

PG TRB ECONOMICS MODEL TEST - 7

ACHAMILLAI EDUCATIONAL TRUST

Poverty, Unemployment
and Alleviation Programmes

1. The 'Slack Season' in the Indian Economy is:

- (a) March - April
- (b) Sept. - Dec.
- (c) Jan. - June
- (d) Feb. - April

Ans: (c)

2. Consider the following statements:

- 1. The nation-wide scheme of the National Child Labour Projects (NCLP) is run by the Union Ministry of Social Justice and Empowerment.
- 2. Gurupadswamy Committee dealt with the issues of child labour.

Which of the statements given above is/are correct? [IAS 2007]

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

Ans: (c)

3. Which of the following groups of states has the largest concentration of rural poor and people living below the poverty line?

- (a) Karnataka, Maharashtra, Goa
- (b) Goa, Andhra Pradesh, Maharashtra
- (c) Tamil Nadu, Kerala, Goa
- (d) Andhra Pradesh, Karnataka, Tamil Nadu

Ans: (d)

4. India's wage policy is based on : [Railways 1994]

- (a) cost of living
- (b) standard of living
- (c) productivity
- (d) None of the above

Ans: (a)

5. Unemployment which occurs when workers move from one job to another job is known as : [IAS 1992]

- (a) seasonal unemployment
- (b) frictional unemployment
- (c) cyclical unemployment
- (d) technological unemployment

Ans: (b)

6. The type of unemployment mostly found in India can be characterised as :

- (a) structural
- (b) frictional
- (c) cyclical
- (d) disguised

Ans: (d)

7. Disguised unemployment in India is mainly related to :

1. agricultural sector

2. rural area

3. factory sector

4. urban area

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

Ans: (a)

8. One of the reasons for India's occupational structure remaining more or less the same over the years has been that: [IAS 1995]

- (a) productivity in agriculture has been high enough to induce people to stay with agriculture
- (b) people are largely unaware of the significance of transition from agriculture to industry for economic development
- (c) investment pattern has been directed towards capital intensive industries
- (d) ceilings on land holdings have enabled more people to- own land and hence their preference to stay with agriculture

Ans: (b)

9. Which of the following is/are correct?

I. Bulk of unemployment in India is in rural areas

II. The disguised unemployment in agricultural sector is perennial

III. Industrialisation has rendered several people job-less in India

- (a) I and II
- (b) I, II and III
- (c) I only
- (d) II and III

Ans: (a)

10. Among the reasons for disguised unemployment in the rural areas is :

- (a) choice of a heavy industry model for economic development
- (b) low levels of technological development in the country
- (c) heavy pressure of population along with slow implementation of land reforms
- (d) high illiteracy rate

Ans: (b)

11. Unemployment in a developing country generally takes place due to :

- (a) switch over from one job to another
- (b) lack of effective demand
- (c) seasonal factors
- (d) lack of complementary factors of production

Ans: (d)

12. Cyclical unemployment refers to:

- (a) seasonal unemployment
- (b) disguised unemployment
- (c) voluntary unemployment
- (d) unemployment during recessionary phase of a trade cycle

Ans: (d)

13. Persons below the poverty line in India are classified as such based on whether: [IAS 1999]

- (a) they are entitled to a minimum prescribed food basket
- (b) they get work for a prescribed minimum number of days in a year
- (c) they belong to agricultural labourer household and the scheduled caste/tribe social group
- (d) their daily wages fall below the prescribed minimum wages

Ans: (a)

14. Which Committee's recommendations are being followed for estimating Poverty Line in India?

- (a) Dutt Committee
- (b) Chelliah Committee
- (c) Chakravorty Committee
- (d) Lakdawala Committee

Ans: (d)

15. Consider the following statements:

Regional disparities in India are high and have been rising in recent years because:

1. There is persistent investment over time only in Select locales
2. Some areas are agro climatically less conducive to development
3. Some are as continue to face little or no agrarian transformation and the consequent lack of social and economic opportunities
4. Some areas have faced continuous political instability.

Which of the above statements are correct?

