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Economic Systems

Section A - (25 x 1 = 25)
Answer ALL questions. Choose the correct answer.

1. Which aspect is considered as Macro Economics?
   (a) study of an economy  (b) study of aggregates
   (c) study of an institution  (d) study of an individual

2. In which year, the term Macro was coined?
   (a) 1936  (b) 1933
   (c) 1940  (d) 1776

   (a) Adam Smith  (b) Ricardo
   (c) J B Say  (d) J M Keynes

4. "Macro Economics is the study of the nature, relationship and behaviour of aggregates and average of economic quantities." Who gave this definition?
   (a) J M Keynes  (b) Mayer
   (c) Hanson  (d) Paul A Samuelson

5. Choose the alternative term used to indicate the subject Macro Economics.
   (a) Employment Theory  (b) Price Theory
   (c) Micro Economics  (d) Income Theory

6. Identify the micro economic variable that is related to macro economy.
   (a) National Income  (b) Consumption
   (c) Inflation  (d) Employment

7. Identify the macro - economic variable.
   (a) Value  (b) Price
   (c) Inflation  (d) Profit

8. Which is the common variable used to understand the growth process of an economy?
   (a) National Income  (b) Money Supply
   (c) Inflation  (d) Employment

9. Point out the term used to indicate the inefficient use of human resources.
   (a) employment  (b) unemployment
   (c) full employment  (d) underemployment

10. Which factor influences Economic Growth?
    (a) Income  (b) Employment
    (c) Output  (d) All the above
11. Which is the central problem in macro economics?
   (a) income and employment   (b) price and output
   (c) interest and money       (d) price and profit

12. Identify the indicator that represents the aggregate production of final goods and services in an economy during a year.
   (a) Gross Domestic Product  (b) Net National Product
   (c) Gross National Product  (d) Per Capita Income

13. Which one is the non-economic activity of an economy?
   (a) Production               (b) Consumption
   (c) Exchange                 (d) Education

14. Who classified economies as Low Income, Middle Income and High Income?
   (a) IBRD                    (b) IMF
   (c) WTO                     (d) UN

15. Identify the person who coined the term 'Globalism'.
   (a) George Stigler          (b) Joseph Stiglitz
   (c) Ragnar Frisch           (d) Manfred D Steger

16. Specify the ideology behind 'Globalism'.
   (a) Extended Socialism      (b) Extended Capitalism
   (c) Extended Mixed Economy  (d) None of the above

17. In what other way a capitalistic economy is known as?
   (a) Market Economy          (b) Laissez faire Economy
   (c) Free Economy            (d) All the above

18. Identify the feature of capitalism.
   (a) No inequality           (b) Planned Economy
   (c) Private Ownership       (d) Perfect Distribution

19. Indicate the merit of socialism.
   (a) More Choices            (b) Healthy Competition
   (c) Social Welfare          (d) Profit Motive

20. Choose the demerit of mixed economy.
    (a) Lack of Coordination    (b) Inefficiency
    (c) Widening Inequality    (d) All the above

21. How do you indicate the act of changing the ownership from private to public?
    (a) privatisation           (b) globalisation
    (c) Nationalisation        (d) capitalisation

22. What do you mean by 'static'?
    (a) statistics              (b) standard
    (c) state                   (d) stationary
23. Identify the term that is used to indicate a simplified representation of real situation.
   (a) Theory                      (b) Model
   (c) Hypothesis                 (d) Diagram

24. In a Circular Flow Analysis, measuring the sum total of all factor payments will be called as __________.
   (a) Income Method              (b) Product Method
   (c) Expenditure Method         (d) All the above

25. The mixed economy system is understood by which model?
   (a) Two-Sector Model           (b) Three-Sector Model
   (c) Four-Sector Model          (d) None of the above
Class : 12                         Subject : Economics

Chapter - 2

1. National accounting is a system of ________
   a) Measurement of National income
   b) Accounting for Spending by different sectors in the economy
   c) Presenting a Factual record of the sectors and sub – sectors of the economy
   d) Analysis of economic position of different groups in the society

2. Who has made economic position of different groups in the society of national accounts?
   a) J.M Keynes
   b) Marshall
   c) Richard Stone
   d) Richard Stone

3. Which of the following accounts is not included in the classified accounts of national accounts?
   a) Production account
   b) Consumption account
   c) Saving account
   d) Rest of the world account

4. Fill up the blanks
   a) The Production Account shows the composition of gross national _____ and the _____ that is generated in the process
   b) The Personal Consumption Account shows how ____ is received and how it is used for
   c) The Government Current Account shows the _____ and ____ of the Government
   d) The International Current Account shows the _____ and ____ of goods and services

5. Input – Output analysis has been developed by:
   a) Samuelson
   b) W. Leontief
   c) Morris Copeland
   d) Hicks

6. Which of the following economic accounting systems brings into focus the inter – industry relationships?
   a) Production accounts
7. Which of the following economic accounting systems has been developed by Morris Copeland?
   a) Sectoral accounting
   b) Input – Output accounting
   c) Flow of funds accounting
   d) Balance of Payments accounts

8. In the circular flow of income, which of the following is an injection?
   a) Saving
   b) Taxation
   c) Imports
   d) Exports

9. The standard of living is often measured by
   a) NNP
   b) GNP
   c) Real GDP Per capita
   d) None of these

10. GDP Measures
    a) A country is expenditure
    b) A country’s income
    c) A country’s Savings
    d) All the above

11. How many methods are there to measure the national income?
    a) 2
    b) 3
    c) 4
    d) 5

12. It is added to GDP to get GNP
    a) Net Income from abroad
    b) Depreciation
    c) Direct Taxes
    d) All the above

13. The payments received without any contribution to current output is called _______
    a) Transfer payments
14. Net National Product is equal to ______
   a) National Domestic Product – Depreciation
   b) National Domestic Product + Depreciation
   c) National Domestic Product + Net factor income from abroad
   d) National Domestic Product – net factor income from abroad

15. The income which is left with the individuals after deduction of all taxes levied against their income comes under ______
   a) Transfer payments
   b) Personal Disposable income
   c) National income
   d) Per capita income

16. Which one is the method of measuring national income?
   a) Fiscal method
   b) Monetary method
   c) Investment method
   d) Value added method

17. The value of national output produced by residents located within the country, before depreciation and including the influence of taxes and subsidies, is known as ______
   a) NNP at market prices
   b) NNP at factor cost
   c) GDP at market prices
   d) GDP at factor cost

18. The first official estimate of national income for India was prepared by the Government of India for the year ______
   a) 1947 – 48
   b) 1948 – 49
   c) 1949 – 50
   d) 1950 – 51

19. These goods and services which are used by the producers as inputs into a further stage of production is called ______
   a) Intermediate products
   b) Factor of production
   c) Final goods
Consider the following statements and identify the right ones
   a) National income is the monetary value of all final goods and services produced
   b) Depreciation is deducted from gross value of get the net value
   c) A and b both
   d) None of the following

