

Economic academic year 2006-2007, for the children of Persons of Indian Origin (PIOs) and Non-Resident Indians (NRIs) to assist them in pursuing Under Graduate courses in Indian Universities/Institutes. It is being implemented by Ministry of External Affairs. Under it, financial assistance in the form of scholarship is provided for specific undergraduate courses in Professional and Non-Professional courses. Only fresh year students (1st year) students are eligible to get the scholarship.

Q.1)

Identify the scheme mentioned in the above passage

- a. Scholarship Program for Diaspora Children
- b. Scholarship Program for Empowering NRI Children
- c. Scholarship Program for Overseas Children
- d. Scholarship Program for PIO/NRI Children
- e. Scholarship Program for Diaspora Children

**Answer- (e)**

Q.2)

Which of the following educational discipline is not covered under the scheme mentioned in the above passage?

- a. Engineering
- b. Medical
- c. MBA
- d. PhD Programmes
- e. None of the above

**Answer- (b)**

Q.3)

What is the total number of scholarships seats earmarked for Emigration Check Required (ECR) countries subject to fulfilling eligibility conditions?

- a. 50
- b. 70
- c. 60
- d. 100
- e. 40

**Answer- (a)**

Q.4)

What is the name of the portal to submit the online application for obtaining scholarships under the scheme mentioned in the above passage?

- a. SPDC portal
- b. Shiksha portal
- c. Padhai portal
- d. NRI portal
- e. Scholarship portal

**Answer- (a)**

Q.5)

Identify incorrect statement about the scheme mentioned in the above passage

- a. Children of Indian Workers in ECR countries studying in India are eligible to apply for scholarship
- b. Scholarship is provided to 150 selected students, without earmarking NRIs/ PIOs.
- c. Under it, financial assistance is provided for food facilities along with tuition fee, admission fee and post admission services.

- d. Candidates from all the categories must have passed grade 12<sup>th</sup> from abroad.
- e. None of the above

**Answer- (c)**

**Explanation –**

Under the scheme financial assistance for specific undergraduate courses in Professional and Non-Professional courses is provided towards tuition fee, admission fee and post admission services.

This scheme is being implemented by the ministry of external affairs and every year the ministry publishes a notification explaining the details of the scheme and inviting applications from the diaspora children. Similarly, the official notification for this scheme came up a few months before the 2018 phase 2 examination with 30th September as the last date for application. And do you know, when the 2018 phase 2 examination happened? Yes, it was on 15th September 2018. So, the examiner had all the right to ask questions from this scheme.

Now, talking about the questions, all the questions were direct and straightforward. You can easily attempt all questions if you go through the first 3-4 pages of the official document of the scheme. Again, you don't have to worry about such schemes, as long as PIB 247 sessions are going on. All the schemes in news are covered in these classes.

**I.6-9) Read the passage and answer the questions that follow**

In view of the difficulty being faced by the pregnant women and parents of sick new-born along-with high expenditure on delivery and treatment of sick- new-born, Ministry of health and Family Welfare has taken a major initiative to ensure better facilities for women and child health services. In 2011, it had launched this scheme to motivate those who still choose to deliver at their homes to opt for institutional deliveries. It provides completely free and cashless services to pregnant women including normal deliveries and caesarean operations and sick new born. It is estimated to benefit more than 12 million pregnant women who access Government health facilities for their delivery. All the States/UTs have initiated implementation of the scheme.

Q.6)

Identify the scheme mentioned in the above passage

- a. Pradhan Mantri Matru Vandana Yojana
- b. Janani Shishu Suraksha Karyakaram
- c. Janani Suvidha Yojana
- d. Ayushman Scheme
- e. Maternal Friendly Hospital Scheme

**Answer- (b)**

Q.7)

For how many days there is a provision of hospitalization for sick new born children under the scheme mentioned in the above passage?

- a. 15 days
- b. 10 days
- c. 20 days
- d. 30 days
- e. 45 days

**Answer- (d)**

Q.8)

For how many days the free diet is provided for Normal and C-section Delivery respectively, under the scheme mentioned in the above passage

- a. 3 and 7 days
- b. 4 and 8 days
- c. 5 and 10 days
- d. 6 and 11 days
- e. 2 and 5 days

**Answer- (a)**

Q.9)

From which district the scheme mentioned in the above passage was launched?

- a. Chikkaballapur
- b. Vapi
- c. Shimla
- d. Bhiwadi
- e. Mewat

**Answer- (a)**

**Explanation–**

Questions number 6 to 9 are also from a government scheme which is one of the important schemes of the ministry of health and family welfare. Now, here I am not going to explain why this question was asked because I have explained this many times before in other past year papers.

What I want to explain here is – How to identify a scheme from the passage? Because if you would not able to identify the scheme, it costs you 3-4 questions which means 6-8 marks.

And you better know that there is a fight for even a single mark.

In the process of identifying the scheme, you have to focus on the keywords given in the passage. If I talk about the passage given above, here are some keywords –

“Ministry of health and family welfare”, “launched in 2011”, “free and cashless services to pregnant women including normal deliveries and caesarean operations and sick newborn”, “12 million pregnant women”.

Now after looking at these keywords, you would ask your brain to recollect the information which you have given to it while studying. If you have ever gone through this scheme, your brain will give you the answer – “Oh! It is Janani Shishu Suraksha Karyakaram”. And you will mark the correct answer.

I hope you have the understood the most important part of solving questions of government schemes. Cheers!

**I.10-12) Read the passage and answer the questions that follow [2 Marks]**

The Ministry of Rural Development had launched this scheme in 1999 in rural areas of the country. It is a holistic Scheme covering all aspects of self-employment such as organisation of the poor into Self Help Groups, training, credit, technology, infrastructure and marketing. It is funded by the Centre and the States in the ratio of 75:25. It aims is to bring every assisted family above the poverty line within three years by providing them income generating assets through a mix of bank credit and Government subsidy. The rural poor such as those with land, landless labour, educated unemployed, rural artisans and disabled are covered under the scheme.

Q.10)

Identify the scheme mentioned in the above passage

- a. Swarnajayanti Gram Swarajgar Yojana
- b. Deen Dayal Upadhyaya Grameen Kaushalya Yojana

- c. Skill development through Rural Self Employment and Training Institutes
- d. Mahatma Gandhi National Rural Employment Guarantee Scheme
- e. Prime Minister's Employment Generation Programme

**Answer- (a)**

Q.11)

Identify the incorrect statement about the scheme mentioned in the above passage

- a. It provides maximum Rs. 7500 for capacity building, trading and skill development, credit training etc
- b. It provides ceiling of Rs. 10000 for minor Irrigation project
- c. The size of loan under this scheme will be maximum Rs. 25 Lakhs
- d. It provides for formation of Self-Help Groups (SHGs), nurturing and their linkages with banks.
- e. None of the above

**Answer- (d)**

Q.12) Which of the following statement/s about the scheme mentioned in the above passage is incorrect

- 1. It focuses on vulnerable sections of the rural poor.
  - 2. There is no Involvement of Panchayat Raj Institutions in its implementation
  - 3. It aims at establishing MACRO enterprise
- a. Only 3
  - b. Only 2
  - c. Only 1 and 3
  - d. All of the above
  - e. Only 2 and 3

**Answer- (e)**

**Explanation –**

This question is important to be discussed. Why? Let me tell you –

Every year, many students ask me these questions – “Do we have to cover schemes which are not in news? Do we have to cover old schemes? The answer to such questions was given by the RBI itself in 2018 examination when it asked questions from a scheme of 1999 i.e Swarnajayanti Gram Swarajgar Yojana.

So, you never know, from which scheme the questions are going to asked. So, be prepared for the worst.

Now, most of you will say, - “That means we should cover all the schemes which are being implemented since independence” How is it possible?

No, I am not saying that. I am just asking you to cover the LANDMARK SCHEMES of the government of India and not from 1947 because there is no scheme which is being implemented since 1947. But if there is any scheme which is being implemented even after 30-40 years since its launch, that scheme is important. For ex – Integrated Child Development Scheme which was launched in 1975 but even today it is being implemented by the ministry.

Got my point?

**I.13-17) Read the passage and answer the questions that follow**

This scheme aims to involve the voluntary sector and training institutions of repute to improve educational and socioeconomic conditions of the target group i.e. Scheduled Castes with a view to upgrade skill to enable them to start income generating activities on their own or get gainfully employed in some sector or the other. The guiding spirit behind the

formulation of this scheme is that good voluntary organizations should not only be assisted but also consciously built up.

Q.13)

Identify the scheme mentioned in the above passage

- a. National Scheduled Castes Finance and Development Corporation
- b. Scheme for funding the Voluntary Organizations
- c. Central Sector Scholarship Scheme for SC Students
- d. Babu Jagjivan Ram Chhatrawas Yojana
- e. Scheme of Grant-in-aid to Voluntary and other Organizations Working for Scheduled Castes

**Answer- (e)**

Q.14)

Which Ministry is implementing scheme mentioned in the above passage?

- a. Ministry of Corporate Affairs
- b. Ministry of Micro, Small and Medium Enterprises
- c. Ministry of Social Justice and Empowerment
- d. Ministry of Tribal Affairs
- e. Ministry of Agriculture and Farmers Welfare

**Answer- (c)**

Q.15)

What is the eligibility criteria for an organisation coming under this scheme?

- a. Registered under Society Act, 1960
- b. Indian Red Cross society and its Branches
- c. Section 25 of Companies Act
- d. A and B
- e. A, B and C

**Answer- (e)**

Q.16)

Which of the following provisions of assistance is/are covered under the scheme mentioned in the above passage?

- 1. Rent for building in which project is being run.
- 2. Scholarship only for orphan children for foreign studies.
- 3. Stipend to the students and trainees

- a. 1 only
- b. 2 Only
- c. 1 and 3 Only
- d. 2 and 3 Only
- e. 1, 2 and 3

**Answer- (c)**

Q.17)

Which of the following was the objective of the scheme mentioned in the above passage?

