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PRESTORMINGTM

TEST BOOKLET

Test Booklet Series

T.B.C : P-SIA-A-GS

Serial : P-GSI-252604

GENERAL STUDIES - PAPER - I

ECONOMICS I

TEST - 04



Time Allowed : Two Hours

Maximum Marks : 200

I N S T R U C T I O N S

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES **NOT** HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS, ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. ENCODE CLEARLY THE TEST BOOK SERIES **A, B, C** OR **D** AS THE CASE MAY BE IN THE APPROPRIATE PLACE IN THE ANSWER SHEET.
3. You have to enter your Roll Number on the Test Booklet in the Box provided alongside. **DO NOT** write **anything else** on the Test Booklet.
4. This Test Booklet contains **100 items** (questions). Each item is printed in **English**. Each item comprises four responses (answers). You will select the response which you want to mark on the Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose **ONLY ONE** response for each item.
5. You have to mark all your responses **ONLY** on the separate Answer Sheet provided. See directions in the Answer Sheet.
6. All items carry equal marks.
7. Sooner than you proceed to mark in the Answer Sheet the response to various items in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per instructions sent to you with your Admission Certificate.
8. After you have completed filling in all your responses on the Answer Sheet and the examination has concluded, you should hand over to the Invigilator *only the Answer Sheet*. You are permitted to take away with you the Test Booklet.
9. Sheets for rough work are appended in the Test Booklet at the end.

10. Penalty for Wrong answers :

THERE WILL BE A PENALTY FOR WRONG ANSWERS MARKED BY A CANDIDATE IN THE OBJECTIVE TYPE QUESTION PAPERS.

- (i) There are four alternatives for the answer to every question. For each question for which a wrong answer has been given by the candidate, **one-third (0.66)** of the marks assigned to that question will be deducted as a penalty.
- (ii) If a candidate gives more than one answer, it will be treated as a **wrong answer** even if one of the given answers happens to be correct and there will be the same penalty as above to that question.
- (iii) If a question is left blank, i.e., no answer is given by the candidate, there will be **no penalty** for that question.

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(1-A)

SIA-A-GS I



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1. Consider the following:

1. Indian embassy in the USA
2. U.S Consulate in India's political frontiers
3. Indian ships and aircraft operated between India and other countries

Which of the above are included in the economic territory of India for national income accounting purposes?

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

2. Consider the following pairs:

Tax levied	Type of tax
1. Excise duty	- Production Tax
2. Stamp duty	- Product Tax
3. Registration fee	- Production Tax
4. Service Tax	- Product Tax

How many of the above pairs is/are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

3. Consider the following statements:

Statement I:

Real Gross Domestic Product is considered a better measure for comparing economic growth across years.

Statement II:

It eliminates the effect of price level changes by using constant prices.

Which of the following is correct with respect to the above statements?

- (a) Both Statement-I and Statement-II are correct, and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct, and Statement-II is not the correct explanation for Statement-I
- (c) Statement I is correct, but Statement II is incorrect
- (d) Statement I is incorrect, but Statement II is correct

4. The UNDP's Human Development Index (HDI) does **not** include which of the following indicators?

- (a) Life expectancy at birth
- (b) Gross National Income per capita
- (c) Mean years of schooling
- (d) Infant mortality rate

5. Consider the following statements :

Statement I:

In India, the Consumer Price Index (CPI) is used as a macroeconomic indicator of inflation.

Statement-II:

The CPI measures the changes in the general price level of goods and services that are consumed by households.

Statement-III:

The CPI covers a broad range of goods, from intermediate goods to finished manufactures.

Which one of the following is correct with respect to the above statements?

- (a) Both Statement-II and Statement-III are correct, and both of them explain Statement-I
- (b) Both Statement-II and Statement-III are correct, but only one of them explains Statement-I
- (c) Only one of the Statements II and III is correct, and that explains Statement I
- (d) Neither Statement-II nor Statement-III is correct

6. "The Retail inflation in India has recently declined to an eight-year low of 1.55% in July 2025". How many of the following can lead to a decline in retail inflation?

