



CBRT - 2020 Question Paper Grid

Government of Goa

19 January 2020

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Set Name

Subjects

Display

Planning Officer

Passage:

Read the following passage and answer the questions below:

The Indian economy rests on agricultural base and for decades and generations the picture that India presented to the world was one of famine and of an unchanging peasantry reluctant to depart from the cultural practices handed down to them by their forefathers. Indian agriculture, it was said was a gamble on the rains. Some visionaries and civil servants had sought to change all this. Their experiments at rural transformation were watched with amused interest and if their efforts did not meet with more than temporary and isolated success, it was because they were operating individuals and in very limited areas within what was basically an inhospitable and unresponsive administrative environment. The scale of effort was enlarged during the Second World war with the launching of the "grow more food campaign." But, the administrative structure remained largely unaltered.

It was to change all this, that the Community Development Programme was introduced. There were three problems that had to be tackled. First, if the farmer was to change methods, he had to be educated to see the possibility to change through actual demonstration in his field at no cost to himself. If the farmer tilled the land in the same manner as his father before him, it was because tradition had no optimised risks and the farmer had no margin on the basis of which to gamble on strange new practices and risk not merely a financial loss but his very survival. Second, there was no one agency to whom the farmer could turn for assistance or advice. If he wanted better seeds, he had to go to the Agriculture Department. For irrigation he had to knock at the doors of the Irrigation Department. Roads were the responsibility of the Public Works Department. Land problems had to be taken up with the revenue authorities and so on. In short, the administration was totally fragmented at the point which touched the life of the farmer. Coordination was difficult and the totality of the farmer's problem could never be adequately comprehended, let alone ameliorated, by the administration. Third, even if the administration sought to promote rural transformation and the farmers were willing, how was the new knowledge to be transmitted not merely to every village but to each cultivator?

The Community Development Programme sought to provide answers to these three problems. Something in the nature of the single-line administration was established under a chain of command running through the District Development Officer and Block Development Officer to the multipurpose village-level worker. Instead of having to go to several departments to get anything done, the farmer could now deal with a single community development authority with which all the executive agencies involved in rural development were associated. The many thousands of field demonstrations laid out under the Community Development Programme demonstrated the possibility of change in a manner that carried conviction and at no risk to the peasant. Once the farmer was persuaded, his alleged age-old conservatism vanished and the next problem was to satisfy his ever growing demands. Meanwhile, the establishment of a National Extension Service first time created a permanent transmission system for the propagation and demonstration of new ideas and methods, not just in isolated pockets, but over very wide areas.

Itemcode : **PL1133**

Q1 : Which of the following was the objective of launching Community Development Programme?

- (a) To eradicate illiteracy of the rural folk
- (b) To switch over to mechanization in agro-sector
- (c) To solve the diverse problems of farmers on a single platform
- (d) To minimise farmer's financial losses and risks

Key: **C**

Itemcode : **PL1134**

Q2 : For the people in the world, the image of Indian village is that of

- (a) an opponent of traditionalism and conservatism
- (b) a rule-bound, conservative and culture-groomed person
- (c) a visionary and a perfect gambler
- (d) an inhospitable and unresponsive person

Key: **B**

Itemcode : **PL1135**

Q3 : What was the probable disadvantage of the fragmented administration to the farmers?

- (a) Loss of time, money and energy
- (b) Exposure to novel techniques and strategies
- (c) Availability of manures, fertilisers and seeds
- (d) Uncertainty of rains during the crop season

Key: **A**

Itemcode : PL1136**Q4 :** What was the impact of these demonstrations on the farmers?

- (a) Their unreasonable demands increased disproportionately
- (b) Their tendency to cling to past traditions vanished
- (c) National Extension Service was established by them
- (d) Their standard of living remained unaltered

Key: **B****Itemcode : PL1137****Q5 :** The apparent plus-point of the Community Development Programme demonstrations was that

- (a) they were free from nay cost or risk to the farmers
- (b) they were not against the farmers' traditional practices
- (c) they were conducted by multipurpose workers
- (d) the changes as demonstrated were all familiar to farmers

Key: **A****Passage:**

Read the following passage and answer the below questions.

