



DAILY PT MCQs-CRACK PRELIMS 2020 TEST-IX (ECONOMICS-II)

1. **The strongest currency of the world is the one which has a high level of liquidity is called _____.**
- Hot currency
 - Soft currency
 - Hard currency
 - Heated currency
5. **Which of the following statements given below is INCORRECT?**
- The technology behind the blockchain is the “digital decentralized distributed ledger”.
 - Remittances, Loans and finances can be tracked and managed through Blockchain technology
 - Block chain technology reduces the time of processing stored information
 - Only drawback of blockchain technology is its lack of security.
3. **Consider the following statements**
- Bitcoins are tracked by the central banks of the countries.
 - Anyone with a bitcoin address can send and receive bitcoins from anyone else with a Bitcoin address.
 - Online payment can be sent without either side knowing the identity of the other.
- Select the correct answer using the code given below
- 1 and 2 only
 - 2 and 3 only
 - 3 only
 - 1, 2 and 3
4. **Rupee bonds are issued by International Finance Corporation (IFC) in the international capital market, to raise funds for supporting private sector infrastructure development initiatives in India. They are**
- Derivative bonds
 - Future Bonds
 - Masala Bonds
 - None of the above
5. **Consider the following statements with reference to Foreign Institutional Investors (FIIs)**
- Foreign Institutional Investors (FIIs) can invest in India only through Portfolio Investment Scheme (PIS)
 - The FIIs having good track record register with RBI as broker.
- Which of the statements given above is/ are INCORRECT?
- 1 only
 - 2 only
 - Both
 - Neither 1 nor 2
6. **Which among the following is a mechanism through which Indian Investor can investment in foreign companies in Indian Rupee?**

- a) IDR (Indian Depository Receipt)
- b) GDR (Global Depository Receipt)
- c) IPO (Initial public offering)
- d) External commercial borrowing (ECB)

7. "Rights Issue" in capital market means

- a) A public offer is open for all Indian citizens
- b) Raising capital by selling shares to a select group of investors, usually financial institutions (FIs).
- c) Raising capital from the existing shareholders of a company, it means it is a preferential kind of issue restricted to a certain category of the public only.
- d) None of these

8. With reference to the functions for SEBI, consider the following

1. Registering and stock exchanges, merchant banks, mutual Funds, underwriters, registrars to the issues, Brokers, Sub-brokers, transfer agents and others.
2. Levying various fees and other charges
3. Promoting investor education
4. Inspection and audit of company's accounts

Which of the statements given above are CORRECT?

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

9. Which of the following reasons to understand the failure of trickledown theory in Indian Economy?

1. Indian economy has a structural problem of excessive economic dependence on the agricultural sector.
2. In India's growth process, there has been a missing link due to the relative earlier maturity of the service sector than manufacturing sector maturity.

Select the CORRECT answer using the code given below:

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

10. With reference to 'Real Output' and 'Nominal Output', consider the following statements

1. The output at constant prices refers to the output obtained after being adjusted for Inflation or Deflation.
2. Real growth is adjusted for inflation while nominal growth ignores adjustment for inflation.
3. Nominal GDP is a better measure of growth than Real GDP.

Which of the statements given above is/ are correct?

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

11. Which of the following is CORRECT statement?

- a) Output measured at market price can be increased by increasing taxes in an economy.
- b) Factor Cost + Indirect Taxes+ Subsidies = Market Price
- c) Increased value in production of goods and services in an economy is captured at market price.
- d) None of the above

12. Consider the following statements

1. Domestic Product - Income of Indians Abroad + Income of Foreigners in India = National Product
2. National product is less than the domestic product, if the income of Indian nationals abroad is Less than the income of foreigners in India

Which of the statements given above is/ are INCORRECT?

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

13. The World Social Protection Report is published by

- a) World Economic Forum
- b) World Bank
- c) International Monetary Fund
- d) International Labor Organization

14. Cobweb phenomenon is often seen in news. It is related to

- a) Price volatility in agricultural produce
- b) Electromagnetic radiation due to Lunar Eclipse
- c) Spread of Diseases at global ocean through Cob species
- d) None of these

15. E-Kuber is often seen in News, E-kuber is

- a) Municipality Bonds by Bangalore
- b) Inflation Index bonds
- c) Core banking solution of RBI
- d) None of the above

16. Which of the following is/are covered under Digital Payment System?

1. Immediate Payment Service (IMPS)
2. Real time Gross Settlement
3. National Automated Clearing House

Select the CORRECT answer using code given below:

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

17. Consider the following liquid assets:

1. Demand deposits with the banks
2. Time deposits with the banks
3. Currency

The CORRECT sequence of these assets in the decreasing order of liquidity is

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

18. With reference to ‘Stand up India scheme’, which of the following statements is/are CORRECT?

1. Its purpose is to promote entrepreneurship among SC/ST and women entrepreneurs.
2. It provides for refinance through SIDBI.

