

SHREE MEGHMANI PARIVAR AND SHREE BHAILALBHAI A. PATEL (DETROJWALA)
UMIYA ARTS AND COMMERCE COLLEGE FOR GIRLS
B.COM. (ECONOMICS) SEM VI

Unit 1

1. To know the development of foreign trade of any country what should be necessary to know?
 - (A) Changes in size of import-export
 - (B) Size of Total World Trade
 - (C) Share of foreign trade in National income
 - (D) All of given
2. In which year of Fourth Five-year plan, surplus trade balance is seen?
 - (A) First year
 - (B) Third year
 - (C) Fourth year
 - (D) Fifth year
3. Which factor is mostly affected to proportion of import of foreign trade of India?
 - (A) POL
 - (B) Agriculture produce
 - (C) Luxury goods
 - (D) Machinery
4. Performance of which sector is surplus in the foreign trade of India?
 - (A) Agriculture sector
 - (B) Industrial sector
 - (C) Service sector
 - (D) None of given
5. In 2014 of India's GDP, how much was the share of foreign trade?
 - (A) 12%
 - (B) 38.3%
 - (C) 33.6%
 - (D) 40%

6. In the context of India's GDP, how was the share of foreign trade in 2014 in comparison of the year 2011?
- (A) Increased
 - (B) Decreased
 - (C) Equal
 - (D) Uncertain
7. As per the estimate in the year of 2014-2015, how much share of India in world total trade?
- (A) 1%
 - (B) 1.5%
 - (C) 2.7%
 - (D) 3%
8. How much of the share of traditional goods like tea, coffee, cloth, leather in exports of India?
- (A) Increased
 - (B) Decreased
 - (C) Equal
 - (D) Uncertain
9. In the foreign trade of India in comparison of 1960-61, percentage share of which goods was highest in the year 2014-15?
- (A) Agriculture product
 - (B) Raw metal and minerals
 - (C) Produced goods
 - (D) Services
10. In how many sections the exports of India are mainly classified?
- (A) Two
 - (B) Three
 - (C) Four
 - (D) Six
11. How much was the percentage share of food grain in total imports of India in the year 2014-15?
- (A) 19.1%
 - (B) 12.9%
 - (C) 11.9%
 - (D) 3.9%

12. Percentage share of which company is highest in the foreign trade of India?
- (A) Asia
 - (B) Europe
 - (C) Latin America
 - (D) North America
13. After 1987-88 in which countries percentage share of our exports and imports were decreased?
- (A) OPEC
 - (B) OECD
 - (C) Asia
 - (D) Latin America
14. The share of England was 26.8 % in total exports of India in 1960-61 which decreased to _____
- (A) 6.5 %
 - (B) 4 %
 - (C) 3%
 - (D) 2%
15. The share of USA was 16 % in total exports earnings of India in 1960-61 which decreased to _____ % in 2014-15.
- (A) 12.7 %
 - (B) 18.6 %
 - (C) 4.9 %
 - (D) 13.7%
16. How was the trade balance of India with USA in 2014-15?
- (A) Deficit
 - (B) Surplus
 - (C) Equilibrium
 - (D) Uncertain
17. In the year 2014-15 with which country of OPEC our foreign trade share was important?
- (A) UAE
 - (B) Indonesia
 - (C) Iraq
 - (D) Iran

18. In the decade of 60 year how was the share of foreign trade of India with Russia and South Europe communism countries?
- (A) Stable
 - (B) Increased
 - (C) Decreased
 - (D) Uncertain
19. In the comparison of 1987-88 which countries percentage share was decreased in foreign trade of India in 2014-15?
- (A) OPEC
 - (B) OECD
 - (C) Africa
 - (D) Developed
20. Which country has big place in the foreign trade of India?
- (A) Asia
 - (B) Europe
 - (C) Africa
 - (D) North America
21. By which other name foreign trade policy is known?
- (A) Internal trade policy
 - (B) Trade policy
 - (C) EXIM policy
 - (D) Service policy
22. Who has given big contribution to accelerate the export trade of India?
- (A) Mahala Nobis Committee
 - (B) Mudaliar Committee
 - (C) Abid Committee
 - (D) Rangarajan Committee
23. By which government first attempt was made to bring effective liberalization in foreign trade policy of India?
- (A) Nehru government
 - (B) Indira government
 - (C) Rajiv Gandhi government
 - (D) Modi government

24. From which year in place of separate import and export policy joint EXIM policy was introduced in India?
- (A) 1980
 - (B) 1985
 - (C) 1991
 - (D) 2000
 - (E)
25. How much was the share of India in foreign trade in 2008-2009?
- (A) 0.8 %
 - (B) %
 - (C) 1.64 %
 - (D) 2 %
26. (26) As per the foreign trade policy announced on 1st April, in how many category export houses for status holder were classified?
- (A) TWO
 - (B) THREE
 - (C) FOUR
 - (D) FIVE
27. What was necessary for whole industrial development in starting stage of planning in India ?
- (A) IMPORT SUBSTITUTION
 - (B) IMPORT LIBERALISATION
 - (C) EXPORT PROMOTION
 - (D) NONE OF THE GIVEN
28. From which year in India in place of import substitution, import liberalization has taken an important place in trade policy?
- (A) 1961
 - (B) 1971
 - (C) 1981
 - (D) 1991