The value of NNP at consumer point is called ____
   a) NNP at factor cost
   b) NNP at market price
   c) GNP at market price
   d) GNP at factor cost

The value of NNP at production point is called ______
   a) GNP at market price
   b) NNP at factor cost
   c) GNP at factor cost
   d) NNP at market price

The value of national income adjusted for inflation is called _____
   a) Disposable income
   b) Real national income
   c) Inflation rate
   d) Per capita income

The national income estimation is the responsibility of ______
   a) NSSO
   b) Finance Ministry
   c) National Income Committee
   d) CSO

As per the CSO classification, which of the following does not fall under the industrial sector?
   a) Manufacturing
   b) Construction
   c) Fisheries
   d) Mining
Class: 12

Subject: Economics

Chapter – 3

Multiple Choice Questions

1. Classical economists attacked a body of economic doctrines known as
   a) Monetarism
   b) Fiscalism
   c) Welfarism
   d) Mercantilism

2. The unemployment that results because it takes time for workers to search for the jobs that best suit their skills and tastes.
   a) Disguised Unemployment
   b) Seasonal Unemployment
   c) Frictional Unemployment
   d) Technological Unemployment

3. The classical economists built their full employment models on the rational of
   a) Quantity theory of goods
   b) Say’s Law
   c) Wicksell’s Law
   d) All of the above

4. The classical Theory presupposes
   a) Completely flexible wage and price but fixed interest
   b) Completely flexible wage, price and interest rates
   c) Completely flexible price but fixed wage
   d) Completely flexible price and interest, but fixed wage

5. The classical solution to unemployment of productive resources is:
   a) To increase deficit spending
   b) To lower profits
   c) To lower money wages
   d) To lower the money supply

6. If you are out of work because you are in the process of looking for a better job, economists would say that you are
   a) Frictionally unemployed
   b) Cyclically unemployed
   c) Structurally unemployment
   d) None of the above
7. People who are unemployed because they have no marketable skills are said to be
   a) Frictionally unemployed
   b) Cyclically unemployed
   c) Structurally unemployed
   d) None of the above

8. A fundamental cause of cyclical unemployment is generally
   a) Severe, widespread deficiency in demand for goods and services
   b) An inability of workers to move because of housing difficulties
   c) Family ties which prevent workers moving from one area to another
   d) High rates of income tax imposed on workers in the capital goods industries

9. According to the classical economists, prolonged unemployment could be caused only by
   a) Too little spending
   b) Workers making unreasonable wage demands
   c) External shocks
   d) Changes in consumer preferences

10. Classical economics cover the time span from the
   a) 1700’s to the 1930’s
   b) 1930’s to the 1980’s
   c) 1890’s to the 1930’s
   d) 1770’s to the 1980’s

11. The term classical model was coined by
   a) Alfred Marshall
   b) Karl Marx
   c) A.C. Pigou
   d) John Maynard Keynes

12. Absence of involuntary unemployment in an economy is called
   a) Under employment
   b) Full employment
   c) Cyclical unemployment
   d) Over full employment

13. Pigovian paradox refers to
   a) Wage cut to bring full employment
   b) Diminishing marginal utility of money as income increases
   c) Non – inclusive of unpaid services of a wife to her husband in national income accounting
   d) None of these
14. The main postulate of the classical economics is
   a) There is always full employment
   b) The economy is always in the state of equilibrium
   c) Money does not matter
   d) All of the above

15. Structural unemployment is a regular feature in a \( \)____\( \)____\( \)____\( \)____\ \( )____\( )____\( )____\( )____\____\( )____\____\( )____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\____\_
21. Keynes’ theory often refers to
   a) Lack of effective supply
   b) Lack of effective demand
   c) Lack of both
   d) None of the above

22. Keynes’ employment theory is often referred to as
   a) Lapses from full employment
   b) Excess supply theory
   c) Demand deficiency theory
   d) Optimum employment theory

23. Keynes’ theory seeks to replace laissez-faire by
   a) Non – Intervention
   b) Maximum intervention by the state
   c) State intervention in certain situations
   d) Monetarism

24. The basic Keynesian concept of effective demand was given by
   a) Malthus
   b) Ricardo
   c) Say
   d) Non of them

25. According to Keynes, the basic cause of depression is
   a) Too little productive capacity
   b) General malfunctioning of the economy
   c) Too little aggregate demand relative to productive capacity
   d) Inelastic supply
1. All of the following are characteristics of intended investment except that
   a. its level is influenced by the rate of capacity utilization
   b. as the interest rate falls, the quantity of intended investment increases
   c. its size is dependent on the level of national income
   d. it is by nature volatile
   e. its level is influenced by the introduction of new technologies

2. Milton Friedman proposed the
   a. permanent income hypothesis
   b. life-cycle hypothesis
   c. absolute income hypothesis
   d. relative income hypothesis
   e. saving equals investment hypothesis

3. At a specific level of national income, saving can be measured by
   a. the MPS multiplied by the level of national income
   b. 1 + MPC multiplied by the level of national income
   c. the vertical distance between the income line and the consumption function
   d. the vertical distance between the consumption function and the saving function
   e. 1 MPC multiplied by the level of national income
4. The theory of consumption which argues that consumption is based on a household’s long-run estimate of their income is called the
   a. relative income hypothesis
   b. Duesenberry theory
   c. permanent income hypothesis
   d. life-cycle hypothesis e. absolute income hypothesis

5. All of the following are examples of Friedman’s concept of transitory income concept except
   a. a jockey winning the Triple Crown — the Kentucky Derby, the Preakness, and Belmont — in one year
   b. a $10 million winner of the Texas lottery
   c. a farmer whose crops are wiped out by a drought
   d. a physician experiencing a 20-fold increase in her patient load during a one-year epidemic
   e. David Letterman’s $40 million salary at CBS

6. The marginal propensity to save (MPS)
   a. plus the MPC = national income
   b. plus the MPC = one
   c. plus intended investment = one
   d. minus national income = consumption e. represents the economy's level of savings
7. The life-cycle hypothesis on consumption behavior suggests that people at various stages of the life cycle,
   a. spend everything they earn so saving ends up at zero
   b. increase their marginal propensity to consume as income increases
   c. decrease their marginal propensity to consume as income increases
   d. have differing MPCs, which is still consistent with a constant MPC for the economy
   e. consume according to class status

8. Because intended investment is independent of the level of national income, we graph the investment curve as
   a. downward sloping
   b. upward sloping
   c. horizontal
   d. vertical
   e. diagonal

9. The change in consumption divided by the change in income is
   a. the relative income hypothesis
   b. the marginal propensity to consume
   c. equal to a + bY
   d. equal to 1 + MPS
   e. equal to autonomous consumption
10. Keynes's absolute income hypothesis cannot be correct because studies have shown that
   a. as disposable income increases, consumption increases at a diminishing rate
   b. the marginal propensity to consume is constant
   c. rich households save a larger fraction of additional income than poor households
   d. income is never absolute and thus a hypothesis can't be formed
   e. autonomous consumption is zero

