



An Eye on Talent

Olympiad Aptitude Test

Economics

Class XI

1. In 1991 India met with an economic crisis. Which of the following can be quoted as a reason for the same?

1. The high level of external debt.
2. High level of foreign exchange reserve.
3. Rising prices of essential goods.
4. Import substitution policy of India.
5. Political instability.

- a) 1 and 2
- b) Only 1
- c) 2, 3 and 4
- d) All the above

2. Which of the following is not a part of changes in industrial sector post 1991 reform?

1. Industrial licensing under which every entrepreneur had to get permission from government officials to start a firm was abolished except in some sector.
2. Private sector was allowed in many industries.
3. Some goods could be produced only in small scale industries.
4. Controls on price fixation and distribution of selected industrial products.

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

3. Most of the economies including India are mixed economies. Consider the following statements.

1. In mixed economies government and the market together answer what and how to produce and how to distribute what to produce.

2. The government will provide whatever goods and services it can produce well.

3. The market will produce to the goods and services the government fails to do.

Select the correct ones.

- a) Only 1
- b) 1 and 3
- c) All the above
- d) None of these

4. In case of India we have unemployment in rural and urban areas. Consider the following statements about types of unemployment in India.

1. Disguised unemployment happens when people are not able to find jobs during some months of the year due to agricultural patterns.

2. Educated unemployment is a result of improper management of Human resources.

3. In case of India, statistically, the unemployment rate is low.

Select the correct statements using codes below.

- a) 1 and 2
- b) 1 and 3
- c) 2 and 3
- d) All of the above

5. Poverty has many facets and is looked through various social Indicators. Consider the following statements in this regard:

1. Social Exclusion describes the greater probability of being more adversely affected than other people.

2. Vulnerability is a process through which individuals or groups are not able to access facilities, benefits and opportunities that others enjoy.

Which of the statements given above is/are correct?

- a) Only 1
- b) Only 2
- c) Both 1 and 2
- d) None of these

6. Economy of a country is classified into various sectors based on different types of economic activity undertaken in each. Consider the following statements related to some of them.

1. All Agricultural activities are included in Primary sector
2. All Industrial activities are included in secondary sector.
3. Service sector includes only those activities that help in production of goods.

Select the incorrect statements using codes given below.

- a) 1 and 2
- b) 1 and 3
- c) 2 and 3
- d) All of the above

7. Human Development Report published by UNDP compares countries based on the educational levels of the people, their health status and per capita income. Consider the following statements related to this.

1. In HDR Per Capita Income is calculated in dollars adjusted by purchasing power for all countries so that it can be compared.
2. Nepal has half the per capita income of India, yet it is not far behind India in life expectancy and literacy levels.
3. Health, education and skill indicators are used along with income as a measure of development in HDI. Select the correct statements using codes below.

- a) 1 and 2
- b) 1 and 3
- c) 2 and 3
- d) All of the above

8. Liberalisation was introduced to put an end to restrictions and open up various sectors of the economy. Which of the following liberalisation measures were taken up before 1990s?

1. Industrial licensing
2. Export-import policy
3. Tax reforms
4. Foreign investment
5. Technology upgradation,

- a) 1 and 3 only
- b) 2 and 5 only
- c) 1, 2 and 5 only
- d) All of these

9. Infrastructure provides supporting services in the main areas of industrial and agricultural production, domestic and foreign trade and commerce. Consider the following statements about infrastructure.
1. Infrastructure associated with energy, transportation, housing and communication are included in the economic Infrastructure.
 2. Agriculture does not depend on infrastructure as it is labour intensive.
 3. Infrastructure contributes to economic development of a country by improving the quality of life of its people.
- Which of the statements given above is/are not correct?
- a) 1 and 2 only
 - b) 1 and 3 only
 - c) 2 and 3 only
 - d) All of the above
10. An important form in which people hold money is deposits with banks. Consider the following statements related to this.
1. Since the deposits in the bank accounts can be withdrawn anytime, these deposits are called fixed deposits.
 2. Banks mediate between those who have surplus funds and those who are in need of these funds.
 3. Credit refers to an agreement in which the lender supplies the borrower with money, goods or services in return for the promise of future payment.
- Select the correct statements using the code below.
- a) 1 and 2 only
 - b) 1 and 3 only
 - c) 2 and 3 only
 - d) All of the above
- 11 Cheap and affordable credit is crucial for the country's development. Consider the following statements related to credit availability in India.
1. Rich households in urban area has more accessibility to formal credit in India.
 2. The cost to the borrower of informal loans is much higher than formal loans.
 3. The formal sector still meets only about half of the total credit needs of the rural people.
- Select the correct statements using the code below.
- a) 1 and 2 only
 - b) 1 and 3 only
 - c) 2 and 3 only
 - d) All of the above