- 1. Improved agricultural output
- 2. Increased fuel rate
- 3. Reduction in GST rates
- 4. Reduced imported inflation

Select the correct answer using the codes given below:

- (a) 1
- (b) 2
- (c) 3
- (d) 4

7. Consider the following statements regarding the Inflation Targeting Framework in India:

- 1. It has been provided a statutory backup under the Reserve Bank of India Act, 1934.
- 2. A medium-term inflation target with a tolerance band of 4% is provided under the framework.
- 3. Under this framework, RBI is required to publish a monetary policy report once every six months.

Which of the statements given above is/are correct?

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

8. Which of the following statements regarding the Reserve Bank of India (RBI) is/are correct?

- 1. RBI was initially constituted as a shareholders' bank.
- 2. RBI was nationalised after the commencement of the Constitution of India.
- 3. RBI introduced the official fiat money in India after its nationalisation.

Select the correct answer using the codes given below:

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

9. Consider the following statements regarding the Board for Regulation of Payment and Settlement Systems (BPSS) in India:

- 1. Any entity intending to commence payment systems should obtain prior approval from BPSS.
- 2. Foreign entities are prohibited from operating a payment system in India.

Which of the statements given above is/are correct?

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



10. Recently, El Salvador has authorised Bitcoin as a legal tender. In this context, consider the following:

1. Metallic money
2. Paper money
3. Electronic payments
4. Plastic money

How many of the above-mentioned are recognised as legal tenders in India?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

11. In an economy, the overall money supply is Rs . 5,00,000 Crore, and the value of the high-powered money is Rs. 1,00,000 Crore. Determine the value of the money multiplier. Select the correct answer using the codes given below:

- (a) 0.2
- (b) 5
- (c) 4
- (d) 2.5

12. Which of the following measures can lead to a decline in aggregate demand in an economy?

1. Increased repo rate
2. Carrying out open market operations
3. Reducing the Cash Reserve Ratio
4. Executing the selective credit rationing method

Select the correct answer using the codes given below:

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

13. Which of the following best describes “Currency Demand Paradox”?

- (a) Increase in the supply of currency exceeding the demand in the economy.
- (b) The demand for the currency remains stable despite the inflationary effect.
- (c) Increase in demand for cash despite increased digital payment transactions.
- (d) Decrease in demand for cash due to increased digital payment transactions.

14. Which of the following best describes “White Label ATM”?

- (a) An ATM that exclusively serves customers of a particular bank.
- (b) An ATM that provides services to the customer only for transactions above a particular value.
- (c) An ATM owned and operated by a non-banking entity but available for use by customers of all banks.
- (d) An ATM owned and operated by a foreign bank in which services are restricted to the specific bank account holders.

15. Consider the following pairs:

S.no.	Type of Deficit	Description
1.	Fiscal deficit	It is a measure that suggests the total borrowing requirements of the government.
2.	Revenue deficit	It indicates the excess of government revenue expenditure over revenue receipts.
3.	Primary deficit	It highlights the present fiscal imbalances and is measured as fiscal deficit minus the interest liabilities.

How many of the above pairs is/are correctly matched?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

16. Which of the following is the common characteristic of Wholesale Central Bank Digital Currency and Retail Central Bank Digital Currency?

- 1. It can be used for Person-to-Person Payments.
- 2. It has no denomination.
- 3. It is an account-based CBDC.

Select the correct answer using the codes given below:

- (a) 1 only
- (b) 2 only
- (c) 3 only
- (d) None

17. Consider the following statements:

Statement-I:

A positive value of Net International Investment Position (NIIP) reveals that a country is a creditor nation.

Statement-II:

The NIIP measures the gap between a nation's stock of foreign assets and a foreigner's stock of that nation's assets.

Which one of the following is correct with respect to the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

18. Consider the following foreign reserves:

- 1. Foreign currency assets
- 2. Gold
- 3. Special Drawing Rights
- 4. Reserve position in the International Monetary Fund

Arrange the above given foreign reserves of India in the increasing order of their value using the codes given below:

- (a) 1 - 2 - 3 - 4
- (b) 2 - 1 - 4 - 3
- (c) 2 - 1 - 3 - 4
- (d) 4 - 3 - 2 - 1

19. Consider the following statements:

1. The merchandise trade deficit of India has been consistently increasing for the past 5 years.
2. The merchandise imports of India have been consistently increasing for the past 5 years.

