|  |  |
| --- | --- |
| Question | **Which of the following events is commonly associated with the onset of the Great Depression in 1929?** |
| Type | multiple-choice |
| Option | The rise of fascism in Europe |
| Option | The signing of the Treaty of Versailles |
| Option | The outbreak of World War II |
| Option | The stock market crash of October 1929 |
| Answer | d |
| Solution | The stock market crash of October 1929 is widely regarded as the event that triggered the Great Depression, leading to a severe economic downturn that affected economies worldwide |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following statements best defines fiat money?** |
| Type | multiple-choice |
| Option | Money that is backed by physical commodities like gold |
| Option | Money that has intrinsic value |
| Option | Currency that has value primarily by government decree |
| Option | Currency used only in international trade |
| Answer | c |
| Solution | Fiat money derives its value from the trust and confidence of the people who use it, as it is established by government regulation rather than a physical commodity |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was a key outcome of the Bretton Woods Conference in 1944?** |
| Type | multiple-choice |
| Option | Establishment of the European Union |
| Option | Creation of the International Monetary Fund (IMF) |
| Option | Formation of the World Trade Organization (WTO) |
| Option | Implementation of fixed exchange rates only |
| Answer | b |
| Solution | The Bretton Woods Conference led to the establishment of the IMF and the World Bank, aiming to promote international economic cooperation and stability. It set up a system of fixed exchange rates linked to the US dollar |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following statements best describes the barter system?** |
| Type | multiple-choice |
| Option | It relies on the use of money for transactions |
| Option | It is a system of exchanging goods and services directly without money |
| Option | It was the primary form of trade in the digital economy. |
| Option | It is characterized by standardized currency. |
| Answer | b |
| Solution | The barter system involves the direct exchange of goods and services between parties without the use of money. It was one of the earliest forms of trade before the invention of currency |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following is a primary branch of economics that focuses on the behaviour of individuals and firms?** |
| Type | multiple-choice |
| Option | Microeconomics |
| Option | Macroeconomics |
| Option | Behavioural economics |
| Option | Development economics |
| Answer | a |
| Solution | Microeconomics deals with individual and firm behavior in decision-making and the allocation of resources, contrasting with macroeconomics, which looks at the economy as a whole |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was the main reason for the transition from commodity money to fiat money?** |
| Type | multiple-choice |
| Option | Increased availability of precious metals |
| Option | Greater convenience and flexibility in trade |
| Option | The abolition of trade barriers |
| Option | The rise of global trade networks |
| Answer | b |
| Solution | Fiat money, which is government-issued currency not backed by a physical commodity, allows for greater convenience in transactions, as it does not require the backing of tangible goods and is easier to manage |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following is a focus area of developmental economics?** |
| Type | multiple-choice |
| Option | Inflation rates |
| Option | Price elasticity of demand |
| Option | Economic growth and poverty alleviation |
| Option | International trade agreements |
| Answer | c |
| Solution | Developmental economics primarily addresses issues related to improving the economic conditions of developing countries, including strategies for growth, poverty reduction, and increasing living standards. |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What does behavioural economics study?** |
| Type | multiple-choice |
| Option | How economic policies are formulated |
| Option | The psychological factors affecting economic decisions |
| Option | The impact of globalization on local economies |
| Option | The role of government in economic systems |
| Answer | b |
| Solution | Behavioural economics combines insights from psychology and economics to understand how emotional, cognitive, and social factors influence the economic decisions made by individuals and institutions |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which currency was established as the central reserve currency during the Bretton Woods** |
| Type | multiple-choice |
| Option | Euro |
| Option | British Pound |
| Option | US Dollar |
| Option | Japanese Yen |
| Answer | c |
| Solution | Under the Bretton Woods system, the US dollar was established as the primary reserve currency, linked to gold, which provided a stable foundation for international trade and finance |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was the primary economic strategy adopted by India immediately after independence in 1947?** |
| Type | multiple-choice |
| Option | Market-driven economy |
| Option | Market-driven economy |
| Option | Centralized planning |
| Option | Deregulation of industries |
| Answer | c |
| Solution | After independence, India adopted a centralized planning approach, focusing on state control over key industries and resources to promote economic development and self-sufficiency |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following sectors saw significant growth post-liberalization in India (1991)?** |
| Type | multiple-choice |
| Option | Agricultural sector |
| Option | Information technology sector |
| Option | Heavy industries |
| Option | Traditional handicrafts |
| Answer | b |
| Solution | Post-liberalization, the information technology sector experienced rapid growth and became one of the major contributors to India's GDP and employment, marking a significant transformation in the economy |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was the significance of the gold standard in the evolution of currency?** |
| Type | multiple-choice |
| Option | It provided a fixed monetary system based on gold reserves |
| Option | It eliminated the need for any physical currency |
| Option | It led to the establishment of fiat currencies |
| Option | It promoted barter trade among nations |
| Answer | a |
| Solution | The gold standard established a fixed relationship between currency and gold, ensuring stability and predictability in international trade and monetary policy until its abandonment in the 20th century |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following is a limitation of the barter system?** |
| Type | multiple-choice |
| Option | It requires money for transactions |
| Option | It can lead to a mismatch in the value of exchanged goods |
| Option | It allows for the accumulation of wealth |
| Option | It simplifies the trade process |
| Answer | b |
| Solution | One significant limitation of the barter system is that it requires a double coincidence of wants; both parties must have what the other wants, leading to potential mismatches in value and making transactions complicated |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following best describes the impact of the Great Depression on global trade?** |