29. Which factor has become an obstacle for the industrialization of developing countries?

- (A) Infrastructure
- (B) Land
- (C) Labour
- (D) Entrepreneur

30. From the following, the share of which country is constantly increasing in world trade?

- (A) U.S.A
- (B) JAPAN
- (C) CHINA
- (D) INDIA

ANSWERS TO MCQs:

- | | | | | | |
|----------|-----------|-----------|-----------|-----------|-----------|
| 1. (D) | 6. (B) | 11. (D) | 16. (A) | 21. (C) | 26. (D) |
| 2. (C) | 7. (C) | 12. (A) | 17. (A) | 22. (D) | 27. (A) |
| 3. (A) | 8. (B) | 13. (B) | 18. (B) | 23. (B) | 28. (B) |
| 4. (C) | 9. (C) | 14. (C) | 19. (B) | 24. (B) | 29. (A) |
| 5. (B) | 10. (C) | 15. (B) | 20. (A) | 25. (C) | 30. (C) |

1. The aggregate picture of Indian foreign trade is reflected in one of the following :
 - (A) Balance of Trade
 - (B) Balance of Payments
 - (C) EXIM policy
 - (D) Foreign Exchange Reserves

2. In the Balance of Payment Account, one of the following transactions are recorded :
 - (A) Visible product transactions.
 - (B) Invisible Service Transactions.
 - (c) Outside funds and capital nature transaction.
 - (d) all of the above.

3. When the imports of a nation are higher than the exports, then the balance of trade shows one of the following states :
 - (A) Unfavorable
 - (B) Favorable
 - (C) Balanced
 - (D) Surplus position

4. Surplus position The balance of trade of India tended to be of one of the following conditions:
 - (A) Unfavorable
 - (B) Favorable
 - (C) Balanced
 - (D) Surplus position

5. The deficit balance of payments, results into one of the following condition:
 - (A) It consumes foreign exchange reserves
 - (B) It increases foreign debt
 - (C) It becomes inevitable to balance it to stabilize the external value of rupee
 - (D) All of the above

6. The foreign trade of any nation is presented in one of the following forms :
 - (A) Quantum

- (B) Composition
 - (C) Direction
 - (D) All of these
7. The highest trading partner of India's foreign trade is one of the following
- (A) OECD
 - (B) OPEC
 - (C) Less Developed Countries
 - (D) All of these
8. One of the following period represents the period of last EXIM policy of India:
- (A) 2019-20
 - (B) 2015-20
 - (C) 2020-25
 - (D) 2018-23
9. The canalization of foreign trade in India refers to business through one of the following:
- (A) IIFT
 - (B) Ministry of Commerce
 - (C) YSTC & MMTC Central Government Corporations
 - (D) Export promotion counsels and Commodity Boards .
10. For facilitating foreign trade on agro products , one of the following arrangements have been created :
- (A) SEZ
 - (B) AEZ +
 - (C) STP
 - (D) BTP
11. The devaluation of Indian rupee after 1947 was made in one of the following years:
- (A) 1949
 - (B) 1966
 - (C) 1991
 - (D) All of these
12. The percentage proportion of devaluation of Indian rupee in 1991 was one of the following :
- (A) More than 33 %
 - (B) More than 16 %

- (C) More than 18 %
 - (D) More than 36 %
13. When the Indian rupee is devalued, one of the following parties is benefitted:
- (A) Indian Importer
 - (B) Indian Exporter
 - (C) Foreign Exporter
 - (D) All of these
14. In India SEZ (Special Economic Zone) scheme was launched in one of the following years :
- (A) 1951
 - (B) 1909
 - (C) 1991
 - (D) 2000
15. In India , the Super Star stores scheme was launched in one of the Following years :
- (A) 1991-92
 - (B) 1994-95
 - (C) 2000-01
 - (D) 2015-16
16. One of the following is not included in Technology Park Scheme:
- (A) EHTP
 - (B) STP
 - (C) SIP
 - (D) BTP
17. One of the following foreign trade policies of India decreases the foreign exchange reserves :
- (A) Import Liberalization
 - (B) Import Substitution
 - (C) Export Promotion
 - (D) Protectionist Policy
18. The Export Promotion Councils in India are established under one of the standards :
- (A) As per products
 - (B) As per trading blocks

- (C) As per trading partners
 - (D) As per time span
19. Presently the total numbers of operating Export Promotion Councils (EPCs) are one of the following :
- (A) 22
 - (B) 6
 - (C) 125
 - (D) 100
20. Presently the total numbers of Commodity Board in operation are one of the following :
- (A) 22
 - (B) 6
 - (C) 75
 - (D) 60
21. One of the following institutions in India, provides the guarantee for the recovery of the export amounts :
- (A) ECGC
 - (B) MEIS
 - (C) EPCG
 - (D) IIFT
22. The ECGC (Export Credit and Guarantee Corporation) of India was established in one of the following years :
- (A) 1951
 - (B) 1969
 - (C) 1957
 - (D) 1991
23. The issue of credit scrips under EMIS and SEIS were announced in one of the following EXIM policies :
- (A) 1991-92
 - (B) 1992-97
 - (C) 2009-14
 - (D) 2015-20
24. One of the following is the Export Promotion Scheme:
- (A) TEE
 - (B) MAI
 - (C) MDA