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

(c) 1, 3 and 4

(d) 2, 3 and 4

Ans: (a)

16. Absolute Poverty means:

- (a) poverty in terms of absolute number of people
- (b) poverty in terms of the basic minimum calorie requirements
- (c) poverty in terms of the prevailing price level
- (d) poverty in terms of the absolute level of unemployment

Ans: (b)

17. Among the following who are eligible to benefit from the "Mahatma Gandhi National Rural Employment Guarantee Act" ? [CSAT 2011]

- (a) Adult members of only the scheduled Caste and scheduled tribe households
- (b) Adult members of below poverty line (BPL) households
- (c) Adult members of households of all backward communities
- (d) Adult members of any household

Ans: (d)

18. Poverty Gap is :

- (a) the difference between poverty line and actual income levels of all those living below that line
- (b) gap between the rich and the poor
- (c) gap between developed nations and developing nations
- (d) gap in infrastructural facilities between developed and developing nations

Ans: (a)

19. Consider the following statements with reference to Indira Gandhi National Old Age Pension Scheme [IGNOAPS]

1. All persons of 60 years or above belonging to the households below poverty line in rural areas are eligible.

2. The Central Assistance under this Scheme is at the rate of Rs. 300 per month per beneficiary. Under the Scheme, States have been urged to give matching amounts.

Which of the statements given above is/are correct? [IAS 2008]

(a) 1 only

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

Ans: (d)

20. Which among the following is not correct with regard to Sampoorna Grameen Rozgar Yojana?

1. The case component of the programme is borne exclusively by the Central Government.
2. Foodgrains are provided free of cost to the States/Union Territories.

Select the answer using the codes given below [NDA 2008]

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

Ans: (b)

21. Consider the following statements: [NDA 2008]

1. Hariyali is a watershed development project sponsored by the Central Government.
2. Hariyali also aims at enabling the urban population to conserve rain water.

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

Ans: (a)

22. The Food For Work programme was renamed as:

- (a) Rural Landless Employment Guarantee Programme (RLEGP)
- (b) National Rural Employment Programme (NREP)
- (c) Jawahar Rozgar Yojana (JRY)
- (d) Integrated Rural Development Programme (IRDP)

Ans: (b)

23. Pradhan Mantri Gramodaya Yojana aims at:

- (a) meeting rural needs like Primary education; health care, drinking water, housing, rural Roads

- (b) alleviating poverty micro-enterprises
- (c) generating employment in the rural areas
- (d) strengthening the Panchayati Raj System in rural areas

Ans: (a)

24. Which one of the following statements is not correct? [IAS 2004]

- (a) Under the Targeted Public Distribution System, the families Below Poverty Line are provided 50 kg. of food grains per month per family at subsidised price
- (b) Under Annapurna Scheme, indigent senior citizens of 65 years of age or above eligible for National Old Age Pension but not getting pension can get 10 kg of food grains per person per month free of cost
- (c) Ministry of Social Justice and Empowerment has scheme in which indigent people living in welfare institutions like orphanages are given 15 kg of food grains per person per month at BPL rates
- (d) Ministry of Human Resource Development gives financial support to Mid-Day Meal Scheme for the benefit of class I to V students in Government or Government aided Schools

Ans: (a)

25. Consider the following statements: [IAS 2004]

1. The loans disbursed to farmers under Kisan Credit Card Scheme are covered under Rashtriya Krishi Beema Yojna of Life Insurance Corporation of India.
2. The Kisan Credit Card holders are provided personal accident insurance of Rs.50000 for accidental death and Rs. 25000 for permanent disability.

Which of the statement given above is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 or 2

Ans: (b)

26. DWCRA stands for:

- (a) Development and Welfare of Catchment Rural Areas
- (b) Development of Women and Children in Rural Areas
- (c) Direct Welfare of Children in Rural Areas
- (d) All of the above

Ans: (b)

27. Which one of the following is a revamp of the Integrated Rural Development Programme?

- (a) Jawahar Gram Samridhi Yojana
- (b) Community-based Pro-poor Initiative
- (c) Swarnajayanti Gram Swarozgar Yojana
- (d) National Social Assistance Programme

Ans: (c)

28. What is the main objective of Antyodaya programme?

- (a) Uplift the poor
- (b) Uplift the urban poor
- (c) Uplift the farmer
- (d) Uplift the landless labour

Ans: (a)

29. Which of the following schemes launched by the Govt. of India aims at enhancing the livelihood security of the people in rural areas by guaranteeing hundred days of employment in a financial year to a rural household whose adult members volunteer to do unskilled manual work? [RBI Grade B Officer 2011]