- a. To provide educational facilities to only primary school students from Scheduled Caste.
- b. To provide basic government health facilities to Scheduled Caste.
- c. To build basic infrastructure in deficient Scheduled Caste dominant areas.
- d. To enhance the reach of development interventions of the Government and fill the gaps in service deficient Scheduled Caste dominant areas,

- e. None of the above

**Answer- (d)**

**Explanation –**

Again, questions from a government scheme. So, here I am not going to explain anything except reminding you once again that – You have to cover all the schemes which have been in news one year before the exam and the LANDMARK schemes of the government of India. The LANDMARK schemes mean those schemes which remain in news in every parliament session. These are the schemes which are a part of the answers submitted by the ministry in parliament in every session. For ex – MGNREGA, PM Gram Sadak Yojana, PM Awas Yojana etc.

**I.18-20) Read the passage and answer the questions that follow**

The GNI at current prices is estimated at Rs. 165.87 lakh crore during 2017-18, as compared to Rs. 150.77 lakh crore during 2016-17, showing a rise of 10 percent.

The per capita income at current prices during 2017-18 is estimated to have attained a level of Rs. 112835 as compared to the estimates for the year 2016-17 of Rs. 103870 showing a rise of 8.6 percent.

The Gross National Income (GNI) at 2011-12 prices is now estimated at Rs. 128.64 lakh crore during 2017-18. In terms of growth rates, the Gross National Income is estimated to have risen by 6.7 percent during 2017-18, in comparison to the growth rate of 7.1 percent in 2016-17.

Q. 18)

Which of the following Ministry releases these estimates mentioned in the above passage?

- a. Ministry of Finance
- b. Ministry of Commerce and Industry
- c. Ministry of Education
- d. Ministry of Statistics and Programme Implementation
- e. Ministry of Home Affairs

**Answer- (d)**

Q.19)

Gross National Income (GNI) at 2011-12 prices is now estimated at Rs. 128.64 lakh crore during 2017-18, as against the previous year's estimate of \_\_\_\_\_

- a. Rs. 130 lakh crore
- b. Rs. 120 lakh crore
- c. Rs. 124 lakh crore
- d. Rs. 127 lakh crore
- e. Rs. 129 lakh crore

**Answer- (b)**

Q.20)

How is per capita income computed?

- a. GDP/Working Population
- b. GNI/Working Population
- c. GNI/ Population
- d. GDP/Population
- e. None of the above

**Answer- (c)**

**Explanation –**



Question numbers 18 to 20 are from Provisional Estimates of Gross National Income released by the ministry of statistics and program implementation.

Now, the significance of questions from this topic can be determined from the fact that we are studying "ECONOMIC & SOCIAL ISSUES" and don't you think that National Income is an integral part of Economic Issues.

Also remember, every year questions from reports and indices are asked. So, you cannot ignore such important reports. Try to cover all reports which are being released by the government through PIB.

**I.21-24) Read the passage and answer the questions that follow**

Executive Board of the International Monetary Fund (IMF) conducted Article IV consultation with Reserve Bank of India. It found that stability-oriented macroeconomic policies and progress on structural reforms continue to bear fruit. Following disruptions related to the November 2016 currency exchange initiative and the July 2017 goods and service tax (GST) rollout, growth slowed to 6.7 percent in FY2017/18, but a recovery is underway led by an investment pickup. Headline inflation averaged 3.6 percent in FY2017/18, a 17-year low, reflecting low food prices on a return to normal monsoon rainfall, agriculture sector reforms, subdued domestic demand, and currency appreciation. With demand recovering and rising oil prices, medium-term headline inflation has risen to 4.9 percent in May 2018, above the mid-point of the Reserve Bank of India (RBI)'s headline inflation target band of 4 percent  $\pm$  2 percent. External vulnerabilities remain contained but have risen. The current account deficit (CAD) widened to 1.9 percent of GDP in FY2017/18, on rising imports and oil prices. Gross international reserves rose to US\$424.5 billion (about 8 months of prospective imports of goods and services) at the end of March 2018, but declined to US\$407.8 billion in the third week of June 2018. Persistently-high household inflation expectations and large general government fiscal deficits and debt remain key macroeconomic challenges. Systemic macro financial risks persist, as the weak credit cycle could impair growth and the sovereign-bank nexus has created vulnerabilities.

Q.21)

As a result of the conditions mentioned in the above passage, which policy rate corridor was narrowed by RBI to  $\pm$  25 basis points from  $\pm$  50 basis points effective April 6, 2017 to ensure finer alignment of the operating target with the policy rate.

- a. Reverse Repo rate
- b. Statutory Liquidity Ratio
- c. Marginal Standing Facility rate
- d. Repo rate
- e. None of the above

**Answer- (d)**

Q.22)

The policy rate mentioned in above question was increased by RBI to

- a. 6.25%
- b. 5.75%
- c. 6.0%
- d. 5.5%
- e. 6.5%

**Answer- (a)**

Q.23)

What is headline inflation rate referred in the passage above?

- a. Wholesale Price Index

- b. Core inflation Index
- c. Consumer Price Index
- d. Non-core inflation Index
- e. None of the above

**Answer- (c)**

Q.24)

According to above passage, unlike some other emerging market economies, India's manufacturing sector remains relatively small, reflecting major rigidities in

- 1. Land Sector
- 2. Labour Sector
- 3. Product Markets
- 4. Government ownership of PSBs

- a. 1 and 3 Only
- b. 2, 3 and 4 Only
- c. 3 and 4 Only
- d. 1, 2 and 3 Only
- e. All of the above

**Answer- (d)**

**Explanation –**

The passage given for questions 21 to 24 was picked up by the examiner from a publication of IMF. This publication was about the discussions happened between India and IMF regarding the status of economy in 2017-18.

These discussions reflected in the RBI monetary policy which was released just before the 2018 phase 2 examination. Hence, the questions were expected.

Hence, I would like to add one more topic to the list of important topics – “RBI MONETARY POLICY”

**I.25) Read the excerpt from report below and answer the questions that follow**

However persistently-high household inflation expectations and large general government fiscal deficits and debt remain key macroeconomic challenges. Systemic macro-financial risks persist, as the weak credit cycle could impair growth and the sovereign bank nexus has created vulnerabilities. Economic risks are tilted to the downside, the report said, adding that on the external side, risks include a further increase in international oil prices, tighter global financial conditions, a retreat from cross border integration including spill over risks from a global trade conflict, and rising regional geopolitical tensions. Domestic risks pertain to tax revenue shortfalls related to continued GST implementation issues and delays in addressing the twin balance sheet problems and other structural reforms. It also underscored the need for continued prudent macroeconomic policies and renewed emphasis on macro-financial and structural reforms.

Q. 25)

Which organisation has released this report?

- a. World Bank
- b. International Monetary Fund
- c. World Economic Forum
- d. Asian Development Bank
- e. None of the above

**Answer- (b)**

**Explanation –**



This report was released by IMF in August 2018 after executive board meeting of IMF with India. Now, this question was quite difficult because one cannot go through the entire report word to word. So, how can one attempt this question? Let me explain.

Read the passage carefully and recall the objectives of IMF. The passage talks about key macroeconomic challenges, economic growth, financial conditions etc. Now, have a look at the objectives of IMF which are furthering monetary cooperation, encouraging economic growth etc.

Don't you think that the key words mentioned in the passage are in consonance with the objectives of IMF?

I think they are.

Hence, the answer is IMF.

**I.26-29) Read the passage and answer the questions that follow**

Government had constituted a Committee in May, 2016 to review the Fiscal Responsibility and Budget Management (FRBM) Act, 2003. It had wide ranging Terms of Reference (ToR) to comprehensively review the existing FRBM Act in the light of contemporary changes, past outcomes, global economic developments, best international practices and to recommend the future fiscal framework and roadmap for the country. Subsequently, TOR were enlarged to seek the Committee's views on certain recommendations of the Fourteenth Finance Commission and the Expenditure Management Commission. These primarily related to strengthening the institutional framework on fiscal matters as well as certain issues connected with new capital expenditures in the budget.

Q.26)

Who is the head of this committee mentioned in the above passage?

- a. Shyam Benegal
- b. P J Nayak
- c. N K Singh
- d. Hari Gautam
- e. P Malimath

**Answer- (c)**

Q.27) How much debt-to-GDP ratio has been recommended by the committee mentioned in the above passage for the Central Government?

- a. 20%
- b. 30%
- c. 35%
- d. 40%
- e. 45%

**Answer- (a)**

Q.28)

Which of the following is/are not the objectives of FRBM act?

1. Efficient management of expenditure, revenue and debt
2. Macroeconomic stability
3. Achieving a balanced budget
4. Better coordination between fiscal and monetary policy

- a. Only 1 and 2
- b. Only 2, 3 and 4
- c. Only 4
- d. Only 2

- e. All are the objectives

**Answer – (e)**

Q.29)

What does Fiscal Deficit refer to?

- a. All Government Expenditure – All Government Receipts except borrowings
- b. All Government Expenditure – All Government Receipts including borrowings
- c. All Government Expenditure – Domestic Government Receipts Only
- d. Government Revenue Expenditure Only – Government Revenue Receipts Only
- e. None of the above

**Answer- (a)**

**Explanation –**

I hope you know, that FRBM is a part of the syllabus of ESI. Now, if any topic is a part of the syllabus, you have to be updated about that topic. Anything in news related to that topic is significant for the exam.

Even if FRBM would not have been in the syllabus, The NK Singh committee on FRBM holds importance. So, you need to be aware of such important committees and their recommendations. And to be aware, you have to be awake.

The idea is – “Jaago Students Jaago”

The questions were very basic in nature. All the questions could have been attempted with just a glimpse of FRBM act and this committee and its recommendations.