- (D) All of these .
25. One of the following is the limitation of import substitution policy :
- (A) Internal monopoly
 - (B) Decrease in world trade
 - (C) Inefficiency of local manufacturers
 - (D) All of the above
26. One of the following is the characteristic of import liberation:
- (A) Free imports
 - (B) Decrease in import custom duties
 - (C) Advance licensing
 - (D) All of the above
27. The full form of DEPB is one of the following :
- (A) Direct Export Promotion Board
 - (B) Duty Entitlement Pass Book
 - (C) Direct Export Promotion Bureau
 - (D) Duty Entitlement Promotion Board.
28. The obligation to exports against imports of capital goods under EPCG was reduced to 50 % under one of the following EXIM policies :
- (A) 1992-97
 - (B) 2000-09
 - (C) 2009-14
 - (D) 2015-20
29. The issue of " Certificate of Origin which was issued by the Trade Associations and Chamber of Commerce , was changed self-certification by the exporter under one of the following EXIM policies :
- (A) 1992-97
 - (B) 2002-09
 - (C) 2009-14
 - (D) 2015-20
30. For the promotion of the " Make - In India Scheme " , the obligation of exports under EPCG which was 90 % was reduced to 75 % under one of the following EXIM policies :
- (A) 1992-97
 - (B) 2002-09
 - (C) 2009-14
 - (D) 2015-20

ANSWERS TO MCQs:

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|----------|----------|-----------|-----------|----------|-----------|
| 1. (B) | 6. (D) | 11. (D) | 16. (C) | 21.(A) | 26.(D) |
| 2. (D) | 7. (A) | 12. (C) | 17. (A) | 22.(C) | 27.(A) |
| 3. (A) | 8. (B) | 13. (B) | 18. (C) | 23.(D) | 28.(C) |
| 4. (A) | 9. (C) | 14. (D) | 19. (A) | 24.(D) | 29.(D) |
| 5. (D) | 10.(B) | 15. (B) | 20. (B) | 25.(D) | 30. (D) |

UNIT 2

1. how is the importance of banking sector in today's financial system?
 - (A) increasing
 - (B) decreasing
 - (C) stable
 - (D) uncertain
2. who is at center in Indian banking structure?
 - (A) SBI
 - (B) RBI
 - (C) NABARD
 - (D) ICICI
3. what is the minimum requirement of value of reserve amount and paid up capital of schedule bank?
 - (A) 2 lacs
 - (B) 3 lacs
 - (C) 5 lacs
 - (D) 10 lakhs
4. how much minimum and maximum percentage of deposit is to be kept in cash reserve with RBI by Bank?
 - (A) 3 to 15%
 - (B) 5 to 15%
 - (C) 5 to 20%
 - (D) 3 to 20%
5. how many public sector banks wear on 21st March 2007?
 - (A) 25
 - (B) 27
 - (C) 39
 - (D) 20
6. In which year SBI was established in India
 - (A) 1948
 - (B) 1951
 - (C) 1955
 - (D) 1960
7. in which year 14 big private bank was nationalised in India

- (A) 1955
 - (B) 1969
 - (C) 1991
 - (D) 1980
8. In 2013, how much percentage of rural branches in total branches?
- (A) 22%
 - (B) 30%
 - (C) 37%
 - (D) 50%
9. in 2013 at how much average population one bank branch in available
- (A) 63800
 - (B) 50000
 - (C) 25000
 - (D) 12670
10. during the period from 1991 to 2013, how much increase in seen in deposit of the commercial banks?
- (A) 25 times
 - (B) 30 times
 - (C) 35 times
 - (D) 37 times
11. to remove the problem of recovery of loan of bank in which year SARFAESI act was finished?
- (A) 1991
 - (B) 1993
 - (C) 2002
 - (D) 2005
12. which step is taken by government for standing up the banks which are sick due to NPA?
- (A) Recapitalization
 - (B) Nationalization
 - (C) Consolidation
 - (D) Privatization
13. as per new economic policy, recommendation of which committee has been given more contribution of banking structure?
- (A) Mudliar Committee
 - (B) Narashimha committee

- (C) Rangarajan committee
 - (D) Kelkar committee
14. Due to recommendation of Narashimha committee, importance of which bank is increasing in Indian banking structure?
- (A) public sector banks
 - (B) Regional rural banks
 - (C) private and foreign bank
 - (D) Co- operative banks
15. After establishment of which year private bank are considered as new private banks?
- (A) 1982
 - (B) 1990
 - (C) 2000
 - (D) 2010
16. A Bank whose more share is with private shareholder is known as.....
- (A) Regional Rural bank
 - (B) Co- operative banks
 - (C) private bank
 - (D) public center Bank
17. From the following which one is not a private sector bank?
- (A) HDFC Bank
 - (B) Bank of India
 - (C) ICICI Bank
 - (D) Yes Bank
18. Before the reforms in banking sector, how many private banks were there?
- (A) 14
 - (B) 20
 - (C) 24
 - (D) 30
19. How much minimum net worth is necessary to start the new private sector bank?
- (A) 50 crores
 - (B) 100 crores
 - (C) 200 crores
 - (D) 500 crores