There was an old weaver in a village, who had been praying to Lord Shiva for the last twenty-five years to give them enough money to live in comfort. Each morning and evening, he would walk round the Shiva temple one hundred and one times, prostrate himself before the image and then come back home. In spite of having prayed for such a long period, there was no sign of wealth coming to him. He, however, never lost faith in God and waited for the time to come.

As time passed, the poor weaver grew old. It was difficult for him to go round and round the temple and he was to help himself through a stick to walk. Lord Shiva did hear the weaver's prayer but did nothing to help him. However, Parvati, Shiva's wife, felt sorry at this and spoke to her husband. "Why are you so hard on that old weaver who had been who has been worshipping you for such a long time? He is grown so old now that he cannot even walk properly. Why don't you make life easier for him?" Shiva smiled and replied to Parvati, "Do you think I would have refused to give him wealth if he could make use of it? What can I do for someone who is not destined to be rich?" Parvati, however, was not convinced with the view that a man cannot make use of wealth if it is given to him.

One day both Shiva and Parvati came down to earth and went to that temple. Shiva put a pot of gold on the way of the weaver when he was taking a round of the temple so that he can pick it up. The weaver walked on. "Oh, my Lord", he prayed, "How long have I to continue this wretched life? You have not been kind enough to me. But I can still play my trade. My eyes are still good. How fortunate I am that even in my old age I can still weave well." Then a terrible thought struck the weaver. "Suppose I were to lose my eyesight. But still I would be able to walk round the temple. Let me try. I could walk like this." He firmly closed his eyes and walked on. He passed by the pot of gold with his eyes closed. He smiled when he opened his eyes. "Yes," he said, "I need not worry. Even if i become blind, I can still walk round the temple." The weaver then went home. Shiva looked at Parvati and said, "But there is something I can do for him. He will not lose all interest in wealth. He will be very happy."

Itemcode : PL1138**Q6 :** According to this passage, what made Parvati feel sorry?

- (a) The old age of the weaver
- (b) The attitude of the weaver
- (c) Shiva not helping the weaver
- (d) Shiva not listening to her appeal

Key: **B****Itemcode : PL1139****Q7 :** The weaver took how many rounds of the temple everyday?

- (a) 101
- (b) 102
- (c) 111
- (d) 202

Key: **A****Itemcode : PL1140****Q8 :** On which of the following views did Shiva and Parvati have differences of opinion?

- (a) Every devotee can be blessed with the fulfillment of his wish
- (b) Without eyesight one can locate the pot of Gold
- (c) taking a positive attitude towards the weaver
- (d) one cannot make use of wealth if it is given to him

Key: **A****Itemcode : PL1141****Q9 :** Had the weaver got enough money from the God, he would

- (a) Have a peaceful life
- (b) Have an easy life with no financial constraints
- (c) not have further prayed to the God
- (d) not have to stick to the weaver's job any more

Key: **A**

Itemcode : **PL1142**

Q10 After keeping the pot of gold on the passage around the temple, Shiva and Parvati :

- (a) returned to heaven
- (b) hid themselves near the temple
- (c) closely watched the weaver as invisible entities
- (d) Not given in the passage

Key: **C**

Itemcode : **PL1108**

Q11 There are six persons Ashwin, Kiran, Komal, Dipen, Esha and Mittal. Komal is the sister of Mittal. Kiran is the brother of Esha's husband. Dipen is the father of Ashwin and grandfather of Mittal. There are two fathers, three brothers and a mother in the group. Who is the mother?

- (a) Ashwin
- (b) Kiran
- (c) Komal
- (d) Esha

Key: **D**

Itemcode : **PL1109**

Q12 Pick the odd one out.

:

- (a) Dog : Kennels
- (b) Rabbit : Burrows
- (c) Lion : Den
- (d) Spider : Spider-Web

Key: **D**

Itemcode : **PL1110**

Q13 Read the following information carefully and answer the questions below.

:

1. $P \times Q$ means P is the father of Q
2. $P - Q$ means P is the sister of Q
3. $P + Q$ means P is the mother of Q
4. $P \div Q$ means P is the brother of Q

In the expression, $B + D \times M \div N$, how is M related to B?

- (a) Son
- (b) Grandson
- (c) Granddaughter
- (d) Daughter

Key: **B**

Itemcode : **PL1111**

Q14 The question given below has a set of three or four statements. Each set of statements is further divided into three segments. Choose the alternative where the third segment in the statement can be logically deduced using both the preceding two, but not just from one of them.

