

“உள்ளுவ தெல்லாம் உயர்வுள்ளல் மற்றது
தள்ளினுந் தள்ளாமை நீர்த்து”

“எண்ணுவதெல்லாம் உயர்வைப்பற்றியே எண்ண வேண்டும்”

**Demo- Questions
English**

Narumalar Deepam Academy – Online

(UG, PG -TRB, COLLEGE-TRB, NET, SET –Economics)

Online Class

(Online Class 7.00 PM - 10.30PM & Online Exam)

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8. Consumer surplus is associated with _____
a). Adam Smith b) Ricardo **c) Marsall** d) Pigou

Unit-2

1. "The flow of payments from domestic households to domestic firms and back again" is called

- a) Stock b) Flow **c) Circular flow of income** d) Stock and flow

2. In the circular flow model, households are on the _____

- a) Demand side of the factor market and the product market
b) Demand side of the factor market and the supply side of the product market
c) Supply side of the factor market and the product market
d) Supply side of the factor market and the demand side of the product market

3. Which of the following statement is correct?

- a) Savings are withdrawals from circular flow**
b) Investments are withdrawals from circular flow
c) Savings are addition to circular flow d) None of these

4. The market value of all final goods and services produced within domestic territory of the country during a year is known as

- a) GDP_{MP}** b) GDP_{FC} c) GNP_{MP} d) GNP_{FC}

5. The money value of all final goods and services produced in the domestic territory of a country during a year plus Net factor income from abroad is called

- a) GDP_{MP} b) GDP_{FC} **c) GNP_{MP}** d) GNP_{FC}

6. Double counting is avoided by

- a) Excluding financial transfers
b) Using the value added approach to GNP measurement
c) Excluding the market value of previously produced goods
d) Omitting goods that do not involve a market charge

7. Real and nominal income is calculated respectively at

- a) Current price and constant price **b) Constant price and current price**
c) Current price and current price d) Constant price and constant price

8. The first man who scientifically estimated the national income of India was

- a) Jawaharlal Nehru **b) V.K.R.V. Rao**

c) Manmohan Singh

d) I.K. Gujral

Unit-3

1. "Every branch of knowledge has its fundamental discovery. In mechanics, it is the wheel; in science, fire, in politics, the vote. Similarly, in economics, in the whole commercial side of man's social existence, money is the essential invention on which all the rest is based." This is remarked by

a) Seligman

b) Crowther

c) Robertson

d)

Milton

Friedman

2. "Money, which is a source of so many blessings to mankind becomes, unless we control it, a source of peril and confusion." This is remarked by

a) Robertson

b) Marshall

c) Robinson

d) Friedman

3. "The devil of money has come to possess our souls. No religion or philosophy seems to have the power of driving it out." Who said this?

a) N. Kaldor

b) George Ranlett

c) Ruskin

d) Keynes

4. "Money is regarded as the cause of all theft and murder, of deception and betrayal. Money is blamed when the prostitute sells her body, when the bribed judge perverts the law. It is money against which the moralist declaims when he wishes to oppose excessive materialism. Significantly enough, avarice is called the love of money, and all evil is attributed to it." This is remarked by

a) Von Mises

b) Edwin Cannon

c) Sayers

d) Adam Smith

5. Barter exchange is not possible when-----

a) A standard commodity is used in intermediation

b) Two persons have no mutual agreement on their wants

c) There is no money

d) There is no common measure of value

6. Which of the following about a barter economy is correct:

I. Without money, there is no way to store wealth

II. Buying and selling cannot be separated

III. The scope of exchange and specialization is restricted

IV. Deferred payments are impossible

Codes:

a) I and II only

b) I and IV only

c) II and III only

d) II, III and IV only

7. "Money as such has no utility except what is derived from its exchange value that is to say from the utility of things which it can buy." This is remarked by

- a) **D.H. Robertson** b) Crowther c) J.M. Keynes d) Einzig
8. The Reserve Currency is maintained by
- a) Government **b) Reserve Bank of India**
- c) Commercial banks d) All of these

Unit-4

1. The balance of payments is a systematic record of a country's
- a) Domestic income and expenditure
- b) International economic transactions over a period**
- c) Government budget and fiscal policy d) Monetary policy and money supply
2. The balance of payments typically includes which two main accounts?
- a) Current account and government account
- b) Capital account and financial account
- c) Current account and capital and financial account**
- d) Trade account and investment account
3. The current account primarily records
- a) Flows of financial assets and liabilities
- b) Exports and imports of goods and services, income, and current transfers**
- c) Government spending and revenue from international sources
- d) Changes in a country's foreign exchange reserves
4. Exports of goods are recorded in the current account as a _____
- a) Debit **b) Credit** c) Liability d) Negative balance
5. Imports of services are recorded in the current account as a _____
- a) Credit **b) Debit** c) Asset d) Positive balance
6. Income from investments abroad is recorded in the current account as a _____
- a) Debit **b) Credit** c) Expense d) Outflow
7. Unilateral transfers, such as foreign aid, are included in the _____
- a) Capital account b) Financial account
- c) Current account** d) Official reserves account
8. The capital account primarily records
- a) Short-term financial transactions

b) Flows of non-financial assets, such as intellectual property

- c) Government bonds and treasury bills
- d) Exports and imports of capital goods