12. NABARD is the apex institution in the country which looks after the development of the cottage industry, small industry, village industry, and other rural industries. NABARD also reaches out to allied economies and supports and promotes integrated development. Consider the following about the functions of NABARD
1. Co-ordinate the activities of all institutions involved in rural financing system
 2. Refinance
 3. Accepting deposits from public
- Select the correct answer from the code given below:
- a) 1 and 3
 - b) 1 and 2
 - c) 1, 2 and 3
 - d) 3 only
13. In accordance with the goal of the state controlling the commanding heights of the economy, the industrial policy resolution of 1956 was adopted consider the following statements about 1956-industrial policy resolution?
1. This resolution formed the basis of the second five year plan, the plan which tried to build the basis for a capitalist pattern of society.
 2. This policy was used for promoting industries in backward regions.
 3. License to expand production achieved easily.
- Select the correct answer from the code given below:
- a) 1 and 2
 - b) b) 2 only
 - c) 2 and 3
 - d) d) 1 and 3
14. One of India's competitive advantages is its demographic dividend. Demographic dividend occurs when the proportion of working people in the total population is high because this indicates that more people have the potential to be productive and contribute to growth of the economy. To obtain full benefits of demographic dividend what should our country do?
- a) Introducing social security schemes.
 - b) Promoting skill development.
 - c) Reducing maternal mortality rate.
 - d) Privatization of higher education.

15. Participation of women in workforce is crucial for economic development. Consider the following statements regarding participation of women?
1. Women work force was more in urban areas compared to rural areas.
 2. Women workers account for one-third of the rural work force.
- Select the correct answer from the code given below:
- a) 1 and 2
 - b) 1 only c) 2 only
 - d) None
16. In India, which of the following is having highest share in the disbursement of credit to agriculture and allied activities?
- a) Cooperative Banks
 - b) Regional Rural Banks
 - c) Commercial Banks
 - d) Microfinance institutions
17. The consumption of Chemical fertilizers was an important factor in the success of Green Revolution in the late 1960's. Consider the following statements.
1. Chemical fertilizers dissolve in water and are immediately available to plants.
 2. Chemical fertilizers can kill bacteria and other micro-organisms in soil.
 3. The use of Chemical fertilizers caused the rise in cost of production in the long term.
- Select the correct ones.
- a) 1 and 2
 - b) 2 and 3
 - c) 1 and 3
 - d) All are correct
18. In case of India, statistically, the unemployment rate is low. Consider the following statements about unemployment.
1. The unemployment ratio is calculated only from the working age population, who are in the age group of 15 years to 59 years.
 2. Unemployment is said to exist, when any of the persons in the workforce population cannot find jobs.
 3. The main reason for the unemployment is the people who are not interested in working outside the domestic domain.

Select the incorrect ones

- a) Only 3
- b) 2 and 3
- c) Only 2
- d) All of these

19. Buffer stock is the stock of foodgrains procured by the government through Food Corporation of India (FCI). Consider the following statements in relation to the FCI procurements.

- 1. The FCI purchases wheat and rice from the states where there is a surplus.
- 2. Minimum support price is the price announced by the FCI before the sowing season.
- 3. Issue price is the price issued by the FCI for their procurements based on the market price.

Select the correct ones.

- a) 1 and 2
- b) Only 2
- c) Only 1
- d) All the above

20. An important approach to addressing poverty is to provide minimum basic amenities to the people. Consider the following statements about schemes to provide basic amenities.

- 1. National Social Assistance Programme is a programme to give pension to elderly people who do not have anyone to take care of them.
- 2. Pradhan Mantri Gramodaya Yojana aims to provide better connectivity in the villages by improving roads. Select the correct statements using codes below.

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) None of the above