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# **68th BPSC Mains**

**Previous Year Paper  
(Economics Optional)  
18 May, 2023**



1. The colour of the tag used on certified seed bag is

- (A) purple
- (B) white
- (C) blue
- (D) golden yellow

2. Which of the following is **not** a public sector insurance company?

- (A) The New India Assurance Company Limited
- (B) United India Insurance Company
- (C) SBI Life Insurance
- (D) General Insurance Corporation of India

3. Which of the following statements is/are correct regarding land leasing?

- 1. It decreases the unemployment and landlessness.
- 2. Land leasing is mainly used for private purpose only.

Select the correct answer using the codes given below.

- (A) Only 1
- (B) Only 2
- (C) Both 1 and 2
- (D) Neither 1 nor 2

4. 'Operation Barga' is related to

- (A) protection of landlords
- (B) protection of sharecroppers
- (C) Both (A) and (B)
- (D) None of the above

5. Industry that requires small capital base is called

- (A) small-scale industry
- (B) large-scale industry
- (C) public sector industry
- (D) private sector industry

6. Hindustan Steel Limited (HSL) was initially designed to manage which of the following steel plants in India?

- (A) Durgapur
- (B) Bokaro
- (C) Bhilai
- (D) Rourkela

7. In 1944, a group of leading industrialists issued 'a plan for Economic Development of India'. It was more commonly known as

- (A) Delhi Plan
- (B) Calcutta Plan
- (C) Bombay Plan
- (D) Madras Plan



8. Which of the following enterprises may benefit the most from an established brand name at the time of incorporation?

- (A) Government company
- (B) Joint venture
- (C) Departmental undertaking
- (D) Statutory corporation

9. The shares of a government company are purchased in the name of which of the following?

- (A) The Managing Director of the Company
- (B) The Chief Minister of the State of Company Head Office
- (C) The Indian Government
- (D) The President of India

10. Bilateral monopoly means

- (A) single seller and single buyer
- (B) two sellers and two buyers
- (C) two sellers and single buyer
- (D) single seller and two buyers

11. The cause of emergence of money is

- (A) State regulation
- (B) legal protection
- (C) concentration of ownership of raw material
- (D) All of the above

12. What is the policy measure adopted by the Government of India to improve the system of agricultural marketing?

- (A) Maintenance of buffer stock
- (B) Public distribution system
- (C) Minimum support price
- (D) None of the above

13. 'Golden Revolution' is related to

- (A) precious minerals
- (B) horticulture and honey
- (C) pulses
- (D) jute



14. Who among the following recommends the MSP and issue prices for paddy and wheat?

- (A) Commission for Agricultural Costs and Prices
- (B) Ministry of Agriculture and Farmers' Welfare
- (C) NABARD
- (D) NITI Aayog

15. Which of the following is a profit-oriented pricing objective?

- (A) Be more competitive
- (B) Increase market share
- (C) Getting return on investment
- (D) Creating an image for business





16. What is TPDS?

- (A) Targeted Public Distribution System
- (B) Tender Public Distribution System
- (C) Ticket Public Distribution System
- (D) None of the above

17. Which one of the following is the headquarters of FCI?

- (A) Chennai
- (B) New Delhi
- (C) Mumbai
- (D) Bengaluru



18. Which one among the following is **not** an objective of food management in India?

- (A) Procurement of food grains
- (B) Distribution of food grains
- (C) Export of food grains
- (D) Maintenance of food grains buffer stock

19. The economic cost of FCI consists of distribution cost and

- (A) labour and transport charges
- (B) storage cost
- (C) procurement price
- (D) acquisition cost

20. The Vibrant Villages Programme launched in the recent Union Budget 2022 focuses on the development of which villages?

- (A) Hilly villages
- (B) Border villages
- (C) Tribal villages
- (D) Backward villages

21. Which of the following budgets is India's first paperless budget presentation?

- (A) Budget 2018-19
- (B) Budget 2019-20
- (C) Budget 2020-21
- (D) Budget 2021-22

22. What is the estimated effective capital expenditure of the Central Government in the financial year 2022-23?

- (A) 10.68 lakh crore
- (B) 14.53 lakh crore
- (C) 16.23 lakh crore
- (D) 17.35 lakh crore



23. Who leads the Goods and Services Tax or the GST of India?

- (A) The Prime Minister
- (B) The President
- (C) The Finance Minister
- (D) The Home Minister

24. In which year Railway Budget was being merged with the General Budget?

- (A) Budget 2014-15
- (B) Budget 2016-17
- (C) Budget 2017-18
- (D) Budget 2018-19



25. Banks use the major portion of the deposits to

- (A) invest in infrastructure
- (B) extend loans
- (C) deposit in foreign banks
- (D) None of the above

