

INDUSTRIES, MANUFACTURING & SERVICE SECTORS BASED INDIAN ECONOMY MCQ PRACTICE QUESTIONS AND ANSWERS PDF WITH EXPLANATION

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Q1. The base of Consumer Price Index for Industrial Workers is being shifted from 1982 to—

- a) 2000
 - b) 1995
 - c) 2001
 - d) 998
-

Q2. GCIL—an American company of chemical sector has been acquired by—

- a) Birla group
 - b) Reliance group
 - c) Shriram group
 - d) Tata group
-

Q3. What is CRISIL ?

- a) Depository
 - b) Bank
 - c) Credit Rating Agency
 - d) Insurance Company
-

Q4. What is/are the recent policy initiative of the government of India to promote the growth of the manufacturing sector?

1. Setting up of National Investment and Manufacturing Zones.
2. Providing the benefit of single window clearance.
3. Establishing the technology acquisition and development fund.

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

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

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Q5. In which city the third film festival of SAARC countries was held in May 2013?

- a) Islamabad
- b) New Delhi
- c) Colombo
- d) Mumbai

Q6. For the location of which one of the following industries, the availability of raw material is **not** the primary consideration?

- a) Electronics
- b) Iron and Steel
- c) Sugar
- d) Cement

Q7. Consider the following statements regarding the **SFURTI scheme**:

- i. It is implemented by Ministry of MSME
- ii. It promotes cluster-based development

Select the **correct** answer using the code given below:

- a) (i) only
- b) Both (i) & (ii)

- c) (ii) only
d) Neither (i) nor (ii)
-

Q8. As per the Coal Mines (Special Provisions) Act 2015, government has allowed:

- a) Mining and sale of coal by private companies without end use restriction
b) Captive mining of coal by government and private companies
c) Mining of coal by private companies with end use restriction
d) Government conducting auction to award coal blocks
-

Q9. Which of the following occupations are included under secondary sector as per the national income accounts ?

- Manufacturing
- Construction
- Gas and water supply
- Mining and quarrying

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

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

Q10. Which one of the following committees recommended the abolition of reservation of items for small scale sector in industry?

- a) Abid Hussain Committee
b) Narasimhan Committee
c) Nayak Committee
d) Rakesh Mohan Committee
-

Q11. Which of the following regulatory bodies completed 25 years of its establishment in 2013?

- a) IRDA
- b) TRAI
- c) FMC
- d) SEBI

Q12. Which one of the following is **not** an immediate indicator of Industrial Sickness?

- a) Labour unrest
- b) Shrinking of market credit
- c) Drop in profitability
- d) Decline in market share

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Q13. Consider the following statements :

- The first petrochemical industry in India was started with the establishment of the National organic chemical industry limited in the sixties.
- The real thrust of the petrochemical industry in India came with the establishment of the Indian Petrochemical Corporation Limited (IPCL) at Baroda.

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

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

Q14. Consider the following statements:

- i. India has total power generation capacity of more than 350 GW
- ii. Renewable energy share is more than 25%

Select the **correct** answer using the code given below:

- a) (i) only
- b) Both (i) & (ii)
- c) (ii) only
- d) Neither (i) nor (ii)

Q15. What would be the new investment ceiling rate for Maharatna Public Sector Enterprises?

- a) Rs. 5000 crore
- b) Rs. 7000 crore
- c) Rs. 2000 crore
- d) Rs. 10000 crore

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Answers to the above questions :

Q1. Answer: (c)

Q2. Answer: (d)

GCIL—an American company of chemical sector has been acquired by Tata Group.

Q3. Answer: (c)

CRISIL is the Credit Rating Agency of India. CRISIL's majority shareholder is Standard and Poor's (S&P).

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Q4. Answer: (d)

The recent policy initiative of the government of India to promote the growth of the manufacturing sector is setting up

1. National Investment and manufacturing zones,
2. providing the benefit of single window clearance and establishing the technology acquisition and development.

Q5. Answer: (c)

The third film festival of SAARC countries was held in May 2013 in Colombo.

India bagged three top awards including best feature film, Best Director and Special Jury Certificate of Recognition at the event.

Q6. Answer: (a)

Q7. Answer: (b)

Ministry of MSME is implementing a 'Scheme of Fund for Regeneration of Traditional Industries' (SFURTI) Scheme under which financial support is being provided for setting up of traditional industries clusters viz. Khadi, Coir & Village industries clusters.