- (1) TRYSEM
- (2) Pradhan Mantri Gram Sadak Yojana
- (3) Kutir Jyoti Scheme
- (4) ASHA
- (5) MNREGA

Ans: (5)

30. Swarn Jayanti Gram Swa-Rozgar Yojna came into being in : [UPPCS 2002]

- (a) April 1995
- (b) April 1997
- (c) April 1999
- (d) July 2001

Ans: (c)

31. The Minimum Needs Programme aims to:

- (a) provide means for greater mechanization of agriculture
- (b) improve the living condition of the poor and also promote their education and health
- (c) provide necessary resources by way of refinance to primary lenders
- (d) None of these

Ans: (b)

32. The Rural Landless Employment Guarantee Programme (RLEGP) is an extension of:

- (a) Integrated Rural Development Programme (IRDP)
- (b) National Rural Employment Programme (NREP)
- (c) Training of Rural Youth for Self Employment (TRYSEM)
- (d) Minimum Needs Programme (MNP)

Ans: (b)

33. With reference to the Government of India's various programmes, what is Nirmal Gram Puraskar? [IAS 2006]

- (a) It is an incentive scheme of scholarships for the single girl child in families in villages.
- (b) It is an incentive scheme of scholarships for female sportspersons from villages who represent their states in any game.
- (c) It is an incentive scheme for schools in the villages for computer education.
- (d) It is an incentive scheme Panchayati Raj institutions.

Ans: (d)

34. The strategic aim of IRDP is :

- (a) to reduce unemployment
- (b) to provide the required inputs for increasing agricultural productivity
- (c) to provide more opportunities for rural employment and credit facilities at concessional rate of interest
- (d) none of these

Ans: (c)

35. Operation Blackboard aims at

- (a) promoting adult literacy
- (b) providing education to urban slum dwellers
- (c) opening of new schools specially for female children

(d) providing primary education in an educationally backward area

Ans: (a)

36. In India, present trend of rapid urbanisation is due to:

(a) lack of employment opportunities in rural areas

(b) influence of cinema and electronic media

(c) break up of joint family system

(d) abolition of zamindari system

Ans: (a)

37. With reference to the government's welfare schemes, consider the following statements:

1. Under the Antyodaya Anna Yojana, the food grains are available to the poorest of the poor families at Rs. 2 per kg for wheat and Rs.3 per kg for rice.

2. Under the National Old Age Pension Scheme, the old and destitute are provided Rs. 75 per month as Central Pension, in addition to the amount provided by most State Governments.

3. Government of India has allocated 25 kg food grains per below Poverty Line family per month, at less than half the economic cost.

Which of these statements are correct? [IAS 2003]

(a) 1 and 2

(b) 1 and 3

(c) 2 and 3

(d) 1, 2 and 3

Ans: (d)

38. Consider the following statements in respect of the National Rural Employment Guarantee Act, 2005 :

1. Under the provisions of the Act, 100 days of employment in a year to every household whose adult members volunteer to do unskilled manual work has become a fundamental right.

2. Under the provisions of the Act, women are to get priority to the extent that one-half of persons who are given employment are women who have asked for work.

Which of the statements given above is/are correct? [IAS 2006]

(a) 1 only

(b) 2 only

(c) Both 1 and 2

(d) Neither 1 and 2

Ans: (b)

39. What is the minimum calorie intake decided by the Planning Commission for rural and urban areas, respectively ?

(a) 2400 and 2100

(b) 2100 and 2400

(c) 2400 and 2200

(d) 2100 and 2200

Ans: (a)

40. Which of these programs has not been included in the Swarna Jayanti Swarozgar Yojana?

(a) IRDP

(b) TRYSEM

(c) DWCRA

(d) JR

Ans: (d)

41. For which one of the following purposes, the Government has launched the Rajiv Awas Yojana? [Punjab & Sindh Bank 2011]

(1) To provide affordable houses to people living BPL

(2) To provide affordable houses to rural poor

(3) To provide affordable houses to minorities

(4) To provide affordable houses to slum dwellers and the urban poor

(5) None of the above

Ans: (4)

42. Which of the following is NOT an economic empowerment scheme launched by the Govt. of India for the benefit of various sections of society? [Punjab & Sindh Bank 2011]

(1) STEP

(2) Swayamsidha

(3) KALPANA-1

(4) Swadhar

(5) All of these

Ans: (3)

43. The Govt. of India has launched a number of poverty alleviation programmes. This is done with the view that poverty is the root cause of social insecurity. In addition to that UNO has also launched Millennium Development Goals to be achieved by 2015.