- Statement - I. Some pens are books.
 II. All temples are books.
 III. Some libraries are temples.

- Conclusion - I. Some libraries are pens.
 II. Some pens are temples.
 III. Some libraries are books.

- (a) Only I follows
- (b) Only II follows
- (c) None follows
- (d) Only I and II follows

Key: **C**

Itemcode : **PL1112**

Q15 The question given below has a set of three or four statements. Each set of statements is further divided into three segments. Choose the alternative where the third segment in the statement can be logically deduced using both the preceding two, but not just from one of them.

- Statement - I. Some buttons are rivers.
 II. Some rivers are shirts.
 III. All shirts are people.

- Conclusion - I. Some people are rivers.
 II. Some people are buttons.
 III. Some shirts are buttons.

- (a) Only I follows
- (b) Only II follows
- (c) Only III follows
- (d) Only I and II follows

Key: **A**

Itemcode : **PL1113****Q16** Choose the number which is different from others in the group.

:

- (a) 35
- (b) 49
- (c) 50
- (d) 63

Key: **C**Itemcode : **PL1114****Q17** Choose the number which is different from others in the group

:

- (a) 6788
- (b) 6878
- (c) 6482
- (d) 9848

Key: **C**Itemcode : **PL1115****Q18** 26th January, 1996 was a Friday. What day of the week lies on 26th January, 1997?

:

- (a) Saturday
- (b) Sunday
- (c) Monday
- (d) Thursday

Key: **B**Itemcode : **PL1116****Q19** Which of the following year is not a leap year?

:

- (a) 1960
- (b) 2080
- (c) 2024
- (d) 2100

Key: **D**Itemcode : **PL1117****Q20** An accurate clock shows 10 o'clock in the morning. Through how many degrees will the hour hand rotate when the clock shows 6 o'clock in the evening?

:

- (a) 180
- (b) 190
- (c) 220
- (d) 240

Key: **D**Itemcode : **PL1118****Q21** Sharad is 60 years old and Santosh is 80 years old. How many years ago was the ratio of their ages 4 : 6?

:

- (a) 10 years
- (b) 15 years
- (c) 20 years
- (d) 25 years

Key: **C**Itemcode : **PL1119****Q22** Square : Diamond : : Circle : ?

:

- (a) Oval
- (b) Ball
- (c) Round
- (d) Smooth

Key: **A**Itemcode : **PL1120****Q23** Pratap correctly remembers that his mother's birthday is before 23rd April but after 19th April, whereas his sister correctly remembers that their mother's birthday is not on or after 22nd April. On which day in April is definitely their mother's birthday?

:

- (a) 20th
- (b) 21st
- (c) 20th or 21st
- (d) Cannot be determined

Key: **C**Itemcode : **PL1121****Q24** The following question presents a related pair of words linked by a colon, four pairs of words follow the linked pair.

:

Choose the pair of words whose relationship is most like the relationship expressed in the original linked pair.

PHYSIQUE : STURDY

- (a) intellect : noble
- (b) punctuality : tardy
- (c) investment : sound
- (d) fabric : worn

Key: **C**

Itemcode : **PL1122**

Q25 The following question presents a related pair of words linked by a colon, four pairs of words follow the linked pair.
: Choose the pair of words whose relationship is most like the relationship expressed in the original linked pair.
JUGGERNAUT : INEXORABLE

- (a) cosmonaut : worldly
- (b) colossus : gigantic
- (c) demagogue : liberal
- (d) philistine : cultivated

Key: **B**

Itemcode : **PL1123**

Q26 The following question presents a related pair of words linked by a colon, four pairs of words follow the linked pair.
: Choose the pair of words whose relationship is most like the relationship expressed in the original linked pair.

INCUBATOR : INFANT

- (a) henhouse : chicken
- (b) greenhouse : plant
- (c) archives : document
- (d) cooler : wine

Key: **B**

Itemcode : **PL1124**

Q27 In question below is given a statement followed by three courses of action numbered (X), (Y), and (Z). A course of action is a step or administrative decision to be taken for improvement, follow-up or further action in regard to the problem, policy, etc. On the basis of the information given, in the statement, you have to assume everything in the statement to be true, then decide which of the suggested courses of action logically follow(s) for pursuing.

