ID : **26433084365**

Status : **Answered**

Chosen Option : **1**

**Q.41** In the context of India's demographic transition, which year is known as the 'Year of the Great Divide'?

**Ans**  1. 1921

2. 1951

3. 1911

4. 1971

Question Type : **MCQ**

Question ID : **26433084248**

Status : **Answered**

Chosen Option : **4**

**Q.42** Which of the following statements is true?

(1) The demand curve is a horizontal straight line in perfect competition

(2) Monopoly makes super-normal profits with barriers to entry

**Ans**  1. Neither 1 nor 2

2. Only 2

3. Both 1 and 2

4. Only 1

Question Type : **MCQ**

Question ID : **26433084337**

Status : **Answered**

Chosen Option : **2**

**Q.43** Which of the following statement is the objective(s) of setting up of Regional rural banks?

- (i) development of agriculture, trade and other productive activities in rural area
- (ii) provide credit and other facilities to the small and marginal farmers and small entrepreneurs.

- Ans**
- 1. Only (ii)
  - 2. Only (i)
  - 3. Neither (i) nor (ii)
  - 4. Both (i) and (ii)

Question Type : **MCQ**  
Question ID : **26433084363**  
Status : **Answered**  
Chosen Option : **4**

**Q.44** Which of the following is/are function(s) of a commercial bank?

- (1) Accepting deposits
- (2) Giving loans
- (3) Payments and settlements

- Ans**
- 1. Only 1
  - 2. All 1, 2 and 3
  - 3. Only 2
  - 4. Only 1 and 3

Question Type : **MCQ**  
Question ID : **26433084262**  
Status : **Answered**  
Chosen Option : **2**

**Q.45** Market Stabilisation Scheme (MSS) was launched by the RBI in\_\_\_\_\_.

- Ans**
- 1. April 2004
  - 2. September 2004
  - 3. September 2011
  - 4. April 2008

Question Type : **MCQ**  
Question ID : **26433084359**  
Status : **Not Answered**  
Chosen Option : **--**

Q.46 The marginal cost curve is \_\_\_\_\_

- Ans
- 1. Inverted V- shaped
  - 2. U-shaped
  - 3. Rectangular hyperbola
  - 4. Inverted U – shaped

Question Type : MCQ  
Question ID : 26433084335  
Status : Answered  
Chosen Option : 4

Q.47 The foreign capital investment in India on the eve of independence concentrated on the following sectors of the economy

- (i) railways
- (ii) tea and coffee
- (iii) coal and gold mining

- Ans
- 1. All of (i), (ii) and (iii)
  - 2. Only (i) and (iii)
  - 3. Only (ii) and (iii)
  - 4. Only (i) and (ii)

Question Type : MCQ  
Question ID : 26433084341  
Status : Answered  
Chosen Option : 2

Q.48 Delicensing means abolishing the requirement of an industrial license to

- (i) set up a new unit
- (ii) substantially expand an existing unit
- (iii) change the location of an existing unit
- (iv) change the product mix of an existing unit

- Ans
- 1. Only (ii), (iii) and (iv)
  - 2. Only (i) and (ii)
  - 3. Only (iii) and (iv)
  - 4. All of (i), (ii), (iii) and (iv)

Question Type : MCQ  
Question ID : 26433084355  
Status : Answered  
Chosen Option : 4

Q.49 Which of the following is NOT a correct statement in the context of National income?

Ans  1.

sum of gross value added at market price of all producing units gives us gross domestic product at market price

2.

net domestic product at factor cost is estimated by adding net value added at factor cost of all the producing units of an economy

3.

net factor income from abroad has to be added to gross domestic product at market price for getting the national income

4.

sum of gross value added at factor cost of all producing units gives us gross domestic product at factor cost;

Question Type : **MCQ**

Question ID : **26433084345**

Status : **Not Answered**

Chosen Option : --

Q.50 Which of the following is/are constant along a demand curve?

(1) Income of the consumers

(2) Price of related goods

Ans  1. Neither 1 nor 2

2. Only 2

3. Both 1 and 2

4. Only 1

Question Type : **MCQ**

Question ID : **26433084222**

Status : **Answered**

Chosen Option : 3

Q.51 For the growth of the Indian economy, which among the following should NOT be encouraged?