Select the CORRECT answer using code given below:

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

19. Recent report on Global poverty ‘Poverty and shared prosperity 2018’ is released by

- a) World Bank
- b) International Monetary Fund
- c) Oxfam
- d) None of the above

20. Consider the following statements with reference to skill India

1. Global Skills park have been set up with the help of Asian development bank.
2. Indian Institute of skill has been approved and established under PPP mode.

Which of the statements given above is/ are CORRECT?

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

21. National level Entrepreneurship awareness campaign 'Udyam Abhilasha' Is launched by

- a) Ministry of Skill Development
b) NITI ayog
c) SIDBI
d) None of the above

22. Who among the following brings about the 'Agriculture Census' In India?

- a) Ministry of Statistics
b) Ministry of Agriculture
c) CSO
d) NSSO

23. In India, deficit financing is used for raising resources for

- a) Economic development
b) Redemption of Public debt

- c) Adjusting the balance of payments
d) Reducing the foreign debt

24. The national income of a country for a given period is equal to the

- a) Total value of goods and services produced by the nationals
b) Sum of total consumption and investments expenditure
c) Sum of personal income of all individuals
d) Money value of final goods and services produced

25. Which of the following groups of items is/ are included in India's foreign exchange reserves?

1. Foreign currency assets
2. Gold holdings of RBI
3. Special Drawing Rights

Select the CORRECT answer using codes given below:

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

ANSWER

1. Answer: (c)

2. Answer: (d)

- **Explanation:** Similar to an enormous ledger, the blockchain records and indexes each movement of bitcoin, creating a searchable database of every transaction in the process.
- However, unlike traditional digital ledgers that record information on a central server, the blockchain stores transaction data across vast networks of computers that constantly check and verify information with each other.

- By storing financial information across a network of computers, the task of compromising data becomes much more difficult for hackers.
- Instead of having to breach just one server, falsifying a balance or making a fraudulent transaction on a blockchain can only be achieved if the majority of the network is compromised.

3. Answer: (b)

- **Explanation:** Bitcoins are neither regulated nor recognized by several central

governments – hence are not tracked by the central banks.

4. **Answer: (c)**

- **Explanation:** Masala Bonds are rupee-denominated borrowings issued by Indian entities in overseas markets. Masala means spices and the term was used by International Finance Corporation (IFC) to popularise the culture and cuisine of India on foreign platforms. The objective of Masala Bonds is to fund infrastructure projects in India, fuel internal growth via borrowings and internationalise the Indian currency.

5. **Answer: (2)**

Explanation:

Statement (2) is incorrect.

FIs have to register themselves with SEBI.

6. **Answer: (a)**

- **Explanation:** A foreign company can access Indian securities market for raising funds through issue of Indian Depository Receipts (IDRs). An IDR is an instrument denominated in Indian Rupees in the form of a depository receipt created by a Domestic Depository (custodian of securities registered with the Securities and Exchange Board of India) against the underlying equity of issuing company to enable foreign companies to raise funds from the Indian securities Markets.

7. **Answer: (c)**

8. **Answer: (a)**

Explanation:

Statement (4) is incorrect.

- While SEBI can call for information and record from any bank or any other

authority or boards or corporation established or constituted by or under any Central, State or Provincial Act in respect of any transaction in securities which are under investigation or inquiry by the Board, it cannot inspect and audit company accounts.

9. **Answer: (c)**

10. **Answer: (a)**

- **Explanation:** Real GDP is a better measure of growth than Nominal GDP as it adjusts the Nominal GDP for its 'inflation component' and therefore depicts the 'real' growth picture.

11. **Answer: (a)**

12. **Answer: (a)**

Explanation:

Statement (1) is incorrect.

- $\text{National Product} = \text{Domestic Product} + \text{Income of Indians Abroad} - \text{Income of Foreigners in India}$

13. **Answer: (d)**

- **Explanation:** The World Social Protection Report is an ILO flagship report provides a global overview of recent trends in social protection systems, including social protection floors.

14. **Answer: (a)**

- **Explanation:** Cobweb Cycle refers to a phenomenon where the prices of certain goods witness fluctuations that are cyclical in nature.
- It happens due to faulty producer expectations.
- The producers of agricultural goods, for instance, might decide to increase their output one year because their product

commanded a very high price the previous year. This, however, might lead to overproduction and cause prices to slump that year, thus leading to losses.

15. **Answer: (c)**

- **Explanation:** E-Kuber is the Core Banking Solution of Reserve Bank of India. E-Kuber provides the provision of a single current account for each bank across the country, with decentralised access to this account from anywhere-anytime using portal based services in a safe manner.

16. **Answer: (d)**

Explanation:

- **About NACH:** National Automated Clearing House (NACH) is developed by the National Payment Corporation of India (NPCI).
- NACH is a web based platform to facilitate interbank, high volume, electronic transactions for Banks, Financial Institutions, Corporates and Government. It basically functions like an electronic clearing service available especially for banks.