Statement: Many political activists have decided to stage demonstrations and block traffic movement in the city during peak hours to protest against the Citizen Amendment Act.

Courses of action:

(X) The government should immediately ban all forms of agitations in the country.

(Y) The police authority of the city should deploy additional forces all over the city to help traffic movement in the city.

(Z) The state administration should carry out prevention arrests of the known criminals staying in the city.

- (a) Only (X)
- (b) Only (Y)
- (c) Only (Z)
- (d) Only (X) and (Y)

Key: **B**

Itemcode : **PL1125**

Q28 In question below is given a statement followed by three courses of action numbered (X), (Y), and (Z). A course of action is a step or administrative decision to be taken for improvement, follow-up or further action in regard to the problem, policy, etc. On the basis of the information given, in the statement, you have to assume everything in the statement to be true, then decide which of the suggested courses of action logically follow(s) for pursuing.

Statement: The school dropout rate in many districts in the state has increased sharply during the last few years as the parents of these children make them work in the fields owned by others to earn enough for them to get at least one meal a day.

Courses of action:

(X) The government should put up a mechanism to provide food grains to the poor people in these districts through public distribution system to encourage the parents to send their wards to school.

(Y) The government should close down some of these schools and deploy the teachers of these schools to nearby schools and also ask remaining students to join these schools.

(Z) Government should issue arrest warrants for all the parents who force their children to work in fields instead of attending classes.

- (a) Only (X)
- (b) Only (Y)
- (c) Only (Z)
- (d) Only (X) and (Y)

Key: **A**

Itemcode : **PL1129**

Q29 Mathematics allows us to expand our consciousness. Mathematics tells us about economic trends, patterns of disease, and the growth of populations. Math is good at exposing the truth, but it can also perpetuate misunderstandings and untruths. Figures have the power to mislead people.

This paragraph best supports the statement that:

- (a) the study of mathematics is dangerous.
- (b) words are more truthful than figures.
- (c) the study of mathematics is more important than other disciplines.
- (d) figures are sometimes used to deceive people.

Key: **D**

Itemcode : PL1130

Q30 For too long, school cafeterias, in an effort to provide food they thought would be appetizing to young people, mimicked fast-food restaurants, serving items such as burgers and fries, pizza, hot dogs, and fried chicken. School districts nationwide are now addressing this trend by incorporating some simple and inexpensive options that will make cafeteria lunches healthier while still appealing to students.

This paragraph best supports the statement that

- (a) school cafeterias have always emphasized nutritional guidelines over any other considerations.
- (b) young people would rather eat in a school cafeteria than a local fast-food restaurant.
- (c) school lunch menus are becoming healthier due to major new initiatives on the part of school districts.
- (d) it is possible to make school lunches both healthier and appealing without spending a great deal of money and undertaking a radical transformation.

Key: **D**

Itemcode : PL1131

Q31 A can do a certain work in 18 days more than the time taken by A and B together to do the same work. B can do the same work in 8 days more than the time taken by the two to complete the same work. They agree to do the work for a total compensation of Rs. 18,000 and with the help of C complete it in 10 days. How much money will C get as his share?

- (a) 500
- (b) 1000
- (c) 2000
- (d) 3000

Key: **D**

Itemcode : PL1132

Q32 If $12a + 13b = 1$, and $7b - 2a = 9$, what is the average of a and b?

:

- (a) 0.1
- (b) 0.5
- (c) 1
- (d) 2.5

Key: **B**

Passage:

Study the following information carefully and answer the questions given below:

The Central Government reportedly wants to continue providing subsidy to consumers for cooking gas and kerosene for five more years. This is not good news from the point of view of reining in the fiscal deficit. Mounting subventions of subsidies means diversion of savings by the government from investment to consumption, raising the cost of capital in the process. The government must cut expenditure on subsidies to create more fiscal space for investment in both physical and social infrastructure. It should outline a plan for comprehensive reform in major subsidies including food, fertilizers, and petroleum products.

Itemcode : PL1126

Q33 Which of the following is a conclusion which can be drawn from the facts stated in the given paragraph?