Ans  1. Credit rationing

2. Regulation & promotion of capital markets

3. Promotion of MSME Sector

4. Promotion of imports

Question Type : **MCQ**

Question ID : **26433084347**

Status : **Answered**

Chosen Option : 4

Q.52 Which of the following is the best indicator of an economy's total borrowings?

- Ans
- 1. Primary deficit
  - 2. Current deficit
  - 3. Fiscal deficit
  - 4. Revenue deficit

Question Type : MCQ

Question ID : 26433084260

Status : Answered

Chosen Option : 1

Q.53 National Sample Survey Organisation (NSSO) provides estimates of magnitude of unemployment on the basis of different concepts. Which of the following is such a concept?

- (i) Usual Status Unemployment
- (ii) Current Weekly Status Unemployment
- (iii) Current Daily Status Unemployment

- Ans
- 1. Only (i) and (ii)
  - 2. None of (i), (ii) and (iii)
  - 3. All of (i), (ii) and (iii)
  - 4. Only (iii)

Question Type : MCQ

Question ID : 26433084351

Status : Not Answered

Chosen Option : --

Q.54 Marginal utility to a consumer is \_\_\_\_\_ when the total utility is maximum.

- Ans
- 1. unity
  - 2. negative
  - 3. zero
  - 4. maximum

Question Type : MCQ

Question ID : 26433084228

Status : Answered

Chosen Option : 3

**Q.55** Which of the following is true for income elasticity of demand?

- (1) It measures the responsiveness of quantity demanded of a good with respect to consumers' income
- (2) It is calculated by dividing percentage change in quantity demanded by percentage change in consumer income

- Ans**
- 1. Only 2
  - 2. Both 1 and 2
  - 3. Only 1
  - 4. Neither 1 nor 2

Question Type : **MCQ**  
Question ID : **26433084325**  
Status : **Not Answered**  
Chosen Option : --

**Q.56** What is the likely elasticity of supply when the supply curve is a straight line, vertical to the x-axis?

- Ans**
- 1. Infinity
  - 2. Less than one
  - 3. Zero
  - 4. One

Question Type : **MCQ**  
Question ID : **26433084331**  
Status : **Answered**  
Chosen Option : **3**

**Q.57** Which of the following are features of India's Green Revolution from the mid-1960s to the mid-1980s?

- (1) Increase in crop productivity
- (2) Rise in acreage
- (3) Shift from commercial farming to subsistence farming

- Ans**
- 1. All 1, 2 and 3
  - 2. Only 1 and 2
  - 3. Only 2 and 3
  - 4. Only 1 and 3

Question Type : **MCQ**  
Question ID : **26433084242**  
Status : **Answered**  
Chosen Option : **2**



**Q.58** Which of the following given options would result in increase in gross external debt, ceteris paribus?

- Ans**
- 1. Decrease in private capital outflow
  - 2. Official reserve increases
  - 3. Decrease in Current Account Deficit
  - 4. Increase in direct and long-term portfolio capital inflow

Question Type : **MCQ**  
Question ID : **26433084367**  
Status : **Answered**  
Chosen Option : **4**

**Q.59** A wholly owned subsidiary of the Reserve Bank is responsible for the production of bank notes and manages 2 presses, one each in Mysore and Salboni respectively. What is the name of the subsidiary?

- Ans**
- 1. DICGC
  - 2. NABARD
  - 3. IFTAS
  - 4. BRBNMPL

Question Type : **MCQ**  
Question ID : **26433084361**  
Status : **Answered**  
Chosen Option : **4**

**Q.60** \_\_\_\_\_ may be defined as a situation in which the poor are unable to accumulate resources or earn enough to move out of the vicious cycle of poverty.

- Ans**
- 1. Structural poverty
  - 2. Poverty Gap
  - 3. Head count Gap
  - 4. Relative poverty

Question Type : **MCQ**  
Question ID : **26433084349**  
Status : **Answered**  
Chosen Option : **4**