20. what is the minimum percentage of promoter's holding in paid up capital of New private sector bank?
- (A) 50%
 - (B) 20%
 - (C) 25%
 - (D) 50%
21. what was the recommendation of Narashimha committee regarding reducing SLR Stagewise within 5 years?
- (A) 50%
 - (B) 25%
 - (C) 30%
 - (D) 20%
22. Major of which bank are opposed by Narasimha committee?
- (A) Financially sound
 - (B) Financially weak
 - (C) Financially sound and weak
 - (D) public sector
23. As per capital adequacy norms, how much percentage of ratio is to be maintained compulsory?
- (A) 5%
 - (B) 8%
 - (C) 10%
 - (D) 12%
24. whose name was connected with the past security scam?
- (A) Harshad Mehta
 - (B) Vijay Mallya
 - (C) Nirav Modi
 - (D) Ramesh Mehta
25. which type of bank has to be forced for healthy competition by new private sector banks?
- (A) Regional Rural banks
 - (B) Co -operative Banks
 - (C) Public sector banks
 - (D) Agriculture banks

ANSWERS TO MCQs:

- | | | | | |
|----------|----------|-----------|-----------|-----------|
| 1. (A) | 6. (C) | 11. (C) | 16. (C) | 21. (B) |
| 2. (B) | 7. (B) | 12.(A) | 17. (B) | 22. (C) |
| 3. (C) | 8. (C) | 13. (B) | 18. (C) | 23. (B) |
| 4. (A) | 9. (D) | 14. (C) | 19. (B) | 24. (A) |
| 5. (B) | 10.(C) | 15. (B) | 20. (C) | 25. (C) |

1. Among different sectors of the economy, banking is treated as one of the following sectors:
(A)House hold
(B)Financial intermediary
(C)Government
(D)Corporate.
2. How many private banks were nationalized in the first phase of 19th June , 1969 ?
(A) 21
(B) 4
(C) 14
(D) 10
3. How many private banks were nationalized in the second phase of 15th April , 1980 ?
(A) 4
(B) 14
(C) 21
(D) 5
4. From which year the Bill Discounting Scheme was started in India ?
(A)1952
(B) 1969
(C) 1991
(D) 1980
5. From which year the factoring services were started in India ?
(A) 1952
(B) 1969
(C) 1991
(D) 1980
- 6 . In India on which committee recommendations , factoring services were started from 1991 ?
(A) M. Narsimham Committee

- (B) Kalyan Sundaram Committee
- (C) C. Rangarajan Committee
- (D) Abid Hussain Committee

7. Who was the chairman of the Banking Reform Committee appointed in 1991 ?

- (A) M. Narsimham
- (B) Kalyan Sundaram
- (C) C. Rangarajan
- (D) Abid Hussain

8. From which year the Regional Rural Banks (RRBs) or Gramin Banks were started to serve rural areas ?

- (A) 1951
- (B) 1969
- (C) 1976
- (D) 1991

9. Which specialized bank in India is established to assist the agriculture sector ?

- (A) IDBI
- (B) MUDRA
- (C) NABARD
- (D) SIDBI

10. Which specialized bank is established to assist the small scale sector?

- (A) IDBI
- (B) MUDRA
- (C) SIDBI
- (D) NABARD

11. Which specialized bank is established to assist the Micro unity ?

- (A) IDBI
- (B) MUDRA
- (C) SIDBI
- (D) NABARD

12. One of the following is not the bank account opened by banks vs mobilizing the savings .

- (A) Savings Account
- (B) Current Account
- (C) Cash Credit Account
- (D) Fixed Deposit Account

13. In the factoring services , bank purchases one of the following accounts of the client to finance the short - term needs of the business:
- (A) Investment
 - (B) Bills Receivables
 - (C) Debtors
 - (D) Inventories
14. A cheque issued by one bank on another bank is known as one of the following :
- (A) Demand draft BT Pay order
 - (B) Pay order
 - (C) Letter of Credit
 - (D) Crossed cheque
15. The full form of RTGS is one of the following:
- (A) Regional Transfer Gross Settlement
 - (B) Refinancing of Time deposits for Goods and Services
 - (C) Real Time Gross Settlement
 - (D) Regional Transfer for Goods and Services
16. The bank service to provide information to third party about its client is known as one of the following :
- (A) Guarantor M
 - (B) Referee
 - (C) Underwriting
 - (D) Custodian 2 24
17. One of the following bank is not a private bank :
- (A) Kotak Mahindra Bank
 - (B) Canara Bank
 - (C) Yes Bank
 - (D) Indus Bank
18. One of the following bank is not included in the private sector banke
- (A) Bank of India
 - (B) State Bank of India Indus Bank
 - (C)Indus bank
 - (D) Canara Bank
19. One of the following is not included in the short - term money market instrument :
- (A) Treasury Bill By Treasurey Bond
 - (B) Treasurey bill

- (C) Commercial Paper
 - (D) Certificate of Deposits .
20. One of the following is not the short - term lending by the commercial banks :
- (A) Overdraft
 - (B) Factoring ferm loan
 - (C) Term loan
 - (D) Bill Discounting
21. The term of bank lending is not presented in one of the following
- (A) Fixed deposits
 - (B) Bank overdraft
 - (C) Bills Discounting
 - (D) Factoring
22. After what time of non - payment of interest and principal having become due , is treated as non - performing assets ?
- (A) 14 days
 - (B) 30 days
 - (C) 90 days
 - (D) 182days
23. One of the following services is not included in the merchant banking services :
- (A) Underwriting
 - (B) Share
 - (C) Dematerialization
 - (D) Drafting of prospectus.
24. One of the following is the limitation of the public sector banks :
- (A) Political interference
 - (B) Lower efficiency
 - (C) All of these
 - (D) Increasing NPA
2. One of the following banks is not included in new private sector banic
- (A) ICIC Bank
 - (B) Axis Bank
 - (C) Karur Vaishya Bank
 - (D) Bandhan Bank