**I.30-34) Read the passage and answer the questions that follow**

The Department for Promotion of Industry and Internal Trade (DPIIT) has developed this BRAP framework in 2016 and circulated it with States/UTs for its implementation. It seeks to bring ease to regulatory compliance for businesses. It is ambitious program for reforms in partnership with State Governments to make it easier, simpler and quicker for businesses to operate. These reforms cover the entire lifecycle of the business and aim at reducing compliance burden on industry significantly. States/ UTs have been actively engaged in envisioning, designing and implementing these reforms that are to be undertaken each year. This framework is designed keeping in mind 2 factors viz. Measurability and Comparability across States. It is the first such platform for knowledge on regulatory compliance requirements across 36 States/UTs in the country.

Q.30)

What is the full form of BRAP mentioned in the above passage?

- a. Boosting Reform Actionable Plan
- b. Boosting Reform Action for Performance
- c. Business Reform Activity Performance
- d. Business Reform Action Plan
- e. None of the above

**Answer- (d)**

Q.31)

Which state has been ranked last as per BRAP mentioned in the above passage?

- a. Assam
- b. Bihar
- c. Meghalaya
- d. Madhya Pradesh
- e. Nagaland

**Answer- (c)**

Q.32) With which institution has DIPP collaborated for developing BRAP?

- a. International Monetary Fund
- b. World Bank
- c. World Economic Forum
- d. United Nations Development Programme
- e. None of the above

**Answer- (b)**

Q.33) How many action points have been included in BRAP?

- a. 108
- b. 217
- c. 372
- d. 469
- e. 512

**Answer- (c)**

Q.34) From which of the following, feedback was taken for BRAP?

- 1. Existing businesses
- 2. New Businesses
- 3. Architects
- 4. Lawyers

- a. 1, 2 and 3
- b. 2, 3 and 4
- c. 1, 3 and 4
- d. 1, 2 and 4
- e. All of the above

**Answer- (e)**

**Explanation –**

On 10th July 2018, the ministry of commerce and industry released the Ease of Doing Business Ranking under the Business Reforms Action Plan, a few months before the phase 2 exam. Now should I tell you that it was an important ranking? I think I should not because you are quite smart to understand this.

Now, talking about the questions – Questions were asked from the PIB release directly. This happens with every index and report. The questions are asked from those points only which are in news. The examiner will never examine the entire report to frame a question. Only the facts which are in the news and the executive summary of any index or report are enough for the examination.

Q.35)

Which of the following is/are objectives of SEZ Act 2006?

- a. Generation of additional economic activity.
- b. Promotion of exports of goods and services.
- c. Promotion of investment from domestic and foreign sources
- d. Development of infrastructure facilities.
- e. All of the above

**Answer- (e)**

**Explanation –**

This question was asked from the static syllabus of ESI which indicates that that static part of ESI is equally important. These days many students are asking this question that whether we should cover static part or not because most of the questions are being asked from the current affairs.

I agree that these days most of the questions are being asked from the current affairs but not all. And who knows in the next exam, the examiner changes the pattern of the questions and asks question from the static part. Moreover, today we have descriptive part in ESI where the questions cannot be attempted if a candidate does not cover the static part of ESI.

Hence, you cannot ignore the static part.

Do not do budgeting while preparing for an exam, try to cover as much as possible. Because it is not just an exam, it can decide your future.

### **One Markers**

Q.36)

The ratio by which the mean income of the poor falls below the poverty line is referred as

- a. Population below poverty
- b. Poverty Count
- c. Poverty Gap
- d. Head Count ratio
- e. Poverty Trend

**Answer- (c)**

**Explanation –**

Straight forward and direct question from a very basic concept. Even if you don't know the answer, you could have easily attempted this question by using logics. The statement itself is indicating that only possible answer is Poverty gap.

So, don't be nervous if you don't know the answer to a question. Use your brain and give it a try using smart logics and guesses.

Q.37)

Sustainable Development Goals (SDGs) which were made more "actionable" by UNGA reAnswer that identifies specific targets for each goal and provides indicators to measure progress. When are these SDG targets are to be achieved?

- a. 2025
- b. 2030
- c. 2035
- d. 2040
- e. 2045

**Answer- (b)**

**Explanation –**

Ohoho.. You can't expect easier question than this. This question could have been attempted by even a layman who watches the great News channels of the country. Then why can't you? I am sure you can easily mark this question correct.

Q.38)

Which is the first multilateral organization to have its secretariat in India with United Nations as Strategic Partner?

- a. South Asian Association for Regional Cooperation
- b. Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation
- c. International Solar Alliance
- d. Shanghai Cooperation Organisation
- e. BRICS

**Answer- (c)**

**Explanation –**

Again, an easy question. There is only one such organization which has its headquarters in India. Considering this fact, I believe the examiner has all the right to ask a question from this organization in any exam. Also, international and regional organizations are a part of the static syllabus of ESI which makes this question relevant.

Q.39)

Which of the following poverty is caused due to sudden health issue or calamity and is temporary in nature?

- a. Situational Poverty
- b. Generational Poverty
- c. Relative Poverty
- d. Absolute Poverty
- e. None of the above

**Answer- (a)**

**Explanation –**

Look at the syllabus of ESI and ask yourself – “Is it a difficult question?” I believe NO.

Because poverty is explicitly mentioned in the syllabus and that’s why question from this topic can be asked.

Also, talking about the question, it is an easy form of question where you just have to identify the type of poverty. And that too could have been done very easily during the exam because in the question, you are required to tell the name of the poverty “caused due to sudden health issue or calamity”, which is a situation. Hence, the best suitable answer is Situational Poverty.

Q.40)

In Union Budget 2018-19, a new Scheme “Operation Greens” was announced on the line of “Operation Flood” to promote Farmer Producers Organizations, agri-logistics, processing facilities and professional management. What is the outlay of this scheme?

- a. Rs. 300 crores
- b. Rs. 100 crores
- c. Rs. 400 crores
- d. Rs. 600 crores
- e. Rs. 500 crores

**Answer- (e)**

Q.41)

How much cumulative deduction was announced in Union Budget 2018-19 to salaried class in lieu of the present exemption in respect of transport allowance and reimbursement of miscellaneous medical expenses?

- a. Rs. 20000
- b. Rs. 35000
- c. Rs. 40000
- d. Rs. 65000
- e. Rs. 80000

**Answer- (c)**

Q.42)

How much amount was allocated for infrastructure spending in Union Budget 2018-19?

- a. Rs. 5.97 lakh crore
- b. Rs. 3.21 lakh crore
- c. Rs. 6.89 lakh crore
- d. Rs. 4.72 lakh crore

- e. Rs. 7.10 lakh crore

**Answer- (a)**

**Explanation –**

Question numbers 40 to 42 are from union budget. The questions were of very basic nature and asked directly from the budget. Almost every year, questions from Union Budget and Economic Survey are asked in the exam. So, you must prepare both the topics.

Now, the question is how to prepare these topics. Answer is very simple. Every year on the day of Economic Survey and Budget, I conduct a session explaining every aspect of the survey and the budget. So, take a chill pill.

Q.43)

Consumer Goods in the economics are also referred as?

- a. Public Goods
- b. Private Goods
- c. Club Goods
- d. Capital Goods
- e. Final Goods

**Answer- (e)**

**Explanation –**

This was a static question asked from the static syllabus of ESI. Here, again, if you do not know the answer, you can easily mark it correct. But, how?

Consumers are those who consumes the good. And a good can only be consumed when it is at its final stage. Hence, very conveniently the answer is final goods.

Cheers!

Q.44)

The Human Development Report (HDR) is an annual report published by the Human Development Report Office. This office functions under which organisation?

- a. United Nations Economic and Social Council
- b. United Nations International Children's Emergency Fund
- c. United Nations Development Programme
- d. United Nations Environment Programme
- e. None of the above

**Answer- (c)**

**Explanation –**

When I say report and indices are important for this exam, you should take it seriously.

Because, see, one more question from Report. Although the question was simple and was asked from a prominent report i.e Human Development Report yet you must be prepared for a bouncer. You never know, from which report the examiner is going to ask a question in the next exam. So, try to cover all the important reports and indices out there.

Q.45)

According to the Union Budget 2018-19 presented by the Union Finance Minister, the agriculture exports from India was \_\_\_\_\_ per year, against the potential of \$100 billion?

- a. \$60 Billion
- b. \$40 Billion
- c. \$20 Billion
- d. \$30 Billion
- e. \$50 Billion

**Answer- (d)**

**Explanation –**



A question from Union Budget again. I am not going to tell you again and again the same stuffs. So, just one thing – “PREPARE THE BUDGET THOROUGHLY”

Q.46)

What does the first P in PPP stand for?

- a. PrivateCc
- b. Purchasing
- c. Parity
- d. Power
- e. Public

**Answer- (b)**

**Explanation –**

I can't expect easier question than this. This was the easiest question asked in this paper. The term PPP can be seen at one or the other page of a daily newspaper. So, I don't think that to attempt this question, you need any kind of preparation.

Q.47)

Impact of Globalization on Family, Work and Culture etc can termed as?

- a. Political Globalization
- b. Economic Globalization
- c. Individualistic Globalisation
- d. Social Globalisation
- e. None of the above

**Answer- (d)**

**Explanation –**

This question was quite logical in nature. Whenever we see term “Social”, the first thing that comes to our mind is society. And the society consists of family, work, culture, people etc. Hence, the answer to this question is social globalization.

Q.48)

The TRIPS Agreement is part of the “single undertaking” resulting from the Uruguay Round negotiation of which of the following organisation?

- a. World Bank
- b. International Monetary Fund
- c. World Trade Organisation
- d. UN Conference on Trade and Development
- e. None of the above

**Answer- (c)**

**Explanation –**

Have you ever read about World Trade Organization? If yes, this question is a cakewalk for you. Because when you read about WTO, first you read about GATT and the eight rounds of negotiations which happened before the formation of WTO. The Uruguay round was the eighth and the last round which led to the formation of WTO. And even if you did not know about the TRIPS agreement, you could have easily attempted this question with the help of “Uruguay round”

Q.49)

Which became the first Indian state to conduct comprehensive survey to ascertain the extent of Multidimensional Poverty in the state?

