

ECONOMIC & SOCIAL DEVELOPMENT

1. Consider the following statements regarding the Foreign Exchange Management Act (FEMA), 1999:
 1. Payments of foreign exchange to anyone outside the country or receipt of remittance from anyone outside is regulated by the Act;
 2. Any resident Indian can remit up to US\$ 200,000 per year to acquire real estate -outside the country.
 3. The deposits made into a Non-Resident External (NRE) Account is freely repatriable.
 4. FEMA deals with money laundering and related crimes.

Select the correct answer from the code given below:

- (a) 1, 2, 3 and 4
 - (b) 1, 2 and 4 only
 - (c) 2 and 3 only
 - (d) 1, 2 and 3 only
2. Which of the following is not true of the Regional Rural Banks (RRBs)?
 - (a) They provide direct loans to small and marginal farmers.
 - (b) They are co-sponsored by Reserve Bank of India.
 - (c) They also perform other banking operations.
 - (d) State Governments are share-holders in RRBs.
 3. Consider the following functions:
 1. Issue of bank notes of all denominations
 2. Lender of the last resort
 3. Underwrite the loans of state and central governments
 4. Periodic inspection of commercial banksWhich of the above are functions of the Reserve Bank of India?
 - (a) 1, 2 and 4
 - (b) 1 and 4
 - (c) 1, 2, 3 and 4
 - (d) 1 and 3
 4. Open market operation of RBI refers to:
 - (a) buying and selling of shares
 - (b) auctioning of foreign exchange
 - (c) trading in securities
 - (d) transaction in gold
 5. Reserve Bank of India has expressed against premature Capital Account Convertibility of the Rupee. Capital Account Convertibility has the following implications:
 1. Local financial assets can be freely converted into foreign financial assets at market-determined prices.
 2. There will be floating exchange rate.
 3. Anyone can move freely from local currency to foreign currency and vice versa.
 4. It does not necessarily mean zero regulation on movement of capital across borders.Which of the above statements is/are true? Select from the choices given below:
 - (a) 2 only
 - (b) 1, 2, 3 and 4
 - (c) 1 and 2 only
 - (d) 2, 3 and 4 only

6. Which unit of valuation is known as 'paper gold'?
- Euro dollar
 - Petro dollar
 - Special Drawing Rights
 - Global Depository Receipt
7. Consider the following statements about Commodity Futures Market in India:
- It facilitates the price discovery process and provides an opportunity to manage price risks.
 - It consists of agricultural commodities, bullion, energy and base metals.
 - It is regulated by the Securities and Exchange Board of India.
 - It affords an opportunity to participants to reverse their contractual obligations by entering into an opposite trade.
- Select the correct answer from the codes given below:
- 3 and 4 only
 - 1 and 3 only
 - 1, 2, 3 and 4
 - 2 and 3 only
8. Reserve Bank's Liquidity Adjustment Facility (LAF) refers to:
- auction of Treasury Bills
 - rediscounting of Bills of Exchange
 - use of Repos and Reverse Repos
 - variation in the Statutory Liquidity Ratio (SLR)
9. Know Your Customer (KYC) regulations have been introduced in financial transactions under the regulations of:
- Banking Companies Act
 - Prevention of Money Laundering Act
 - Reserve Bank of India Act
 - Companies Act
10. Which of the following is not a function of the Securities and Exchange Board of India (SEBI)?
- Supervising the working of the Stock Exchanges
 - Underwriting new capital issues
 - Regulating merchant banks and mutual funds
 - Promoting the development of a healthy capital market
11. Basel III norms have been prescribed for
- preventing and detecting money laundering
 - preventing adulteration of food and confectionery
 - improving banking system's ability to withstand shocks
 - overcoming the threats posed to civil aviation due to terrorism.
12. International capital flows have been uncertain and volatile, causing exchange rate and balance of payment crises among developing countries. Among the various sources of external capital available to India which source would you consider as the most preferable?
- Participatory Note
 - Portfolio investment
 - External commercial borrowing
 - Foreign direct investment
13. Consider the following statements in respect of the functions of World Trade Organisation (WTO):
- It seeks to make international trade free by establishing predictable and transparent ground rules.

2. It promotes capital flow from developed to developing countries.
3. It provides a forum for trade negotiations.
4. It works as a neutral agency for settlement of trade disputes.

Identify the correct statements from the above:

- (a) 1, 3 and 4
 - (b) 2, 3 and 4
 - (c) 1, 2, 3 and 4
 - (d) 1, 2 and 3
14. Aggregate Measure of Support (AMS) in the context of WTO refers to:
- (a) the minimum support price guaranteed to the farmers
 - (b) the quantum of subsidy given to the agricultural sector
 - (c) the issue price of paddy and wheat
 - (d) insurance cover for crops
15. Which of the following is not a function of the Exim Bank of India?
- (a) Financing of export and import of goods and services
 - (b) Inspection of exported goods for quality assurance
 - (c) Financing of joint ventures in foreign countries
 - (d) Loans to Indian parties for contributing to share capital of joint ventures abroad
16. Under the UN mandate, which of the following organs is responsible for social security?
- (a) General Assembly
 - (b) International Labour Organisation
 - (c) Economic and Social Council
 - (d) UNESCO
17. The purpose of the Himayat scheme launched by the Ministry of Rural Development is to
- (a) spread secular ideas among the rural population
 - (b) encourage education among minority communities
 - (c) form self help groups for rural women
 - (d) impart placement linked skill development to the youth from J&K
18. Consider the following functions in relation to child welfare. Which of these functions are carried out by Child-line:
1. ensure protection of the rights of the child
 2. supervise school nutrition programme
 3. respond to the emergency needs of the children in difficulty
 4. sensitise hospitals, doctors, police etc. towards the needs of children
- Select the correct answer from the code given below:
- (a) 1, 2, 3 and 4
 - (b) 2, 3 and 4 only
 - (c) 1, 3 and 4 only
 - (d) 1, 2 and 3 only
19. Which of the following are guiding principles of the Integrated Child Protection Scheme?
1. Child protection is the primary responsibility of the family.
 2. Children are entitled to respect of their privacy and confidentiality.
 3. Institutionalisation of children should be the last resort.
 4. Emphasis should be on prevention and reduction of vulnerabilities.
- Select the correct answer from the code given below:
- (a) 1, 2 and 4 only
 - (b) 1, 2, 3 and 4

- (c) 2, 3 and 4 only
 (d) 2 and 3 only
20. The Swavalamban pension scheme for the unorganised workers has been merged with:
- (a) Pradhan Mantri Jeevan Jyoti Beema Yojana
 (b) Pradhan Mantri Ujjwala Yojana
 (c) Atal Pension Yojana
 (d) National Family Benefit Scheme

<u>EVALUATE YOURSELF</u>		SCORE	GRADE
Total Marks :	<input type="text"/>	30-40 : Outstanding	<input type="text"/> A
Your Mark :	<input type="text"/>	20-30 : Very Good	<input type="text"/> B
Topper's Mark :	<input type="text"/>	10-20 : Good	<input type="text"/> C
		0-10 : Average	<input type="text"/> D

ANSWER KEYS

01 d 02 b 03 a 04 c 05 b 06 c 07 c 08 c 09 b 10 b
 11 c 12 d 13 a 14 b 15 b 16 b 17 d 18 c 19 b 20 c