Which of the statements given above is/are **not** correct?

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

20. Which of the following can reduce the current account deficit of a country in the Balance of Payments?

1. Reduced remittances from abroad
2. Increased Foreign Direct Investment
3. Increased tourism services

Select the correct answer using the codes given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 3 only
- (d) 2 and 3 only

21. Consider the following statements:

Statement-I:

An increase in the value of the Real Effective Exchange Rate (REER) denotes a decline in the trade competitiveness of the country.

Statement-II:

The REER measures the value of the domestic currency of the major trading partners.

Which one of the following is correct with respect to the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

22. Consider the following methods:

1. Greenfield investment
2. Mergers and acquisitions
3. Joint ventures
4. Establishment of subsidiary companies

How many of the above-mentioned are methods of Foreign Direct Investment?

- (a) 1
- (b) 2
- (c) 3
- (d) 4

23. Consider the following information:

1. Generally, core inflation tends to be more stable than headline inflation.
2. In India, the Wholesale Price Index is used to measure headline inflation.

Which of the statements given above is/are correct?

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

24. Consider the following:

1. Reduction of government expenditure
 2. Increased taxation
 3. Rationing of commodities in short supply
- How many of the above measures could control inflation?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

25. With reference to Consumer Price Index (CPI) and Wholesale Price Index (WPI), consider the following statements:

1. Both WPI and CPI are published by the Ministry of Statistics and Programme Implementation of India.
2. Unlike WPI, the CPI does not include changes in the prices of services.

Which of the statements given above is/are correct?

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

26. Which of the following are ways adopted by the Government to reduce the fiscal deficit in India?

1. Increasing direct taxes
2. Selling shares in Public Sector Undertakings
3. Increasing government expenditure

Select the correct answer using the code given below:

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

27. Monetization of deficit could lead to:

1. Increase in rupee value
2. Decrease in inflation rate
3. Outflow of foreign investment

Select the correct answer using the codes given below:

- (a) 1 and 2 only
- (b) 2 only
- (c) 3 only
- (d) 1 and 3 only

28. Consider the following statements:

Statement I:

Proportional income tax can be a tool to stabilise the economy.

Statement II:

Proportional income tax can restrict the upward fluctuation in consumption spending when the GDP rises.

Statement III:

Proportional income tax can limit the fall in disposable income during a recession.

Which of the following is correct with respect to the above statements?

- (a) Both Statement II and Statement III are correct and both of them explain Statement I.
- (b) Both Statement II and Statement III are correct but only one of them explains Statement I.
- (c) Only one of the Statements II and III is correct and that explains Statement I.
- (d) Neither Statement II nor Statement III is correct.

29. Consider the following statements:

1. Both cess and surcharge are taxes levied in addition to the existing tax amount.
2. While cess is imposed for a specific purpose, surcharge is imposed to generate additional revenue.

Which of the statements given above is/are correct?

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

30. Consider the following statements:

Statement I:

The Fiscal Responsibility and Budget Management (FRBM) Act seeks to ensure inter-generational equity in fiscal management.

Statement-II:

This is achieved by eliminating fiscal deficit and revenue deficit.

Which of the following is correct with respect to the above statements?

- (a) Both Statement-I and Statement-II are correct, and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct, and Statement-II is not the correct explanation for Statement-I
- (c) Statement I is correct, but Statement II is incorrect
- (d) Statement I is incorrect, but Statement II is correct

31. Money borrowed by the Government of India from the public through Treasury Bills is credited to:

- (a) Public Account of India
- (b) Contingency Fund of India
- (c) Consolidated Fund of India
- (d) National Investment Fund

32. Consider the following factors:

1. Increase in reserve requirement ratio
2. Higher public preference for currency over deposits
3. Excess reserves held by banks

How many of the above factors can lead to a decrease in the money multiplier?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

33. Consider the following:

1. Certificates of deposit
2. Treasury bills
3. Freely convertible foreign currencies
4. Savings accounts

Which of the above are considered near money in the context of the economy?