- a. Maharashtra
- b. Tamil Nadu
- c. Karnataka

- d. Gujarat
- e. Andhra Pradesh

**Answer- (e)**

**Explanation –**

In the year 2018, Andhra Pradesh became the first state to launch Multidimensional Poverty index. So, this question was from current affairs and you can attempt such questions if you are following any monthly magazine of current affairs. This was covered by every magazine in the market.

Q.50)

Which of the following is not involved as part of the macro-economic theory?

- a. Analysis of specific company
- b. Inflation rate
- c. Supply of money
- d. Aggregate demand
- e. Foreign exchange rate

**Answer- (a)**

**Explanation –**

When we talk about Macro Economy, we talk about the economy of a country as a whole. If you understand the meaning of macro economy, nothing is left after that. Mark your answer as option (a) and move ahead.

Q.51)

GDP is measured from the perspective of?

- a. Producers
- b. Consumers
- c. Intermediaries
- d. A and B
- e. A, B and C

**Answer- (b)**

**Explanation –**

If we go by the definition by the definition of GDP, we can mark this question right. What is the definition of GDP? GDP is the total value of all the goods and services produced within the boundaries of a country in a year.

Now, when you know the definition, let's come back to the question.

The definition of GDP implies that GDP measures monetary value of final good and services i.e. those goods and services that are bought by the final user i.e. – CONSUMER.

Hence, the answer would be option (b) – Consumers.

Q.52)

Which amongst the following is Gross National Income?

- a. Net Domestic Product + Indirect Taxes – Subsidies
- b. Gross domestic product – Indirect Taxes + Subsidies
- c. Net domestic product + Receivable from abroad
- d. Gross domestic product – Receipts from abroad
- e. Final Goods Produced + Receivable from abroad

**Answer- (e)**

**Explanation –**

This was a direct formula-based question from the chapter National Income. Such questions are asked in the exam to test your retention ability. The more you retain, the more suitable

you are for this post (as per the examiner). So, while reading the chapter of National income, go through all the formulas viz; GDP, NDP, GNI, NI etc.

Q.53)

Which of the following statement is true about Fiscal Policy?

- a. It includes revising interest rates and changing bank reserve requirements.
- b. It is classified as either expansionary or contractionary.
- c. It controls overall money supply and achieve economic growth.
- d. It is for maintaining price stability
- e. None of the above

**Answer- (e)**

**Explanation –**

Fiscal policy and monetary policy are among the important topics for this exam. You need to cover both topics thoroughly.

The question above talks about the features of fiscal policy and monetary policy. Option (a), (c) and (d) are the exclusive features of monetary policy while option (b) is the feature of both. Hence, the correct answer should be option (b) i.e. “It is classified as either expansionary or contractionary”

Q.54)

This is core Centrally Sponsored Scheme (CSS) aimed at quickly and effectively transforming selected aspirational districts. These districts were selected on parameters like poverty, public health, nutrition, education, gender, sanitation, drinking water, livelihood generation which are in sync with SDGs and fall within the realm of Panchayats. It will enable Panchayats to function effectively to achieve SDGs and other development objectives that require significant Capacity building efforts. What is name of this scheme?

- a. Rashtriya Gram Swaraj Abhiyan
- b. Pradhan Mantri Awaas Yojana Gramin
- c. Deen Dayal Upadhyaya Grameen Kaushalya Yojana
- d. Sansad Adarsh Gram Yojana
- e. **None of the above**

**Answer- (a)**

**Explanation –**

I believe till now; you have become an expert in “How to identify a scheme from a passage”. Yes, because I have told you several times how to do it. Various hints are given in the above passage which leads to the answer i.e. Rashtriya Gram Swaraj Abhiyan

Q.55)

Which of the following is used as policy tool used to protect domestic industries by changing the conditions under which goods compete in such a way that competitive imports are placed at a disadvantage?

- a. Tariffs
- b. Wealth tax
- c. GST
- d. Direct Taxes
- e. None of the above

**Answer- (a)**

**Explanation –**

If you look at the options carefully, you can answer this question conveniently. All the given taxes except tariffs are imposed on the goods and services produced within the country.

However, the tariffs are imposed on imported goods to protect domestic industries from the negatives of imported goods.

Q.56)

Government policies and trade measures restrict international trade to help domestic industries is called as

- a. Trade wars
- b. Protectionism
- c. Trade restrictions
- d. Import bans
- e. None of the above

**Answer- (b)**

**Explanation –**

Let's do this question using elimination technique. I would outrightly reject options (a) and (d). This is because protecting domestic industries does not mean trade wars. Also, while restricting international trade, a country does not completely put a ban on imports.

Now consider option (c). I would think twice before marking this option because the statement given in the question itself declares that the government is restricting international trade. So, when something is already given in the statement, how can it be the answer.

Hence, the correct answer would be protectionism.

Q. 57)

Which of the following term refers to the way that changes in the price of one good can affect the quantity demanded of another good?

- a. Price elasticity
- b. Demand elasticity
- c. Income elasticity
- d. Functional elasticity
- e. Cross elasticity

**Answer- (e)**

**Explanation –**

This was a complete static question which was given to test your conceptual knowledge.

Such questions remind us the fact that one cannot clear this examination by just cramming everything. You have to be conceptually strong to clear this exam. And I believe that you are not among those who ignore such important topics.

Q. 58)

Which institution was established in 1945 for securing stability, monetary co-operation etc?

- a. UN Conference on Trade and Development
- b. World Trade Organization
- c. World Bank
- d. International Monetary Fund
- e. None of the above

**Answer- (d)**

**Explanation –**

Do you remember Bretton Woods Conference? If yes, Let me ask you another question – Which two organizations were established as a result of this conference?

Yes, they were IMF and World Bank.

Now, I want to ask one more question – What are the objectives of these organizations?

Yeah, you are right, World Bank is committed towards reducing poverty, increasing shared prosperity and promoting sustainable development while IMF is committed towards furthering international monetary cooperation encouraging economic growth.

Now, I hope you get the answer to the above question.

Q. 59)

Population that maximizes the country's Growth and Development?

- a. Under Population
- b. Over Population
- c. Optimal Population
- d. Fixed Population
- e. None of the above

**Answer- (c)**

**Explanation –**

Everything in this world is at its best when it is at its optimum level and so is the population. Hence, without any doubt, the answer to this question is Optimal population. Overpopulation creates a burden on the resources of the nation. Due to underpopulation, a country lacks human capital which is required for the country's growth and development.

Q.60)

Which of the following is not included in GDP calculation?

- a. Investment
- b. Net Exports
- c. Government Spending
- d. Investment Expenditure
- e. Wellbeing of people

**Answer- (e)**

**Explanation –**

Before discussing this question, let me ask you a question – Why would “well-being of people” be included while calculating GDP? Do you have an answer to this question? I hope you have.

GDP is the monetary value of all goods and services produced within the boundaries of a nation in a year. When we are talking about monetary value, we cannot include moral values like well-being of people. Hence, the answer is option (e).

Q.61)

Which of the following is the objective of the HRIDAY Scheme?

- a. To establish infrastructure for ensuring adequate sewage networks and water supply in the urban areas.
- b. To facilitate inclusive urban development.
- c. To identify and develop the Heritage cities
- d. To addresses urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers.
- e. None of the above

**Answer- (b)**

**Explanation –**

To mark this question correct, you just have to aware of the full form of HRIDAY. The full form is – Heritage City Development and Augmentation Yojana. Have you got my point?  
I always say, that the objective of almost every scheme can be derived from its name itself.  
And the above question is an example for this.

Q.62)

Which of the following inflation theory combines both the Pull Back and Push Back to explain the inflation?

- a. Market power theory
- b. Bottle neck theory
- c. Monetary theory
- d. Markup theory
- e. None of the above

**Answer- (d)**

**Explanation –**

This was again a static question based on the conceptual understanding. If you are conceptually strong, you can easily mark this question correct. The question is based on various theories of inflation which are a part of static ESI syllabus. So, the idea is to give equal preference to static topics

Q.63)

What is the revised Fiscal Deficit Target against the earlier target of 3%?

- a. 4%
- b. 4.2%
- c. 3.7%
- d. 3.5%
- e. 3.3%

**Answer- (e)**

**Explanation –**

Various deficit targets along with Fiscal Deficit target are announced every year in the Union Budget. So, you need to cover all the targets and their revision done by the government, if any.

Q.64)

Who was the chairperson of committee on FRBM act formed in 2016, to review the FRBM act?

- a. N K Singh
- b. JB Mohapatra
- c. Nandan Nilekani
- d. RK Singh
- e. PS Ahluwalia

**Answer – (a)**

**Explanation –**

I hope you all know that the FRBM act is mentioned in the syllabus of the ESI. When it is mentioned in the syllabus, you have to cover every aspect of it. By every aspect, I mean all the amendments, any committee formed for it etc. This question was based on a very famous committee set up by the government to review the act. The committee was chaired by NK Singh which is the answer to this question.

Q.65)



According to Rangarajan committee for poverty estimation, persons spending below how much amount a day in cities are considered poor?

- a. Rs.32
- b. Rs.47
- c. Rs.30
- d. Rs.41
- e. Rs.20

**Answer – (b)**

**Explanation –**

For poverty estimation, various committees have been formed by the government of India. All the committees are important for the exam. So, you must cover the recommendations of all those committees formed for estimating poverty. Rangarajan committee was one such committee formed for the same purpose. It recommended that persons spending below Rs.47 a day in cities and Rs.32 a day in village are considered poor.

## **Finance Management**

### **2 Markers**

Q.1)

Depending on the time at which corrective action is taken, controls are of three kinds. Which one of the following controls involves the evaluation of inputs and taking corrective measures before a particular sequence of operations is completed?

- a. Feedback control
- b. Reactive control
- c. Concurrent control
- d. Close loop control
- e. Feedforward control

Answer – (e)

Explanation –

Let us talk about this question now. This question was asked from the topic “CONTROLLING”. Controlling is one of the imperative functions of Management, albeit it is a whole branch of its own. Controlling consists of verifying whether everything occurs in conformities with the plans adopted, instructions issued, and principles established. And to do that controlling involves different techniques of controlling.