26. Which of the following is the component of the terms of credit?

- (A) Collateral
- (B) Interest rate
- (C) Documentation requirements
- (D) All of the above

27. Which of the following are the examples of informal sector loans?

- (A) Cooperatives
- (B) Traders
- (C) Moneylenders
- (D) Both (B) and (C)

28. Banking comes under which of the following sectors of the economy?

- (A) Primary sector
- (B) Tertiary sector
- (C) Secondary sector
- (D) Both primary and tertiary sectors

29. In India, commercial banks have the highest share in the disbursement of credit to

- (A) PSUs
- (B) moneylenders
- (C) agriculture
- (D) microfinance



30. Which of the following is measured by Lorenz curve?

- (A) Inequality of income
- (B) Illiteracy
- (C) Unemployment
- (D) More than one of the above

31. The concept of Five-Year Plans in the Constitution of India is borrowed from

- (A) England
- (B) The United States
- (C) Germany
- (D) Russia

32. The scope of land reforms **does not** include

- (A) consolidation of landholdings
- (B) housing loans to farmers
- (C) cooperative farming
- (D) abolition of intermediaries

33. Compared to the rich, the poor save

- (A) an equal part of their income
- (B) a large part of their income
- (C) a smaller part of their income
- (D) All of their incomes

34. With which form of economy is the term 'laissez-faire' associated?

- (A) Capitalist economy
- (B) Socialist economy
- (C) Mixed economy
- (D) Command economy

35. Which of the following is another name for the average income of a country?

- (A) Disposable income
- (B) Per capita income
- (C) Inflation rate
- (D) Growth rate

36. When the depreciation is deducted from the gross domestic product, the net value is known as

- (A) net domestic product
- (B) net national product
- (C) gross national product
- (D) gross domestic product at factor cost

37. Which of the following is **not** an example of an indirect tax in India?

- (A) Sales tax
- (B) Customs duty
- (C) Excise duty
- (D) Estate duty



38. Which of the following is the total value of Net National Product (NNP) at the consumer point?

- (A) Gross national product at market price
- (B) Net national product at market price
- (C) Gross national product at factor cost
- (D) Net national product at factor cost

39. Which of the following is **not** added while calculating the national income of India?

- (A) The value of a good or service
- (B) The services rendered by housewives
- (C) Both (A) and (B) are correct
- (D) Both (A) and (B) are incorrect

40. Which of the following statements is true about the law of equi-marginal utility?

- (A) The law of equi-marginal utility is known as the law of increasing utility.
- (B) The law of equi-marginal utility is known as the law of decreasing utility.
- (C) The law of equi-marginal utility is known as the law of substitution.
- (D) The law of equi-marginal utility is known as the law of contribution.

41. Which of the following words is true about the capacity of any commodity to satisfy human wants?

- (A) Taste
- (B) Utility
- (C) Consumption
- (D) Quality

42. Which of the following words is related to consumer behaviour?

- (A) Macroeconomics behaviour
- (B) Income analysis behaviour
- (C) Microeconomics behaviour
- (D) Taste behaviour

43. Which of the following statements about the demand curve is true?

- (A) Its slope is upward from left to right.
- (B) Its slope is parallel to the X-axis.
- (C) Its slope is downward from left to right.
- (D) Its slope is parallel to the Y-axis.

44. Elasticity of demand is a 

- (A) quantitative statement
- (B) qualitative statement
- (C) Both (A) and (B) are correct
- (D) Both (A) and (B) are incorrect



45. When the price of coffee rises, the demand for tea

- (A) stays the same
- (B) rises
- (C) falls
- (D) None of the above

46. Who among the following economists gave the statement, "Supply creates its own demand"?

- (A) James Madison
- (B) Jean-Baptiste Say
- (C) Thomas Jefferson
- (D) None of them



47. A firm makes \_\_\_\_\_ at the break-even point.

- (A) abnormal losses
- (B) normal profits
- (C) abnormal profits
- (D) None of the above

48. Which of the following is **not** a type of market structure?

- (A) Perfect competition
- (B) Competitive monopoly
- (C) Oligopoly
- (D) All of the above

49. If one perfectly competitive firm increases its level of output market supply

- (A) will increase and market price will rise
- (B) will increase and market price will fall
- (C) and market price will both remain constant
- (D) will decrease and market price will rise

50. Which of the following is **not** capital asset?

- (A) Stocks
- (B) Homes
- (C) Investment properties
- (D) Agricultural land

51. When resources are limited, \_\_\_\_\_ projects with a positive NPV can be accepted.

- (A) simple
- (B) inclusive
- (C) complex
- (D) multi-dimensional

52. Which of the following is **not** a component of incremental cash flow?

- (A) The operating cash flow
- (B) The initial investment
- (C) Purchase of equipment cash
- (D) The terminal cash flow



53. Which is **not** correct for MPC?

- (A) Value of MPC varies between 0 and 1
- (B) MPC of poor is more than that of rich
- (C) MPC falls with successive increase in income
- (D) MPC can be more than 1

54. \_\_\_\_\_ refers to a situation when AD is equal to AS beyond the full employment level.