11. Autonomous consumption refers to
   a. MPCs that are less than one
   b. MPCs that are greater than one
   c. consumption that is independent of the level of income
   d. permanent consumption associated with Friedman's permanent income hypothesis
   e. transitory consumption associated with Friedman's permanent income hypothesis

12. Shifts in the consumption curve are caused by all of the following except changes in
   a. asset holdings
   b. income
   c. price level expectations
   d. credit availability
   e. interest rates
13. If the consumption curve is drawn through the origin,
a. consumption and income are the same
b. the marginal propensity to consume is zero
c. autonomous saving is very high
d. autonomous consumption is zero
e. the marginal propensity to consume will decrease as income increases

14. If the government increases income taxes, the
a. intended investment curve shifts upward
b. consumption curve shifts upward
c. consumption curve shifts downward
d. national income decreases because people's after-tax income has fallen
e. actual investment curve shifts downward

15. When the MPS = 0.30 and autonomous consumption is $30 billion, then
a. the MPC = 0.30
b. consumption spending = $10 billion
c. consumption spending = $900 billion
d. the MPC = 0.70
e. the MPC = 1.00
16. Research regarding the relationship between consumption and the level of national income shows that the marginal propensity to consume

a. increases as income increases
b. decreases as income increases just as Keynes predicted
c. is constant as income increases
d. is higher for workers in their peak income earning years than for retirees
e. is lower for young people who have just finished college

17. The demand curve for investment is downward sloping. When it is graphed, it shows ________ on the horizontal axis and _________ on the vertical axis.

a. income; investment
b. investment; income
c. investment; the interest rate
d. the interest rate; investment
e. income; the interest rate

18. Which of the following is not a determinant of autonomous investment?

a. income
b. the level of technology
c. the interest rate
d. expectations of future economic growth
e. the rate of capacity utilization
19. If producers expect economic growth to be more rapid in the future, then it is likely that
a. saving will decrease
b. interest rates will decrease
c. the investment curve will shift up
d. the marginal propensity to consume will decrease
e. autonomous consumption will decrease

20. If stock market prices increase dramatically so that those who own stock perceive that their wealth has increased, then, ceteris paribus
a. the consumption function shifts downward because saving increases
b. intended investment increases because it is now more profitable
c. the saving curve shifts upward
d. the saving curve is unchanged because only consumption is affected
e. the consumption function shifts upward

21. Keynes’s approach to dealing with the Great Depression of the 1930s differed from the conventional wisdom of classical economics in that
a. he argued the depression was temporary and the economy would recover on its own
b. he advanced long-run economic policies to end the depression whereas classical economics focused on the short run
c. he pushed for harsher reparations from Germany to provide financial resources for the British economic recovery
d. he believed the economy would not recover on its own and that policies should focus on the short run

e. he advanced a theory of probability that could be applied to economics

22. Which of the following is not a reason for saving according to either Alfred Marshall or Christopher Carroll?

a. family affection

b. to increase the wealth of the family for future generations

c. to acquire power

d. to increase the level of consumption achieved during retirement

e. to acquire social status

23. Research suggests that the short-run consumption curve _____ while the long-run consumption curve __________.

a. is quite steep; is very flat

b. intersects the vertical axis above the origin; runs through the origin

c. has a large average propensity to consume; has a large marginal propensity to consume

d. has a large marginal propensity to consume; has a small marginal propensity to consume

e. has a large marginal propensity to consume; has a large average propensity to consume
24. The desire to have a relatively even pattern of consumption over time is known as
   a. excess sensitivity.
   b. the substitution effect.
   c. the consumption-smoothing motive.
   d. forced saving.

25. When a person receives an increase in wealth, what is likely to happen to consumption and saving?
   a. Consumption increases and saving increases.
   b. Consumption increases and saving decreases.
   c. Consumption decreases and saving increases.
   d. Consumption decreases and saving decreases.
Class :12

Subject : Economics

CHAPTER 5

Section A - (25 x 1 = 25)

Answer ALL questions. Choose the correct answer.

1. The definition, “Money is anything which is widely accepted in payment for goods or in discharge of other kinds of business obligation” was given by
   (a) D.H.Robertson   (b) A.C.Pigou   (c) F.A.Walker   (d) Crowther

2. The exchange of goods for goods is known as
   (a) Commodity money   (b) Barter system   (c) Plastic money   (d) Paper money

3. Which of the following is not included in M₁?
   (a) Currency   (b) Demand deposits   (c) other deposits with RBI   (d) other deposit with post office

4. Which of the following is not included in M₂?
   (a) M₁   (b) Time liabilities portion of saving deposits with bank   (c) Certificate of deposits issued by Banks   (d) Term deposits with Banks with maturity over one year

5. When too much money chases too few goods the resulting inflation is called
   (a) Deflation   (b) Cost-push inflation   (c) Stagflation   (d) Demand-pull inflation

6. When prices are rising and there is unemployment and recession in the economy, it is called
   (a) Inflation   (b) Stagflation   (c) Deflation   (d) Disinflation

7. The Quantity theory of money was first propounded by
   (a) Davanzatti   (b) Fisher   (c) Marshall   (d) Robertson

8. Which bank among the following is responsible for issuing currency notes in India?
   (a) SBI   (b) RBI   (c) UTI   (d) World Bank

9. The book entitled “The Purchasing Power of Money” was published by
   (a) Fisher   (b) Pigou   (c) Keynes   (d) Marshall

10. The Cash Transactions Approach was developed by
    (a) Keynes   (b) Marshall   (c) Fisher   (d) Pigou

11. The equation MV = PT was given by
    (a) Pigou   (b) Fisher   (c) Marshal   (d) I Keynes

12. Demand for money is expressed as
    (a) MV   (b) PT   (c) PR   (d) T
13. The other name of Cambridge Equation is
   (a) Cash Transactions Approach   (b) Real Balance Approach
   (c) Cash Balances Approach       (d) Transactions Approach
14. The equation \( M = KPY \) was given by
   (a) Marshall     (b) Pigou     (c) Robertson     (d) Keynes
15. The equation \( P = KR / M \) was given by
   (a) Keynes      (b) Robertson  (c) Pigou         (d) Marshall
16. The equation \( M = PKT \) was given by
   (a) Pigou       (b) Keynes     (c) Marshall      (d) Robertson
17. The equation \( n = pk \) was given by
   (a) Marshall    (b) Keynes     (c) Robertson     (d) Pigou
18. When prices rise rapidly like a horse is called as
   (a) Walking inflation   (b) Creeping inflation   (c) Running inflation
   (d) Galloping inflation
19. In order to control inflation in India RBI may
   (a) Increase CRR     (b) Decrease CRR      (c) Increase SLR     (d) Decrease SLR
20. Monetary Policy is given by
   (a) RBI     (b) Planning Commission     (c) Finance Minister     (d) Monetary Bank of India
21. The term true inflation was referred by
   (a) Marshall     (b) Pigou     (c) Crowther     (d) Keynes
22. The Galloping inflation is also called as
   (a) Hyper inflation   (b) Demand-pull inflation   (c) Cost-push inflation
   (d) Wage-price spiral
23. The expansion of GDP is
   (a) Gross Domestic Product   (b) Gross Domestic Productivity   (c) Gross Domestic Plan
   (d) Gross Domestic Price
24. The turning point from boom condition is called
   (a) Recession   (b) Recovery   (c) Depression   (d) Trade cycle
25. Which is the Central Bank of India?
   (a) SBI     (b) RBI     (c) NABARD     (d) Commercial Bank
Class :12

Subject : Economics

BANKING – CHAPTER VI

Answer ALL questions. Choose the correct answer.