ANSWER TO MCQ :

- | | | | | |
|----------|-----------|-----------|----------|----------|
| 1. (B) | 6. (B) | 11. (B) | 16.(B) | 21.(A) |
| 2. (C) | 7. (A) | 12. (C) | 17.(B) | 22.(C) |
| 3. (A) | 8. (C) | 13. (C) | 18.(C) | 23.(C) |
| 4. (A) | 9. (C) | 14. (B) | 19.(B) | 24.(D) |
| 5. (C) | 10. (C) | 15. (C) | 20.(C) | 25.(C) |

Unit 3

1. Which was the policy of RBI regarding money quantity and interest rates?
(A) Administrative policy
(B) Monetary policy
(C) Fiscal policy
(D) Structure policy
2. Which of the following instrument (tools) is not of quantitative credit control?
(A) Bank rate
(B) Cash reserve ratio
(C) Credit rationing
(D) Purchase sale of Government security in open market
3. What was the bank rate since 2004 -2005 in India?
(A) 6%
(B) 7%
(C) 9%
(D) 10%
4. Under whose chairman the committee was framed to check the working of monetary system of RBI and its recommendation?
(A) Montek singh Ahluwalia
(B) Sukhamoy Chakravarty
(C) Suresh Tendulkar
(D) Kelkar
5. Which type of price policy is suggested by Chakravarty Committee in which wholesale price index increase with economic development?
(A) 4%
(B) 5%
(C) 6%
(D) 3%

6. In which year RBI was established?
- (A) 1935
 - (B) 1947
 - (C) 1949
 - (D) 1951
7. Which method is adopted by RBI to issue the currency in India?
- (A) 100% Reserve System
 - (B) Equal Reserve System
 - (C) Fixed Ratio System
 - (D) Minimum Reserve
8. Which policy is responsible for inflation or recession by most of the economists?
- (A) Administrative policy
 - (B) Monetary policy
 - (C) Fiscal policy
 - (D) Defense policy
9. Which of the following is not an objective of monetary policy before world wide recession of 1929?
- (A) Price stability
 - (B) Economic Development
 - (C) Employment
 - (D) Balance of Payment
10. What is the main objective of monetary policy of RBI?
- (A) To achieve economic development
 - (B) Price stability
 - (C) Stability of Exchange rate
 - (D) All of given
11. From which year the change has been occurred in the definition of budgetary deficit of India?
- (A) 1950-51
 - (B) 1986-87
 - (C) 2000-2001
 - (D) 2014-2015
12. What should be done by RBI in bank rate to keep inflation in control?
- (A) Increase

- (B) Decrease
- (C) Stable
- (D) Unfixed

13. At present which instrument is maximum used by RBI's monetary policy?

- (A) Bank rate
- (B) SLR
- (C) Repo rate
- (D) CRR

14. In which two limits, RBI can change in CRR?

- (A) 3% to 15%
- (B) 5% to 20%
- (C) 5% to 15%
- (D) 5% to 10%

15. Which bank has been established to fulfill the requirements of agriculture and rural development lending?

- (A) State Bank
- (B) NABARD
- (C) HDFC Bank
- (D) Regional Rural Banks

16. What was the repo rate in the monetary policy of RBI announced on 7th 2019?

- (A) 5.15%
- (B) 5.25%
- (C) 5.40%
- (D) 5.65%

17. What was the MSF Rate in the monetary policy of RBI announced on 7th August 2019?

- (A) 5.50%
- (B) 5.65%
- (C) 7.25%
- (D) 8.50%

18. What was the forecast for GDP growth in the monetary policy announced by RBI on 7th August 2019?

- (A) 8%
- (B) 7%
- (C) 6.9%

(D)6.5%

19.How much the reverse repo rate has been kept in the monetary policy of RBI announced on 7th August 2019?

(A)5.15%

(B)5.25%

(C)5.40%

(D)5.65%

20.The interest rate at which RBI provides short term loans to commercial banks is called.

(A) Bank rate

(B) Repo rate

(C) Reverse repo rate

(D)MSF rate

ANSWERS TO MCQs:

1.(B) 6. (A) 11. (B) 16.(C)

2.(C) 7.(D) 12.(A) 17.(B)

3. (A) 8.(B) 13. (C) 18.(C)

4. (B) 9.(C) 14. (A) 19.(A)

5. (A) 10. (D) 15. (B) 20.(B)

1 . The Reserve Bank of India was established in one of the following years :

(A) 1913

(B)1935

(C) 1947

(D) 1991

2 . The maturity of Treasury Bills is one of the following :

(A) 14 days

(B) 91 days

(C) 182 days

(D) All of these

3 . One of the following is not the instrument of short - term money market :