Although the examiner will not know what is controlling you, it can ask about the types of controlling, like this examiner.

So, make sure to do in-depth study if you want to score good marks. J

Q.2)

Power involves the ability to influence the behaviour of others. Which of the following power is depends on the fear of negative results from failing to comply?

- a. Coercive Power
- b. Reward Power
- c. Legitimate Power
- d. Expert Power
- e. Referent Power

Answer – (a)

Explanation –

Here again comes the easy question. This question is from the topic “POWER”. The topic “POWER” in general is easy to understand. We have different kinds of power but in this question particularly they are asking about coercive power. It is important to understand certain keywords with respect to each option, for instance, if I talk about ‘expert power’, here we can look for keywords like ‘expertise’ or ‘special knowledge’.

Q.3)

Fill in the blank with an appropriate option below.

$\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  is the size of the order for which the total ordering and carrying costs are at a minimum.

- a. Economic Utilization Quantity
- b. Economic Order Quantity
- c. Economic Manufactured Quantity
- d. Economic Supply Quantity
- e. None of the Above

Answer – (b)

Explanation –

This question is from the miscellaneous topic of RBI. However, this topic is not included in the syllabus now.

Q.4)

In which type of inventory management system, the supply of components is regulated through the use of instruction cards sent along the production line?

- a. EOQ
- b. Kaizen Technique
- c. Total Quality Management
- d. LIFO/FIFO
- e. Kanban Technique

Answer – (e)

Explanation –

This is a part of the “CONTROLLING” topic. If someone has not studied either of these techniques, then it would become challenging to answer such questions. Hence, conceptual clarity is paramount.

Q.5)

A leadership theory which is based on two behavioural dimensions, the concern for people and the concern for production is known as:

- a. Managerial Grid Model
- b. Fiedler’s Contingency Model
- c. Hersey and Blanchard’s Situational Theory
- d.
- d. House’s Path Goal Theory
- e. Charismatic Leadership

Answer – (a)

Explanation –

Again, same chapter “LEADERSHIP”. You must agree with me know it’s RBI’s favourite topic. You should consider this a basic question. If you start reading about the “Managerial Grid Model” this statement would be the first to read. Not so many technicalities in this question. A simple reading would be sufficient to answer such questions.

Q.6)

When a manager gives specific advice, clarifies expectations, assigns tasks and works with subordinates to identify behaviour to accomplish a task, he is using which leadership style:

- a. Consultative leadership
- b. Participative leadership
- c. Delegative leadership
- d.
- e.
- d. Transactional leadership
- e. Transformational leadership

Answer – (b)

Explanation –

Again, same chapter “LEADERSHIP”. Question on the style of leadership again. Follow the tip which we discussed above J.

Q.7)

Under which style of leadership does a leader act as a paternal or fatherly figure?

- a. Autocratic or Authoritarian Leadership
- b. Participative or Democratic Leadership
- c. Free Rein or Laissez Faire Leader

- d. Paternalistic Leadership
- e. None of the Above

Answer – (d)

Explanation –

Again, same chapter “LEADERSHIP”. The question is about the styles of leadership. With the help of keywords, for instance, paternal or fatherly figure one can easily eliminate the options and can choose the correct answer.

Q.8)

Which of the following organisation structure is a combination of functional and project organisation structure?

- a. Network organisation
- b. Learning organisation
- c. Matrix organisation
- d. Boundaryless organisation
- e. Line and staff organisation

Answer – (c)

Explanation –

This question was part of the chapter “Organisational Structure”. I already gave you an explanation of how to attempt these questions. Kindly read it again.

Q.9)

Which of the following decision-making metric under which the worst outcome is selected among many and the worst payoff related to the outcome used in decision-making?

- a. Maximin
- b. MiniMin
- c. Maximax
- d. Minimax
- e. Expected Value

Answer – (a)

Explanation –

This question is asked from the topic “DECISION MAKING” which is a subpart of the TOPIC “PLANNING”. Techniques of decision making is important for the examination purpose.

Q.10)

In which theory of James MacGregor Burns leaders and followers help each other to move to a higher level of motivation and morale?

- a. Trait Theories
- b. Contingency Theories
- c. Behavioural Theories
- d. Transformational Theories
- e. Participative Theories

Answer – (d)

Explanation –

This question is from the topic called “LEADERSHIP”. This always has been one of the favourite topics of the RBI examination. You can expect analytical or case study questions from this question. Questions on theories of leadership can be confusing if one does not have conceptual clarity. Here one cannot understand from the statement which specific theory it is talking about.

Q.11)

Select from the option below, what are the different types of trade that are currently settled through CCIL?

- 1. Forex Interbank Cash
  - 2. Spot and Forward Transactions
  - 3. Future Settlements
  - 4. Option Settlements
- a. 1 and 2
  - b. 3 and 4
  - c. 1 and 4
  - d. All the above
  - e. None of the above

Answer - (a)

Explanation –

This question is from an important topic called “FINANCIAL MARKET”. This is a static-based question. CCIL stands for Clearing Corporation of India Limited. It was set up in 2001 to provide exclusive clearing and settlement for transactions in Money and Foreign Exchange. To be honest there is no trick to solving these questions you will have to read and revise. The aim should be to cover the syllabus in detail and revise frequently with the help of objective questions and keep yourself aware of financial news.

Q.12)

The rupee has been weakening lately and has reached a record low of 70. What suitable actions can be taken by RBI to further stabilize it?

- a. Sell dollars
- b. Buy dollars
- c. Printing more currency
- d. Sterilization
- e. Market forces will decide itself

Answer – (a)

Explanation–

This is a current affairs-based question. Of course, to solve these kinds of questions you need to have conceptual clarity. For instance, if I specifically talk about this question, one cannot answer what steps should be taken by RBI unless one is aware of the concept of depreciation, devaluation etc. That is why students should read the static part in greater detail.

Q.13)

XYZ company issued bonus shares in the ratio of 1:1, what will be its effect on Tangible worth?

- a. Increase
- b. Decrease
- c. No change
- d. None of the above
- e. Not enough information

Answer – (c)

Example –

This question is from the topic called “INDIAN FINANCIAL SYSTEM”. This is a conceptual question. You should know the concept of bonus shares in detail in order to answer this question.

Q.14)

What is the correct order of claims (priority of liquidation) in the waterfall structure of the Insolvency and Bankruptcy Code, 2016?

- a. Insolvency costs, secured creditors, Government dues, Preference Shareholders
- b. Unsecured creditors, Insolvency costs, Government dues, Preference Shareholders
- c. Insolvency costs, Government dues, Preference shareholders, Unsecured creditors
- d. Government dues, Preference shareholders, secured creditors, Insolvency costs
- e. Unsecured creditors, Insolvency costs, Government dues, wages and unpaid dues owed to employees



Answer – (a)

Explanation –

This question is from the topic called “Insolvency and Bankruptcy Code, 2016” which comes under the sub-topic “Risk Management”. It provides a time-bound process for resolving insolvency in companies and among individuals.

This is a static-based question. Basic knowledge of accountancy or how the claims are settled of a company can also help in solving these kinds of questions.

Q.15)

Which of the following below must abide by the provision of IBC, 2016?

- a. Individuals, Unlimited Partnerships, Limited Liability Partnerships and Companies
- b. Unlimited Partnership Firms, Limited Liability Partnerships and Companies
- c. Individuals, Limited Liability Partnerships and Companies
- d. Individuals and Companies
- e. Only corporates

Answer – (a)

Explanation –

This question is from the topic called “Insolvency and Bankruptcy Code, 2016” which comes under the sub-topic “Risk Management”. It provides a time-bound process for resolving insolvency in companies and among individuals.

This is a static-based question which can only be solved by reading the provisions of IBC in detail.

Q.16)

Basel Norms are the international banking regulations issued by the Basel Committee on Banking Supervision. For now, three guidelines have been released Basel I, Basel II and Basel III. Which of the following is/are the parameters of Basel III?

- 1. Minimum capital requirement
  - 2. Supervisory Review Process
  - 3. Market Discipline
- 
- a. Only 1
  - b. Only 2
  - c. Only 3
  - d. Only 1 and 2
  - e. only 1, 2 and 3

Answer – (e)

Explanation –

This question is from an important topic called “Basel Norms” which is a sub-topic of “RISK MANAGEMENT”. Basel norms or Basel accords are the international banking regulations issued by the Basel Committee on Banking Supervision. It is an effort to coordinate banking regulations across the globe, with the goal of strengthening the international banking system.

This is also a static question. To be honest this is a very basic question to answer. Minimum capital requirement, supervisory review process and market discipline are three strong pillars of Basel 3.

Q.17)

which of the following is/are considered as risks under Basel 3 Norms issued by BCBS?

- a. Market Credit
- b. Credit Risk
- c. Liquidity Risk
- d. Only 1 and 2
- e. 1, 2 and 3

Answer – (e)

Explanation –

This question is from an important topic called “Basel Norms” which is a sub-topic of “RISK MANAGEMENT”. Basel norms or Basel accords are the international banking regulations issued by the Basel Committee on Banking Supervision. It is an effort to coordinate banking regulations across the globe, with the goal of strengthening the international banking system.

This is again a static question to answer. There are no tips and tricks to solve a static question you will have to study. One thing is sure “BASEL ACCORDS” is an important topic for the examination which you shouldn’t miss.

Q.18)

Keeping in Basel III norms, answer the following question.

Which of the following is/are the components of Pillar 1 capital?

- 1. Common Equity Tier Capital
  - 2. Additional Tier 1
  - 3. Tier 2 Capital
  - 4. Capital Conservation buffer
  - 5. Only 1 and 2
- 
- a. 1), 2) and 3
  - b. 1) and 4)
  - c. 2) and 4)

- d. 1), 3) and 4)
- e. All the mentioned.