1. RBI in India was set up in the year
   a) 1936       b) 1935       c) 1937       d) 1938

2. The oldest central bank in the world
   a) Bank of England b) Bank of America c) RBI d) Federal Reserve System

3. In India, RBI was nationalized in the year
   a) 1949       b) 1948       c) 1952       d) 1959

4. Who is the executive head of RBI
   a) Prime minister b) Chief minister c) Governor d) Finance minister

5. How many Deputy Governors are in RBI?
   a) 2           b) 2           c) 5           d) 4

6. RBI consists of
   a) Local Board b) Central Board c) Both (a) & (b) d) None of these

7. The functions of RBI are divided into
   a) Traditional b) Promotional c) Economical d) Traditional, Promotional and Developmental functions.

8. The broad objective of RBI is to
   a) Regulate the issue of bank notes and to secure monetary stability
   b) Banker’s bank
   c) Banker to the government d) Controller of credit

9. RBI issues currency on the basis of
   a) Fixed fiduciary system b) proportionate fiduciary system
   c) minimum reserve system d) partial fiduciary system.

10. One rupee note and small coins are issued by
    a) Ministry of Finance b) Ministry of Commerce
    c) State Government d) Ministry of Economic Affairs

11. Currency of all denominations except one rupee note issued by
    a) Commercial Banks b) RBI c) Ministry of Finance d) President’s Office

Send Your Questions & Answer Keys to our email id - padasalai.net@gmail.com
12. Under Banking Regulation Act 1949 every bank is required to keep
   a) CRR      b)SLR      c) CRR & SLR      d) Time Depositing

13. FERA introduced in the year
   a) 1993     b) 1973      c) 1974     d) 1975

14. All commercial banks in the country are affiliated to
   a) Commercial banks     b) Foreign banks      c) RBI      d) RRBs

15. RBI issues currency on the basis of minimum of
   a) 200 crores of Gold and Foreign reserves  b) 115 crores of Gold and Foreign reserves
   c) 85 crores of Gold and Foreign reserves   d) All the above

16. RRBs were established in the year ______
   a) 1975     b) 1976      c) 1977     d) 1978

17. NABARD was established in the year______
   a) 1981     b) 1982      c) 1983     d) 1985

18. RBI introduced (SAS) Service Area Scheme in the year ______
   a) 1989     b) 1990      c) 1991     d) 1992

19. RBI setup Agricultural Refinance Corporation in the year ______
   a) 1959     b) 1964      c) 1963     d) 1970

20. FRRA (Amendment ) took place in the year
   a) 1993     b) 1994      c) 1995     d) 1996

21. Bank rate refers to
   a) Interest rate
   b) Rate fixed by the commercial bank at which it rediscounts first class bills of exchange and government securities holding by commercial banks.
   c) Lending rate
   d) Exchange rate

22. Open market operation means
   a) The sale and purchase of Gold related securities and other securities, bills and bonds of government by the RBI.
   b) Sale of Gold related securities.
   c) Purchase of Gold related securities.
   d) Sale and purchase of shares.

23. A central Bank does not have the objective of
   a) Monetary control   b) Issue of currency     c) Profit making   d)Development banking
   b)
24. Which of the following function is performed by a central bank
   a) Credit creation    b) Discounting bill
   c) Ownership of other banks    d) Custodian of cash reserves of banks

25. Which of following function is not performed by a central bank
   a) Issue of notes    b) Accepting deposits from public
   c) Banker to the government    d) Lender of last resort

26. Quantitative credit control method is also known as
   a) General method    b) Selective method
   c) Both (a) & (b)    d) Income method

27. Qualitative credit control method is also called
   a) General method    b) Selective method    c) Both (a) & (b)    d) Income method

28. Which of the following measures results into contraction of credit?
   a) Reduction in bank rate    b) Purchase of securities by the central bank
   c) Reducing the cash reserve ratio of the banks    d) Selective credit controls

29. Which of the following measures helps in the public borrowing of the government?
   a) Bank rate policy    b) Open market operations
   c) Variable cost reserve ratio    d) Selective credit controls

30. Which of the following methods of credit control is more direct and powerful?
   a) Bank rate policy    b) Open market operations
   c) Variable cash reserve ratio    d) Fixation of margin requirements.

31. Which of the following methods of credit control is more flexible?
   a) Bank rate policy    b) Open market operation
   c) Variable cash reserve ratio    d) Selective credit control

32. Which of the following is not a selective credit control measure?
   a) Secondary reserves ratio    b) Margin requirements
   c) Regulation of consumer credit    d) Rationing of credit

33. Financial markets in essence are:
   a) Money markets    b) Capital markets    c) Credit markets    d) Liquidity oriented

34. Money market deals in
   a) Money    b) Short term fund    c) Credit    d) Bond
35. The market for a very short period loan is called
   a) Money market   b) Collateral loan market
   c) Call money market   d) Bill market

36. Equity market is a constituent of
   a) Money market   b) Capital market   c) Stock exchange   d) Speculative market

37. A developed money market is characterized by
   a) Weak banking organization   b) A developed banking system
   c) Absence of a Central bank   d) Multiplicity of interest rates

38. Non-bank financial intermediaries perform the function of
   a) Purchasing primary securities only
   b) Selling primary securities only
   c) Purchasing primary securities only and Selling primary securities only
   d) None of the above

39. The ‘neutrality of money’ objective of monetary policy is
   a) Based on quantity theory of money
   b) Ignores quantity theory of money
   c) Supports a dynamic economy
   d) Believes that economic disequilibrium is not caused by monetary change

40. The ‘price stability’ objective of monetary policy
   a) Was considered essential for successful working of gold standard
   b) Relates to reasonable stability in general prices
   c) Relates to stability in relative prices
   d) Can be easily attained through monetary change

41. The ‘growth objective’ of monetary policy has been considered to be ____
   a) Compatible with full employment objective under all conditions
   b) Long term objective
   c) Relevant for developing economies
   d) Based on monetary expansion under all conditions

42. Monetary policy is
   a) Opposed to fiscal policy   b) Complementary to fiscal policy
   c) More effective during depression   d) Direct measures to control effective demand
43. The objectives of monetary policy
   a) Remain the same for all countries under all conditions
   b) Do not relate to economic growth to increase in employment
   c) Can come in clash with each other
   d) There can be only one objective at one time