- (A) Full employment equilibrium
- (B) Over full employment equilibrium
- (C) Underemployment equilibrium
- (D) None of the above



55. The gap by which actual aggregate demand exceeds the aggregate demand required to establish full employment equilibrium is known as

- (A) deflationary gap
- (B) deficient demand
- (C) inflationary gap
- (D) excess demand

56. If an economy is to control recession like most of the Euro-Zone Nations, which of the following can be appropriate?

- (A) Reducing CRR
- (B) Reducing repo rate
- (C) Both (A) and (B)
- (D) None of the above

57. Which of the following statements about economic growth is false?

- (A) Economic growth can be helped by having new technology.
- (B) Economic growth solves the economic problem.
- (C) Economic growth can be helped by using tidal power.
- (D) Economic growth can be helped with more education.

58. Which of the following is a positive statement?

- (A) Low rents will restrict the supply of housings.
- (B) Low rents are good because they make apartments more affordable.
- (C) Owners of apartment building ought to be free to charge whatever rent they want.
- (D) Housing costs are too much



59. The statement, "Prices rise more in countries with rapid growth in the money supply" is
- (A) an ethical statement
  - (B) a normative statement
  - (C) a political statement
  - (D) a positive statement
60. The National Stock Exchange is
- (A) Sensex
  - (B) Nifty 
  - (C) Rolex
  - (D) Bankex
61. Which of the following is the oldest stock exchange in India?
- (A) NSE
  - (B) CSE
  - (C) BSE
  - (D) DSE
62. Commercial banks are regulated under the
- (A) Reserve Bank of India Act, 1934
  - (B) English Companies Act, 1844
  - (C) Companies Act, 1850
  - (D) Banking Regulation Act, 1949
63. How many banks were nationalized in India on 15th April, 1980?
- (A) 5
  - (B) 6
  - (C) 8
  - (D) 9
64. The first Regional Rural Bank was established in India in the year
- (A) 1975
  - (B) 1980
  - (C) 1982
  - (D) 1991
65. Which of the following is **not** a function of the RBI?
- (A) Credit control
  - (B) Monetary policy
  - (C) Creation of credit
  - (D) Issue of currency notes
66. Which of the following supervise the functioning of formal sources of loans?
- (A) Moneylenders
  - (B) SHGs
  - (C) SEBI
  - (D) The Reserve Bank of India



67. Which of the following is a subsidiary of the RBI?

- (A) ICICI
- (B) National Housing Bank
- (C) SBI
- (D) SIDBI

68. The RBI regulates which of the parameters by undertaking open-market transactions?

- (A) Inflation
- (B) Money supply in the economy
- (C) Borrowing power of the commercial banks
- (D) Both (A) and (B)



69. DBT Performance Ranking of Bihar in January 2023 is

- (A) 5
- (B) 9
- (C) 15
- (D) 17

70. Section 139(1) of income tax relates to

- (A) belated return
- (B) loss return
- (C) normal return
- (D) revised return

71. Salary of MP/MLA/MLC is taxable under which head?

- (A) Salary
- (B) Business/Profession
- (C) Other sources
- (D) None of the above

72. Which of the following items would not be included in the cash budget?

- (A) Depreciation charges
- (B) Taxes
- (C) Cash receipts
- (D) Payments to suppliers

73. Which of the following would be classified as spontaneous liabilities?

- (A) Long-term debt
- (B) Notes payable
- (C) Accounts payable
- (D) Accounts receivable

74. Which of the following work to automatically reduce the need for discretionary financing as sales increase?

- (A) Increases in fixed assets
- (B) Increases in retained earnings
- (C) Increases in spontaneous liabilities
- (D) Both (B) and (C)



75. Which of the following statements is true about the primary deficit in a government's budget?

- (A) It is zero when the net interest payments are zero.
- (B) It is zero when the fiscal deficit is equal to the interest payments.
- (C) It is zero when the revenue deficit is zero.
- (D) It is zero when the fiscal deficit is zero.