Answer – (e)

Explanation –

This question is from an important topic called “BASEL NORMS” which is a sub-topic of “RISK MANAGEMENT”. Basel norms or Basel accords are the international banking regulations issued by the Basel Committee on Banking Supervision. It is an effort to coordinate banking regulations across the globe, with the goal of strengthening the international banking system.

This is again a static question to answer. There are no tips and tricks to solve a static question you will have to study. One thing is sure “BASEL ACCORDS” is an important topic for the examination which you shouldn’t miss.

Q.19)

Fill in the blank with an appropriate word below.

With an objective to encourage corporates to tap the debt market, the Government of India, in the Union Budget for 2018-19 announced large corporates to meet about  $\frac{3}{4}$  of their financing needs from the debt market.

- a. 20%
- b. 22%
- c. 51%
- d. 25%
- e. 10%

Answer – (d)

Explanation – This question is a part of the topic called “Union Budget”. This is a current affairs-based question. I think I have emphasized enough on Budget, let’s proceed with the next question now.

Q.20)

Priority Sector Lending (PSL) emerged as an important idea to ensure the availability of credit to all the neglected sectors of society. One of these sectors is education. What is the current loan limit for education for studying in India and abroad respectively?

- a. Rs.20 lakhs and Rs.10 lakhs
- b. Rs.10 lakhs and Rs.20 lakhs
- c. Rs.25 lakhs and Rs.25 lakhs
- d. Rs.20 lakhs and Rs.25 lakhs
- e. Rs.10 lakhs and Rs.15 lakhs

Answer – (b)

Explanation –

This question is a part of the topic called “INDIAN BANKING SYSTEM”. This is a static-based question. PSL is an important topic for the examination. You must be wondering WHY? Because the goal of its to provide credit to the weaker sections of society. For instance, (a) Agriculture (b) Micro, Small and Medium Enterprises (c) Export credit (d) Housing (e) Social infrastructure (f) renewable Energy (g) Others. RBI has mandated fixed targets for each of these sectors so that banks do not neglect any of these sections. As I already mentioned this is a static-based question and as such any tricks do not help in solving questions. The best trick is to remember it by repetitive revision.

Q.21)

Under the revised guidelines for Priority Sector Lending (PSL), for housing loans in metropolitan areas the loan limit has been raised from Rs.25 lakh to which of the following?

- a. 27
- b. 30
- c. 35
- d. 4
- e. 28

Answer – (b)

Explanation –

This question is a part of the topic called “INDIAN BANKING BANKING”. This is a current affairs-based question. PSL is an important topic for the examination. You must be wondering WHY? Because the goal of its to provide credit to the weaker sections of society. For instance, (a) Agriculture (b) Micro, Small and Medium Enterprises (c) Export credit (d) Housing (e) Social infrastructure (f) renewable Energy (g) Others.

RBI has mandated fixed targets for each of these sectors so that banks do not neglect any of these sections. Keep yourself updated with important financial news articles and good videos so that you do not miss these important updates.

Q.22)

Fill in the blank with an appropriate option below.

As per RBI guidelines for priority sector lending  $\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  % of the total net bank credit should go to priority sector advances and  $\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  % of adjusted net bank credit should go to the agriculture sector.

- a. 40% and 18%
- b. 35% and 20%
- c. 45% and 18%

- d. 20% and 10%
- e. 32% and 18%

Answer – (a)

Explanation –

This question is a part of the topic called “INDIAN BANKING SYSTEM”. This is a current affairs-based question. PSL is an important topic for the examination. You must be wondering WHY? Because the goal of its to provide credit to the weaker sections of society. For instance, (a) Agriculture (b) Micro, Small and Medium Enterprises (c) Export credit (d) Housing (e) Social infrastructure (f) renewable Energy (g) Others.

RBI has mandated fixed targets for each of these sectors so that banks do not neglect any of these sections. Keep yourself updated with important financial news articles and good videos so that you do not miss these important updates.

Q.23)

Return on investment is the ratio of net profit and cost of investment. ROI provides the measure of which of the following?

- a. Profitability
- b. Cash flow
- c. Production
- d. Time Value
- e. Liquidity

Answer – (a)

Explanation –

This question is from the topic called “RISK MANAGEMENT”. This is a factual question to answer. Return on investment is a metrix used to understand the profitability of an investment. It compares how you paid for an investment to how much you earned to evaluate its efficiency.

Basic understanding of ROI will be helpful to solve this question.

Q.24)

Which of the following is the most important dimension in driving the price of a stock in the market?

- a. Net Sales
- b. Operating costs
- c. P/E Ratio
- d. EPS
- e. Cash Flow

Answer – (d)

Explanation –

Earnings per share or EPS is an important financial measure, which indicates the profitability of a company. This question is specifically part of the financial statements of a company. This is a conceptual question to answer.

Q.25)

Introduction of Fiscal Responsibility and Budget Management (FRBM) Bill 2000 has paved the way for the removal of –

- a. Ad Hoc Bill
- b. Ways and Means limit
- c. Short Term Advance
- d. Long Term Advance
- e. None of the above

Answer – (d)

Explanation –

This question is a part of the topic called the FRBM Act. This topic is RBI's all-time favourite topic. This is a factual-based question.

It establishes financial discipline to reduce the fiscal deficit. The FRBM Act aims to introduce transparency in India's fiscal management systems. The Act's long-term objective is for India to achieve fiscal stability and to give the Reserve Bank of India (RBI) flexibility to deal with inflation in India. The FRBM Act was enacted to introduce a more equitable distribution of India's debt over the years.

Q.26)

As per Union Budget 2018-19, which of the following schemes is related to price fixation to ensure farmers are given the right price for their produce?

- a. Operation Food
- b. Operation Green
- c. Operation Fasal
- d. Operation Kisan
- e. Operation Ghas

Answer – (b)

Explanation –

This question is a part of the topic called "BUDGETING". This is again a current affairs-based question.

Q.27)

Which of the following statements correctly demonstrated the difference between Debt Recovery Tribunal (DRT) and NCLT (National Company Law Tribunal)?



- a. The Debt Recovery Tribunal (“DRT”) shall be the adjudicating authority (“Adjudication Authority”) with jurisdiction over individuals and partnerships. The National Company Law Tribunal (“NCLT”) shall be the Adjudicating Authority with jurisdiction over companies, and other limited liability entities (excluding LLPs.)
- b. The Debt Recovery Tribunal (“DRT”) shall be the adjudicating authority (“Adjudication Authority”) with jurisdiction over individuals and partnership firms other than Limited Liability Partnerships (“LLPs”). The National Company Law Tribunal (“NCLT”) shall be the Adjudicating Authority with jurisdiction over companies, and other limited liability entities (including LLPs.)
- c. The Debt Recovery Tribunal (“DRT”) shall be the adjudicating authority (“Adjudication Authority”) with jurisdiction over partnership firms other than Limited Liability Partnerships (“LLPs”). The National Company Law Tribunal (“NCLT”) shall be the Adjudicating Authority with jurisdiction over companies, and other limited liability entities (excluding LLPs.)
- d. The Debt Recovery Tribunal (“DRT”) shall be the adjudicating authority (“Adjudication Authority”) with jurisdiction over individuals only. The National Company Law Tribunal (“NCLT”) shall be the Adjudicating Authority with jurisdiction over companies, and other limited liability entities (including LLPs.)
- e. The Debt Recovery Tribunal (“DRT”) shall be the adjudicating authority (“Adjudication Authority”) with jurisdiction over partnership firms other than Limited Liability Partnerships (“LLPs”) only. The National Company Law Tribunal (“NCLT”) shall be the Adjudicating Authority with jurisdiction over companies, and other limited liability entities (including LLPs.)

Answer – (b)

Explanation –

This question is a part of the topic called “RISK MANAGEMENT”. This is a conceptual-based question. Students should be clear with DRT and NCLT to answer this question.

Q.28)

Fill in the blank with an appropriate option below.

$\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  is used to regulate liquidity in the economy,  $\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  is used to control cash flow in the market.

- a. repo rate, reverse repo rate
- b. reverse repo rate, repo rate
- c. cash reserve ratio, repo rate
- d. Repo rate, cash reserve ratio
- e. Statutory liquidity ratio, cash reserve ratio

Answer – (a)

Explanation –

This question is from the topic called “INDIAN BANKING SYSTEM”. This is a static-based question. As I mentioned earlier you should be well-versed with these terminologies before you answer these kinds of questions.

Q.29)

Which of the following banking terminologies is being discussed in the following paragraph?

It is a financial benchmark rate for interest rate swaps, overnight call money, collateralised borrowing and lending obligations (CBLO), floating rate bonds, and short-term corporate loans in India. It is the rate at which Indian banks borrow from one another on an overnight basis. It was first introduced in India in 1998 after the formation of the Fixed Income Money Market and Derivatives Association of India (FIMMDA).

- a. MCLR
- b. Bank Rate
- c. MIBOR
- d. REPO Rate
- e. Reverse Repo rate

Answer – (c)

Explanation –

This question is from the topic called “INDIAN BANKING SYSTEM”. This is a static-based question. As I mentioned earlier you should be well-versed with these terminologies before you answer these kinds of questions.

Q.30)

Which of the following statements is associated with Fiedler’s Contingency Model?

- a. There is the best style of leadership which is universally applicable to all situations.
- b. A leadership style may be effective under one situation and ineffective under the other.
- c. Fiedler identified three basic styles of leadership
- d. a) and b)
- e. b) and c)

Answer – (b)

Explanation –

Again same chapter “LEADERSHIP”. Only in-depth study can help you answer these types of questions as the question is conceptually based. Here your vocabulary will also help if you know the meaning of contingency despite not studying the topic can help attempt the question.

Q.31)

In Herzberg's Two-factor theory, Frederick Herzberg has given a distinction between Motivating factors and Hygiene factors. Read the following options carefully and mark the one which is not one of the hygiene factors.