44. Demand deposits refer to deposits received in
   a) Fixed deposit account   b) Current account
   c) Current account and saving bank account   d) Saving bank account

45. Which type of deposit earns relatively highest rate of interest?
   a) Savings deposit   b) Term deposit
   c) Current account deposits   d) Home savings deposits

46. Which type of bank loan allows the borrower to withdraw money from time to time up to a certain limit fixed by the bank?
   a) Ordinary loan   b) Cash credit   c) Overdraft   d) Discounting of bill

47. The user of which card becomes the borrower of the bank?
   a) Credit card   b) Debit Card   c) ATM card   d) All these

48. If the banks receive Rs.1,000 as primary deposits and maintain a reserve ratio of 20 per cent, other things remaining the same, what will be the extent of credit creation?
   a) Rs.800   b) Rs.1,000   c) Rs.4,000   d) Rs.5,000

49. Which of the following factors ensures credit creation to the maximum extent?
   a) Cash transactions   b) Larger reserves
   c) Larger size of primary deposits   d) Lower volume of currency in circulation

50. Which of the following is an asset for a bank?
   a) Capital   b) reserve fund   c) loans and advances   d) bill payable
Class :12 Subject : Economics

Chapter - 7

International Economics

1. The exchange of goods and services is known as .........................
   a) Domestic Trade b) International Trade c) Trade d) None of these.

2. A country that does not trade with other countries is called:
   a) Developed economy b) Closed economy
   c) Independent economy d) Undeveloped economy

3. Trade between two countries is known as ..............
   a) External b) Internal c) Inter-regional d) None of Above

4. International trade and domestic trade differ because of:
   a) Trade restrictions b) Immobility of factors
   c) Different government policies d) All of the above

5. The important advantage of foreign trade:
   a) Increases employment opportunities b) Increases international mobility of labour
   c) Increases competition d) All of the above

6. In foreign trade, protection policy means:
   a) Restrictions on exports b) Restriction on transfer of foreign exchange
   c) Restrictions on imports d) All of the above

7. Trade between two countries can be useful if cost ratios of goods are:
   a) Equal b) Different c) Undetermined d) Decreasing

8. Dumping refers to
   a) Buying goods at low prices abroad and selling at higher prices locally
   b) Expensive goods selling for low prices c) Reducing tariffs
   d) Sale of goods abroad at low a price, below their cost and price in home market

9. International trade and domestic trade differ because of
   a) Trade restrictions b) Immobility of factors
   c) Different government policies d) All of the above

10. Terms of trade of a country show:
    a) Ratio of goods exported and imported b) Ratio of import duties
    c) Ratio of prices of exports and imports d) (a) and (c) of above
11. Balance of payments means
   a) The balance of receipts and payments of all banks
   b) The balance of receipts and payments of State Bank
   c) The balance of receipts and payments of foreign exchange by a country
   d) The balance of govt. receipts and payments

12. All of the following are credit items in the balance of payments, except:
   a) Investment inflow
   b) merchandise exports
   c) Payments for services to foreigners
   d) private gifts to foreign residents

13. In the balance of payments, travel and tourism are included in the category of
   a) Unilateral transfers
   b) capital account
   c) services account
   d) merchandise account

14. The receipts and payments for goods exported and imported are counted in:
   a) Trade account
   b) Capital account
   c) Current account
   d) Monetary account

15. A change in fiscal policy affects the balance of payments through:
   a) The current account only
   b) The capital account only
   c) Both, the current account and capital account
   d) Neither current account nor capital account

16. An exchange rate is the
   a) amount of foreign currency that can be bought
   b) price of one currency on the international market
   c) price of one currency against another currency
   d) amount other countries are willing to pay for your currency

17. When the exchange rate is determined by the market forces of demand and supply, it is
   known as
   a) Real exchange rate
   b) Nominal exchange rate
   c) Superfluous exchange rate
   d) Floating exchange rate

18. What would cause a country's exchange rate to fall
   a) An increased demand for its exports
   b) An increased demand for its imports
   c) An increased inflow of capital
   d) None of the above

19. The exchange rate is kept the same across geographically-separate markets by
   a) hedging
   b) speculation
   c) government regulation
   d) arbitrage

20. Income Terms of Trade was introduced by
   a) G.S.Dorrance
   b) J.S.Mill
   c) Jacob Viner
   d) Robertson
21. When the total value of commodity exports of a country exceeds the total value of commodity imports of that country, it is said that the country has a
   a) Unfavourable BoT
t   b) Favourable BoT
c) Negative BoT
d) Indirect BoT
22. If total value of commodity exports of a country is less than the total value of commodity imports of that country, that country is said to have an
   a) Unfavourable BoT
t   b) Favourable BoT
c) Positive BoT
d) Direct BoT
23. The BoP is said to be balanced when the receipts and payments are
   a) not equal
t   b) different
c) just equal
d) unbalanced
24. When receipts are less than payments, the BoP is said to be
   a) favorable BoP
t   b) Unfavorable BoP
c) Positive BoP
d) Fruitful BoP
25. The objectives of FDI include
   a) Sales Expansion
t   b) Acquisition of resources
c) Diversification
d) All of these
CHAPTER 8

Section A - (25 x 1 = 25)

Answer ALL questions. Choose the correct answer.

1. Bretton Woods conference proposed the setting up of International Monetary Fund, World Bank and
   a) International Trade Organisation   b) World Trade Organisation
   c) General Agreement on Tariffs and Trade   d) World Trade Centre

2. World Trade Centre is at

3. The headquarters of New Development Bank is
   a) Shangai   b) Geneva
   c) Washington   d) Colombo

4. The Buffer Stock Facility was started by the IMF in the year
   a) 1951   b) 1961   c) 1969   d) 1981

5. Which of the following provides additional financial assistance to primary producing countries facing shortfall in export earnings?
   a) Compensatory Financing Facility   b) Extended Fund Facility
   c) Buffer Stock Facility   d) Basic Credit Facility

6. Special Drawing Rights are related to
   a) IMF   b) World Bank   c) New Development Bank   d) IFC

7. BENELUX is an example of
   a) Economic Union   b) Customs Union   c) Common Market   d) Free Trade Area

8. ESAF stands for
   a) Enhanced Structural Adjustment Facility
   b) Extended Structural Adjustment Facility
   c) Expected Stock Adjustment Facility
   d) Expected Statutory Stock Facility

9. According to TRIPS Agreement, ----------- enjoy 7 year period of protection.
   a) Copyrights   b) Patents   c) Geographical Indications   d) Layout designs

10. It is mandatory for the World Trade Organisation to settle any dispute within
    a) 6 months   b) 12 months   c) 18 months   d) 24 months
11. The WTO convenes the inter ministerial conference once in
   a) two years  b) three years  c) four years  d) five years

12. The 2017 WTO conference was held at
   a) Kenya        b) Indonesia    c) Switzerland d) Argentina

13. The Multi trade agreement governed the world trade in textiles and garments since
   a) 1964        b) 1969       c) 1974      d) 1978

