

Economics Sample Paper - 12

Economics

Q.No. 1

_____ is the main source of money supply in an economy.

- (A) Central Bank
- (B) Commercial Banks
- (C) Government
- (D) Both a and b

Q.No. 2

NNP_{fc} is called:

- (A) National Income
- (B) Domestic Income
- (C) Personal Income
- (D) Private Income

Q.No. 3

Money supply is a _____ concept.

- (A) Flow
- (B) Stock
- (C) Variable
- (D) All of these

Q.No. 4

Tax, the impact of which lies on the person on whom it is legally imposed, is known as:

- (A) Indirect tax
- (B) direct tax
- (C) value added tax
- (D) none of these

Q.No. 5

High powered money includes –

- (A) currency and demand deposits
- (B) demand deposits and saving deposits
- (C) currency held by public and cash reserve with banks
- (D) none of these

Q.No. 6

_____ are called legal tenders.

- (A) demand deposits
- (B) time deposits
- (C) inter-bank deposits
- (D) currency notes and coins

Q.No. 7

Tax is imposed on value added at the various stages of production is known as:

- (A) Corporate profit tax
- (B) direct personal tax
- (C) value added tax
- (D) none of these

Q.No. 8

A tax, the burden of which can be shifted to others, is called:

- (A) Indirect tax
- (B) direct tax
- (C) wealth tax
- (D) none of these

Q.No. 9

Who regulates money supply in India?

- (A) Government of India
- (B) Reserve Bank of India
- (C) Planning Commission
- (D) NITI Aayog

Q.No. 10

In the context of government budget, which of the following statements is correct?

- (A) Budget is a statement of expected annual receipts and expenditures of the government

- (B) It is the detail of actual receipts and expenditures of the government in a financial year
- (C) It offers a detailed description of achievements of the government during the five year plans
- (D) It indicates BoP status of the domestic economy

Q.No. 11

Which of the following will not be included while calculating national income by income method?

- (A) Wages and Salaries
- (B) Royalty
- (C) Scholarship
- (D) Profit

Q.No. 12

Which of the following item will not be included while calculating NDP mp.

- (A) Private final consumption expenditure
- (B) Consumption of fixed capital
- (C) Govt Final consumption expenditure
- (D) Net Export

Q.No. 13

If saving function of an economy is $S = -50 + 0.25 Y$, then the value of MPC is-----

- (A) 0.5
- (B) 1.25
- (C) -0.25
- (D) 0.75

Q.No. 14

Income of the Family is the example of which variable?

- (A) Stock Variable
- (B) Flow Variable
- (C) Both stock and flow
- (D) Neither Stock nor flow

Q.No. 15

National Income = Domestic income when:

- (A) NFIA is Positive
- (B) NFIA is Negative

- (C) NFIA is Zero
- (D) None of the above

Q.No. 16

Supply of money refers to quantity of money –

- (A) As on 31st March
- (B) During any specified period of time
- (C) As on any point of time
- (D) During a fiscal year

Q.No. 17

Maximum value of investment multiplier is----- when the value of MPC-----

- (A) Ten, zero
- (B) infinity, one
- (C) infinity, zero
- (D) none of them

Q.No. 18

Which of the following is a direct tax?

- (A) income tax
- (B) Excise tax
- (C) sales tax
- (D) custom duty

Q.No. 19

Which of the following are the objectives of government budget?

- (A) Redistribution of income wealth
- (B) Economic stability
- (C) GDP growth
- (D) all of these

Q.No. 20

If the value of APC is greater than one, APS will be?

- (A) Negative
- (B) Zero
- (C) Greater than one

(D) None

Q.No. 21

Which of the following is a non-tax receipt?

(A) Gift tax

(B) sales tax

(C) donations

(D) Excise duty

Q.No. 22

Which of the following is not included in estimation of NI?

(A) Subsidies Lunch

(B) Old Age Pension

(C) Free Medical Facilities served in office to employees

(D) Construction of a House

Q.No. 23

Consumption of fixed capital refers to fall in the value of fixed assets...

(A) Due to normal wear and tear

(B) Due to abnormal wear and tear

(C) Due to foreseen obsolescence

(D) Due to normal wear and tear and foreseen obsolescence

Q.No. 24

Which of the followings value may be negative?