Which of the following is NOT one of those goals? [Punjab & Sindh Bank 2011]

- (1) Improve mental health
- (2) Combat HIV/AIDS, Malaria
- (3) Reduce marriageable age for males to 18 yr
- (4) Promote gender equality and empower women
- (5) Achieve universal primary education

Ans: (3)

44. Which of the following is the amount of Insurance cover provided to the workers of the unorganized sector under Rashtriya Swasthya Bima Yojana ? [Corporation Bank PO 2011]

- (1) Rs. 10,000
- (2) Rs. 20,000
- (3) Rs. 30,000
- (4) Rs. 40,000
- (5) Rs. 50,000

Ans: (3)

45. The Govt. of India does not provide any direct financial assistance to which of the following schemes? [SBI Associates Clerk 2011]

- (1) Mahatma Gandhi National Rural Employment Guarantee scheme
- (2) Rural Health Mission
- (3) Indira Awas Yojana
- (4) Jeevan Sathi Yojana
- (5) Rajiv Gandhi Grameen Vidyutikaran Yojana

Ans: (4)

46. Who amongst the following can take benefit of the Social Security Fund established by the Govt. of India for unorganized workers? [SBI Associates Clerk 2011]

- (1) Primary school teacher

- (2) Employee of Sugar Factory
- (3) Textile Mazdoor
- (4) Rickshaw Puller
- (5) Clerk in a factory

Ans: (4)

47. As per latest data in urban areas women employment is highest in which of the following industries areas? [UBI PO 2010]

- (1) Private households
- (2) Textiles
- (3) Apparel
- (4) Education
- (5) Retail Trade

Ans: (5)

48. When the productive capacity of the economic system of a State is inadequate to create sufficient number of jobs, it is called [CDS 2012]

- (a) seasonal unemployment
- (b) structural unemployment
- (c) disguised unemployment
- (d) cyclical unemployment

Ans: (b)

49. Under Indira Gandhi National Old Age Pension Scheme (IGNOAPS), the benefits are available to the people having minimum age of ____ [Bank of India PO 2010]

- (1) 50 years
- (2) 55 years
- (3) 65 years
- (4) 60 years
- (5) 70 years

Ans: (3)

50. Poverty in less developed countries is largely due to [CPO SI 2010]

- (a) voluntary idleness

- (b) income inequality
- (c) lack of cultural activities
- (d) lack of intelligence of the people

Ans: (b)

Currency and Inflation

1. Which of the following are definite implications of a fall in inflation?

- 1. Prices have fallen**
- 2. Prices are increasing more slowly than before**
- 3. Food supply has increased**
- 4. There is industrial stagnation**

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

Ans: (c)

2. Among the causes of inflation can be listed:

- 1. slow growth in agricultural output**
- 2. increasing non-development expenditure of Government**
- 3. rapid population growth**
- 4. rapid growth in costly imports**

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

Ans: (c)

3. Among the remedies of inflation we cannot include:

- (a) better capacity utilisation

- (b) lowering bank rate
- (c) reducing budgetary deficit
- (d) an efficient public distribution system

Ans: (b)

4. A very rapid growth in prices in which money loses its value to the point where even barter may be preferable is known as:

- (a) inflation
- (b) hyper-inflation
- (c) deflation
- (d) disinflation

Ans: (b)

5. Inflationary Gap is a situation characterized by:

- (a) excess of Aggregate Demand over Aggregate Supply at the full employment level
- (b) gap between Galloping Inflation and Runaway Inflation
- (c) Inflation coupled with recession
- (d) Inflation that usually prevails in a developing country

Ans: (a)

6. Which of the following is wrongly matched?

- (a) Depression: Insufficient demand causing large scale unemployment of men and machinery over a long period of time
- (b) Recession: Reduction in demand and production/ investment over a short period of time
- (c) Stagflation: slow pace of economic activity due to falling prices
- (d) Boom: Rapid and all-round spurt in economic activity

Ans: (c)

7. The cause of inflation is:

- (a) increase in money supply
- (b) fall in production
- (c) increase in money supply and fall in production
- (d) decrease in money supply and fall in production

Ans: (c)

