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# **OPSC PGT**

**Previous Year Paper  
Economics Paper-II 29  
Sept, 2024**





1. Which of the following statements is true about demand deposits?
- (A) It includes both fixed deposits and current account deposits
  - (B) It includes both savings account deposits and fixed deposits
  - ☒ (C) It includes both current account deposits and savings account deposits
  - (D) It includes fixed deposits, current account deposits and savings account deposits
2. Which of the following statements about the bank rate is true?
- (A) Bank rate is different from interest rate
  - (B) Bank rate is the discount rate provided by the Central Bank of a country
  - ☒ (C) Bank rate is defined as the rate at which the Central Bank of a country gives credit to the commercial banks
  - (D) All of the above
3. Which of the following statements about credit creation by banks is true?
- (A) Banks create credit based on their total assets
  - ☒ (B) Banks create credit based on their total deposits
  - (C) Banks create credit based on their total securities
  - (D) Both (A) and (B) and (C)
4. What distinguishes a bank from other financial institutions?
- (A) Accepting time deposits as a courtesy
  - ☒ (B) Accepting demand deposits
  - (C) Lending
  - (D) Accepting loans and borrowings
5. The term "Money Supply" relates to:
- (A) Overall money held by the general public over a specified period
  - (B) The total volume of money held by the public at a particular point in time
  - (C) The total amount of money that the government possesses
  - ☒ (D) Both (A) and (B)
6. Which of the following isn't a Central Bank's responsibility:
- ☒ (A) Banking facilities for the public
  - (B) Providing credit to commercial banks
  - (C) Providing financial assistance to the government
  - (D) Banking facilities for the government
7. Which of the statements below is true?
- (A) M3 is the most liquid money supply measure
  - (B) M2 is the most liquid money supply measure
  - ☒ (C) M1 is the most liquid money supply measure
  - (D) All of the statements are true



8. Which of the following is the closest to the money?

- (A) Securities
- (B) Bonds
- (C) Insurance policy
- ☒ (D) both (A) and (B)

9. RRBs are managed by

- (A) RBI
- (B) a board of director
- (C) the sponsor banks
- ☒ (D) the state Govt.

10. When the Reserve Bank of India (RBI) raises the Cash Reserve Ratio, it will

- (A) Increase the supply of money
- ☒ (B) Decrease the supply of money
- (C) Increase the supply of money initially but decrease the supply
- (D) No impact on money supply in the economy

11. Which of these is the most widely utilized monetary policy tool?

- ☒ (A) Operations on the open market
- (B) The issuance of banknotes
- (C) Put an end to market operations
- (D) Rate of discount

12. When the RBI raises the interest rate, it does so for the following reasons:

- (A) Due to commercial bank pressure
- (B) Increased inflation
- ☒ (C) Decreased inflation
- (D) All of the above

13. Which among the following does not belong to welfare schemes for the farmers?

- (A) The Kisan Credit Card Scheme
- (B) SHG Bank Linkage Programme
- (C) National Agricultural Insurance Scheme
- (D) Employee Referral Scheme

14. Which of the following is not a cash crop?

- (A) Cotton
- ☒ (B) Jute
- (C) Sugarcane
- (D) Rice

15. Which one of the following terms describes the practice of growing two or more crops simultaneously on the same piece of land?

- (A) Crop rotation
- (B) Mixed cropping
- (C) Intercropping
- ☒ (D) Mixed farming

16. Which one of the following agricultural practices is eco-friendly?

- ☒ (A) Organic farming
- (B) Shifting cultivation
- (C) Cultivation of high-yielding varieties
- (D) Growing plants in glass houses



17. Which State is the largest producer of rice in India?

- ☒ (A) West Bengal
- (B) Uttar Pradesh
- (C) Jharkhand
- (D) Bihar

18. Which state of India produces most of the Jute?

- ☒ (A) West Bengal
- (B) Bihar
- (C) Odisha
- (D) Jharkhand

19. The contractual agreements in money terms between the farmer, manufacturing firms and input suppliers are called

- (A) Contract farming
- ☒ (B) Capital farming
- (C) Family farming
- (D) Mixed Farming

20. Indian agriculture is typically characterised as

- (A) Land surplus, labour-scarce economy
- (B) Land surplus, labour surplus economy
- ☒ (C) Land scarce, labour surplus economy
- (D) None of the above