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

34. With reference to Collateralised Borrowing and Lending Obligation (CBLO), consider the following statements:

1. It is operated by the Securities and Exchange Board of India and the Reserve Bank of India.
2. It is a mechanism that allows institutions to access short-term loans.
3. Treasury bills are eligible to be used as collateral in this system.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

35. With reference to the Liquidity Coverage Ratio (LCR), consider the following statements:

1. It requires banks to maintain a particular stock of High Quality Liquid Assets to withstand liquidity crises.
2. It was introduced by the Reserve Bank of India, as per the guidelines of the Basel Committee on Banking Supervision.

Which of the statements given above is/are correct?

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

36. Consider the following statements:

1. The yield on a bond may increase during inflation.
2. The yield on a bond may decrease if interest rates decline.
3. The yield on a bond may be higher if the bond has a lower credit rating.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

37. With reference to the Certificate of Deposit (CDs), consider the following statements:

1. In India, they are only issued by commercial banks.
2. They are generally freely transferable between entities.
3. They can be issued to individuals and corporations.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

38. With reference to Market Infrastructure Institutions (MIIs), consider the following statements:

1. MIIs are entities that ensure efficient and secure transactions in the financial market.
2. MIIs include stock exchanges, depositories and clearing houses in India.

Which of the statements given above is/are correct?

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

39. With reference to Opinion trading platforms, consider the following statements:

1. The payout on these platforms is determined by the likelihood of specific events occurring.
2. Only India and the USA have regulated such platforms.

Which of the statements given above is/are correct?

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

40. With reference to Hedge funds, consider the following statements:

1. They are private investment partnerships.
2. They are categorised as Alternative Investment Funds in India.
3. They need not be registered with the Securities and Exchange Board of India.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

41. With reference to the Bombay Stock Exchange (BSE), consider the following statements:

1. BSE allows trading in equities as well as commodities.
2. The BSE 150 Index evaluates India's top 150 listed companies based on their market capitalisation and liquidity.

Which of the statements given above is/are correct?

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

42. How many of the following are covered under the Deposit Insurance in India?

1. Deposits of state governments
2. Deposits of foreign governments
3. Deposits mobilised by Non-Banking Financial Company
4. Mutual funds

Select the correct answer using the codes given below:

- (a) Only one
- (b) Only two
- (c) Only three
- (d) None

43. With reference to the Union Budget, consider the following statements:

1. Capital expenditure results in the creation of assets.
2. Loans to public enterprises are treated as revenue expenditure.
3. Cash grants-in-aid from foreign countries are classified as revenue receipts.

Which of the statements given above is/are correct?

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

44. Consider the following:

1. Currency held by commercial banks
2. Currency held by businesses
3. Cash that commercial banks hold at the Reserve Bank of India.
4. Currency held by individuals

Which of the above are components of 'high-powered money'?

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

45. With reference to External Commercial Borrowings (ECBs), consider the following statements:

1. ECBs are available to finance only existing projects.
2. ECBs tend to have end-use restrictions.
3. ECBs might give international recognition to enterprises.

How many of the above statements is/are **not** correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

46. With reference to the Comprehensive Economic and Trade Agreement (CETA), consider the following statements:

1. All items of export from India will have duty-free access in the UK.
2. Double Contribution Convention mandates Indian professionals to make social security payments for ten years.

Which of the statements given above is/are correct?

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

47. Consider the following statements regarding the Reserve Bank of India:

1. RBI has the sole right to issue banknotes in India.
2. RBI has the sole power to fix the conditions of license to the banks.
3. Without the approval of the RBI, no scheduled commercial banking company can open a new place of business within or outside India.

Which of the statements given above are correct?

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

48. With reference to the tax-to-GDP ratio, consider the following statements:

1. It can indicate the capacity of a government to operate without borrowing funds.
2. It can reflect the share of the national income utilized for government spending.

Which of the statements given above is/are correct?