17. **Answer: (d)**

18. **Answer: (c)**

About the Stand Up India Scheme:

- To facilitate bank loans between Rs. 10 lakh and Rs. 1 Crore to at least one Scheduled Caste (SC) or Scheduled Tribe (ST) borrower and at least one woman borrower per bank branch for setting up a greenfield enterprise.
- This enterprise may be in manufacturing, services or the trading sector.
- In case of non-individual enterprises at least 51% of the shareholding and

controlling stake should be held by either an SC/ST or Woman entrepreneur.

19. **Answer: (a)**

20. **Answer: (c)**

21. **Answer: (c)**

- **Explanation:** On the occasion of Birth Anniversary of Mahatma Gandhi i.e. October 02, 2018, Small Industries Development Bank of India (SIDBI), had launched a National Level Entrepreneurship Awareness Campaign, UdyamAbhilasha (& M / . - ? 2 > 7 >) in 115 Aspirational Districts identified by NITI Aayog in 28 States and reaching to around 15,000 youth.

- SIDBI will join to contribute to “the transformation mission” unleashed for these districts.
- The campaign would be running parallelly from 3rd October to 8th October, 2018 across India.

- The objectives of the missionary campaign includes :-

- (1) To inspire rural youth in aspirational districts to be entrepreneurs by assisting them to set up their own enterprise;
- (2) To impart trainings through digital medium across the country;
- (3) To create business opportunities for CSC VLEs;
- (4) To focus on women aspirants in these aspirational districts to encourage women entrepreneurship; and
- (5) To assist participants to become bankable and avail credit facility from banks to set up their own enterprise.

- The campaign would create and strengthen cadre of more than 800 trainers to provide entrepreneurship training to the aspiring youths across these districts thus encouraging them to enter the admired segment of entrepreneurs.
22. **Answer: (b)**
23. **Answer: (a)**
24. **Answer: (a)**
25. **Answer: (d)**
- **Explanation:** Components of India’s foreign exchange reserves:
1. Foreign Currency Assets (FCAs): It forms the largest component of our forex reserves. It mainly consists of US dollar and other major non-US global currencies. It also comprises investments in US treasury

2. Gold: Gold held by the RBI with the intention to serve as a guarantee to redeem promises to pay depositors, note holders or to secure a currency.
3. Special Drawing Rights (SDRs): These are special instruments created by IMF to supplement its member countries official reserves and serve as an international reserve asset since 1969. It is essentially an artificial currency instrument made up of a basket of currencies: Dollar, Euro, Yuan, Yen & Pound-Sterling.
4. RBI’s Reserve Tranche Position with IMF: It stands for the difference between India’s quota at IMF & the IMF’s holding of its currency.

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PSIR	TEJAL KHANDELWAL	13 TH JULY	4.5 MONTHS
GEOGRAPHY	LAXMIKANT JAYBHAYE	13 TH JULY	4.5 MONTHS
SOCIOLOGY	ABHIJIT JHA	13 TH JULY	4.5 MONTHS
ETHICS PAPER-IV	S. ANSARI	20 TH JULY	2 MONTHS

THE NEW TEST SERIES DETAILS BY LUKMAAN IAS IN THE CONTEXT OF THE NEW CALENDAR FOR CSE 2020 BY THE UPSC

NOTE: Since there are four months now in prelims, one can write some tests as per one's needs/choices TARGETING MAINS 2020

S.N.	TEST SERIES	TOTAL TESTS	DURATION	BATCH COMMENCES	MODE
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3.	ESSAY FULL LENGTH	4	40 DAYS	12TH JUNE	ONLINE
4.	ETHICS TEST SERIES	7	60 DAYS	13TH JUNE	ONLINE
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6.	PUBLIC ADMIN.	10	70 DAYS	13TH JUNE	ONLINE
7.	PSIR	10	70 DAYS	13TH JUNE	ONLINE
8.	GEOGRAPHY	10	70 DAYS	13TH JUNE	ONLINE
9.	SOCIOLOGY	10	70 DAYS	13TH JUNE	ONLINE

NOTE:

1. YOU CAN WRITE TESTS AS PER YOUR CONVENIENCE/FLEXIBILITY
2. TEST PAPER WILL BE MAILED AND AFTER TEST DATE, MODEL ANSWER AND DISCUSSION VIDEO WILL BE MAILED
3. COPY WILL BE EVALUATED AND MAILED BACK

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THE WEEKLY CLASS SCHEDULE

THE HINDU ANALYSIS
BY- LAXMIKANT JAYBHAYE
(9.30-10.00 AM)

GS GEOGRAPHY
BY- DR. G.R. PATIL
(10.30 AM-1.00 PM)

ECONOMY
BY- R. VASHISHTHA
(2.00-4.30 PM)

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