

# 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.** FEMA (Foreign Exchange Management Act) was finally implemented in the year

- a) 2002
  - b) 1991
  - c) 2007
  - d) 1997
- 

**Q2.** Which of the following are the main components of the **KUSUM** scheme?

- i. Installation of grid-connected solar power plants in remote areas
- ii. Installation of standalone off-grid solar water pumps
- iii. Solarization of existing grid-connected agricultural pumps

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

- a) (i) & (ii) only
  - b) (i) & (iii) only
  - c) (ii) & (iii) only
  - d) All of the above
- 

**Q3.** What is the major contribution of the Electronics industry to the country?

- a) Improved standard of living
  - b) Maximised wealth formation
  - c) Reduced poverty
  - d) Encouraged employment
-

**Q4.** Consider the following statements regarding the 'National Statistical Commission' (NSC):

- i. It was set up on the recommendations of the Rangarajan Commission
- ii. The Chief Statistician of India is the secretary to the commission

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

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

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**Q5.** Tourism industries India is quite a small compared to many other countries in term of India potentials and size. Which one of the following statement is **correct** in this regard?

- a) For most of the months India is too hot for western tourist to feel comfortable
- b) In India the infrastructure required for attracting tourists is inadequate
- c) Distances in India are too far apart and its luxury hotels are too expensive for western tourists
- d) Most of the picturesque resort in India such as in North- East and Kashmir are, for all practical purposes, out of bounds

**Q6.** Tourism industry in India is quite small compared to many other countries in terms of India's potential and size. Which one of the following statements is **correct** in this regard?

- a) For most of the months India is too hot for Western tourists to feel comfortable.
- b) In India, the infrastructure required for attracting tourists is inadequate.
- c) Distances in India are too far apart and its luxury hotels are too expensive for Western tourists.

d) Most of the picturesque resorts in India such as in the northeast and Kashmir are, for all practical purposes, out of bounds.

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**Q7.** Consider the following sectors of the Indian economy with respect to share of employment.

- Agriculture sector
- Industrial sector
- Services sector

Arrange these sectors from highest to lowest in terms of employment and select the **correct** answer using the codes given below :

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

**Q8.** The term 'bilateral netting' is related to which of the following?

- a) Power sector contracts
- b) Inter-government contracts
- c) Financial contracts
- d) Tax avoidance related contracts
- 

**Q9.** Consider the following statements :

- MMTC limited is India's largest international trading organisation.
- Neelanchal Ispat Nigam Limited has been set up by MMTC jointly with the government of Odisha.

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
-

**Q10.** The policy of Special Economic Zone (SEZ) in India was implemented with effect from

- a) Nov. 2000
  - b) Nov. 1998
  - c) Feb. 2002
  - d) Dec. 1999
- 

**Q11.** Consider the following statements :

- MMTC limited is India's largest international trading organisation.
- Neelanchal Ispat Nigam Limited has been set up by MMTC jointly with the government of Odisha.

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

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

**Q12.** Consider the following statements :

1. Small Industry Development Bank of India (SIDBI) was set up as a whole owned subsidiary of the RBI.
2. SIDBI has taken over the responsibility of administering small industry development funds managed by the IDBI.

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
- 

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**Q13.** On which date is the establishment of State Bank of India celebrated?

- a) 1st July
  - b) 1st January
  - c) 15th October
  - d) 19th June
- 

**Q14.** Who among the following is elected as a chairman of IBA consecutively for second term in June 2013?

- a) Alok Mishra
  - b) K.R. Kamath
  - c) R.M. Mallya
  - d) G. Srinivasan
- 

**Q15.** Sunrise industries are industries :

- a) Which improve exports performance of the country.
  - b) Which are small scale industries
  - c) Which are well developed and have ample scope for future development.
  - d) Which have high growth potential and meet future requirements of the economy.
- 

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**Answers to the above questions :**

**Q1. Answer: (a)**

FEMA (Foreign Exchange Management Act) was finally implemented in the year 2002 to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and payments and for promoting the orderly development and maintenance of foreign exchange market in India”.