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

49. Rule of origin helps to:

1. Curb tariff avoidance
2. Identify goods that satisfy preferential trade clauses between nations
3. Implement anti-dumping duties

Select the correct answer using the code given below:

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

50. With reference to the Sagarmala Finance Corporation Limited (SMFCL), consider the following statements:

1. It is registered as a Non-Banking Financial Company with the Securities and Exchange Board of India.
2. It is a Central Public Sector Enterprise that has been accorded the Mini Ratna Status.

Which of the statements given above is/are correct?

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

51. Consider the following information:

S.no.	Report	Published by
1.	A World of Debt Report	Organisation for Economic Co-operation and Development
2.	The Global Financial Stability Report	International Monetary Fund
3.	World Investment Report	United Nations Conference on Trade and Development
4.	Global Trade Outlook and Statistics Report	World Trade Organisation

How many of the above pairs are correctly matched?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

52. Changes made to which one of the following Acts is more likely to help the realisation of internationalisation of the rupee?

- (a) Foreign Contribution Regulation Act
- (b) Prevention of Money Laundering Act
- (c) Companies Act
- (d) Foreign Exchange Management Act

53. With reference to the Reserve Bank of India's Remittances Survey, consider the following statements:

1. The Gulf Cooperation Council countries account for over 50% of India's inward remittances.
2. Remittances from advanced economies have seen an increase due to the migration of highly skilled professionals.
3. India has been the top recipient of remittances in the world for over a decade.

Which of the statements given above are correct?

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

54. Consider the following:

1. Higher import costs
2. A higher interest rate in the USA than in India
3. Lower trade deficit
4. Higher foreign portfolio investment inflows

How many among the above could lead to depreciation of the Indian rupee?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

55. With reference to the Household Consumption Expenditure Survey, consider the following statements:

1. It is released by the National Statistics Office.
2. It provides insights into both the food and non-food consumption of the Indian population.
3. As per the survey, the average calorie intake among the rural and urban populations tends to increase with an increase in monthly per capita consumption expenditure.

Which of the statements given above are correct?

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

56. In India, the Digital Payments Index is published by:

- (a) Ministry Of Finance
- (b) NITI Aayog
- (c) Reserve Bank of India
- (d) Ministry of Statistics & Programme Implementation

57. With reference to Small Finance Banks (SFBs), consider the following statements:

1. They are regulated by the Reserve Bank of India.
2. They are not required to maintain the Statutory Liquidity Ratio like other commercial banks.
3. They have to lend 100% of their Adjusted Net Bank Credit to priority sectors.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

58. Consider the following statements:

1. Both repo rate and variable repo rate mechanisms help to increase the money supply in the economy.
2. Both repo rate and variable repo rate are part of the Reserve Bank of India's liquidity adjustment facility.

Which of the statements given above is/are correct?

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

59. Consider the following:

1. Port Trusts
2. EXIM Bank of India.
3. Limited Liability Partnerships

How many of the above is/are eligible to raise External Commercial Borrowings?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

60. Grameen Credit Score, announced in the Union Budget 2025-26, will be applicable to:

- (a) Self-Help Groups
- (b) Marginalised communities
- (c) Farmers
- (d) All of the above

61. With reference to the National Bank for Financing Infrastructure and Development (NaBFID), consider the following statements:

1. It is regulated by the Ministry of Finance.
2. It aims to enhance the development of bond and derivatives markets in India for infrastructure financing.

Which of the statements given above is/are correct?

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

62. Consider the following statements:

1. Dollarisation requires a country to adopt the dollar as the only medium of exchange in all trade settlements.
2. The Chinese renminbi, the Swiss franc, and the US dollar are among the reserve currencies recognised by the International Monetary Fund.

Which of the statements given above is/are correct?

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

63. With reference to the concept of Product Nation, consider the following statements:

1. Product Nations export high-value goods.
2. Product Nations tend to be net producers of certain goods.
3. Product Nations generally carry out value addition of goods within their country.

Which of the above statements are correct?

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

64. With reference to Global Findex 2025, consider the following statements:

1. This index, published by the World Bank, gives information on the demand side of financial inclusion.
2. According to the index, India has achieved complete financial account ownership for its population.

Which of the statements given above is/are correct?

