

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](#) Team

Q1. Which of the following is/are the component(s) of Gross Domestic Capital Formation (GDCF)?

- Gross Domestic Saving
- Net Capital Inflow
- Direct Foreign Investment

Choose the **correct** answer from the codes given below. Code

- a) Only 2
- b) Only 1
- c) Both 1 and 2
- d) Only 3
-

Q2. Indian economy has witnessed highest growth rate in GDP in the year

- a) 2004 – 05
- b) 2003 – 04
- c) 2005 – 06
- d) 2006 – 07
-

Q3. 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
-

Q4. HDI is measured with reference to

- Infant Mortality
- Real GDP per capita
- Life Expectancy at birth
- Morbidity

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

- a) 3 and 4 are correct
- b) 2 and 3 are correct
- c) All are correct
- d) 1, 2 and 3 are correct

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Q5. Why is demographic dividend likely to be manifested in India in future?

- a) Population of children below 7 years is likely to increase
- b) Population in the age group between 8-15 years is likely to increase.
- c) Population in the age group of 15-64 years is likely to increase
- d) opulation in the age group above 65 years is likely to increase

Q6. The effect of a government surplus upon the equilibrium level of NNP [Net National Product] is substantially the same as

- a) an increase in consumption
- b) an increase in investment
- c) an increase in saving
- d) a decrease in saving

Q7. Which of the following is **true**?

- a) Physical planning is more important than financial planning.
- b) Financial planning is more important than physical planning.

- c) Physical and financial planning are equally important.
- d) Physical and financial planning are complementary.
-

Q8. According to the UN Department of Economic and Social Affairs (UNDESA), what percentage of world's total population is currently living in urban areas?

- a) 45
- b) 25
- c) 55
- d) 35
-

Q9. Which of the following is **not** included in Human Development Index?

- a) Social Inequality
- b) Life Expectancy
- c) Adult Literacy
- d) Real per capita income
-

Q10. Gilt-edged market means :

- bullion market
- market of government securities
- market of guns
- market of pure metals

Find out the **correct** option from the code:

- a) 1 and 3 only
- b) 4 and 3 only
- c) 2 only
- d) 3 only
-

Q11. 'Rule of Law Index' is released by which of the following?

- a) The office of UN Commissioner for Human Rights

- b) Amnesty International
 - c) World Justice Project
 - d) International Court of Justice
-

Q12. The Human Development Index (HDI) was first developed by which of the following?

- a) UNICEF
- b) UNDP
- c) UNCTAD
- d) IMF

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Q13. In an open economy, the National Income (y) of the economy is (C, I, G, X, M, Y stand for Consumption, Investment, Government Expenditure, Total Exports, Total Imports and National Income, respectively). Select the **correct** answer from the following.

- a) $Y = I + G - X + M$
- b) $Y = C + I + G + X$
- c) $Y = C + I - G + (X - M)$
- d) $Y = C + I + G + (X - M)$

Q14. One of the problems in calculating the national income in India currently is

- a) inflation
 - b) under-employment
 - c) non-monetised consumption
 - d) low savings
-

Q15. National Sample Survey Office (NSSO) was established in the year

- a) 1951
- b) 1950
- c) 1948
- d) 1947

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Answers to the above questions :

Q1. Answer: (c)

Q2. Answer: (d)

In the year 2006 – 07, the Indian economy has witnessed the highest growth rate in GDP.

The economy grew by 7.7 %. Highest growth rate GDP - in 2010 (10.26%)

Q3. Answer: (d)

The most appropriate measure of the country's economic growth is its "per capita real income" which is also denoted as NNP at factor cost population.

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Q4. Answer: (b)

Q5. Answer: (c)

Q6. Answer: (a)

The effect of a government surplus upon the equilibrium level of NNP (Net National Product) is substantially the same as an increase in consumption.

Q7. Answer: (d)

Physical planning refers to the allocation of resources in terms of men, materials and machinery. In physical planning, an overall assessment is made of the available real resources such as raw materials, manpower, etc., and how they have to be obtained so that bottlenecks may be eliminated during the plan.

Physical planning requires the fixation of physical targets with regard to agricultural and industrial production, socio-cultural and transportation services, consumption levels and in respect of employment, income and investment levels of the economy. Physical planning has to be viewed as overall long-term planning rather than short-term piecemeal planning.

Financial planning refers to the technique of planning in which resources are allocated in terms of money. Financial planning is essential in order to remove maladjustments between

supplies and demand and for calculating the costs and benefits of the various projects.

Thus, Financial planning is thought to secure a balance between demands and supplies, avoid inflation and bring about economic stability.

Q8. Answer: (c)

Q9. Answer: (a)

Q10. Answer: (c)

Gilts are bonds issued by certain, national governments. The term is of British origin and originally referred to the debt securities issued by the Bank of England, which had a gilt (or gilded) edge.

Hence, they are called gilt-edged securities, or gilts for short. The term is also sometimes used in Ireland and some British Commonwealth Countries, South Africa and India.

The term "Gilt Account" is also a term used by the RBI of India to refer to a constituent account maintained by a custodian bank for maintenance and servicing of dematerialised Government Securities owned by a retail customer.

Q11. Answer: (c)

Q12. Answer: (b)

Q13. Answer: (d)

Q14. Answer: (c)

Q15. Answer: (b)

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