8. Who among the following is most benefitted from inflation? [IAS 1989]

- (a) Government pensioners
- (b) Creditors
- (c) Savings Bank Account holders
- (d) Debtors

Ans: (d)

9. Which of the following groups suffer the most from inflation? [CPO SI 2003]

- (a) Debtors
- (b) Creditors
- (c) Business class
- (d) Holders of real assets

Ans: (b)

10. Minimum inflation in post economic reform was in :

- (a) 1999-2000
- (b) 2000-01
- (c) 2001-02
- (d) 2002-03

Ans: (a)

11. Inflation is caused as a result of:

- (a) increase in money supply
- (b) fall in production
- (c) increase in money supply without a corresponding increase in production
- (d) decrease in money supply without a corresponding decrease in production

Ans: (c)

12. Which of the following accounts for Cost-Push Inflation?

- (a) Increase in money supply
- (b) Increase in indirect taxation
- (c) Increase in population

(d) Increase in non-plan expenditure

Ans: (b)

13. The inflation experienced in the country at present is:

- (a) galloping inflation
- (b) secondary inflation
- (c) unrealistic inflation
- (d) cost-push inflation

Ans: (d)

14. Which of the following governmental steps has proved relatively effective in controlling the double digit rate of inflation in the Indian economy during recent years?

- (a) Containing budgetary deficits and unproductive expenditure
- (b) Streamlined public distribution system
- (c) Enhanced rate of production of all consumer goods
- (d) Pursuing an export-oriented strategy

Ans: (a)

15. Of the various ways of financing government's investment expenditure, the least inflationary is : [PCS 1994]

- (a) foreign aid
- (b) deficit financing
- (c) taxation
- (d) public borrowing

Ans: (c)

16. 'Devaluation' means: [RRB 1992]

- (a) converting rupee into gold
- (b) lowering of the value of one currency in comparison of some foreign currency
- (c) making rupee dealer in comparison to some foreign currency
- (d) None of these

Ans: (b)

17. Monetary policy is regulated by:

- (a) money lenders
- (b) Central Bank
- (c) private entrepreneurs
- (d) Government policy

Ans: (b)

18. One-rupee currency notes bear the signature of:

- (a) Prime Minister of India
- (b) President of India
- (c) Finance Minister of India
- (d) Finance Secretary of India

Ans: (d)

19. Ten rupee notes bear the signature of:

- (a) President
- (b) Finance Minister
- (c) Secretary, Ministry of Finance
- (d) Governor, Reserve Bank of India

Ans: (d)

20. When was the decimal system of currency introduced in India?

- (a) 1948
- (b) 1950
- (c) 1954
- (d) 1957

Ans: (d)

21. Which of the following prints currency notes of the denomination of Rs. 100?

- (a) The Bank Note Press, Dewas
- (b) The Indian Security Press, Nasik Road
- (c) The Security Printing Press, Hyderabad
- (d) All of the above

Ans: (a)

22. The highest denomination of currency notes in circulation as legal tender in India is at present:

- (a) Rs. 50
- (b) Rs.100
- (c) Rs. 500
- (d) Rs.1000

Ans: (d)

23. The special paper required for printing of currency notes by the Security Presses In the country is manufactured at :

- (a) Hyderabad
- (b) Kolkata
- (c) Hoshangabad
- (d) Dewas

Ans: (c)

24. Which of the following mints undertakes refining of gold for licensed gold dealers and production of medals for defence services?

- (a) The Hyderabad Mint
- (b) The Mumbai Mint
- (c) The Kolkata Mint
- (d) None of the above

Ans: (b)

25. To meet the growing needs for coins in the country, where does the Government propose to set up another mint?

- (a) Nasik
- (b) Hoshangabad
- (c) Dewas
- (d) Noida

Ans: (d)

26. For international payments, the Indian currency is linked to :

- (a) American Dollar
- (b) British Sterling

- (c) Gold Standard
- (d) None of the above

Ans: (a)

27. How many languages are used on a ten rupee note?

- (a) 2
- (b) 7
- (c) 10
- (d) 15

Ans: (d)

28. Convertibility of the rupee implies: [IAS 1994]

- (a) being able to convert rupee notes into gold
- (b) freely permitting the conversion of rupee to other major currencies and vice versa
- (c) allowing the value of the rupee to be fixed by market forces
- (d) developing an international market for currencies in India

Ans: (b)