:

- (a) Subsidy provided by the government under various heads to the citizens increases the cost of capital.
- (b) Government is unable to withdraw subsidies provided on various items.
- (c) Government subsidy on kerosene is purely a political decision.
- (d) Government does not have enough resources to continue providing subsidy on fertilizers.

Key: **A**

Itemcode : PL1127

Q34 Which of the following is an inference which can be made from the facts in the given paragraph?

:

- (a) India's fiscal deficit is negligible compared to other emerging economies in the world.
- (b) Subsidy on food and fertilizers are important for the growth of Indian economy.
- (c) Reforms in financial sector will weaken India's position in the international arena.
- (d) Gradual withdrawal of subsidy is essential for effectively managing fiscal deficit in India.

Key: **D**

Itemcode : PL1128

Q35 Which of the following is an assumption which is implicit in the facts stated in the given paragraph?

:

- (a) People in India may not be able to pay more for petroleum products.
- (b) Many people in India are rich enough to buy petroleum products at market prices.
- (c) Government may not be able to create more infrastructural facilities if the present level of subsidy continues for a longer time.
- (d) Government of India has sought assistance from international financial organizations for its infrastructural projects.

Key: **A**

Itemcode : PL1143

Q36 Who recently became the fastest to reach 7,000 Test runs?

:

- (a) Joe Root
 - (b) David Warner
 - (c) Steve Smith
 - (d) Ross Taylor
- Key: **C**

Itemcode : **PL1144**

Q37 What was the theme of "International Anti-Corruption Day"?

- :
- (a) United Against Corruption
 - (b) Corruption- a challenge for all
 - (c) Stop Corruption
 - (d) Corruption- A threat to society

Key: **A**

Itemcode : **PL1145**

Q38 Which Indian Tennis icon recently announced his retirement?

- :
- (a) Mahesh Bhupati
 - (b) Leander Paes
 - (c) Sania Mirza
 - (d) Jawala Gutta

Key: **B**

Itemcode : **PL1146**

Q39 Central Institute of Indian Languages is located at?

- :
- (a) Bangalore
 - (b) Mysore
 - (c) Bhopal
 - (d) Lucknow

Key: **B**

Itemcode : **PL1147**

Q40 "Macintosh" an Operating System is a product of ?

- :
- (a) Microsoft
 - (b) Apple
 - (c) Intel
 - (d) Google

Key: **B**

Itemcode : **PL1148**

Q41 Full form of URL is?

- :
- (a) Uniform Resource Locator
 - (b) Uniform Resource Link
 - (c) Uniform Registered Link
 - (d) Unified Resource Link

Key: **A**

Itemcode : **PL1149**

Q42 Which Indian State is earlier known as "Magadha"?

- :
- (a) Madhya pradesh
 - (b) Bihar
 - (c) Karnataka
 - (d) Uttar Pradesh

Key: **B**

Itemcode : **PL1150**

Q43 The term "Slam" is associated with

- :
- (a) Cricket
 - (b) Tennis
 - (c) Boxing
 - (d) Football

Key: **B**

Itemcode : **PL1151**

Q44 Which State in India is to have India's First Artificial Intelligence Centre?

- :
- (a) Andhra Pradesh
 - (b) Maharashtra
 - (c) Kerala

(d) Tamil Nadu

Key: **B**

Itemcode : **PL1152**

Q45 Who is the author of the book "Exam Warriors"?

:

- (a) Shashi Tharoor
- (b) Narendra Modi
- (c) Manmohan Singh
- (d) Derrick O Brian

Key: **B**

Itemcode : **PL1069**

Q46 A company that sells a Giffen good will not benefit from

:

- (a) High economic growth
- (b) Reduction in personal income tax
- (c) Reduction in price of its good
- (d) All of the above

Key: **D**

Itemcode : **PL1079**

Q47 Which of the following is not an instrument of monetary policy

:

- (a) Printing money
- (b) GST
- (c) SLR
- (d) CRR

Key: **B**

Itemcode : **PL1080**

Q48 Fiscal Deficit =

:

- (a) Primary Deficit - Interest Payments on Government's earlier borrowings
- (b) Primary Deficit + Interest Payments on Government's earlier borrowings
- (c) Primary Deficit - Interest Payments on Government's current borrowings
- (d) Primary Deficit + Interest Payments on Government's current borrowings

Key: **B**

Itemcode : **PL1081**

Q49 An individual firm's monopsony power will be lowest when there exists

:

- (a) low competition among sellers, number of sellers is high
- (b) low competition among sellers, number of sellers is low
- (c) high competition among sellers, number of sellers is high
- (d) high competition among sellers, number of sellers is low

Key: **B**

Itemcode : **PL1082**

Q50 By farming out the printing process a publisher can reduce its vulnerability to macroeconomic trends because in doing

so:

- (a) The proportion of fixed costs in the total costs is reduced.
- (b) The income elasticity on the end market of the publisher increases.
- (c) The income elasticity on the end market of the publisher decreases.
- (d) The capital intensity of the firm is increased.