14. Which of the following is the largest form of trade blocks?
   a) Economic Union  b) Customs Union  c) Common market  d) Free Trade area

15. The first SAARC summit was held at
   a) New Delhi   b) Colombo     c) Dhaka    d) Kathmandu

16. The strength of SAARC nations is
   a) 5         b) 6          c) 7       d) 8

17. The World Trade Organisation is the immediate successor of
   a) GATT      b) ITO     c) IDA     d) None of these

18. SAFTA is an example of
   a) Free Trade Area  b) Economic Union  c) Common Market  d) Customs Union

19. Which of the following is not the member of MERCOSUR Customs Union?
   a) Argentina   b) Brazil     c) Uruguay  d) Australia

20. ASEAN was first established in Bangkok by ________-countries.
    a) 3          b) 4         c) 5      d) 7

21. The New Development Bank was previously called
    a) BRICS Development Bank  b) Asian Development Bank
       c) European Central Bank  d) BRICS Bank

22. Which of the following is true?  i) The headquarters of IBRD is Washington D.C.;  ii) The headquarters of IMF is Washington D.C.
    a) i) only     b) ii) only
       c) i) and ii)   d) neither i) nor ii)
23. Which of the following is not true of IMF?
   a) Outcome of Bretton Woods Conference  b) Solving short term BOP disequilibrium
   c) Solving long term BOP disequilibrium  d) none of these

24. Which of the following does not come under World Bank Group?
   a) MIGA  b) IFC  c) IDA  d) ADB

25. To become a member of World Bank one should be the member of
   a) International Development Association
   b) International Financial Corporation
   c) International Monetary Fund
   d) International Bank for Reconstruction and Development
Answer ALL questions. Choose the correct answer

1. The main characteristics of a tax is the following
   a) A tax is a compulsory contribution imposed by a public authority.
   b) A tax is a payment in return for which no direct specific quid pro quo is rendered to the payer.
   c) There is no direct give and take relationship between a tax payer and the tax levying authority.
   d) All of the above.

2. Indirect taxes have the advantage that they
   1. Can be adjusted fairly quickly
   2. Tend to be progressive
   3. Influence consumption more effectively than direct tax
   4. Do not distort the pattern of distribution
      a) 1, 2 and 3 only
      b) 2 and 3 only
      c) 3 and 4 only
      d) All of them

3. Which one of the following is enunciated by Adam Smith?
   a) Canon of certainty
   b) Canon of productivity
   c) Canon of elasticity
   d) Canon of simplicity

4. Consider the following Statements

   Assertion (A): Public debt in India rose quickly since independence
   Reason (R): Taxable capacity is low in developing countries like India

   Of these statements
   a) Both (A) and (R) are true and (R) is the correct explanation of (A)
   b) Both (A) and (R) are true, but (R) is not the correct explanation of (A)
   c) (A) is true, but (R) is false
   d) (A) is false but (R) is true

5. Methods of repayment of public debt is
   a) Conversion
b) Sinking fund
c) Funded debt
d) All these

6. Redemption of public debt means
   a) Repayment of public debt
   b) Refusal to pay public debt
   c) Redefining public debt in terms of foreign currency
   d) Linking public debt with inflation rate

7. Budget implies
   a) A statement of expected revenue and proposed expenditure
   b) Sanctioned by public authority
   c) Public borrowing
   d) All of these

8. Budget is the main instrument of
   a) Fiscal policy
   b) Monetary policy
   c) Economic policy
   d) Export policy

9. Finance commission determines
   a) The finances of Government of India
   b) The resources transfer to the states
   c) The resources transfer to the various departments
   d) None of the above

10. Finance commission in India is a
    a) Political body
    b) Administrative body
    c) Statutory body
    d) Ad-hoc body

11. Which of the following articles of the Indian constitution authorizes the appointment of Finance Commission?
    a) Article 246
    b) Article 252
    c) Article 248
    d) Article 280
12. Public finance deals with
   a) Household budget
   b) Government budget
   c) Company budget
   d) None of the above

13. In India, fiscal year starts from
   a) 31st March
   b) 30th April
   c) 1st April
   d) 1st March

14. Income tax is raised by
   a) Central government
   b) State government
   c) Local government
   d) All the above

15. Sales tax is levied by
   a) Central government
   b) State government
   c) Local government
   d) All the above

16. Total Receipt – Total expenditure is equal to
   a) Capital deficit
   b) Revenue deficit
   c) Fiscal defect
   d) Budgetary deficit

17. List-I List-II
    1. Revenue Receipts A. Salaries
    2. Capital Receipts B. Taxes
    3. Revenue Expenditure C. Borrowing
    4. Capital Expenditure D. Building Dams

Codes:

   1  2  3  4
   a) D  C  A  B
   b) B  C  A  D
   c) A  B  C  D
   d) C  A  B  D
18. List-I
1. Fiscal deficit
2. Revenue deficit
3. Budgetary deficit
4. Capital deficit

List-II
A. Revenue and interest receipts minus revenue expenditure
B. Revenue receipts & recovery of loans and other receipts minus total expenditure
C. Receipts minus disbursements in capital account
D. Total receipts – Total disbursements

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19. Assertion (A) : Surcharge is a tax
Reason (R) : Cess is charged for specific purpose.

Of these statements
a) Both (A) and (R) are true and (R) is the correct explanation of (A)
b) Both (A) and (R) are true, but (R) is not the correct explanation of (A)
c) (A) is true, but (R) is false
d) (A) is false but (R) is true

20. Which one of the following sources is considered as a source of government revenue?

a) Taxes
b) Surplus of public enterprises
c) Transfer payments
d) Mobilization of internal loans and deposits

21. Consider the following statements. The main objectives of fiscal policy in developing countries are

1) Rapid economic growth
2) Price stability
3) Full employment
4) Equitable distribution

Which of the statements given above is/are correct.

a) 1 and 2
b) 2 and 3
c) 2 and 4
d) 1 and 4
22. The tax which is not shared by states is
   a) Sales tax
   b) Income tax
   c) Corporation tax
   d) Central excise duty

23. Agricultural income tax is a source of revenue to
   a) Central Government
   b) State Government
   c) Local administration
   d) All the above

24. Fiscal policy in a developing country like India aims at
   a) Widening the tax base
   b) Mopping up most of the surpluses through taxation
   c) Achieving socio-economic objectives of the state
   d) All the above

25. Assertion (A) : Indirect taxes promote inequalities in the distribution of income.
   Reason (R) : The poor bear more burden of indirect taxes.
   Of these statements
   a) Both (A) and (R) are true and (R) is the correct explanation of (A)
   b) Both (A) and (R) are true, but (R) is not the correct explanation of (A)
   c) (A) is true, but (R) is false
   d) (A) is false but (R) is true
1. சுற்றுச்சூழல்
   (a) சுற்றுச்சூழல் பிரபலிக்கப் பயன்படுத்துதல்
   இந்து சுற்றுவரைப்பட்டியல் சுற்றுச்சூழல் பிரபலிக்கப் பயன்படுத்துதல்
   நூறுதற்கு வடிவில் சுற்றுச்சூழல் பிரபலிக்கப் பயன்படுத்துதல்
   (b) சுற்றுச்சூழல் பிரபலிக்கப் பயன்படுத்தும் பிரபலிக்கப் பயன்படுத்தும்