76. Which of the following statements describes the function of a budget?

- (A) It is a description of programs of the government.
- (B) It is a description of income and expenditure of a government.
- (C) It is a document containing details of the economic policy of a government.
- (D) All of the above

77. Which of the following agencies is responsible for formulating the fiscal policy in India?

- (A) The Ministry of Finance, Government of India
- (B) The Securities and Exchange Board of India
- (C) The National Bank for Agricultural and Rural Development
- (D) The Reserve Bank of India

78. Which of the following steps under the fiscal policy is an example for stabilizing the economy?

- (A) Allocating more capital for spending on construction of national highways
- (B) Making payments towards pensions for retired military personnel
- (C) Making payments towards unemployment insurance benefits
- (D) Decreasing the supply of money within the economy

79. If the grants for the creation of capital assets are deleted from the revenue deficit, then what will be the scenario?

- (A) Primary deficit
- (B) Effective revenue deficit
- (C) Fiscal deficit
- (D) Budget deficit

80. The optimum tariff means

- (A) maximizes total export sales of the imposing country
- (B) must occur in the elastic range of the partner country's offer curve
- (C) takes account of probability that the partner country will retaliate with protective measures of its own
- (D) must occur in the elastic range of the tariff imposing home country's offer curve



81. Trade between two countries can be useful if cost ratios of goods are

- (A) decreasing
- (B) undetermined
- (C) different
- (D) equal

82. Dumping refers to

- (A) reducing tariffs
- (B) buying goods at low prices abroad and selling at higher prices locally
- (C) expensive goods selling for low prices
- (D) sale of goods abroad at a lower price, below their cost and price in their home market



83. The margin for a currency future should be maintained with the clearing house by

- (A) the buyer
- (B) the seller
- (C) either the buyer or the seller as per the agreement between them
- (D) both the buyer and the seller

84. Which of the following statements is false?

- (A) Depreciation of the foreign currency leads to a fall in exports.
- (B) Appreciation of the foreign currency leads to a fall in imports.
- (C) Appreciation of the domestic currency leads to rise in exports.
- (D) Devaluation of the domestic currency leads to rise in imports.

85. Exchange rate is the price of a currency expressed in terms of

- (A) metal
- (B) gold
- (C) another currency
- (D) None of the above

86. Improvement in the balance of payments deficit may be affected through

- (A) import controls
- (B) export promotion
- (C) foreign exchange control and devaluation
- (D) All of the above



87. The 'resident', whose monetary transactions get recorded under the balance of payments system, includes

- (A) individuals
- (B) firms
- (C) government agencies
- (D) All of the above

88. When did the IMF start functioning?

- (A) 1942
- (B) 1945
- (C) 1947
- (D) 1948

89. Bretton Woods Conference resulted into the establishment of which of the following?

- (A) IBRD and IFC
- (B) IMF and IDA
- (C) IMF and IBRD
- (D) IDA and ADB

90. Which statement is correct for the Indian Planning Commission?

- (A) Members and the Vice-Chairman of it do not have fixed working duration.
- (B) Members do not require any minimum education.
- (C) It is not defined in the Indian Constitution.
- (D) All of the above

91. In the context of India's Five-Year Plans, a shift in the pattern of industrialization, with lower emphasis on heavy industries and more on infrastructure begins in

- (A) Fifth Plan
- (B) Sixth Plan
- (C) Eighth Plan
- (D) Tenth Plan



92. In India, the concepts of 'minimum needs' and 'directed anti-poverty programmes' were the innovations of

- (A) Third Five-Year Plan
- (B) Fifth Five-Year Plan
- (C) Sixth Five-Year Plan
- (D) Seventh Five-Year Plan

93. The Planning Commission constituted a high level committee for financial sector reforms in August 2007 under the Chairmanship of

- (A) Raghuram Rajan
- (B) Bimal Jalan
- (C) K. V. Kamath
- (D) None of them



94. What were the reasons for introducing the economic reforms in 1991?

- (A) The negative balance of payments
- (B) The Gulf War
- (C) Increase in fiscal deficit
- (D) All of the above

95. Disinvestment of PSE's implies

- (A) closing down operations
- (B) investing in new areas
- (C) sale of equity shares to private/public sector
- (D) buy shares of PSE's

96. Reconstruction of sick public sector units is taken up by

- (A) MOU
- (B) BIFR
- (C) MOFA
- (D) NRF

97. Centralized control in MNC's implies control exercised by

- (A) the Parliament
- (B) Branches
- (C) Headquarters
- (D) Subsidiaries

98. Which one of the following sets of condition is necessary for a good cultivation of wheat?

- (A) Moderate temperature and moderate rainfall
- (B) High temperature and heavy rainfall
- (C) High temperature and moderate rainfall
- (D) Low temperature and low rainfall

99. The Green Revolution has not been as green as it has been made out to be because

- (A) it is created big farmers
- (B) it is confined only to wheat
- (C) it is confined to selected regions
- (D) None of the above

100. Which of the following States in India **does not** acquire large number of food insecure population?

- (A) Maharashtra
- (B) Bihar
- (C) Uttar Pradesh
- (D) Tamil Nadu

