

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

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

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Q1. Despite having large reserves of coal, why does India import millions of tonnes of coal?

- It is the policy of India to save its own coal reserves for future, and import it from other countries for the present use.
- Most of the power plants in India are coal-based and they are not able to get sufficient supplies of coal from within the country.
- Steel companies need large quantity of coking coal which has to be imported.

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

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

Q2. Which statement is **correct** regarding **railways**?

- I. The first train in India was started on a small rail route of 34 kilometres between Bombay and Thane on April 16, 1853.
- II. The Indian Railway network has become the biggest railway in Asia and the third in the world
- III. Within the freight segment, bulk traffic accounts for nearly 84% of revenue-earning freight traffic (in physical terms), of which about 44% is coal.

- a) II & III
 - b) Only III
 - c) I & II
 - d) All the above
-

Q3. Division of labour often involves

- specialized economic activity.
- highly distinct productive roles.

- involving everyone in many of the same activities.
- individuals engage in only a single activity and are dependent on others to meet their various needs.

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

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

Q4. Arrange the following Acts in order in which they were enacted. Use the codes given below.

- The Industrial Employment (Standing orders) Act.
- The Indian Trade Unions Act
- The Industrial Disputes Act
- The Employment Exchange (Compulsory Notification) Act

Codes:

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

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Q5. Who is the newly elected chairman of Life Insurance Corporation of India?

- a) Thomas Matthew
 - b) S.K. Roy
 - c) Shashikant Sharma
 - d) D.K. Malhotra
-

Q6. Which one of the following is **correctly** matched based on Industry & Status?

- a) IOC Navratna
 - b) Coal India Ltd. Mini-Ratna
 - c) SAIL Maharatna
 - d) BHEL Mini-Ratna
-

Q7. It is argued that continuation of reservation for Small Scale Industries after import liberalisation is anachronistic because

- a) Indian small scale manufacturers have to compete with large scale manufacturers from outside
 - b) Indian SSI units are inherently inefficient
 - c) such reservation does not exist outside India
 - d) Indian large scale producers cannot compete in outside markets
-

Q8. Consider the following statements about the **Navaratna status industries**.

- Navaratna was originally assigned to nine public sector enterprises in 1997.
- The number of PSEs (Public Sector Enterprises) having Navaratna status is now more than 15 industries.

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
-

Q9. Which among the following is the **correct** full form of SIDO?

- a) Sick Industries Development Organization
 - b) State Industrial Development Organization
 - c) Small Industries Development Organization
 - d) Small Industries Development Office
-

Q10. Which is the most important company in machine tools?

- a) Guindy Machine Tools
 - b) HMT Machine Tools
 - c) Praga Tools
 - d) PMT Machine Tools
-

Q11. Which of the following is **not** a part of World Bank?

- a) MIGA
 - b) IMF
 - c) IDA
 - d) IBRD
-

Q12. With reference to the Public Sector Undertakings in India, consider the following statements

- Minerals and Metals Trading Corporation of India Limited is the largest non-oil importer of the country.
- Project and Equipment Corporation of India Limited is under the Ministry of Industry.
- One of the objectives of Export Credit Guarantee Corporation of India Limited is to enforce quality control and compulsory pre-shipment inspection of various exportable commodities.

Which of these statements is/are **correct**?

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

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Q13. The main functioning of the banking system is to

- a) provide credit and subsidies
 - b) accept deposits, provide credit and subsidies
 - c) accept deposits and provide credit
 - d) accept deposits and subsidies
-

Q14. What is Statutory Corporation?

- I. They are primarily meant to provide essential services such as railways.
- II. They are public enterprises that came into existence by a Special Act of the Parliament.
- III. They are companies in which 51% or more of the paid-up capital is held by the central or any state government (partly or wholly by both).
- IV. They are set up whenever it is felt that certain functions need to be discharged outside the governmental set-up with some amount of independence and flexibility without day-to-day interference from the governmental machinery

- a) Only II
 - b) I & III
 - c) Only I
 - d) None of the above
-

Q15. What does PKI stands for?

- a) Primary Key Infrastructure
 - b) Public Key Institute
 - c) Private Key Infrastructure
 - d) Public Key Infrastructure
-

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Answers to the above questions :

Q1. Answer: (b)

Q2. Answer: (d)

Q3. Answer: (c)

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Q4. Answer: (c)

Q5. Answer: (b)

S.K. Roy is the newly elected chairman of Life Insurance Corporation of India. Roy has succeeded D.K. Mehrotra. LIC is the largest Indian life insurance company with new business premium collections of Rs. 76,246 crore in 2012–13.

Q6. Answer: (d)

Bharat Heavy Electricals Limited (BHEL), owned by the Government of India, is a power plant equipment manufacturer and operates as an engineering and manufacturing company.

This Public Sector enterprise has the status of a Maharatna Company

Q7. Answer: (a)

Q8. Answer: (b)

Navratna was the title given originally to 9 Public Sector Enterprises (PSEs) identified by the government in 1997 as public sector companies that have comparative advantages enjoying greater autonomy to compete in the global market so as to support their drive to become global giants.

However, the number of PSEs (Public Sector Enterprises) having Navaratna status is now more than 15 industries.

Q9. Answer: (b)

Q10. Answer: (b)

HMT was founded in 1953.

Q11. Answer: (b)

International Monetary Fund is not a part of World Bank. The International Monetary Fund (IMF) along with World Bank were created in 1944 at the Bretton Woods Conference . They are known as Bretton Woods Twins. The IMF promotes international monetary cooperation and exchange rate stability, facilitates the balanced growth of international trade.

Q12. Answer: (c)

Minerals and Metals Trading Corporation Limited (MMTC) is one of the two biggest foreign exchange earners for India. It is a leading international trading company with a turnover of over 68,885 crore rupees in 2010–11.

It is the largest international trading company of India and the first Public Sector Enterprise to be accorded the status of FIVE STAR EXPORT HOUSE by Govt. of India for long-standing contribution to exports.

MMTC is the largest non-oil importer in India.

Q13. Answer: (c)

The main functioning of the banking system is to accept deposits and provide credit. The bank collects deposits from the public.

These are savings, fixed, current and recurring deposits. The bank advances loans to the business community and other members of the public.

The types of bank loans and advances are overdraft, cash credits, loans and discounting of bills of exchange.

Q14. Answer: (a)

Statutory corporations are public enterprises that came into existence by a Special Act of Parliament.

The Act defines the powers and functions, rules and regulations governing the employees and the relationship of the corporation with government departments.

Q15. Answer: (d)

PKI stands for Public Key Infrastructure. The Reserve Bank of India released a draft report on making payment system effective to secure a safe, secure, efficient, robust and sound payment system in the country.

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