2. சுவாச
   (a) சுற்றுச்சூழல் பிரபலிக்கப் பயன்படுத்தும்
   இந்து சுற்றுச்சூழல் பிரபலிக்கப் பயன்படுத்தும்
   (b) நூறுதற்கு வடிவில் சுற்றுச்சூழல் பிரபலிக்கப் 

3. நல்லிணக்ைத்கத
   (a) நல்லிணக்ைத்கத
   (b) நல்லிணக்ைத்கத

4. வைபவையல் நீர் நீர்ளை பவப்ப
   (a) வைபவையல்
   (b) வைபவையல்

5. சுற்றுச்சூழல் பிரபலிக்கப் 
   (a) சுற்றுச்சூழல்
   (b) சுற்றுச்சூழல்

6. வைபவையல்
   (a) வைபவையல்
   (b) வைபவையல்

7. பது குறித்து
   (a) பது
   (b) பது

8. குறிப்பிட்டு
   (a) குறிப்பிட்டு
   (b) குறிப்பிட்டு

9. குறிப்பிட்டு
   (a) 2.2 பெற்றிருந்தே
   (b) 4.2 பெற்றிருந்தே
10. விளையாட்டுக்குக்கு வாய்வு முடிவு
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

11. கால உறவாடல் குறிப்பிட்டிருந்து
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

12. அறிவு அறிவு குறிப்பிட்டிருந்து
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

13. அணிப்பு குறிப்பிட்டிருந்து
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

14. கருப்பு நீர்மண்பொருள் குறிப்பிட்டிருந்து
   (அ) 0.25 ºC
   (ஆ) 0.45 ºC
   (இ) 0.75 ºC

15. புதிய இயங்குதல் ஆகிழ்ச்சிக் 50% குறிப்பிட்டிருந்து
   (அ) SO₂
   (ஆ) NO₂
   (இ) CO₂

16. கருப்பு நீர் குறிப்பிட்டிருந்து
   (அ) மறு முடிவு
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

17. பொருள் இயங்குதல் என்பது
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

18. கேரளா விளையாட்டு
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

19. கருப்பு விளையாட்டு
   (அ) கருப்பு மரத்தில்
   (ஆ) இளையவு முடிவு
   (இ) இரு முடிவு

20. கேரளா விளையாட்டு
    தொகுதியின் எண்ணிக்கை 2030 க்கு வரத்தில்
    (அ) 12
    (ஆ) 14
    (இ) 15

21. முதலாம் பொருள் பின்மை
    புருநெல் விளையாட்டு
    (அ) புருநெல் விளையாட்டு
    (ஆ) புருநெல் விளையாட்டு
    (இ) கேரளா விளையாட்டு
    (க) கேரளா விளையாட்டு
22. இந்தியாவில் எந்த மாநிலம் புரோஷ்பாந்தம் போர்ஸ்ட்டிலாம் முழுகமயமா முதன் முதலில் பயன்படுத்துகிறது.
   அ) சிக்கிம்
   ஆ) மத்தியபிரிவு
   இ) மஹாஷ்டிரா

23. விக்காரப்பந்து ஏன் மண்பற்றல் மூலம் இதுபட்டுள்ளது
   அ) முகளவிக்கு
   ஆ) பநாதித்தல்
   இ) படிதல்

24. இதுவே வெளிப்படையில் அதிகம் பயன்பாடு தொடுதுகை உபவிசை என்று பொருளடைகிறது
   அ) முகளவிக்கு
   ஆ) பநாதித்தல்
   இ) படிதல்

25. அது ஆலம் மூலம் புரோஷ்பாந்த சிக்கிம் மூலம் இந்தோனேசியா என்று குறித்து அற்றானப்பாடு என்று பொருள்தான
   அ) சிக்கிம்
   ஆ) சிக்கிம்
   இ) சிக்கிம்
Class :12

Subject : Economics

CHAPTER – 11

Section A - (25 x 1 = 25)

Answer ALL questions. Choose the correct answer

1. Economists started devoting their attention after the Second World War towards
   a. Scientific advancement
   b. Development and Growth
   c. Technological advancement
   d. All the above

2. The UDCs after becoming free and independent, there was an awakening to march
   towards
   a. Technological Development
   b. Social Development
   c. Political Development
   d. Economic Development

3. Under traditional approach, the increase in GNP is accompanied by
   a. Decline in share of agriculture
   b. Decline in share of industry
   c. Decline in share of service sector
   d. None of the above

4. The UDCs are predominantly characterized by
   a. Industrial sector
   b. Information sector
   c. Agriculture sector
   d. Service sector

5. is a discontinuous and spontaneous change.
   a. Growth
   b. Development
   c. Structure
   d. All the above

6. is a gradual and steady change in the long run.
   a. Development
   b. Growth
   c. Structure
   d. None of the above

7. Economic growth deals with the problems of countries
   a. Advanced
   b. Less developed
c. Developed  
d. Under developed  

8. Consider the following statements and identify the correct ones.  
i. While calculating GNP, income generated by foreigners in a country is taken into consideration  
ii. While calculating GNP, income generated by nationals of a country outside the country is taken into account.  
   a. i only  
   b. ii only  
   c. Both  
   d. None  

9. Under economic factors the principal factor affecting the development of an economy is the supply of ___________  
   a. Mineral Resources  
   b. Water Resources  
   c. Natural Resources  
   d. Man made Resources  

10. By _______ growth rate of an economy can be speeded up  
    a. Investment in capital formation  
    b. Investment in share market  
    c. Investment abroad  
    d. Investment in primary sector  

11. The term “laissez faire” means ___________  
    a. Open market  
    b. Controlled market  
    c. Closed market  
    d. Free market  

12. Who said capital is a necessary but not a sufficient condition of progress?  
    a. Ragnar Nurkse  
    b. Gunnar Myrdal  
    c. Wassily Leontief  
    d. Amartya Sen  

13. “Productive activity will suffer, if people spend larger proportion of income and time on entertainment, liquor and other illegal activities”, said by ___________  
    a. J.M.Keynes  
    b. Alfred Marshall  
    c. Thomas Piketty  
    d. Paul Krugman
14. What is Patrimonial capitalism?
   a. Assets simply passed on to Children from their relatives
   b. Assets simply passed on to Children from their parents
   c. Assets simply passed on to Children by the Capitalists
   d. All the above

15. Which of the following country adopted economic planning for the first time in 1928?
   a. America
   b. China
   c. Brazil
   d. Soviet Union

16. Which of the following year the first industrial policy was announced in India?
   a. 1948
   b. 1956
   c. 1980
   d. 1991

