

NATURE OF INDIAN ECONOMY QUESTIONS

1) The term mixed economy denoted:

- >Existence of both rural and urban sectors
- >existence of both private and public sectors
- >Existence of both heavy and small industries
- >Existence of both developed and underdeveloped sectors

Answer:

- >existence of both private and public sectors
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2) In an economy the sectors are classified into public and private on the basis of:

- >Employment condition
- >nature of economic activities
- >Ownership of enterprises
- >use of raw materials

Answer:

- >Ownership of enterprises
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3) The Dual Economy is a mixture of :

- >traditional agriculture sector and modern industria sector
- >industrial sector and manufacturing sector
- >state ownership of the means of production in corporation of foreign organisation
- >industrial sector and trading of goods obtained through imports

Answer:

- >traditional agriculture sector and modern industria sector
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4) Which sector of Indian Economy has shown remarkable expansion during the last decade?

- >Primary Sector
- >Secondary Sector
- >Tertiary Sector
- >Mining Sector

Answer:
>Tertiary Sector

5) When development in economy takes place, the share of tertiary sector in National Income:

- >First falls and then rises
- >first rises and then falls
- >keeps on increasing
- >remains constant

Answer:
>keeps on increasing

6) It will be true to classify India as:

- >A food deficit economy
- >A labour surplus economy
- >A trade surplus economy
- >A capital surplus economy

Answer:
>A labour surplus economy

7) Mixed economy means :

- >Where agriculture and industry are given equal importance
- >Where public sector exists alongwith the private sector in national economy
- >Where globalization is transferred with heavy dose of Swadeshi in national economy
- >where the centre and the States are equal partners in economic planning and development

Answer:
>Where public sector exists alongwith the private sector in national economy

8) In India planned economy is based on:

- >Gandhian System
- >Socialist System
- >Capitalist System
- >Mixed Economy system

Answer:
>Socialist System

9) Economic liberalisation in India started with:

- >substantial changes in industrial licensing policy
- >the convertibility of Indian rupee
- >doing away with procedural formalities for foreign direct investment
- >significant reduction in tax rates

Answer:

- >substantial changes in industrial licensing policy
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10) Production is at socially ideal level under:-

- >Monopolistic competition
- >Monopoly
- >Oligopolistic Competition
- >Perfect Competition

Answer:

- >Perfect Competition
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11) Which one of the following is a residual earning ?

- >Rent
- >Profit
- >Wage
- >Interest

Answer:

- >Profit
-
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12) New firms are barred from entering the market in :

- >Perfect Competition
- >Oligopoly
- >Monopolistic Competition
- >Monopoly

Answer:

- >Monopoly
-
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13) Who says: The propensity to consume is stable in the short run ?

- >Keynes
- >Hicks
- >Arrow
- >Stiglitz

Answer:

>Keynes

14) The supply of a commodity does not depend directly upon :

- >Cost of Production
- >Price of the Commodity
- >Technology of Production
- >Demand for the Commodity

Answer:

>Demand for the Commodity

15) Capital information in an economy depends on :

- >Total Income
- >Total demand
- >Total savings
- >Total Production

Answer:

>Total savings

16) Price cost is equal to :

- >Variable cost plus administrative cost.
- >Variable cost plus fixed cost
- >Variable cost only
- >Fixed cost only

Answer:

>Variable cost plus administrative cost.

17) An expenditure that has been made and cannot be recovered is called:

- >Variable cost
- >Opportunity cost
- >Sunk Cost
- >Operational cost

Answer:

>Sunk Cost

18) Who propounded the market law ?

- >Adam Smith
- >J.B.Say
- >T.R. Malthus
- >David Ricardo

Answer:
>J.B.Say

19) [Who among the following is NOT a classical economist ?](#)

- >David Ricardo
- >John Stuart Mill
- >Thomal Malthus
- >John Maynard Keynes

Answer:
>John Stuart Mill

20) [Pro. Amartiya Sen was awarded Nobel Prize for his contribution to the field of :](#)

- >Food and famines
- >Welfare economics
- >Indian Economy
- >Poverty

Answer:
>Welfare economics

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