Unit-5

1. The principle of 'Maximum Social Advantage' in public finance was primarily associated with_____

- a) Adam Smith
- b) J.M. Keynes
- c) Hugh Dalton**
- d) A.C. Pigou

2. Which of the following is a source of Non-Tax Revenue for the government?

- a) Income Tax
- b) Goods and Services Tax (GST)
- c) Profits from Public Sector Undertakings (PSUs)**
- d) Customs Duty

3. A tax system where the tax rate increases as the taxable amount increases is called_____

- a) Proportional Tax
- b) Regressive Tax
- c) Progressive Tax**
- d) Degressive Tax

4. The Finance Commission in India is constituted under which Article of the Constitution?

- a) Article 280**
- b) Article 324
- c) Article 148
- d) Article 356

5. Deficit financing primarily aims to_____

- a) Reduce inflation
- b) Cover the gap between government expenditure and revenue**
- c) Increase foreign exchange reserves
- d) Decrease public debt

6. The FRBM Act (Fiscal Responsibility and Budget Management Act) primarily deals with_____

- a) Monetary policy regulation
- b) Foreign trade policy
- c) Fiscal discipline and deficit reduction targets**
- d) Banking sector reforms

7. Which statement about Goods and Services Tax (GST) in India is incorrect?

- a) It is a destination-based consumption tax.
- b) It subsumed multiple indirect taxes like VAT, Service Tax, and Excise Duty.
- c) Petroleum products, alcohol for human consumption, and electricity are fully under GST.**
- d) It has different tax slabs (e.g., 0%, 5%, 12%, 18%, 28%).

8. Identify the INCORRECT statement regarding Public Debt
- a) Internal debt refers to borrowing within the country
 - b) External debt refers to borrowing from foreign sources
 - c) Productive debt is used to finance projects that yield income
 - d) Public debt is always harmful to the economy**

Unit-6

1. Economic Development differs from Economic Growth because Development emphasizes:

- a) Only the increase in national output (GDP/GNP)
- b) Only industrialization and urbanization
- c) Qualitative improvements in living standards, well-being, and structural changes alongside quantitative output increase**
- d) Solely the reduction in population growth

2. Which of the following is a traditional measure often used to indicate Economic Growth?

- a) Human Development Index (HDI)
- b) Physical Quality of Life Index (PQLI)
- c) Gross National Income (GNI) per capita**
- d) Multidimensional Poverty Index (MPI)

3. The Human Development Index (HDI) is a composite index published by the

- a) World Bank
- b) International Monetary Fund (IMF)
- c) World Trade Organization (WTO)
- d) United Nations Development Programme (UNDP)**

4. Which three dimensions are included in the calculation of the Human Development Index (HDI)?

- a) Industrial Output, Agricultural Output, Service Sector Output
- b) Poverty Rate, Unemployment Rate, Inflation Rate
- c) Life Expectancy (Health), Education (Schooling years), Standard of Living (GNI per capita)**
- d) Infant Mortality, Maternal Mortality, Literacy Rate

5. A major limitation of using GDP or GNI per capita as the sole indicator of development is that it ignores

- a) The total output of the economy
- b) Population size
- c) Distribution of income and wealth inequality**

d) The level of industrialization

6. The concept of 'Green GDP' or 'Green Accounting' attempts to adjust national income measures by accounting for

- a) The value of unpaid household work
- b) Income inequality
- c) The size of the service sector

d) Environmental degradation and depletion of natural resources

7. The concept of Gross National Happiness (GNH) as a measure of progress is most famously associated with which country?

- a) India
- b) Norway
- c) Bhutan**
- d) Japan

8. Which index measures gender disparities in the same three dimensions as the HDI (health, education, command over economic resources)?

- a) Gender Inequality Index (GII)
- b) Gender Parity Index (GPI)

c) Gender Development Index (GDI)

d) Women's Empowerment Index (WEI)

Unit-7

1. Which characteristic of a public good best explains the "free-rider problem" in environmental protection?

- a) Non-rivalry
- b) Non-excludability**
- c) Tragedy of the commons
- d) Positive externality

2. Which of the following environmental issues is a classic example of the "tragedy of the commons" arising from its public good nature?

- a) Acid rain
- b) Depletion of stratospheric ozone

c) Overfishing in international waters

d) Loss of biodiversity in protected areas

3. Which type of good is characterized by being non-rivalrous in consumption but excludable?

- a) Pure public good
- b) Private good
- c) Club good**
- d) Common-pool resource

4. Which of the following is a potential government intervention to address the under-provision of environmental public goods?