17. The Planning Commission was created on --------------
   a. 15th March, 1948
   b. 15th March, 1949
   c. 15th March, 1950
   d. 15th March, 1951

18. Which of the following plan was inspired by Gandhian plan?
   a. People’s Plan
   b. Sarvodaya Plan
   c. Bombay Plan
   d. Vishveshwarya Plan

19. Plans can be accepted or rejected by ------------
   a. President of India
   b. Prime Minister of India
   c. Cabinet Committee
   d. Indian Parliament

20. Centralized planning is also called --------------
   a. Planning from below
   b. Planning from medium
   c. Planning from above
   d. None of the above

21. Which of the following is true towards Perspective plans?
   a. 1-3 years
   b. 3-5 years
   c. 5-10 years
   d. 10-30 years
22. Indicative planning is being practiced in France since ------------
   a. Monnet Plan of 1947-50
   b. Monnet Plan of 1950-54
   c. Monnet Plan of 1954-58
   d. None of the above

23. Planning Commission was replaced by NITI Aayog on--------
   a. 13th August, 2015
   b. 13th August, 2016
   c. 1st January 2015
   d. None of the above

24. Who will be the Ex-officio member of NITI Aayog?
   a. Prime Minister
   b. President
   c. Vice – President
   d. Union Minster

25. Who was the first Vice-Chairman of the NITI Aayog?
   a. Dr. Raghram Rajan
   b. Dr. Aravind Panangariya
   c. Dr. Aravind Subramanian
   d. Dr. Gita Gopinath
Class :12

Subject : Economics

CHAPTER – 12

Section A - (30 x 1 = 30)

Answer ALL questions. Choose the correct answer

1. “Statistics is a method of decision making in the face of uncertainty on the basis numerical
data and calculated risk”, defined by
(A) Croxton (B) A.L.Bowley  (C) Boddington      (D) Ya-Lun-Chou

2. In India, the Statistics Day is celebrated on
(A) 29th June  (B) 29th July (C) 19th June  (D) 15th June

3. ___________is known as the founder of modern statistics and called as father of Statistics in
   India
(A) R.A.Fisher  (B) Prof.P.C.Mahalanobis   (C) S.P. Gupta  (D) Prof. Wagner

4. Which is not the function of Statistics?
   (A) It simplifies mass of figures.      (B) It facilitates comparison.
   (B) it helps in Tamil literature.       (D) It helps in prediction

5. ___________considers Statistics as a science as well as an art.
   (A) Croxton      (B) Tipett     (C) Boddington (D) Ya-Lun-Chou

6. Statistics is not a body of substantive knowledge but a body of methods that can be used to
   obtain knowledge.
   (A) Croxton      (B) Tipett (C) Wallis an Robert  (D) Ya-Lun-Chou

7. Limitations of statistics are
   (A) It does not study individuals          (B) Statistical laws are not exact
   (C) Statistics table may be misused       (D) all the above mentioned

8. _________ is the one that can assume any value between any two points on a line segment.
   (A) A continuous variable     (B) A discrete Variable   (C) A constant (D) Zero

9. The mean for given data 1,3,5,7, 9 is ____________.
   (A) 6   (B) 5   (C) 9   (D) 8

10. $X - \bar{X}$summation value is always ____________.
    (A) One  (B) Odd number     (C) Zero  (D) infinity.

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11. The concept of standard deviation was introduced in the year _________.
   (A) 1893    (B) 1983    (C) 1973    (D) 1873

12. Standard deviation is also called as______________________.
   (A) Co-efficient of variation    (C) Root-Mean Square Deviation
   (B) Root square deviation      (D) variance

13. Square of standard deviation is called ____________.
   (A) Variance    (B) kurtosis    (C) Skewness    (D) mean deviation.

\[ \sqrt{\frac{\sum(x - \bar{x})^2}{n - 1}} \]
14. is the formula of ________________.
   (A) Mean    (B) Mean Deviation    (C) Standard Deviation
   (D) Mode.

15. If the values of two variables are changing in the same direction, then the correlation is termed as
   (A) Positive    (B) Negative    (C) Zero    (D) One

16. \( Y = 8.608 + 0.712X \), __________ is slope.
   (A) 8.608    (B) 0.712X    (C) 0.712    (D) Y

17. \( \sum X = N \beta_0 + \beta_1 \sum Y \); \( \sum XY = \beta_0 \sum Y + \beta_1 \sum Y^2 \) are ____________.
   (A) Normal equation    (B) Poisson equation    (C) equation
   (D) Linear equation.

17. Find out the values of \( r \) as high degree correlation.
   (A) \( r = 0.96 \)    (B) \( r = 0.23 \)    (C) \( r = 0.36 \)    (D) \( r = 42 \)

19. Limits for correlation coefficient.
   (A) \(-1 \leq r \leq 1\)    (B) \(0 \leq r \leq 1\)    (C) \(-1 \leq r \leq 0\)    (D) \(1 \leq r \leq 2\)

20. The coefficient of correlation.
   (A) cannot be negative    (B) cannot be positive
   (C) always positive    (D) can either be positive or negative

21. If one regression coefficient is greater than unity then the other must be
   (A) greater than unity    (B) equal to unity    (C) less than unity
   (D) none of these

22. The lines of regression intersect at the point
   (A) \((X,Y)\)    (B) \((\bar{X},\bar{Y})\)    (C) \((0,0)\)    (D) \((1,1)\)
23. If the two lines of regression are \( X + 2Y - 5 = 0 \) and \( 2X + 3Y - 8 = 0 \), the means of \( X \) and \( Y \) are
(A) \( X = -3, Y = 4 \)      (B) \( X = 2, Y = 4 \)      (C) \( X = 1, Y = 2 \)      (D) \( X = -1, Y = 2 \)

24. __________ named the integration of three subjects such that mathematics, statistical methods and economics as Econometrics” in 1926.
(A). Francis Galton  (B) Ragnar Frisch  (C) Karl Person  (D) Spearman

25. Econometrics helps to ____________.
(A) develop theories.      (C) to arrive a decision in business world
(B) Forecaste  (D) all the above mentioned.

26. \( U_i \) is term known as ____________
(A) Stochastic disturbance term  (C) Discrete error term
(B) constant term  (D) variable

27. Econometrics is the amalgamation of
(A) Statistics+ Economics Theory+ Mathematics
(B) Statistics+ Mathematics + Computer Science
(C) Statistics+ Mathematical Economics + Computer Science
(D) Statistics+ Macro Economics+ Mathematics

28. CSO is located in _____________.
(A) New Delhi  (B) Kolkata  (C) Old Delhi  (D) Chennai

29. The Ministry of Statistics and Programme Implementation (MOSPI) came into existence as an Independent Ministry in the year _____________.
(A) 1999  (B) 1998  (C) 1997  (D) 1989

30. The Industrial Statistics Wing of CSO is located in _____________.
(A) New Delhi  (B) Kolkata  (C) Old Delhi  (D) Chennai