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

65. Consider the following statements regarding PAN and TAN in the context of Income tax in India :

1. PAN is used for tracking financial transactions of individuals and entities, while TAN is mandatory for persons who are required to deduct or collect tax at source.
2. PAN is a 10-character alphanumeric code, whereas TAN is a 10-digit numeric code issued by the Income Tax Department.

Which of the statements given above is/are correct?

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

66. Which of the following statements best describes Safeguard duty?

- (a) It is a temporary measure implemented to protect domestic industries facing a sudden import surge.
- (b) It is a tax imposed on goods when they are transported across international borders.
- (c) It is imposed to counteract the impact of subsidies provided by exporting countries on their products.
- (d) It is imposed to shield domestic industries from unfair competition from imported goods.

67. Which of the following are correct regarding the Income Tax Act 2025?

1. It introduced a new concept of a "Tax Year".
2. It provides that taxpayers can claim the refunds in the case of belated returns also.
3. It defined Cryptocurrency as taxable capital assets.

Select the correct answer using the codes given below:

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

68. Reliable international money transfer systems are vital in the current global economy. In this context, consider the following:

1. Shetab
2. Society for Worldwide Interbank Financial Telecommunication
3. Mir

How many of the above is/are used by countries as payment systems/networks for cross-border transactions?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

69. Consider the following:

Statement - I:

In the creditor-debtor relationship, the debtor benefits from the effect of inflation.

Statement-II:

The debtor repays the borrowed money at a reduced value.

Which one of the following is correct with respect to the above statements?

- (a) Both Statement-I and Statement-II are correct, and Statement-II is the correct explanation for Statement-I
- (b) Both Statement-I and Statement-II are correct, and Statement-II is not the correct explanation for Statement-I
- (c) Statement I is correct, but Statement II is incorrect
- (d) Statement I is incorrect, but Statement II is correct

70. With reference to the Eurasian Economic Union (EEU), consider the following statements:

1. It is recognised as an international legal personality.
2. Armenia, Belarus, Kazakhstan, Kyrgyz Republic and Russia are its members.
3. The EEU allows for the free movement of goods and labour, but not services, between its members.

Which of the statements given above are correct?

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

71. With reference to the concept of Geo-Economic Fragmentation (GEF), consider the following statements:

1. GEF could be accompanied by trade curbs.
2. GEF could lead to the practice of friendshoring.
3. GEF could alter the Foreign Direct Investment patterns of countries.

Which of the statements given above are correct?

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

72. With reference to the USA's Reciprocal Tariff Plan, consider the following statements:

1. It could lead to an increase in the price of exported goods from India to the USA.
2. The trade deficit of the USA could be decreased by enhancing its domestic manufacturing efficiency.
3. India, unlike the US, doesn't have trade deficits with any country.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

73. With reference to triangular cooperations, consider the following statements:

1. They generally have a beneficiary partner, a pivotal partner and a facilitating partner.
2. TriDeP is a triangular development partnership between India and the US for the Indo-Pacific region.

Which of the statements given above is/are correct?

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

74. With reference to the Indian economy, cost-push inflation can be caused by which of the following?

1. Decrease in wage rate
2. Rise in raw material prices
3. Reduction in the rate of interest
4. Lack of labour availability
5. Increase in income

Select the correct answer using the code given below:

- (a) 1 and 5 only
- (b) 2 and 4 only
- (c) 1, 2 and 4 only
- (d) 1, 2, 3, 4 and 5

75. With reference to Bilateral Investment Treaties (BITs), consider the following statements:

1. BITs protect foreign investors from policies that may adversely affect their investments.
2. BITs are legally enforceable.
3. BITs mandate signatory countries to maintain a predetermined level of foreign investment between them.
4. India has signed BITs with Uzbekistan and Kyrgyzstan.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

76. With reference to Account Aggregator – India's Digital Public Infrastructure, consider the following :

1. An Account Aggregator is an entity that helps customers to share their financial data securely with other financial institutions for either a loan or an insurance product.
2. It can handle both financial information and financial transactions like UPI.
3. The license for account aggregators is issued by the Reserve Bank of India.

Which of the statements given above are correct?

