

# NATIONAL INCOME & HUMAN DEVELOPMENT INDEX BASED INDIAN ECONOMY MCQ PRACTICE QUESTIONS AND ANSWERS PDF WITH EXPLANATION

For All Competitive SSC, Bank, IBPS, UPSC, Railway, IT & Other Govt. Exams

Created By [Careericons](https://careericons.com) Team

---

**Q1.** Which of the following statements is/are **correct**?

- If a country is experiencing an increase in its per capita GDP, its GDP must necessarily be growing.
- If a country is experiencing negative inflation its GDP must be decreasing.

Select the **correct** answer using the codes given below

- a) Only 2
  - b) Only 1
  - c) Both 1 and 2
  - d) Neither 1 nor 2
- 

**Q2.** The concept of Economic Planning in India is derived from which country?

- a) UK
  - b) USA
  - c) Russia
  - d) France
- 

**Q3.** The national income of a country for a given period is equal to the

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

**Q4.** Planning was considered a prerequisite :

- For balanced socio-economic development
- For extending the benefits of development in an even manner.
- For focussing on removal of regional disparities
- For maximizing the utilization of available resources

Select the **correct** answer using the codes given below :Codes :

- a) 1, 2 and 3
- b) 1 and 2
- c) 2, 3 and 4
- d) All the above

**5000+ FREE INDIAN ECONOMY MCQ QUESTION BANK FOR ALL SSC, UPSC, BANK, RAILWAY EXAMS**

[Free Practice MCQs »](#)

[Download More PDF »](#)

[Free Online Quiz »](#)

**Q5.** Net National Product (NNP) of a country is

- a) GDP plus net income from abroad
- b) GDP minus depreciation allowances
- c) GNP minus net income from abroad
- d) GNP minus depreciation allowances

**Q6.** The Per Capita Income in India was ` 20 in 1867-68 was ascertained for the first time by

- a) Sir W. Hunter
- b) M.G. Ranade
- c) Dadabhai Naoroji
- d) R.C. Dutta

**Q7.** The most appropriate measure of a country's economic growth is its

- a) Net Domestic Product
- b) Gross Domestic Product

- c) Per Capita Real Income
  - d) Net National Product
- 

**Q8.** The most appropriate measure of a country's economic growth is its

- a) Net Domestic Product
  - b) Gross Domestic Product
  - c) Net National Product
  - d) Per capita real income
- 

**Q9.** Consider the following stages of demographic transition associated with economic development:

- Low birth rate with a low death rate
- High birth rate with a high death rate
- High birth rate with a low death rate

Select the **correct** answer using the following codes:

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

**Q10.** Consider the following statements regarding Indian planning.

- The second five year plan emphasized on the establishment of heavy industries.
- The third five year plan aimed to achieve self-sufficiency in foodgrains and increase agricultural production to meet the requirements of industry and exports.

Which of the statements given above is/are **correct**?

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

**Q11.** 'World Development Report' is an annual publication of

- a) United Nations Development Programme
  - b) International Bank of Reconstruction and Development
  - c) World Trade Organisation
  - d) International Monetary Fund
- 

**Q12.** National product at factor cost is equal to

- a) National product at market prices - indirect taxes + subsidies
- b) Domestic product + Net factor income from abroad
- c) Gross domestic-product - depreciation
- d) National product at market prices + Indirect taxes + subsidies

**1000+ FREE NATIONAL INCOME & HUMAN DEVELOPMENT INDEX BASED QUESTIONS AND ANSWERS FOR ALL COMPETITIVE EXAMS**

[Free Practice MCQs »](#)

[Download More PDF »](#)

[Free Online Quiz »](#)

**Q13.** The most simple and popular method of measuring economic development is to calculate the trend of Gross National Product (GNP) at

- a) Constant prices
  - b) Current prices
  - c) None of the above
  - d) Both of the above
- 

**Q14.** In India, rural incomes are generally lower than urban incomes. Which of the following reasons account for this?

- A large number of farmers are illiterate and know little about scientific agriculture.
- Prices of primary products are lower than those of manufactured products.
- Investment in agriculture has been lower when compared to investment in the industry

- a) 1 and 2

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

**Q15.** Consider the following statements:

- In India, more than 85% agriculture workers are mainly casual labourers.
- Agriculture labourers in India are mainly dominated by the backward classes.

Which of the statements given above is/are **correct**?

- a) 1 and 2
  - b) 2 only
  - c) 1 only
  - d) None
- 

[Read More national income human development index Question and Answers »](#)

**Answers to the above questions :**

**Q1. Answer: (b)**

Negative Inflation is a decrease in price level and economic growth is defined as GDP rise. A decrease in inflation means the prices have fallen.