It replaced Foreign Exchange Regulation Act (FERA)

**Q2. Answer: (d)**

Kisan Urja Suraksha evam Utthaan Mahabhiyan (KUSUM) Scheme is for harnessing solar power for rural India. Solar water pumps to be installed in remote areas for irrigation needs Farmers can get extra income by selling surplus solar power to DISCOMs.

The following are the main components of the scheme:

1. Installation of grid-connected solar power plants each of capacity up to 2 MW in the rural areas;
2. Installation of standalone off-grid solar water pumps to fulfil irrigation needs of farmers not connected to the grid;
3. Solarization of existing grid-connected agriculture pumps to make farmers independent of grid supply and also enable them to sell surplus solar power generated to DISCOM and get extra income; and
4. Solarization of tube-wells and lift irrigation projects of the Government sector.

**Q3. Answer: (d)**

The Electronic industry is responsible for the generation of employment. Bangalore is the hub of the electronic industry in the country and is called the electronic city.

There are approximately 200 IT/ITES companies located in Electronics City which have employed many unemployed in various fields.

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**Q4. Answer: (b)**

Based on the recommendations of the Rangarajan Commission, the government through a resolution dated 1st June 2005 set up the National Statistical Commission (NSC) which became effective from 12th July 2006.

The mandate of the NSC is to evolve policies, priorities and standards in statistical matters.

The Chief Statistician of India, the post created specifically as the Head of the National Statistical Office is the Secretary of the Commission.

He is also the Secretary to the Government of India in the Ministry of Statistics and Programme Implementation.

**Q5. Answer: (b)**

**Q6. Answer: (b)**

**Q7. Answer: (a)**

In Indian economy the sectors from highest to lowest in terms of employment are agriculture sector around 50%, service sector around 35% and Industrial sector.

**Q8. Answer: (c)**

A bilateral netting agreement enables two counterparties in a financial contract to offset claims against each other to determine a single net payment obligation due from one counterparty to the other.

As of now, bilateral netting for financial contracts is not allowed in India and the government is planning to introduce a bill. (No need to go into detail)

**Q9. Answer: (b)**

MMTC Ltd., Metals and Minerals Trading Corporation of India, is one of the two highest earners of foreign exchange for India and India's largest public-sector trading body.

Neelachal Ispat Nigam Limited (NINL), is a company promoted by MMTC Ltd, Industrial Promotion and Investment Corporation of Odisha Limited (IPICOL).

**Q10. Answer: (a)**

In Nov. 2000, the policy of Special Economic Zone (SEZ) in India was implemented with a view to overcome the shortcomings experienced on account of the multiplicity of controls and clearances; absence of world-class infrastructure, and with a view to attract larger foreign investment in India.

**Q11. Answer: (a)**

MMTC Ltd., Metals and Minerals Trading Corporation of India, is one of the two highest earners of foreign exchange for India and India's largest public-sector trading body.

Neelanchal Ispat Nigam Limited (NINL), is a company promoted by MMTC Ltd, Industrial Promotion and Investment Corporation of Orissa Limited (IPICOL).

**Q12. Answer: (a)**

Small Industries Development Bank of India is a non-independent financial institution aimed to aid the growth and development of micro, small and medium-scale enterprises.

It was incorporated initially as a wholly-owned subsidiary of the Industrial Development Bank of India.



SIDBI has taken over the responsibility of administering small industry development funds managed by the IDBI.

**Q13. Answer: (a)**

1st July is celebrated as the establishment date of the State Bank of India. On 1 July 1955, the Imperial Bank of India became the State Bank of India.

SBI is a multinational banking and financial services company based in India. It is a government-owned corporation with its headquarters in Mumbai.

It has assets of US\$388 billion and 16,000 branches, including 190 foreign offices, making it the largest banking and financial services company in India by assets.

**Q14. Answer: (b)**

Indian Banks' Association (IBA), formed on 26 September 1946 as a representative body of management of banking in India.

K.R. Kamath was elected as a chairman of IBA consecutively for the second term in June 2013. He has been working since 1/10/2012 after chairman Alok K Misra, CMD of Bank of India.

Other notable chairmen include M. D. Mallya of Bank of Baroda, V. P. Shetty, M. V. Nair, Rashid Jilani and O P Bhatt.

**Q15. Answer: (d)**

Sunrise industries are industries which have high growth potential and meet future requirements of the economy.

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