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

77. Consider the following factors:

1. Global crude oil prices
2. India's Current Account Deficit
3. US Dollar Index movement
4. Domestic interest rate levels

How many factors given above influence the exchange rate of the Indian Rupee?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

78. With reference to the RBI's Economic Capital Framework (ECF), consider the following statements:

1. The framework provides the basis for determining risk provisioning and surplus distribution by the RBI to the Government.
2. It was adopted by the RBI based on the recommendations of the Bimal Jalan Committee.
3. The framework is required to be periodically reviewed every five years.

Which of the statements given above is/are correct?

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

79. With reference to the Financial Services Institutions Bureau (FSIB), consider the following statements:

1. It recommends appointments of directors and chairpersons in Public Sector Banks, Financial Institutions and Public Sector Insurers.
2. It is chaired by the governor of the Reserve Bank of India.
3. The final decision on FSIB's recommendations is taken by the Union Finance Minister.

How many statements given above is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

80. With reference to Confidential IPO filings, consider the following statements:

1. It allows a company to submit its draft documents to the market regulator without immediate public disclosure.
2. This mechanism is prohibited under the current regulatory framework in India.
3. Generally, only well-established companies opt for confidential IPO filings rather than startups.

Which of the statements given above is/are correct?

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

81. With reference to short selling in equity markets, consider the following statements:

1. Short selling involves selling a stock without owning it and buying it later to close the position.
2. In the cash segment, short positions can be carried forward overnight without squaring off.
3. Short selling is profitable if the stock price declines after selling.

Which of the statements given above are correct?

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

82. Consider the following statements regarding the Merchant Discount Rate (MDR):

1. MDR is a fee that merchants must pay to a payment processing company for digital transactions.
2. In India, the person-to-merchant transactions carried through any instrument are exempted from MDR.
3. In India, the MDR is a tax that is passed to the customer by the merchants, similar to GST.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 3 only
- (c) 2 only
- (d) 2 and 3 only

83. Which of the following best describes “Reverse Flipping”?

- (a) The process of transferring ownership of an Indian company to a foreign entity for tax benefits.
- (b) The process of transferring ownership of a foreign company to an Indian entity for tax benefits.
- (c) The process of shifting the domicile of Indian start-ups incorporated abroad back to India.
- (d) The process through which Foreign Institutional Investors (FIIs) convert their investments in Indian equities into debt instruments.

84. How many of the following provisions are available to Non-Banking Financial Companies in India?

- 1. Receiving 100% Foreign Direct Investment
- 2. Maintenance of Statutory Liquidity Ratio
- 3. Issuing their own cheque books
- 4. Providing Insurance under the Deposit Insurance and Credit Guarantee Corporation

Select the correct answer using the codes given below:

- (a) All four
- (b) Only three
- (c) Only two
- (d) Only one

85. With reference to the co-lending model of the Reserve Bank of India, consider the following statements:

- 1. It allows banks and Non-Banking Financial Companies (NBFCs) to lend loans together to priority sectors.
- 2. Banks and NBFCs are mandated to lend an equal share of the individual loans under this model.

Which of the statements given above is/are correct?

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

86. Consider the following statements:

- 1. Total production of final goods and services within a country during a given period amounts to its Gross Domestic Product (GDP).
- 2. Net factor income from abroad is a component of the Gross National Product of a country.

Which of the statements given above is/are correct?

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



87. Consider the following statements:

Statement I:

Treasury Bills (T-Bills) are issued at a discount to their face value and redeemed at face value upon maturity.

Statement II:

T-Bills do not carry periodic interest payments.

Statement III:

Only commercial banks are allowed to participate in the primary auction of T-Bills.

Which one of the following is correct in respect of the above statements?

- (a) Both Statement II and Statement III are correct and both of them explain Statement I.
- (b) Both Statement I and Statement II are correct and Statement I explains Statement II.
- (c) Only one of the Statements II and III is correct and that explains Statement I.
- (d) Neither Statement II nor Statement III is correct.