- a. Pay
- b. Fringe Benefits
- c. Physical working conditions
- d. Recognition
- e. Interpersonal Relations

Answer – (d)

Explanation -

This question was asked in the chapter "MOTIVATION". You can say there are certain favourite topics of RBI and motivation is one of them. Here the question is asking about the distinction between motivating factors and hygiene factors. This is a conceptual-based question and your concepts should be clear before you make a distinction between these two factors.

Q.32)

In which of the following techniques of performance appraisal feedback is get from supervisors, subordinates, peers, and self?

- a. Work oriented Appraisal
- b. 360-degree Appraisal
- c. Informal Appraisal
- d. Interview Appraisal
- e. Self-Appraisal

Answer – (b)

Explanation –

This question has been asked several times in the examination now. The question is from the topic "PERFORMANCE APPRAISAL". The Question is conceptual here. Techniques of performance appraisal are very important from the exam point of view. We count this topic as one of the easiest and scoring. However, our bad luck this topic is not the part of RBI syllabus now.

Q.33)

Individuals have the inherent behavior of comparing their performance with others and this inadvertently influences their behavior in some form of the other. In the light of the above statements which of the below mentioned theories shall best describe the comparing attitude of the individuals.

- a. Valence Theory
- b. Equity Theory
- c. Theory X and Y
- d. Self-Efficacy Theory
- e. Expectancy Theory

Answer – (b)

Explanation –

Another question from the theories of motivation students. Never ever skip the topic of motivation. It carries high marks. This is the equity theory given by John Stacey Adams. This theory is memorised based, easy to answer. Reading is enough to answer these basic questions. Options are tricky here which makes this question difficult to answer.

Q.34)

Who among the following propounded the idea of a managerial grid?

- a. George & Graen
- b. Hersey & Blanchard
- c. Huneryager & Heckman
- d. Tannenbaum & Schmidt
- e. Blake & Mouton

Answer – (e)

Explanation –

haha!! 'LEADERSHIP' this time. Another chapter that you never going to miss if you are preparing for the RBI examination.

This question clearly is factual. Here the examiner wants to know how much familiar you are with your preparation by asking just a simple question. Through this question, we understood that it is important to know the names of people who gave different theories. If we get lucky, examiners can ask these kinds of questions for 1 mark.

Q.35)

Alderfer's ERG theory is an extension of Maslow's need hierarchy theory. What R stands for in the respective theory?

- a. Relative
- b. Relatedness
- c. Receiving
- d. Recurring

e. Recovering

Answer – (b)

Explanation –

The 'MOTIVATION' chapter can save you during the Phase 2 crisis J. You must have observed till now how much this chapter is important by seeing the number of questions.

Just like the previous year this question is also completely factual. You ought to know what ERG stands for,

E stands for Existence

R stands for Relatedness and

G stands for Growth.

You need to make sure that you know the full form well. We don't know what the examiner can ask J Hence, an in-depth study is important.

## **1 Markers**

Q.36)

$\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  records each and every component of the job that an individual has to perform in a given set-up

- a. Job description
- b. Job role or job analysis
- c. Job specification
- d. Job evaluation
- e. Job appraisal

Answer – (a)

Explanation –

This question was asked from the topic "JOB ANALYSIS & DESIGN" subpart of Human Resource Management. We have different terminology here, for instance, Job description, the Job role or Job analysis, Job specification, Job Evaluation and Job Appraisal. In these kinds of questions if the concepts are not clear then it will be difficult to answer. Here the answer is a job description which is a subpart of job analysis. You're lucky this is not part of the RBI syllabus anymore.

Q.37)

In an organisation, generally employees are resistant to change. Resistance to change could be overcome on an enduring basis by systematically planning and implementing the process of change. To be an effective change in the organisation Kurt Lewin has introduced a model of planned change.

Read the following options below and mark the first stage of the same model.

- a. Change
- b. Resistance
- c. Compliance
- d. Unfreeze
- e. Refreeze

Answer – (d)

Explanation –

This was asked from the topic “ORGANISATIONAL CHANGE”. This is a very important topic from a both objective and descriptive point of view. DO NOT MISS IT EVER. Hey, I am saying it again DO NOT SKIP THIS TOPIC. This is a factual-based question, easy to answer. You must be wondering HOW? Because the examiner is asking only for the steps to bring planned change from us. Kurt Lewin’s planned change model is very important.

Q.38)

Which of the following is a type of communication which does not have any definite pattern or direction and flows at every level to satisfy needs?

- a. Formal Communication
- b. Verbal Communication
- c. Oral Communication
- d. Grapevine Communication
- e. Visual Communication

Answer – (d)

Explanation –

Another important chapter “COMMUNICATION”. Communication itself is a very easy topic to understand and students generally get full marks, you must have had a sense by now by reading the question. Grapevine communication is a form of informal communication which arises from the social interaction of people. It does not have any definite path which is why it can flow in every direction. From an exam point of view, types of communication are important – both formal and informal.

Q.39) Fill in the blank with an appropriate option below.

$\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  occurs when an individual reports wrongdoing in an organisation such as financial misconduct or discrimination.

- a. Insider Trading
- b. Selling
- c. Whistleblowing
- d. Trading
- e. Vigilante

Answer – (c)

Explanation –

Whistleblowing is a part of “CORPORATE GOVERNANCE”. Corporate governance in itself is a beautiful topic. This question was asked from the Whistle Blowing Protection Act. It is a pretty easy question to answer as the question is based on “terminology”. This puts light on the fact how much it is important to be well versed in terminologies and have clear basics. Students generally do, they try to be specific to the syllabus only I am not saying it is not the correct way to prepare for your examination all I am saying is if study the basics well then it will be a piece of cake for you to read subsequent topics.

Q.40)

Which of the following leadership theories suggests that an individual with traits relevant to leadership emerges as an effective leader?

- a. Trait Theory
- b. Fiedler's Contingency Model
- c. Hersey and Blanchard's Situational Theory
- d.
- d. House's Path Goal Theory
- e. Charismatic Leadership

Answer – (a)

Explanation –

Again same chapter “LEADERSHIP”. Here in the form of a question, a characteristic/feature of a theory is given and we have to answer the name of a theory. This question is specific to theories of leadership and in order to answer these types of questions understanding different theories is essential. However, we can also eliminate some of the options just by reading for instance contingency means to depend on the situation, same for option c), under charismatic leadership there is charisma in a leader's personality. We can also apply these tricks to answer a tricky question.

Q.41)

“ It is the leader who gives instructions only after consulting the group and also believes in the decentralising decision-making process”?

- a. Democratic Leadership Style
- b. Paternalistic Leadership Style
- c. Charismatic Leadership
- d.
- d. Servant Leadership
- e. Transactional Leadership



Answer – (a)

Explanation –

Again same chapter “LEADERSHIP”. In leadership, we have four different kinds of leaders and the question is asking one of them. Generally, students get confused between different styles. The quick way to answer is to know the keywords related to every style. For instance, if I talk about transactional leadership, here keyword is the “carrot and stick approach” So generally wherever the “carrot and stick approach” is mentioned it is transactional leadership only.

Q.42)

In which of the following organisation structure, each specialist is supposed to give his functional advice to all other foremen and workers?

- a. Line Organisation
- b. Functional Organisation
- c. Line and Staff Organisation
- d.
- d. Either A & C
- e. All the above

Answer – (a)

Explanation –

This question was from a topic called “ORGANISATIONAL STRUCTURE”. Some students find this topic tricky to answer however you do not need to worry this topic is not in the syllabus anymore. Let us talk about the question now. It is a conceptual-based question and here also keywords will help you to answer the question that happened in this question.

Q.43)

Which type of organisation structure is suitable for a large-scale organisation having diversified activities requiring a high degree of specialisation in operations?

- a. Project Structure
- b. Division Structure
- c. Functional Structure
- d. Matrix Structure
- e. Network Structure

Answer – (c)

Explanation –

This question was from a topic called “ORGANISATIONAL STRUCTURE”. A student can easily answer the question by the keyword mentioned in the question, here we

have two 'diversified activities' and 'high degree of specialisation'. Try to remember keywords with respect to every topic.

Q.44)

What MBO stands for?

- a. Management by Obsession
- b. Management by Objective
- c. Management by Opportunity
- d. Management by Occasion
- e. None of the Above

Answer – (b)

Explanation –

This question is asked from the topic "MANAGEMENT BY OBJECTIVE". This is an important topic. Now let us quickly discuss this question. Here examiner is testing your basic knowledge regarding the subject. For instance, when we try to learn any language we start from the basis same applies here. For the sake of passing the examination, some students generally study selectively which is not a fine approach to preparation.

Q.45)

Which of the leadership theories of management focuses on how the leader provides subordinates with a path to achieve valued goals?

- a. Transactional Theory
- b. Path-Goal Theory
- c. Contingency Theory
- d.
- d. Transformational Theory
- e. Behavioural Theory

Answer – (b)

Explanation –

I was watching a movie lately and in that movie, it was mentioned in Hindi I am translating that into English for you "the answer lies in the question only", the same goes for this question. In question, it is clearly motioned that "a leader provides subordinates with a path to achieve valued goals" this statement is sufficient to answer the questions, i.e., Path-Goal Theory.

Q.46)

Which of the following involves the power to reward, promote or grant key resources?

- a. Coercive Power
- b. Reward Power
- c. Legitimate Power
- d. Expert Power
- e. Referent Power

Answer – (b)

Explanation –

This question was asked from the topic “POWER” as we have already discussed the same sort of question in previous questions. Here the answer is a reward power which you can simply figure out by the keywords which are in this question promote or grant key resources.

Q.47)

Control system which automates the process of control is known as:

- a. Cybernetics
- b. Auto-control
- c. Splunk control
- d. Both a) and b)
- e. None of the above

Answer – (a)

Explanation –

This question is a part of the topic called “COMMUNICATION”. Cybernetics was in news before the examination and the examiner took the opportunity to test how well you are aware of your surroundings. The learning from this question is to have a good grasp of financial and current awareness.