(A) Treasury Bill

(B) Commercial Paper

(C) Certificate of Deposits

(D) Certificate of Origin

4. The Bill Market Scheme was introduced by Reserve Bank of India in one of the following years :
- (A) 1934
 - (B) 1947
 - (C) 1952
 - (D) 1969
5. In which year the factoring scheme was introduced in India ?
- (A) 1952
 - (B) 1969
 - (C) 1991
 - (D) 2000
6. On which of the following assets of the bank client , bill discounting services are provided ?
- (A) Bills Receivables
 - (B) Debtors
 - (C) Bills Payables
 - (D) Inventories
7. On which of the following assets of the bank client , the factoring services are provided ?
- (A) Bills Receivables
 - (B) Bills payables
 - (C) Creditors
 - (D) Debtors
8. Which is the expanded form of CRR , the tool of the Reserve Bank of India ?
- (A) Credit Rationing Ratio
 - (B) Cash Reserve Ratio
 - (C) Credit Return Ratio
 - (D) Client Registration Rate
9. Which type of services are provided by the Discount and Finance House of India (DFHI) ?
- (A) Provides guarantee to exporters
 - (B) Provides secondary market for short term money market instruments
 - (C) Provides secondary market for long - term capital market instruments
 - (D) Provides housing loan
10. Which of the following specialized banks , provides financial services to the agriculture sector ?

- (A) SIDBI
- (B) MUDRA
- (C) NABARD
- (D) IDBI

11. Which of the following specialized banks , provides financial assistance to micro units ?

- (A) IDBI
- (B) MUDRA
- (C) SIDBI
- (D) NABARD

12. Which of the following institutions issues Treasury Bills in India ?

- (A) State Governments
- (B) Government of India
- (C) State Bank
- (D) Reserve Bank

13. Which publication is published by the Reserve Bank of India every month ?

- (A) Capital Market
- (B) Indian Banking
- (C) Reserve Bank Bulletin
- (D) Currency and Finance

14. In India , the Reverse Repo Rate as compared to Repo Rate tends to be one of the following :

- (A) High
- (B) Low
- (C) Equal
- (D) No relation between them

15. Which of the following assets are treated as Non - Performing Assets in India ?

- (A) Such advances on which interest and principal are not received within 90 days after due date .
- (B) Such advances on which interest and principal are not received within 182 days after due date .
- (C) Such advances on which interest and principal are not received within 365 days after due date
- (D) Such advances on which interest and principal are not received within 2 years after due date .

16. One of the following is not the instrument of the monetary policy of Reserve Bank of India :

- (A) SLR
- (B) CPM
- (C) SLR
- (D) OMO

17. The financial instruments which are traded till their maturity are called one of the following markets :

- (A) Capital Market
- (B) Money Market
- (C) Primary Market
- (D) Secondary Market

18. The Initial Public Offer (IPO) of the financial instruments are made in one of the following markets :

- (A) Capital Market
- (B) Money Market
- (C) Primary Market
- (D) Secondary Market

19. One of the following is not included in the short - term money market instruments :

- (A) Treasury Bill
- (B) Commercial Paper
- (C) Treasury Bond
- (D) Certificate of Deposits .

20. The currency notes issued by the Issue Department is known as one of the following :

- (A) Commercial Paper
- (B) Treasury Bill
- (C) Legal tender
- (D) Certificate of Deposits .

21. One of the following is not included in the functions of the Reserve Bank of India :

- (A) Government Bank
- (B) Banker's Bank
- (C) To issue currency notes
- (D) Bill Discounting

22. The facility provided by the Reserve Bank to the scheduled banks for maintaining liquidity is called by one of the following names :

- (A) CRR
- (B) SLR
- (C) LAF
- (D) NPA

23. When rupee is devalued then one of the following parties is benefitted :

- (A) Indian Importer
- (B) Indian Exporter
- (C) Domestic industry
- (D) Fixed income earners in India

24. To bring out the American economy from the effects of Great Depression of 1929 , one of the following economist prepared the new deal policy

- (A) Milton Friedman
- (B) Paul Samuelson
- (C) M. Keynes
- (D) Alfred Marshal

25. In the modern economic world , the economic development can be attained only through the monetary policy was advocated by one of the following economists :

- (A) Paul Samuelson
- (B) Milton Friedman
- (C) Alfred Marshal
- (D) J. M. Keynes

26. In which year economic liberalization was adopted in India ?

- (A) 1969
- (B) 1951
- (C) 2000
- (D) 1991

27. When the Balance of Payments (BOP) is in deficit , then its impact on the foreign exchange reserves is one of the following :

- (A) Increases
- (B) Decreases
- (C) No effect
- (D) Not related

28. In which year was the Indian rupee for the first time devalued after 1947 ?

- (A) 1947
- (B) 1966
- (C) 1991
- (D) 2001

29. What was the percentage of rupee devaluation made in 1966 ?

- (A) 10 %
- (B) 18.5 %
- (C) 36.5 %
- (D) 16.67

30. In which year , the devaluation of Indian rupee made last ?

- (A) 1966
- (B) 1969
- (C) 1991
- (D) 2000

31. What was the percentage of rupee devaluation made in 1991 ?

- (A) 36.5 %
- (B) 18.5 %
- (C) 25 %
- (D) 16.67 %

32. The administrative head of the Reserve Bank of India is one of the the following :

- (A) Finance Minister of India
- (B) President of India Governor of reserve Bank
- (C) Governor of receiver bank
- (D) Prime Ministry of India