(A) MPC

(B) MPS

(C) APS

(D) APC

Q.No. 25

Multiplier is ----- related to the MPS.

(A) Negatively

(B) directly

(C) not

(D) rarely

Q.No. 26

Limitation of barter system of exchange

- (A) lack of unit of value
- (B) lack of store of value
- (C) lack of standard of deferred payments
- (D) all of these

Q.No. 27

The ratio of change in saving and change in Income is-----

- (A) MPC
- (B) APC
- (C) MPS
- (D) APS

Q.No. 28

Money supply includes _____

- (A) All deposits in bank
- (B) Only demand deposits in banks
- (C) Only time deposits in banks
- (D) Currency with the banks

Q.No. 29

Which of the following is not a flow variable?

- (A) Income
- (B) Capital Formation
- (C) Supply of Money in a country
- (D) Leakage of water from a tank

Q.No. 30

NVA_{fc} Equals to

- (A) Sales
- (B) The sum total of the factor payment
- (C) Both 1 and 2
- (D) None of these

Q.No. 31

When MPS value is 0.25 , the value of investment multiplier will be?

- (A) 1.33
- (B) 2
- (C) 5
- (D) 4

Q.No. 32

When MPC is increasing in the economy, the rate of investment multiplier will-----

- (A) Rise
- (B) Fall
- (C) Either rise or fall
- (D) Neither rise nor fall

Q.No. 33

The creation of _____ is called credit creation.

- (A) time deposits
- (B) primary deposits
- (C) secondary deposits
- (D) none of these

Q.No. 34

_____ is the primary function of money.

- (A) transfer of value
- (B) medium of exchange
- (C) standard of deferred payment
- (D) store of value

Q.No. 35

If consumption expenditure is equal to the national income, then APS will be?

- (A) 1
- (B) 0
- (C) -1
- (D) infinity

Q.No. 36

Progressive tax is a tax which is :

- (A) Charged at a decreasing rate when income of the individual increases
- (B) Charged at a increasing rate when income of the individual increases
- (C) A fixed percentage of an individual's income
- (D) None of these

Q.No. 37

In an economy investment increase by 100 Crores , and MPC is 0.57 , then National income will increase by-

- (A) 500
- (B) 250
- (C) 570
- (D) 400

Q.No. 38

Value of output is equal to

- (A) Sales+ Change in Stock
- (B) Sales + Closing Stock
- (C) Sales + Opening Stock
- (D) Sales- opening Stock

Q.No. 39

Which of the following is an indirect tax?

- (A) Wealth tax
- (B) Excise tax
- (C) income tax
- (D) none of these

Q.No. 40

Regressive tax is a tax which is :

- (A) Charged at a increasing rate when income of the individual increases
- (B) Charged at a decreasing rate when income of the individual increases
- (C) Relatively a low percentage of an individual's income
- (D) None of these

Answer Sheet

Q.No	Answer
Q.No. 1	(D)
Q.No. 2	(A)
Q.No. 3	(B)
Q.No. 4	(B)
Q.No. 5	(D)
Q.No. 6	(D)
Q.No. 7	(C)
Q.No. 8	(A)
Q.No. 9	(B)
Q.No. 10	(A)
Q.No. 11	(C)
Q.No. 12	(B)
Q.No. 13	(D)
Q.No. 14	(B)
Q.No. 15	(C)
Q.No. 16	(C)
Q.No. 17	(B)
Q.No. 18	(A)
Q.No. 19	(D)
Q.No. 20	(A)
Q.No. 21	(C)
Q.No. 22	(B)
Q.No. 23	(D)
Q.No. 24	(C)
Q.No. 25	(A)
Q.No. 26	(D)
Q.No. 27	(C)
Q.No. 28	(B)
Q.No. 29	(C)
Q.No. 30	(B)
Q.No. 31	(D)
Q.No. 32	(A)
Q.No. 33	(C)
Q.No. 34	(B)
Q.No. 35	(B)
Q.No. 36	(B)
Q.No. 37	(D)

Q.No. 38	(A)
Q.No. 39	(B)
Q.No. 40	(B)

~~Q.No. 41~~