| Type | multiple-choice |
| Option | Global trade increased significantly |
| Option | Global trade remained unchanged |
| Option | Global trade decreased sharply due to protectionism |
| Option | Global trade focused primarily on agricultural products |
| Answer | c |
| Solution | The Great Depression led many countries to adopt protectionist measures, such as tariffs, which severely restricted international trade and contributed to the global economic downturn |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What is a key focus of macroeconomics?** |
| Type | multiple-choice |
| Option | The pricing strategy of a single firm |
| Option | Economic policies affecting specific industries |
| Option | Aggregate demand and national output |
| Option | Behavioural patterns of individual consumers |
| Answer | c |
| Solution | Macroeconomics examines the economy as a whole, focusing on aggregate demand, total national output, inflation, and overall economic growth, differentiating it from microeconomic analysis |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was a primary aim of the Bretton Woods Conference held in 1944?** |
| Type | multiple-choice |
| Option | To establish a common currency for Europe |
| Option | To create a new framework for international monetary cooperation |
| Option | To develop military alliances among participating countries |
| Option | To implement trade sanctions on Axis powers |
| Answer | b |
| Solution | The Bretton Woods Conference aimed to establish a stable international monetary system to prevent the economic instability that led to the Great Depression and promote global economic cooperation |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following was a primary focus of India's First Five-Year Plan (1951-1956)?** |
| Type | multiple-choice |
| Option | Promoting liberalization and privatization |
| Option | Developing heavy industries |
| Option | Agricultural development and food security |
| Option | Enhancing export capabilities |
| Answer | c |
| Solution | The First Five-Year Plan emphasized agricultural development and aimed to achieve food security in India, reflecting the country's need to improve food production and rural livelihoods after independence |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was the primary reason behind India's economic reforms in 1991?** |
| Type | multiple-choice |
| Option | To decrease foreign investment |
| Option | To respond to a severe balance of payments crisis |
| Option | To increase government control over the economy |
| Option | To promote agriculture over industry |
| Answer | b |
| Solution | The economic reforms of 1991 were primarily initiated in response to a critical balance of payments crisis that threatened India's financial stability, necessitating urgent reforms to stabilize the economy |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following concepts is primarily studied within microeconomics?** |
| Type | multiple-choice |
| Option | National income determination |
| Option | Inflation and its impact on the economy |
| Option | Consumer behaviour and demand analysis |
| Option | Unemployment rates |
| Answer | c |
| Solution | Microeconomics focuses on individual consumer behavior, firm production, and the interaction of supply and demand in specific markets, unlike macroeconomics, which studies the overall economy |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What challenge does the barter system primarily face in a complex economy?** |
| Type | multiple-choice |
| Option | Lack of trust among traders |
| Option | Excessive government regulation |
| Option | Limited variety of goods available for trade |
| Option | Difficulty in finding a matching demand for goods |
| Answer | d |
| Solution | In a complex economy, the barter system faces the challenge of needing a double coincidence of wants, where both parties must desire what the other has to offer, making transactions cumbersome and inefficient |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following economic models primarily deals with income distribution and social welfare within a society?** |
| Type | multiple-choice |
| Option | Keynesian economics |
| Option | Welfare economics |
| Option | Supply-side economics |
| Option | Monetarist economics |
| Answer | b |
| Solution | Welfare economics focuses on the allocation of resources and how economic policies affect social welfare and income distribution. It deals with the overall well-being of individuals in a society and seeks to evaluate the outcomes of different economic scenarios based on equity and efficiency |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which of the following was a significant feature of the LPG reforms in India?** |
| Type | multiple-choice |
| Option | Nationalization of key industries |
| Option | Introduction of Import Licensing |
| Option | Reduction of trade barriers |
| Option | Increase in government subsidies |
| Answer | c |
| Solution | The LPG reforms included the reduction of trade barriers, such as tariffs and quotas, to promote free trade and integrate the Indian economy with the global market, fostering competition and economic growth |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **How did the International Monetary Fund (IMF), established during the Bretton Woods Conference, aim to stabilize the global economy after World War II?** |
| Type | multiple-choice |
| Option | By setting fixed exchange rates for all global currencies |
| Option | By providing short-term financial assistance to countries facing balance-of-payments crises |
| Option | By controlling global inflation through fiscal policies |
| Option | By regulating international stock markets and capital flows |
| Answer | b |
| Solution | The IMF's primary role, established during the Bretton Woods Conference, was to provide financial assistance to countries experiencing balance-of-payments difficulties, allowing them to stabilize their economies without resorting to trade restrictions or currency devaluation. The system aimed to foster global economic stability by encouraging cooperation and preventing the types of financial instability that had led to the Great Depression |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **Which Five-Year Plan in India emphasized economic liberalization?** |
| Type | multiple-choice |
| Option | First Five-Year Plan |
| Option | Fifth Five-Year Plan |
| Option | Eighth Five-Year Plan |
| Option | Tenth Five-Year Plan |
| Answer | c |
| Solution | The Eighth Five-Year Plan (1992-1997) introduced reforms that laid the groundwork for economic liberalization in India, moving towards a more open and market-oriented economy |
| Positive Marks | 2 |
| Negative Marks | 0.66 |

|  |  |
| --- | --- |
| Question | **What was one of the significant outcomes of the economic liberalization policies initiated in 1991?** |
| Type | multiple-choice |
| Option | Complete nationalization of all industries |
| Option | Decrease in private sector involvement |
| Option | High levels of protectionism |
| Option | A surge in foreign investment |
| Answer | d |
| Solution | The liberalization policies of 1991 opened up the Indian economy to foreign investment, leading to a significant increase in FDI, boosting economic growth and technological advancements |
| Positive Marks | 2 |
| Negative Marks | 0.66 |