33. One of the following was the first Governor of Reserve Bank of India .

- (A) Osborne Smith
- (B) C. D. Deshmukh
- (C) James Taylor
- (D) Benegal Rama Rao

34. The present Governor of Reserve Bank of India is one of the following :

- (A) Urjit Patel
- (B) T Shashikant Das

(C) Raghuram Rajan

(D) Bimal Jalan

35. The head office of Reserve Bank of India is located at one of the following location .

(A) New Delhi

(B) Mumbai

(C) Kolkata

(D) Chennai

36. The nationalization of Reserve Bank of India was made in one of the following years :

(A) 1935

(B) 1947

(C) 1948

(D) 1950

ANSWERS TO MCQs :

- | | | | | | | |
|----------|----------|-----------|-----------|-----------|-----------|-----------|
| 1. (B) | 6.(A) | 11.(B) | 16. (B) | 21. (C) | 26. (C) | 31. (B) |
| 2. (D) | 7.(D) | 12.(C) | 17.(D) | 22. (C) | 27. (B) | 32. (C) |
| 3. (C) | 8. (B) | 13. (C) | 18.(C) | 23. (B) | 28. (B) | 33. (A) |
| 4. (C) | 9. (B) | 14. (B) | 19. (C) | 24. (C) | 29. (C) | 34. (B) |
| 5. (C) | 10.(C) | 15. (A) | 20. (C) | 25. (A) | 30. (C) | 35. (B) |
| | | | | | | 36. (C) |

Unit 4

1. As per the estimate of GNP, how much tax is collected?
 - (A) 10%
 - (B) 15%
 - (C) 18%
 - (D) 25%
2. As per the current budget 2019-2020, which tax is at 1st place from the view point of income?
 - (A) Corporation Tax
 - (B) GST
 - (C) Income Tax
 - (D) Excise duty
3. In the budget of 2019-20 of India, how much net tax income of center is expected?
 - (A) ₹ 12,42,488 crore
 - (B) ₹ 14,84,406 crore
 - (C) ₹ 16,49,582 crore
 - (D) ₹ 20,42,406 crore
4. In the budget of 2019-20 which tax is at second place from the view point of income?
 - (A) Corporation tax
 - (B) Income tax
 - (C) Excise duty
 - (D) GST
5. In the budget of 2019-20, what is the estimated share of corporation tax in total tax revenue?
 - (A) 30%
 - (B) 26%
 - (C) 22.7%
 - (D) 13%
6. Instead of which tax, GST is implemented?
 - (A) Income Tax
 - (B) VAT
 - (C) Excise duty
 - (D) Custom

7. In place of which tax DTC (Direct Tax Code) is bring in India?
- (A) Income Tax
 - (B) Corporation Tax
 - (C) Excise duty
 - (D) Custom
8. As per the budget of 2019-20 of India how much share of direct taxes is?
- (A) 45%
 - (B) 47.3%
 - (C) 52.70%
 - (D) 55%
9. In the indirect tax of India, income of which tax is at 1st place?
- (A) GST
 - (B) Excise duty
 - (C) Service tax
 - (D) Custom
10. As per the economic survey of 2011-12, what is the ratio of central taxes and GDP?
- (A) 6%
 - (B) 10.5%
 - (C) 13%
 - (D) 17.0%
11. In the budget of 2019-20 how much amount is tax free?
- (A) 1.50 lacs
 - (B) 2.00 lacs
 - (C) 2.50 lacs
 - (D) 3.00 lacs
12. As per the current budget from how much annual income assesses can reduce their tax liability to zero after obtaining various rebate?
- (A) 3 lacs
 - (B) 5 lacs
 - (C) 7 lacs
 - (D) 10 lacs
13. From which year the share of indirect taxes were decreased?
- (A) 1981
 - (B) 1991
 - (C) 2001

- (D) 2005
14. How much is the per capita tax burden against per capita income in India?
- (A) Equal
 - (B) Increase
 - (C) Decrease
 - (D) Uncertain
15. By which other name, income tax is known?
- (A) Tax on honesty
 - (B) Tax on Darkness
 - (C) Tax on consumption
 - (D) Tax of inequalities of Income
16. From which year GST Act is implemented in India?
- (A) 2015
 - (B) 2017
 - (C) 2018
 - (D) 2019
17. Which tax is applicable for providing intra state sales or services?
- (A) CGST
 - (B) SGST
 - (C) IGST
 - (D) None of given
18. To do recommendation in the context of implementation of FRBM by Indian Finance Department under whose chair a committee was framed?
- (A) Dr. Raja Chellaiah
 - (B) Vijay Kelkar
 - (C) Dr. Raj
 - (D) Prof. Kaldor
19. Black money means
- (A) Black color money
 - (B) Accounted money
 - (C) Unaccounted money
 - (D) Money obtained by theft
20. How is the growth rate of black money in the comparison of growth rate of GNP in India?
- (A) Equal
 - (B) Less