21. The object of a subsistence farm is to produce

- (A) Essential food crops for family and market
- (B) Only essential cash crops for family
- ☒ (C) Only essential food crops for the family
- (D) None of the above

22. The income of the farmers is compensated in times of crop failure through

- (A) Buffer stock
- ☒ (B) Crop insurance scheme
- (C) Income insurance
- (D) Mutual Funds

23. In context with the share markets in India, public issue refers to which of the following?

- (A) First-time issuance of shares of a company via stock exchange
- (B) First-time issuance of shares of a public company via stock exchange
- (C) Allotment of shares to 50 or more for investors
- (D) Allotment of shares to the public by 50% or more fraction of the total equity

24. Self Help groups are related to which of the following models?

- (A) Banking Model
- (B) Indian Microfinance Model
- (C) Financial Inclusion Model
- (D) All of the above



25. Bank rate is the rate at which the RBI extends credit to the

- (A) Government of India
- (B) Foreign countries
- ✓(C) Commercial Banks
- (D) None

26. What is the basis for determining the Dearness Allowance to employees in India?

- (A) National Income
- (B) Consumer Price index
- (C) Standard of Living
- (D) Inflation Rate

27. Which one of the following is not a feature of "Value Added Tax"?

- (A) It is a multi-point destination-based taxation system
- (B) It is a tax levied on value addition at each transaction stage in the production-distribution chain
- ✓(C) It is a tax on the final consumption of goods or services and must ultimately be borne by the consumer
- (D) It is a subject of the Central Government and the State Governments are only facilitators for its successful implementation

28. The balance of payments of a country is a systematic record of

- ✓(A) all imports and transactions of a given period normally a year
- (B) goods exported from a country during a year
- (C) economic transactions between the government of one country to another
- (D) capital movements from one country to another

29. Disguised unemployment generally means

- (A) a large number of people remain unemployed
- (B) alternative employment is not available
- ✓(C) the marginal productivity of labour is zero
- (D) productivity of workers is low

30. Which one of the following is likely to be the most inflationary in its effect?

- (A) Repayment of public debt
- (B) Borrowing from the public to finance a budget deficit
- (C) Borrowing from banks to finance a budget deficit
- ✓(D) Creating new money to finance a budget deficit



31. India is regarded as a country with a "Demographic Dividend". This is due to:
- (A) Its high population in the age group below 15 years
  - ☒ (B) Its high population in the age group of 15-64 years
  - (C) Its high population in the age group above 65 years
  - (D) Its high total population
32. What should India do to obtain the full benefits of demographic dividend?
- ☒ (A) Promoting skill development
  - (B) Introducing more social security schemes
  - (C) Reducing infant mortality rate
  - (D) Privatization of higher education
33. What does venture capital mean?
- (A) A short-term capital provided to industries
  - (B) A start-up capital provided to new entrepreneurs with long-term growth potentials
  - ☒ (C) Funds provided to industries at times of incurring losses
  - (D) Funds provided for the replacement and renovation of industries
34. In which year were the Small-Scale Industries (SSIs) in India renamed as Micro, small and medium enterprises (MSMEs)?
- (A) 2006
  - (B) 2007
  - (C) 2005
  - (D) 2004
35. Which of the following sectors does not come under the service sector in India?
- (A) Real estate
  - (B) Transport
  - (C) Restaurants & hotels
  - ☒ (D) Formation of electronic television
36. Which of the following examples does not fall under unorganized sector?
- (A) a handloom weaver working on a loom in her house
  - ☒ (B) a doctor in a hospital treating a patient
  - (C) A farmer irrigating his field
  - (D) A daily wage labourer working for a contractor
37. Where will you find the disguised unemployment most? Select the correct option from those given below:
- ☒ (A) Among agricultural workers working for small farmlands
  - (B) In big private companies
  - (C) Among part-time industrial workers
  - (D) In most of the government offices
38. Which of the following statements is true for the Public Sector?
- ☒ (A) The government owns the assets
  - (B) An individual owns most of the assets
  - (C) Big companies own most of the assets
  - (D) None of these