Key: **A**

Itemcode : **PL1083**

Q51 Which of the following is most sensitive to business cycle downturns?

:

- (a) durable consumer goods
- (b) non-durable consumer goods
- (c) Services
- (d) Exports

Key: **A**

Itemcode : **PL1084**

Q52 The exchange rate system followed in India is based on

:

- (a) flexible exchange rate mechanism
- (b) managed float exchange rate mechanism
- (c) fixed exchange rate exchange rate mechanism
- (d) None of the above

Key: **B**

Itemcode : **PL1085**

Q53 The Rupee will not depreciate against the dollar when

:

- (a) India allows imports of gold
- (b) Electric vehicles replace petrol and diesel variants
- (c) there is global recession
- (d) Donald Trump introduces a policy of No work-visas for Indians

Key: **B**

Itemcode : **PL1086**

Q54 If the rate of tax on income is 20 percent, the marginal propensity to consume is 0.80, and imports are 10 per cent of national income, then the simple expenditure multiplier is

- (a) 1.428
- (b) 1.250
- (c) 2.000
- (d) 5.000

Key: **C**

Itemcode : **PL1087**

Q55 A firm's total cost function is given by:

:

$$C = 300 + 10Q + Q^2. \text{ At } Q = 20,$$

- (a) Total cost is 900 and marginal cost is 50.
- (b) Average fixed cost is 15.
- (c) Fixed cost is 300.
- (d) All of the above answers are correct.

Key: **D**

Itemcode : **PL1088**

Q56 The features of Money Market is/ are:

- 1. Money Market is a short-term funds market
- 2. The maturity in market ranges from overnight to one year
- 3. The basic function of money market is to provide efficient liquidity position for commercial banks, financial institution, mutual funds, insurance companies and corporate, etc.
- 4. None of the above

Select the correct answer from following options:

- (a) Only 1 and 2
- (b) 1,2 and 3
- (c) Only 3
- (d) 4

Key: **B**

Itemcode : **PL1089**

Q57 The initial price for a normal good is Rs 5.00, and the quantity demanded is 400 units. When the price is raised to Rs.5.50, what is the quantity demanded if the point price elasticity of demand is unitary:

- (a) 360
- (b) 400
- (c) 440
- (d) 550

Key: **A**

Itemcode : **PL1090**

Q58 The demand curve for an oligopolistic firm slopes downward with a kink because

:

- (a) Firms are not responsive to price cuts but are responsive to price hikes by their rivals
- (b) Firms are responsive to price cuts but not price hikes by their rivals
- (c) The firm is a price leader in the market
- (d) The firm is a cartel member

Key: **B**

Itemcode : **PL1091**

Q59 In the context of the micro, small, and medium enterprises (MSME) sector in India, which among the following is/are the correct criteria for declaring an enterprise as "micro"?

- 1. The investment in plant and machinery does not exceed Rupees 25 lakh.
- 2. The enterprise should fall in the category of manufacturing sector and not inservice sector.

Select the correct answer using the codes given below :

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Key: **A**

Itemcode : **PL1092**

Q60 A demand switching policy to improve the trade position could involve

:

- (a) Higher interest rates
- (b) Higher income tax
- (c) Tariffs

(d) Reduced government spending

Key: **C**

Itemcode : **PL1093**

Q61 Which of the following statements is never true?