- a) Eliminating environmental regulations
- b) Privatizing all natural resources

c) Implementing taxes or subsidies related to environmental impacts

4. India's rank as the most populous country in the world presents both opportunities and challenges. A key challenge is
(a) Increased labor supply (b) Large domestic market
(c) Strain on resources and infrastructure
(d) Favorable dependency ratio
5. The NITI Aayog was established to replace which of the following bodies?
(a) Finance Commission **(b) Planning Commission**
(c) Reserve Bank of India (d) Election Commission
6. The primary objective of the Green Revolution in India was to
(a) Increase industrial production
(b) Boost agricultural productivity, especially of food grains
(c) Promote exports of manufactured goods (d) Develop the services sector
7. The Gini Coefficient is a measure used to indicate
(a) Economic growth rate (b) Level of inflation
(c) Income inequality (d) Fiscal deficit
8. The initiative aimed at providing access to banking, insurance, and pension facilities to the unbanked population in India is
(a) Make in India (b) Digital India
(c) Skill India **(d) Pradhan Mantri Jan Dhan Yojana**

Unit-9

1. What was the primary year of the implementation of the New Economic Policy (NEP) in India?
(a) 1981 **(b) 1991** (c) 2001 (d) 2011
2. The New Economic Policy of 1991 is often referred to by the acronym:
(a) LPG (b) GDP (c) FDI (d) NITI
3. What does 'L' stand for in the context of India's New Economic Policy (LPG)?
(a) Liberalization (b) Labour (c) Land (d) Law
4. Which of the following was a key objective of Liberalization under the NEP?
(a) Increasing government control over industries
(b) Reducing barriers to trade and investment
(c) Promoting public sector monopolies (d) Imposing strict licensing requirements

5. Privatization under the NEP aimed to:

- (a) **Transfer ownership of public sector enterprises to the private sector**
- (b) Increase government investment in public sector
- (c) Nationalize private industries
- (d) Maintain complete government control over all industries

6. Globalization under the NEP primarily sought to:

- (a) Isolate the Indian economy from the world
- (b) **Integrate the Indian economy with the global economy**
- (c) Promote import substitution only
- (d) Reduce foreign direct investment

7. Who was the Prime Minister of India when the New Economic Policy was initiated?

- (a) Atal Bihari Vajpayee
- (b) Indira Gandhi
- (c) **P.V. Narasimha Rao**
- (d) Manmohan Singh

8. Who was the Finance Minister of India during the implementation of the 1991 NEP?

- (a) P. Chidambaram
- (b) Arun Jaitley
- (c) **Manmohan Singh**
- (d) Yashwant Sinha

Unit-10

1. The raw material for statistical analysis is:

- (a) Information
- (b) **Data**
- (c) Facts
- (d) Opinions

2. Data collected for the first time by the investigator for a specific purpose are called:

- (a) Secondary data
- (b) **Primary data**
- (c) Published data
- (d) External data

3. Which of the following is a method of collecting primary data?

- (a) Official publications
- (b) **Personal interview**
- (c) Journals and newspapers
- (d) Research articles

4. A census survey involves collecting data from:

- (a) A sample of the population
- (b) **Every unit of the population**
- (c) Only specific groups
- (d) Only published sources

5. Which method of data collection is most suitable for illiterate respondents?

- (a) Mailed questionnaires **(b) Observation**
(c) Telephone interviews (d) Online surveys

6. When an investigator collects data by observing the behavior of respondents without directly interacting, it is called:

- (a) Interview method (b) Questionnaire method
(c) Observation method (d) Schedule method

7. A questionnaire sent to respondents with a request to fill it out and return by post is known as:

- (a) Personal interview **(b) Mailed questionnaire method**
(c) Indirect oral interview (d) Schedule method

8. Which of the following is an advantage of primary data?

- (a) Less time-consuming (b) Less costly
(c) More reliable and suitable for the specific purpose (d) Easily available

9. Data obtained from sources like government publications, journals, and reports are known as:

- (a) Primary data (b) Secondary data **(c) Original data** (d) Field data

10. An advantage of secondary data is:

- (a) High accuracy and relevance **(b) Less time and cost involved**
(c) Always up-to-date
(d) Provides in-depth insights specific to current research.

11. Which of the following is a disadvantage of secondary data?

- (a) Easy to collect **(b) May not be relevant or accurate for the current study**
(c) Always up-to-date (d) Highly reliable

12. The method of data collection where enumerators fill out the questionnaire themselves after asking questions to respondents is called:

- (a) Mailed questionnaire method (b) Observation method
(c) Schedule method (d) Personal interview method

13. The process of selecting a subset of elements from a population to draw conclusions about the entire population is called:

- (a) Census (b) Survey **(c) Sampling** (d) Enumeration