

# 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.** 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) Both 1 and 2
  - b) 1 only
  - c) 2 only
  - d) Neither 1 nor 2
- 

**Q2.** The present trade policy (2009–14) of the Government of India aims to achieve annual export growth rate of

- a) 16%
  - b) 14%
  - c) 13%
  - d) 15%
- 

**Q3.** Consider the following statements :

- The first modern steel producing unit was established at Kulti (W. Bengal) in 1874.
- Bhilai steel plant was established during second Five Year Plan.
- Rourkela steel plant was established with the collaboration of the west Germany.
- Bokaro steel plant was established during the third Five Year Plan.

Which of the statements are **correct**?

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

c) 1, 2 and 3

d) 1, 2, 3 and 4

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**Q4.** Which statement is **correct** regarding **cottage industries**?

- I. Cottage industry is run by family members on a full or part-time basis.
- II. It possesses negligible capital investment.
- III. The production is done by hands and no wage-earning person is employed in the cottage industry.

a) Only II

b) II & III

c) I & II

d) All the above

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**Q5.** Consider the following statements regarding the “**Concessional Finance Scheme**”:

- i. Under the scheme, projects are selected by the Ministry of External Affairs
- ii. Under the scheme, Govt. of India gives a 2% interest subsidy
- iii. The scheme is operated through EXIM Bank of India

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

a) (i) & (ii) only

b) (iii) only

c) (i) & (iii) only

d) All of the above

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**Q6.** A Labour intensive industry is one that :

a) Pays adequate wages to the labour

b) Employs more hands

- c) Requires hard manual labour
  - d) Provides facilities to labour
- 

**Q7.** What are the categories of **PSEs**?

- I. Departmental undertakings
  - II. Statutory corporations
  - III. Government-owned companies
  - IV. Autonomous bodies
- a) All the above
  - b) II & IV
  - c) II & III
  - d) Only I
- 

**Q8.** According to the evaluation of Asian Development Bank the economic growth of India in 2013 is expected ?

- a) 6.0%
  - b) 4.8%
  - c) 6.2%
  - d) 5.2%
- 

**Q9.** Which one of the following is useful in paper manufacturing industry?

- a) Non-flowering plants
  - b) Fibrous plants
  - c) orchids
  - d) Plants growing in high altitude
- 

**Q10.** When was the first modern paper mill of the country set up?

- a) 1846
- b) 1827

c) 1854

d) 1832

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**Q11.** Quaternary sector implies

a) Fishing activities

b) Activities related to mining and quarrying

c) Activities related to manufacturing

d) Research and developmental activities

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**Q12.** POSCO, the steel company is associated with the country?

a) France

b) South Korea

c) Germany

d) Japan

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**Q13.** The Eastern Dedicated Freight Corridor being built by Indian Railway will connect

a) Rajkot and Bhubaneswar

b) Ludhiana and Sonnagar

c) Panipat and Allahabad

d) Jawaharlal Nehru Port and Tuglakabad

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**Q14.** Which one of the following is **correctly** matched between **Industries clusters** and **Location**?

- a) Marble Kishangarh
  - b) Surat Gems & Jewellery
  - c) Textiles Tirupur
  - d) All of the above
- 

**Q15.** The Committee on Competition Policy and Law (Raghavan Committee) has recommended the replacement of which of the following institutions?

- a) Disinvestment Commission
  - b) Company Law Board
  - c) Securities and Exchanges Board
  - d) Monopolies and Restrictive Trade Practices Commission
- 

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### Answers to the above questions :

**Q1. Answer: (a)**

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.

**Q2. Answer: (d)**

The present Trade Policy (2009–14) of the government of India aims to achieve an annual export growth rate of 15%. Mr Anand Sharma announced the Foreign Trade Policy 2009 – 2014 on 27th August 2009 covering various measures that will be taken to boost foreign trade.

**Q3. Answer: (d)**

The first notable attempt in the steel industry in India was made in 1874 when the Bengal Iron Works (BIW) came into being at Kulti, near Asansol in West Bengal.

The Bhilai Steel Plant, located in Bhilai, in the Indian state of Chhattisgarh was set up with the help of the USSR in 1955. SAIL Rourkela Steel Plant (RSP), located in Rourkela, Odisha is the first integrated steel plant in the public sector in India, was set up with German collaboration with an installed capacity of 1 million tonnes in the 60s.

Bokaro Steel Plant is located in the Bokaro district of Jharkhand. It is the fourth integrated public sector steel plant in India built with Soviet help in 1972.

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**Q4. Answer: (d)**

Cottage industry is run by family members on a full or part-time basis. It possesses negligible capital investment.

The production is done by hands and no wage-earning person is employed in the cottage industry.

**Q5. Answer: (d)**

Under the Concessional Finance Scheme (CFS), Govt. of India supports Indian entities bidding for strategically important infrastructure projects abroad.

The Scheme is presently being operated through the Export-Import (EXIM) Bank of India, which raises resources from the market to provide concessional finance to the Indian entities abroad. Govt. of India provides counter guarantee and interest equalization (subsidy) support of 2% to the EXIM Bank.

Under the Scheme, the Ministry of External Affairs (MEA) selects the specific projects keeping in view the strategic interest of India and sends the same to the Department of Economic Affairs (DEA). There is an inter-ministerial committee that approves the project for availing CFS. Once approved by the Committee, DEA issues a formal letter to EXIM Bank conveying approval for financing of the project under CFS.

Prior to the introduction of CFS, Indian entities were not able to bid for large projects abroad since the cost of financing was very high for them and bidders from other countries such as China, Japan, Europe and the US were able to provide credit at superior terms,

i.e., lower interest rate and longer tenures which works to the advantage of bidders from those countries.

**Q6. Answer: (b)**

A labour intensive industry is one that employs more hands i.e., employs more labour.

**Q7. Answer: (a)**

The PSEs in India are basically categorized under four broad types based on their ownership structure.

These include:

1. departmental undertakings,

2. statutory corporations,
3. government-owned companies and
4. autonomous bodies set up as registered societies.

**Q8. Answer: (a)**

ADB's flagship annual economic publication, Asian Development Outlook 2013 evaluated the economic growth of India in 2013 to 6.0 % and 6.5 % in 2014.

**Q9. Answer: (b)**

Cellulose fibres obtained from wood acts as primary raw material for paper and pulp industry.

**Q10. Answer: (d)**

Paper and Paper Board is a forest-based industry. In 1832 the first modern paper mill of the country was set up at Serampore in West Bengal.

**Q11. Answer: (d)**

The quaternary sector is characterized by intellectual persons or individuals or groups of individuals.

It includes research and development activities. Mining and quarrying and fishing are concerned with primary sector activities.

**Q12. Answer: (b)**

POSCO is a multinational steel making company headquartered in Pohang, South Korea. It is the world's fourth largest steelmaker.

**Q13. Answer: (b)**



**Q14. Answer: (d)**

All the above industrial clusters and the related locations are correctly matched.

Tirupur is famous for textiles, Kishangarh is famous for marbles, Surat is famous for Gems and Jewellery.

**Q15. Answer: (d)**

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