:

- (a) Indifference curves are concave to the origin
- (b) Indifference curves are L-shaped
- (c) Indifference curves are convex to the origin
- (d) Indifference curves are parallel to each other

Key: **A**

Itemcode : **PL1094**

Q62 In a floating exchange rate system:

:

- (a) the balance of payments will always equal the government budget
- (b) the balance of payments should always be in surplus
- (c) the government intervenes to influence the exchange rate
- (d) the exchange rate should adjust to equate the supply & demand of the currency

Key: **D**

Itemcode : **PL1095**

Q63 The factors considered by credit rating agencies on issuing bonds are

:

- (a) position in the industry
- (b) overall financial strength
- (c) issuer's profitability and liquidity
- (d) all of the above

Key: **D**

Itemcode : **PL1096**

Q64 The transmission mechanism of the monetary policy specifies the channel through which

:

- (a) Investment affects economic activity
- (b) Money supply affects interest rate
- (c) Interest rate affects national income
- (d) Money supply affects economic activity

Key: **D**

Itemcode : **PL1097**

Q65 In a period of stagflation, which economic policy can be employed safely

:

- (a) Increase the repo rate
- (b) Increase taxes
- (c) Increase infrastructural investment
- (d) Reduce the Cash Reserve ratio

Key: **C**

Itemcode : **PL1098**

Q66 Which of the following statements is false:

:

- (a) NITI Aayog was set up to actualize the important goal of cooperative federalism
- (b) NITI Aayog was set up to enable good governance in India
- (c) NITI Aayog was set up by the Modi Government as the Planning Commission was formed by Congress
- (d) All are true.

Key: **C**

Itemcode : **PL1099**

Q67 If the marginal product of labor is higher than the average product of labor, then the

:

- (a) Marginal product must be increasing,
- (b) Average product must be increasing
- (c) Marginal product must be decreasing
- (d) Both A and B

Key: **B**

Itemcode : **PL1100**

Q68 The demand for jewelry increases in the festive season. In anticipation of the increase in demand during the festive season, the jewelry manufacturers also increase their production. What would happen to price of jewelry and quantity of jewelry sold during the festive season?

:

- (a) Effect on price of jewelry and quantity of jewelry sold is ambiguous
- (b) Both price of jewelry and quantity of jewelry sold would decrease
- (c) Quantity of jewelry sold would increase but effect on price of jewelry is ambiguous
- (d) Quantity of jewelry sold would remain same but price of jewelry would increase

Key: **C**

Itemcode : **PL1101**

Q69 There are two goods, tea and coffee. The price of tea changes from Rs.4 to Rs.5, the price of coffee changes from Rs.10 to Rs.11, the quantity demanded of tea changes from 5 to 6 kilograms and the quantity demanded of coffee changes from 3 to 4 kilograms. What is the cross price elasticity of demand for tea with respect to the price of coffee?

- (a) 5
- (b) 2
- (c) 3.33
- (d) -2

Key: **B**

Itemcode : **PL1102**

Q70 The current yield on a Rs.5,000, 6 percent coupon bond is 7.5%. What is the current price of the bond?

- (a) 4000
- (b) 5000
- (c) 3000
- (d) 2500

Key: **A**

Itemcode : **PL1103**

Q71 In the context of India's Five-Year Plans, growth led by 'commanding heights' of the economy was adopted in:

- (a) Fourth plan
- (b) Sixth plan
- (c) First plan
- (d) Second plan

Key: **D**

Itemcode : **PL1104**

Q72 Which of the following is a normative statement in economics?

- (a) More spending by the government will reduce poverty
- (b) Higher taxes will lead to less desire to work
- (c) The UK economy is growing fast relative to other European Union members
- (d) The government should concentrate on reducing unemployment

Key: **D**

Itemcode : **PL1105**

Q73 In the circular flow model, households are on the:

- (a) demand side of the factor market and demand side of the product market.
- (b) demand side of the factor market and the supply side of the product market.
- (c) supply side of the factor market and supply side of the product market.
- (d) supply side of the factor market and the demand side of the product market.

Key: **D**

Itemcode : **PL1106**

Q74 An increase in exports can lead to decrease in:

- (a) Unemployment.
- (b) Labour productivity.
- (c) Production capacity.
- (d) Labour supply.

Key: **A**

Itemcode : **PL1107**

Q75 Which of the following measures is most used during a bumper harvest for the welfare of the farmer?

- (a) Minimum Support Price on agricultural crops
- (b) Fertilizer subsidy
- (c) Interest subsidy on agricultural loans
- (d) Price Ceiling on food products

Key: **A**