39. Which is the largest public sector undertaking in India?

- ☒ (A) Indian railways
- (B) Airlines
- (C) Hotels
- (D) Tourism

40. MSMEs are important for the nation's economy because they significantly contribute to—

- (A) Industrial production & export
- (B) Employment
- (C) Innovation
- ☒ (D) All above

41. A micro enterprise is one in which the investment in plant and machinery is less than

- (A) 50 lakhs
- ☒ (B) 1 crore
- (C) 2 crores
- (D) 5 crores

42. Which of the following is a remedy to solve the problems of women entrepreneurs?

- (A) Social attitude
- (B) Separate Finance cells
- (C) Micro Credit
- ☒ (D) All the above

43. The term EDP refers to \_\_\_\_\_

- (A) Entrepreneurship Development Programme
- (B) Entrepreneurial Development Programme
- ☒ (C) Entrepreneur Development Programme
- (D) None of the above

44. The availability of \_\_\_\_\_ influences industrial locations.

- (A) Market
- (B) Labour
- (C) Raw materials
- ☒ (D) All of the above

45. Which of the following can be the impact/s of Tightening Monetary Policy?

1. Rise in the price level of goods.
2. Higher unemployment.
3. Decline in economic growth.
4. Encourage savings and investment.

Which of the statements given above is/are correct?

- (A) 1 only
- ☒ (B) 2, 3 only
- (C) 2, 3 and 4 only
- (D) 1, 2, 3 and 4

46. Which of the following best describes the labour force participation rate?

- (A) The percentage of the working-age population out of the total population.
- (B) The percentage of the working-age population that is employable.
- (C) The percentage of the working-age population that is employed and actively seeking employment.
- (D) The percentage of the working-age population that is part of the formal sector.



47. What is the main reason behind the increased revenue buoyancy in India?

- (A) The decision to share data between the Central Board of Direct Taxes (CBDT) and the Central Board of Indirect Taxes & Customs (CBIC) on an automatic and regular basis.
- (B) The reduction in tax evasion through multiple consistency checks in the digital systems.
- (C) The increase in direct tax collections is due to better income reporting.
- (D) The introduction of faceless assessment and appeal systems.

48. Which of the following was/were the necessary steps taken by govt to minimize the impact of inflation and supply shortage on the vulnerable section of society?

- 1. Launched a scheme called Pradhan Mantri Garib Kalyan Anna Yojana
- 2. Maintaining a buffer stock and reduction of import duties & cess on pulses
- 3. Increase in export tax levies by various country
- 4. Declared 'Soya Meal' as an Essential Commodity.

Answer the correct one using the code given below:

- ✓(A) 1, 2 and 3 only
- (B) 2, 3 and 4 only
- (C) 1, 2 and 4 only
- (D) 1, 2, 3 and 4

49. Concerning Pradhan Mantri Fasal Bima Yojana (PMFBY), consider the following statements:

- 1. It was launched in the Kharif season of 2016.
- 2. It covers all Food & oilseed crops and Annual Commercial/Horticultural Crops.
- 3. The Scheme is implemented on an 'Area Approach' basis.
- 4. The claims paid ratio in several states averaged more than 100% against the gross premium collected during 2017, 2018 and 2019.

Which of the statements given above is/are correct?

- (A) 1, 2, and 3 only
- (B) 2, 3, and 4 only
- (C) 1 and 4 only
- (D) All of the above

50. The market wherein exchange rates sell and buy and one's prices resolve is called the

- (A) International capital market
- (B) International bond market
- ✓(C) Foreign exchange market
- (D) None



51. Term Dumping called
- (A) Tariffs should be cut to make more money.
  - ☒ (B) Buying goods at low prices in another country and selling them at a higher price here.
  - (C) Expensive goods are being sold at low prices.
  - (D) Sale of goods abroad at low a price, below their cost and price in the home market

52. As per Human Development Report 2024 India ranks at \_\_\_\_\_ out of 193 countries

- (A) 92
- ☒ (B) 134
- (C) 74
- (D) 112

53. The Life expectancy in India has increased up to \_\_\_\_\_ in 2022.

- (A) 70 years
- ☒ (B) 59 years
- (C) 33 years
- (D) 48 years

54. Atmanirbhar Bharat's scheme focuses on enhancing \_\_\_\_\_

- (A) import-substitution
- (B) export industrialization
- ☒ (C) both (A) & (B)
- (D) None