88. With reference to the Alternative Minimum Tax (AMT) and the Minimum Alternate Tax (MAT), consider the following statements:

- 1. AMT is applicable to corporate taxpayers, while MAT is tax payable by non-corporate taxpayers.
- 2. AMT is calculated based on a company's book profit, while MAT is measured based on the adjusted total income of taxpayers.
- 3. Both AMT and MAT ensure minimum tax payment by entities in India.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None

89. Which of the following mentioned below are true about Foreign Portfolio Investment?

- 1. It involves active investors.
- 2. It is an indirect investment method.
- 3. It doesn't include technology transfer.
- 4. It involves investing in securities outside the country.

Select the correct answer using the codes given below:

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

90. Consider the following statements:

Statement I:

The Payments Regulatory Board, constituted under the provisions of the Payment and Settlement Systems Act, 2007, is headed by the Reserve Bank of India (RBI) Governor.

Statement II:

The RBI Governor is the sole authority to regulate payment systems in the country.

Which of the following is correct in respect of the above statements?

- (a) Both Statement-I and Statement-II are correct and Statement-II is the correct Explanation for Statement-I.
- (b) Both Statement-I and Statement-II are correct and Statement-II is not the correct Explanation for Statement-I
- (c) Statement-I is correct but Statement-II is incorrect
- (d) Statement-I is incorrect but Statement-II is correct

91. Consider the following statements:

- 1. GDP deflator helps to assess the change in Gross Domestic Product (GDP) due to the change in price levels rather than the change in output levels.
- 2. Nominal GDP calculation includes inflation, while that of Real GDP excludes inflation.
- 3. Nominal GDP could be higher than the Real GDP in an expanding economy.
- 4. Both the GDP deflator and the consumer price index are calculated based on the same basket of goods.

How many of the above statements is/are correct?

- (a) Only one
- (b) Only two
- (c) Only three
- (d) All four

92. Consider the following taxes:

- 1. Corporation tax
- 2. Customs duty
- 3. Excise duty
- 4. Wealth tax

Which of the above is/are indirect taxes?

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

93. Consider the following statements:

Assertion (A):

An Increase in the higher runoff factor will also increase the Liquidity Coverage Ratio of the banks.

Reason (R):

The run-off factor refers to the percentage of deposits that depositors could withdraw in a stress scenario.

Which of the following statements is correct?

- (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.

94. Which of the following are the impacts of repo rate cut on the economy by the Reserve Bank of India?

- 1. Leads to higher inflation
- 2. EMI of home and vehicle loans will shoot up
- 3. Interest earned on savings will be reduced

Select the correct answer using the codes given below:

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

95. Consider the following statements regarding the Gold Monetisation Scheme:

- 1. It was announced in 2015 to reduce the import dependency on gold.
- 2. The Government has discontinued the scheme completely.

Which of the statements given above is/are correct?

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

96. How can currency appreciation stimulate a decrease in net exports?

- 1. By increasing export costs
- 2. By increasing import prices

Select the answer using the code given below:

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

97. China recently imposed a ban on the export of several rare-earth elements (REEs). In this context, consider the following:

- 1. REEs are crucial inputs in the manufacture of permanent magnets used in the electric vehicle industry.
- 2. A majority of India's permanent magnet imports in FY25 came from China.

How many of the above statements is/are correct?

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

98. Consider the following:

- 1. Commercial papers
- 2. Treasury bills
- 3. Certificates of deposit
- 4. Preference shares

Which of the above are considered money market instruments in India?

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

99. India's Fiscal Deficit is projected at ₹125,000 crore in FY26, and interest liabilities are ₹106,500 crore. It is receiving ₹10,000 crores through non-debt-creating capital receipts. What is the total expenditure and the Primary deficit?

- (a) Primary Deficit = ₹18,500 crore and Total Expenditure = ₹231,000 crore.
- (b) Primary Deficit = ₹28,500 crore and Total Expenditure = ₹139,000 crore.
- (c) Primary deficit would be equal to the Total Expenditure.
- (d) Primary Deficit = ₹18,500 crore, and for Total Expenditure, the information is incomplete.

100. In the context of the Indian Economy, consider the following pairs

S.No.	Term		Most appropriate description
1	Melt Down	-	Fall in stock prices
2	Recession	-	Fall in growth rate
3	Slow down	-	Fall in GDP

How many of the pairs given above is/are correctly matched?

- (a) Only one
- (b) Only two
- (c) All three
- (d) None