Q.48)

An organization structure being implemented without considering vertical or horizontal bounds across departments and even with an external environment is called -----.

- a. Division organisation
- b. Boundaryless organisation
- c. Line and staff organization
- d. Network organization
- e. Learning organization

Answer – (b)

Explanation –

Another question from the same topic is called “ORGANISATIONAL STRUCTURE”. An organisational structure is a system that outlines how specific activities are handled to fulfil a strategic mission. Rules, roles, and obligations are all parts of these activities. Why I am explaining this here OS because only then you will be able to understand the different categories of organisational structure. As I said earlier in previous questions conceptual clarity is important. If you have conceptual clarity you will be able to solve maximum questions.

Q.49)

What that process is called through which the conversion of scanned documents and image-based information like handwritten, typed, or printed text into a digital, machine-readable text format?

- a. Optical Code Recognition
- b. Optical Character Reader
- c. Optical Character Recognition
- d. Optical Code Reader
- e. Optical Character Recorder

Answer – (c)

Explanation –

This question is asked from the topic “FINTECH”. It is a static question. Topic Fintech is itself an important topic not only for examination purposes but also for interviews. As the world is moving towards the digital era so the relevance of these topics is increasing. One thing you can do is keep yourself updated with current affairs so that you get familiar with these terminologies.

Q.50)

Lately Small Industries Development Bank of India (SIDBI) has launched the ‘Udyami Mitra Portal’. What is the objective behind this scheme?

- a. To improve the accessibility of credit & handholding services to the MSMEs
- b. To provide digital literacy to MSME
- c. To build awareness about intellectual property
- d. To promote innovation, rural property, and entrepreneurship
- e. To enable the establishment of a strong manufacturing base in the MSME sector

Answer – (a)

Explanation –

This question is a part of the topic called “REGULATORY BODIES OF INDIA”. This is a current affairs-based question. SIDBI launched this scheme in December 2017.

That is why I always encourage students to be well-versed with finance current affairs so that you do not miss any marks.

Q.51)

Public-Private partnerships involve collaboration between a government agency and a private sector company. In what kind of project do these parties generally get involved?

- a. Small business firms
- b. Large corporates
- c. Small corporates
- d. Start-ups
- e. Large infrastructure funds

Answer – (e)

Explanation –

This question is asked from the topic called “PUBLIC-PRIVATE PARTNERSHIP”. It is a pure static question. In order to solve these kinds of questions merely basic understanding is enough because it comes in the introduction only when you start reading about PPP. You cannot apply “TRIAL & ERROR” here.

Q.52)

Which of the following monitor the United Payment Interface (UPI) in India?

- a. RBI
- b. NPCI
- c. IBA
- d. SEBI
- e. Ministry of Finance

Answer – (b)

Explanation –

This is a pure static-based question. Here examiner wants to know how well you can connect the dots and remember the important details. The UPI system has exploded in popularity since its introduction in 2016. Keeping in mind this popularity RBI convert the current affairs-based question into a factual one.

The National Payments Corporation of India (NPCI) an organization in charge of managing retail payments and settlement systems in India.

Q.53)

As per Budget 2018, What is the revised fiscal deficit target for 2018-19?

- a. 3.1% of GDP
- b. 3.2% of GDP

- c. 3.3% of GDP
- d. 2.1% of GDP
- e. 3.5% of GDP

Answer – (c)

Explanation –

This question is a part of the topic called “FRBM ACT”. It was established in 2003 to reduce the fiscal deficit. It aims to introduce transparency in India’s fiscal management system. The Act’s long-term objective is for India to achieve fiscal stability and to give the Reserve Bank of India (RBI) flexibility to deal with inflation in India.

You must remember these specific targets and frequent revision can help you here.

Q.54)

On July 1st, 2017, the Goods and Services Tax was implemented in India. With GST Government of India introduced certain slab rates. Which one of the following is the highest slab rate?

- a. 18%
- b. 24%
- c. 28%
- d. 19%
- e. 25%

Answer- (c)

Explanation –

This question is from the topic “Goods & Services Tax”. It is a static question in the form of current affairs. GST was a hot topic at that time and RBI took this as an opportunity to ask in the examination. The learning from this question is that not only static but also financial current affairs help in the examination. It is imperative to read the news every day so that you do not miss any marks.

Q.55)

To capture structural changes in the Indian economy and improve the quality, coverage, and representativeness of the indices the base year for calculation of WPI is revised to –

- a. 2010 - 2011
- b. 2009 – 2010
- c. 2011 – 2012
- d. 2017 - 2018
- e. 2018 - 2019

Answer – (c)

Explanation –

This question is from the chapter “INFLATION”. This is again a current affairs-based question. WPI stands for Wholesale Price Index, which reflects changes in the average prices of goods at the wholesale level — that is, commodities sold in bulk and traded between businesses or entities rather than goods bought by consumers. If you follow news on a regular basis or any channel which covers financial news in detail, then you will never lose marks.

Q.56)

Under IBC, 2016 what is the maximum time limit for the final resolution of an entity?

- a. 100
- b. 180
- c. 200
- d. 365
- e. 270

Answer – (e)

Explanation –

This question is from the topic called “INSOLVENCY AND BANKRUPTCY CODE”. This is a factual question to answer.

Q.57)

Fill in the blank with an appropriate word.

$\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}\frac{3}{4}$  is the use of small amounts of capital from many individuals to finance a new business venture.

- a. Hedge Funding
- b. Sponsorship
- c. Crowd Funding
- d. Auctioning
- e. Exhibition

Answer – (c)

Explanation –

It is a question from the chapter “FinTech”. As I mentioned earlier topic like “FinTech” is gaining prominence in our society because these new terminologies are emerging like “crowdfunding”. Again, I would like to reiterate the fact newspaper reading is essential if you want to clear any examination. PLEASE DO THAT.

Q.58)

What is the amount of standard deduction announced in the recent budget for FY 2018 – 19 in lieu of the present exemption in respect of transport allowance and reimbursement of miscellaneous medical expenses to salaries taxpayers?



- a. 70,000
- b. 50,000
- c. 40,000
- d. 20,000
- e. 15,000

Answer – (c)

Explanation –

This is a question from your topic “BUDGETING”. It is a pure current affairs-based question. Always keep yourself well versed with the important announcement of “BUDGET” or to save your time you can also watch a video regarding the same

Q.59)

As per the given data, which bank is suitable for investment if the criteria of the P/E ratio is followed?

Banks	Share price per share	EPS
Axis Bank	1000	60
ICICI Bank	1298	52
HDFC Bank	2011	67
CITI Bank	827	42
Yes Bank	1550	70

- a. Axis Bank
- b. ICICI Bank
- c. HDFC Bank
- d. CITI Bank
- e. Yes Bank

Answer – (c)

Explanation –

As you can see this is a numerical based question. Only conceptual understanding can help you in interpreting these questions. Here the question is about the P/E ratio, it is the ratio of share price of a stock to its earnings per share (EPS). PE ratio is one of the most popular valuation metrics of stocks. It provides indication whether a stock at its current market price is high or cheap.

Q.60)

What is the target rate of retail Inflation in India?

- a. 4% +/- 2%
- b. 3% +/- 1%
- c. 4% +/- 1%
- d. 6% +/- 3%
- e. 7% +/- 2%

Answer – (a)

Explanation –

This question is a part of the topic called “INFLATION”. This is a completely static-based question. If we see the question, this question is basic to answer. This is the ABC of inflation which you must read before you move on to the theoretical part and then its applications.

Q.61)

Which of the following is/are not a liquidity tool?

- a. Repo Rate
- b. Reverse Repo Rate
- c. Cash Reserve Ratio
- d. Interest Rate Swap
- e. Marginal Standing Facility

Answer – (d)

Explanation –

This question is a part of the topic “Indian Banking System”. This is a conceptual-based question. WHY? Because unless you are familiar with these different terminologies for instance, what is repo rate? What is a marginal standing facility? etc., you will not be able to answer such questions.

Q.62)

Which of the following is responsible for approving the resolution plan submitted by insolvency professionals?

- a. NCLT
- b. COC
- c. NCLAT
- d. Corporate Debtor
- e. None of the Above

Answer – (b)

Explanation –

This question was asked from the topic called “RISK MANAGEMENT”, sub-topic Insolvency and Bankruptcy Code. This is a factual-based question. You need to know in detail about IBC in order to attempt this. Generally, students get confused

with the answer, they feel NLCT is the answer but it is not the case. I assume you will not mark NCLT.

Q.63)

Fill in the blank with an appropriate option below.

The fiscal deficit target for the year 2018-19 is  $\frac{3}{4}\frac{3}{4}\frac{3}{4}$ .

- a. 2.2%
- b. 3.3%
- c. 4.4%
- d. 5.5%
- e. 6.6%

Answer – (b)

Explanation –

This question is a part of the topic called “FRBM Act”. This is a current affairs-based question. Keep yourself updated with finance current affairs is the key to attempt these questions.

Q.64)

As per Union Budget 2018-19, exemptions of interest income for senior citizens on deposits with banks and post offices are proposed to be increased from Rs.10,000 to  $\frac{3}{4}\frac{3}{4}\frac{3}{4}$ .

- a. Rs.20,000
- b. Rs.30,000
- c. Rs.40,000
- d. Rs.50,000
- e. Rs.55,000

Answer – (d)

Explanation –

This question is a part of the topic called “BUDGETING”. This is again a current affairs-based question. And I know what you need to do, Revise, Revise and Revise.

Q.65)

Who among the following is the chairperson of the GST Council?

- a. Prime Minister
- b. Finance Minister
- c. Minister of State for Finance
- d. Secretary, Department of Revenue
- e. Chairman, Central Board of Indirect Taxes and Customs

Answer – (b)

Explanation –

This question is a part of the topic called “GOODS AND SERVICES TAX”. GST is an important topic as it came as a revolutionary taxation system. This is a factual question. Through this, the examiner wants to know how well-versed you are in the important stuff going around you. As this is a static question, no conceptual clarity is required to solve this kind of question. J



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