55. The most simple and popular method of measuring economic development is to calculate the trend of Gross National Product (GNP) at:

- (A) Current Prices
- ☒ (B) Constant Prices
- (C) Both of the above
- (D) None of the above

56. The interest amount on deposits from a foreign bank is recorded in the current account because it is \_\_\_\_\_

- ☒ (A) A transfer receipts
- (B) An income from abroad
- (C) An invisible service
- (D) A visible good

57. If the trade deficit is Rs. 1000 crores and the import of goods is Rs. 2000 crores, then the export of goods will be Rs. \_\_\_\_\_

- (A) 2000 crores
- ☒ (B) 1000 crores
- (C) 1500 crores
- (D) 500 crores

58. India is not a member of

- (A) SAARC
- (B) ASEAN
- (C) BRICS
- ☒ (D) All of the above



59. The objectives of import duty is/are
- (A) to raise income for the government
  - (B) to restrict imports
  - (C) to encourage exports
  - ☒ (D) to raise income and restrict imports

60. EXIM policy is also called as

- ☒ (A) Foreign Trade Policy
- (B) Export policy
- (C) Import policy
- (D) Trade policy

61. \_\_\_\_\_ contributes a major share of foreign exchange in total Indian service export

- (A) Software service
- (B) Business service
- (C) Educational service
- (D) Transport service

62. Excise duty exemption on exports is available for duty paid on

- (A) finished products only
- (B) components only
- ☒ (C) finished products and components
- (D) imported items

63. Education is a great leveller and is the best tool for achieving economic and social mobility, inclusion, and \_\_\_\_\_

- (A) disparity
- (B) discrimination
- (C) inequality
- ☒ (D) equality

64. NEP 2020 lays particular emphasis on the development of \_\_\_\_\_

- (A) The best infrastructure in the world
- (B) The provision to give 100 Employment
- (C) The provision to give free education
- ☒ (D) The creative potential of each individual

65. Education is \_\_\_\_\_ for achieving full human potential, developing an equitable and just society, and promoting national development.

- (A) Constitutional
- (B) Legitimate
- ☒ (C) Fundamental
- (D) Authentic



66. Underemployment occurs when people  
(A) do not want to work  
(B) are working lazily  
(C) have to work and earn less than what they are capable of earning  
(D) are not paid for their work

67. The devaluation of the Indian Rupee in terms of US Dollar was in the year.

(A) 2019  
(B) 2000  
(C) 1981  
(D) 1991

68. What is the full form of NITI of NITI Ayog?

(A) National Institute to Transform India  
(B) National Institute for Transforming India  
(C) National Institution to Transform India  
(D) National Institution for Transforming India

69. MRREGA has guaranteed \_\_\_\_\_ days of employment in a year in many districts of India.

(A) 200 days  
(B) 100 days  
(C) 30 days  
(D) 60 days

70. Production of a commodity, mostly through the natural process, is an activity in \_\_\_\_\_ sector.

(A) primary  
(B) secondary  
(C) tertiary  
(D) information technology

71. Indian Economy is:

(A) Socialist Economy  
(B) Gandhian Economy  
(C) Mixed Economy  
(D) Free Economy

72. India is a:

(A) Developed country  
(B) Developing country  
(C) Least-developed country  
(D) None of these

73. FDI stands for:

(A) Future Direct Investment  
(B) Foreign Direct Investment  
(C) Further Direct Investment  
(D) Fund for Direct Investment

74. Railway is an example of the

(A) Private Sector  
(B) Public Sector  
(C) Primary Sector  
(D) Unorganized sector