So, there is an increase in purchasing power of money. It is increased consumption therefore GDP increases.

**Q2. Answer: (c)**

The concept of Economic planning in India is derived from Russia.

**Q3. Answer: (c)**

## 5000+ INDIAN ECONOMY MCQ TOPIC WISE MCQ QUESTION BANK WITH SOLVED ANSWERS & FREE PDF

### INTRODUCTION TO INDIAN ECONOMY

#### PLANNING, ECONOMIC DEVELOPMENT & FIVE YEAR PLANS

#### NATIONAL INCOME & HUMAN DEVELOPMENT INDEX

#### AGRICULTURE SECTOR, SUBSIDY AND FOOD PROCESSING

#### INDUSTRIES, MANUFACTURING & SERVICE SECTORS

#### INCLUSIVE GROWTH, SUSTAINABLE DEVELOPMENT AND EMPLOYMENT

#### POVERTY & UNEMPLOYMENT      INTRODUCTION TO MICRO ECONOMICS

### INTRODUCTION TO MACRO ECONOMICS

#### MACRO FUNDAMENTALS, GDP, INVESTMENT, GROWTH

#### DEMAND & SUPPLY, PROFIT LOSS, INFLATION & PRICE INDEX

#### FISCAL POLICY, PUBLIC FINANCE AND MONETARY POLICY

#### MONEY SUPPLY, BANKING AND FINANCIAL INSTITUTIONS

#### TAXES TYPES, METHODS & BUDGETING PROCESS

#### BANKING, SECURITY MARKET & INSURANCE

#### **Q4. Answer: (d)**

Planning was considered for balanced socio-economic development to focus on removal of regional disparities and maximizing the utilization of available resources.

#### **Q5. Answer: (d)**

The Net National Product (NNP) of a country is GNP minus depreciation allowances. NNP is the actual addition to the year's wealth.

While calculating GNP, we ignore depreciation of assets but in reality, the process of production uses up the fixed assets or there is some wear and tear or fixed assets by process of depreciation.

In order to arrive at NNP, we deduct depreciation from GNP.

**Q6. Answer: (c)**

**Q7. Answer: (c)**

**Q8. Answer: (d)**

The most appropriate measure of a country's economic growth is its per capita real income. Per capita income is average income, a measure of the wealth of the population of a nation.

It is used to measure a country's standard of living thus a better indicator of economic growth. Economic growth is the increase in the inflation-adjusted market value of the Goods and services produced by the economy over time.

**Q9. Answer: (c)**

With low economic development, generally, the economy has a high birth rate and high death rate with less awareness and improper healthcare.

As an economy develops, the birth rate remains high but the death rate declines due to improved healthcare. However, with the highest economic development, birth rate and death rate lowers because of max awareness and excellent healthcare.

**Q10. Answer: (c)**

The Second Five Year Plan heralded in a true sense the Socialist Project of the then Prime Minister, Jawaharlal Nehru. The economic policies of Nehru were heavily influenced by the erstwhile Union of Soviet Socialist Republics (USSR) which had followed the path of speedy industrialisation to expand the manufacturing base of its economy.

The Second Five year Plan focused mainly on heavy industry as against the First Plan which was essentially an agricultural plan. This was done to boost domestic production and manufacturing of goods. The third plan aimed to achieve self-sufficiency in foodgrains and to increase agricultural production to meet the requirements of industry and exports.

**Q11. Answer: (b)**

**Q12. Answer: (b)**

National product at factor cost is equal to net domestic product at factor cost+ Net factor Income from Abroad.

**Q13. Answer: (a)**

**Q14. Answer: (b)**

In India, a large number of farmers are illiterate and know little about scientific-agriculture methods. Prices of primary products are lower than those of manufactured products and investment in agriculture has been lower when compared to investment in the industry.

All these reasons are responsible for lower rural income.

**Q15. Answer: (a)**

Agriculture labourers in India are mainly dominated by the backward classes and more than 85% agriculture workers are mainly casual labourers.

On our site **Careerions.com**, You can find all the content you need to prepare for any kind of exam like. **Verbal Reasoning, Non-Verbal Reasoning, Aptitude, English, Computer, History, Polity, Economy, Geography, General Science, General Awareness** & So on. Make use of our expert-curated content to get an edge over your competition and prepare for your exams effectively.

Practice with our **Free Practice MCQs, Mock Tests Series, Online Quiz** and get an idea of the real exam environment. Keep track of your progress with our detailed performance reports. They are perfect for competitive exam preparation, as well as for brushing up on basic & fundamental knowledge. The questions are updated regularly to keep up with the changing syllabuses.