- (C) More
- (D) Uncertain

21. For how many times the experiment of demonetization was done during planning period in India?
- (A) One
 - (B) Two
 - (C) Three
 - (D) Four
22. From which date note of 500 and the announcement was given to demonetize the currency 1,000 In India?
- (A) 8th November - 2016
 - (B) 30th December-2016
 - (C) 8th November - 2017
 - (D) 8th November - 2018
23. Which scheme was announced by the government with productive object of black money in 1981? axes and
- (A) Voluntary Disclosure scheme
 - (B) Special Bearer Bond
 - (C) Amnesty scheme
 - (D) None of given
24. What is the object of demonetization of currency of 500 and 1,000?
- (A) To deal with black money in the economy a d
 - (B) To increase the cash less transaction in economy
 - (C) To control the terrorism
 - (D) All of the given
25. As per the report of times of India on 5th January 2017, how much percentage of currency of 500 and 1,000 was converted in bank?
- (A) 75%
 - (B) 87%
 - (C) 97%
 - (D) 99%

ANSWERS TO MCQs:

- | | | | | |
|----------|----------|-----------|-----------|----------|
| 1. (C) | 6. (B) | 11. (C) | 16. (B) | 21.(B) |
| 2. (A) | 7. (A) | 12.(B) | 17. (C) | 22.(A) |
| 3. (C) | 8.(C) | 13. (B) | 18. (B) | 23.(B) |
| 4. (D) | 9. (A) | 14. (B) | 19. (C) | 24.(D) |
| 5. (A) | 10.(B) | 15. (A) | 20. (C) | 25.(C) |

1. One of the following is the tax of Central Government:
 - (A) Entertainment tax
 - (B) Vehicle tax
 - (C) Wealth tax
 - (D) Stamp duty
2. One of the following is the state government tax:
 - (A) Income tax
 - (B) excise and customs duties
 - (C) Wealth tax
 - (D) Entertainment tax
3. One of the following is included in direct taxes:
 - (A) Goods and Service Tax
 - (B) Income tax
 - (C) Excise duty
 - (D) Custom duty
4. One of the following is the indirect tax:
 - (A) Income tax
 - (B) Corporate tax
 - (C) Wealth tax
 - (D) Customs and Excise duties
5. The additional tax levied as certain percentage on the tax payable is known as one of the following tax :
 - (A) Corporation tax
 - (B) Surcharge
 - (C) Direct tax
 - (D) Indirect tax
6. A temporary tax levied to finance certain specific activity as a certain percentage on the amount of tax payable is known as one of the following :

- (A) CSS
 - (B) Corporation tax
 - (C) Direct tax
 - (D) Indirect tax
7. The first Finance Commission in India was appointed for one of the following periods :
- (A) 1952-57
 - (B) 1947-52
 - (C) 1961-65
 - (D) 1969-74
8. The last 15th Finance Commission in India is appointed for one of 8 . the following periods :
- (A) 2001-05
 - (B) 2011-15
 - (C) 2020-25
 - (D) 2015-20
9. The main function of Finance Commission in India is one of the following:
- (A) To declare fiscal policy
 - (B) Allocation of tax revenues between center and states.
 - (C) To levy taxes
 - (D) To investigate tax evasions
10. The Finance Commission in India is appointed by one of the following :
- (A) Prime Minister
 - (B) Finance Minister of India
 - (C) President of India
 - (D) Governor of Reserve Bank
11. The chairman of the First Financial Commission (1952-57) was one of the following :
- (A) C. D. Deshmukh
 - (B) K. C. Niyogi
 - (C) Nilam Sanjiv Reddy
 - (D) N. K. Singh
12. The chairman of the last 15th Finance Commission (2020-25) is one of the following :

- (A) C. Rangarajan
- (B) K. C. Niyogyi
- (C) Urjit Patel
- (D) N . K. Singh

13. One of the following committees is not related to the taxation policy of India

- (A) Kalyan Sundaram Committee
- (B) Vijay Kelkar Committee
- (C) Raja J. Chelliah Committee
- (D) Parth Sarthy Shome

14. The chairman of the Tax Reform Committee appointed in 1991, was one of the following :

- (A) Vijay Kelkar
- (B) Raja J. Chelliah
- (C) Parth sarthy Shome
- (D) Akhilesh Ranjan

15. One of the following is the economic impact of black money:

- (A) It reduces the effectiveness of Monetary Policy of RBI.
- (B) It reduces the tax revenue of the Government
- (C) It generates inflation in the economy
- (D) All of the above

16. One of the following is the scheme of controlling the black money in India :

- (A) Voluntary Disclosure Scheme
- (B) Bearer Bond
- (C) Demonetization
- (D) All of the above

17. The demonetization in India was done in one of the following periods :

- (A) 1946
- (B) 1978
- (C) 2016
- (D) All of these

18. When was the last demonetization done in India ?

- (A) 2016
- (B) 1951

(C) 1991

(D) 1978

19. One of the following is the reason for demonetization.

(A) To curb black money

(B) To check hyper-inflation

(C) To prevent anti - social activities like smuggling , terrorism etc.

(D) All of the above

20. In the last 2016 demonetization , one of the following groups of currency notes were cancelled :

(A) Rs . 500 and Rs . 5,000 L

(B) Rs . 500 and Rs . 1,000

(C) Rs . 5,000 and Rs . 10,000

(D) Rs . 1,000 and Rs . 5,000

ANSWERS TO MCQs:

1.(C) 6. (A) 11. (B) 16. (D)

2.(D) 7. (A) 12. (D) 17. (D)

3. (B) 8. (D) 13. (A) 18.(A)

4. (D) 9.(B) 14.(B) 19.(D)

5. (B) 10.(C) 15. (D) 20. (B)