75. Workers in the \_\_\_\_\_ sector do not produce goods.  
 (A) Primary Sector  
 (B) Secondary sector  
 ✓(C) Tertiary sector  
 (D) In all three sectors mentioned above
76. MPCE is the abbreviation of the following?  
 (A) Maximum Per Capita Expenditure  
 (B) Monthly Per Capita Expenditure  
 (C) Minimum Per Capita Expenditure  
 (D) None of these
77. The main cause of the Poverty in India includes-  
 (A) Pressure on Population  
 (B) Low Capital Formation  
 (C) Lack of Infrastructure  
 ✓(D) All of the Above
78. In India, which community belongs to the "poor" category?  
 (A) Businessman  
 ✓(B) Landless labourer  
 (C) Rich Farmer  
 (D) None of the options
79. What is the minimum calorie intake of the people in rural areas required to measure poverty?  
 (A) 2000 kcal  
 ✓(B) 2400 kcal  
 (C) 2100 kcal  
 (D) 2300 kcal
80. Our Indian Government initiated which of the following programs to improve the food and nutritional level of the poor?  
 (A) Integrated Child Development Scheme  
 (B) Midday Meal Scheme  
 (C) Public Distribution System  
 ✓(D) All of these
81. Which of the following helps to measure Poverty in an economy?  
 (A) Poverty Gap Index  
 ✓(B) Head Count Ratio  
 (C) Sen Index of poverty  
 (D) All of these
82. Which organisation collects every data on Poverty in India?  
 (A) MGNERGA  
 ✓(B) NSSO  
 (C) SJSRY  
 (D) None of these
83. What is the reason behind the low literacy rate in females?  
 (A) Lack of transport facilities  
 (B) Lack of income  
 (C) Lack of equality in giving education opportunities  
 ✓(D) Both (B) and (C)



84. What are the main key features of the poorest household?

- (A) Hunger
- (B) Suffering from Malnutrition
- (C) Both (A) and (B)
- (D) None of the options is correct

85. Operation "Barga" is related to

- (A) Protection of the Sharecroppers
- (B) Protection of landlords
- (C) Both (A) and (B)
- (D) None of the above

86. Which of the following was included in the land reforms initiated in India?

- (A) Abolition of intermediaries
- (B) Tenancy reforms
- (C) Reorganization of agriculture
- (D) All the above

87. Which of the following were measures under the tenancy reforms?

- (A) Regulation of rent
- (B) Security of tenure
- (C) Ownership rights to tenants
- (D) All of the above

88. According to India's FDI policy, 100 percent FDI in equity via the automatic method is not permitted in which of the following areas?

- (A) Maintenance and repair organisation
- (B) Private security agencies
- (C) Industrial Park
- (D) Construction development project

89. What is the maximum amount of FDI in retail that can be brought into India through unrestricted routes?

- (A) 55%
- (B) 100%
- (C) 45%
- (D) 25%

90. FDI full form:

- (A) Foreign Development index
- (B) Federal Department of Investigation
- (C) Foreign Department of Investment
- (D) Foreign Direct Investment

91. In foreign trade, an adverse balance of trade occurs when?

- (A)  $\text{Export} < \text{Import}$
- (B)  $\text{Export} = \text{Import}$
- (C)  $\text{Export} > \text{Import}$
- (D) None of the Above



92. Which type of deposit earns a higher interest rate?

- (A) Current account
- (B) Savings Account
- ☒ (C) Fixed Deposits
- (D) None of the above

93. A PAN number is required for

- (A) Deposits less than Rs.50,000/-
- (B) Deposits over Rs.1 lac
- (C) Deposits Rs.50,000/- & above
- (D) All transactions

94. TDS means

- (A) Time Deposit Scheme
- (B) Total Deposit Scheme
- (C) Tax Deducted at Source
- (D) None of the above

95. Education Loans

- (A) Cover tuition fees & expenses
- ☒ (B) Are repayable after completion of the course
- (C) Granted for studies in India & abroad
- (D) All of the above

96. Currency notes are issued by

- ☒ (A) RBI
- (B) NABARD
- (C) Public sector banks
- (D) Central Government

97. KYC means

- ☒ (A) Know your customer
- (B) Know your character
- (C) Both of the above
- (D) None of the above

98. ATM means

- (A) Any Time Money
- (B) Auto Truck of Mahindra
- ☒ (C) Automated Teller Machine
- (D) None of the above

99. What is Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY)?

- (A) Covers life insurance up to Rs.2 lac
- (B) Accident insurance cover
- ☒ (C) Both (A) & (B)
- (D) None of the above

100. What is the Atal Pension Yojana (APY)?

- (A) Provides social security to the unorganised sector
- (B) Encourages workers to save for their retirement voluntarily
- (C) Fixed pension is paid on attaining the age of 60 years
- (D) All of the above