The objectives of the SFURTI Scheme are:

1. To develop clusters of traditional industries in the country over a period of five years.
2. To make traditional industries more competitive, market-driven, productive and profitable.
3. To strengthen the local governance system of industry clusters, with the active participation of the local stakeholders, so that they are enabled to develop initiatives.
4. To build up innovative and traditional skills, improved technologies, advanced processes, market intelligence and new models of public-private partnerships, so as to gradually replicate similar models of cluster-based regenerated traditional industries.

Q8. Answer: (a)

The Supreme Court of India in September 2014 had cancelled 204 coal mines/blocks allocated to the various Government and Private Companies since 1993 under the provisions of the Coal Mines (Nationalisation) Act, 1973. To bring transparency and accountability and to re-award these cancelled blocks and new blocks, the Coal Mines (Special Provisions) Bill 2015 was passed by the Parliament which was notified as an Act on 30.03.2015.

Enabling (power to enforce a law may be at a later date) provisions had been made in the Coal Mines (Special Provisions) Act, 2015 for allocation of coal mines by way of the auction for the sale of coal by private companies (sale of coal by government companies was already allowed).

Cabinet Committee on Economic Affairs (CCEA) on 20th Feb 2018 decided to open up the coal sector to commercial mining by private entities in a game-changing move that puts an end to state-backed Coal India Ltd's (CIL) monopoly. Now there will be no end-use restriction or price restriction for the coal that is mined from these blocks.

Under private commercial mining modalities approved by the Cabinet, coal blocks will be allocated by "ascending forward auction" in which the winner will be determined by the price per tonne of coal offered to the state government where the mine is located.

The amount accrued through the bids will be in addition to the royalty that the States get. All the revenue from the sale of these blocks will go into the coffers of the States where they are located.

Q9. Answer: (a)

Primary sector-Agriculture, forestry fishing, mining and quarrying

Secondary sector- Manufacturing and construction, Gas and water supply

Tertiary sector- trade, transport catering, hotels, community and personnel services, communication etc.

Q10. Answer: (a)

Abid Hussain committee recommended the abolition of reservation of items for small scale sector in industry.

Q11. Answer: (d)

SEBI, the regulatory body completed 25 years of its establishment in 2013.

It was formed in the year 1988 to protect the interests of investors in securities and to promote the development and regulate the securities market.

Q12. Answer: (d)

Just as diseases are identified by certain symptoms, industrial sickness can be identified by the following symptoms. These symptoms act as leading indicators of sickness, and if immediate remedial actions are not taken, the sickness will grow to the extent that the organization will find its natural death.

Continuous reduction in

- turnover,
- Piling up of inventory,
- Continuous reduction of net profit to sales ratio,
- Short term borrowings at a high interest rate,
- Continuous cash losses leading to erosion of tangible net worth etc.

However, the decline of market share is not an immediate indicator.

Q13. Answer: (b)

The first petrochemical industry in India was started with the establishment of National Organic Chemical Industry Limited in 1961.

The company manufacture various organic and inorganic chemicals. The real thrust of the Petrochemical industry in India came with the establishment of Indian Petrochemical Corporation Limited (IPCL) at Baroda on March 22, 1969, with a view to promote and encourage the use of plastics in India.

Q14. Answer: (b)

Generation Capacity from various sources as on 31.12.2019

Coal	55.8% (205 GW)
Gas	6.8% (25 GW)
Nuclear	2% (7 GW)
Renewable (Hydro, Solar, Wind)	35.4% (130 GW)
Total	100% 367 GW

As per the new classification of government, all hydro projects, big or small come under renewable energy.

Q15. Answer: (a)

The government has relaxed norms for giving Maharatna status to public sector enterprises, a move that will benefit blue-chip companies such as Coal India, GAIL, BHEL and NMDC in their expansion plans.

Only four state-run companies --ONGC, SAIL, IOC and NTPC -- at present enjoy the Maharatna status, which gives them the financial and managerial autonomy to invest up to Rs. 5,000 crore in a new venture without seeking government approval.

Under the new norms, a company qualifying for the Maharatna status should have an average annual turnover of Rs. 20,000 crore during the last three years against Rs. 25,000 crore prescribed earlier.

Further, the criteria on average annual net worth have been relaxed to Rs. 10,000 crore from the earlier limit of 15,000 crores.

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