VIJAYA IAS/KAS

Victory Comes with Sacrifice...

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE TOLD SO

Test - 2

Time Allowed: 90 min **Maximum Marks : 200**

INSTRUCTIONS

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. This Test Booklet contains 100 items (questions). Item is printed in English only . Each item comprises four responses (answers). You will select the response which you want to mark on the Answer Sheet. In case you feel that there is more than one correct response, mark the response which you consider the best. In any case, choose ONLY ONE response for each item.

Section	No. of Questions
Polity	40
Indian Economy	40
Current Affairs	20

3. You have to mark all your responses ONLY on the separate Answer Sheet provided. See directions on the Answer Sheet. All items carry equal marks.
4. After you have completed filling in all your responses on the Answer Sheet and the examination has concluded, you should hand over to the Invigilator only the Answer Sheet.
5. You are permitted to take this Test Booklet with you.
6. Sheets for rough work are appended in the Test Booklet at the end.

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1) Which of the following statements correctly distinguishes Indian Federalism from that of the United States?

1. The American federation grants unequal representation to states in the Senate, while India provides equal representation to states in the Rajya Sabha.
2. The Indian federation originated from an agreement among sovereign states, unlike the USA.
3. In India, most constitutional amendments can be passed by the Parliament alone, whereas in the USA most amendments require ratification by state legislatures.

Which of the statements given above are ***not*** correct?

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

2) Which of the following fundamental rights are exclusively available to Indian citizens?

1. Equality of Opportunity in Public Employment
2. Freedom of Speech and Expression
3. Protection of Interests of Minorities
4. Prohibition of Employment of Children in Hazardous Occupations
5. Protection of Life and Personal Liberty

Select the correct answer using the code given below:
(a) Only two
(b) Only three
(c) Only four
(d) All the five

3) Which part of the Indian Constitution is called the "Heart and Soul" of the Constitution?

a. Directive Principles of State Policy
b. Fundamental Right to Constitutional Remedies
c. Fundamental Right to Equality
d. Preamble to the Constitution.

4) With reference to the Rule of Law in India, consider the following statements:

1. The Rule of Law means that every individual is accountable under the law ensuring supremacy of law and equality before the law.
2. The predominance of the legal spirit is one of the dimensions of Dicey’s Rule of Law which recognizes the supremacy of written constitutional rights over ordinary law.
3. The Rule of Law Index is prepared by the Ministry of Law and Justice that measures how countries adhere to the rule of law in practice.

Which of the statements given above are ***not*** correct?

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

5) Consider the following statements regarding Article 29 of the Constitution:

1. It prohibits discrimination in admission to educational institutions maintained by the State or receiving aid out of State funds on grounds only of religion, race, caste, language, or place of birth.
2. It applies only to citizens belonging to minorities.
3. It grants the right to admission to any educational institution of one's choice.

Which of the statements given above is/are correct?

(a) 1 only
(b) 2 only
(c) 1 and 3 only
(d) 2 and 3 only

6) With reference to enforcement of Fundamental Rights under the Constitution of India, consider the following statements:

1. It is mandatory for the High Courts as well as the Supreme Court to issue writs for enforcement of Fundamental Rights.
2. Parliament may by law empower the Supreme Court to issue writs for purposes other than enforcement of Fundamental Rights.
3. In contrast to Article 32, Article 226 can be pressed for violation of not only fundamental rights but any other legal rights.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) All the three
(d) None

7) With reference to the Fundamental Rights under the Indian Constitution, consider the following statements:

1. They substantially cover all traditional civil and political rights enumerated in the Universal Declaration of Human Rights (UDHR).
2. They are absolute in nature and are not subjected to any restrictions.
3. They do not include rights such as the right to work and the right to social security.

Which of the statements given above are correct?

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

8) Which of the following may be considered as 'State' under the Article 12 of the Constitution of India?

1. A body which is financially, functionally and administratively dominated by the Government
2. Authorities created by the Constitution but not performing any governmental function
3. Private entities receiving government grants without any government control
4. Bodies that are not established by law but perform public duties

Select the correct answer using the code given below:

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

9) With reference to the India's fundamental rights and Human Rights, consider the following statements:

1. India's fundamental rights are the specific rights guaranteed by a nation's constitution to its citizens, while Human Rights represent the universal rights and are applicable to all human beings.
2. India's fundamental rights primarily include civil-political rights, while human rights include civil-political as well as socio-economic rights.

Which of the statements given above is/are correct?

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) None

10) With reference to the Articles 31A and 31C of the Constitution of India, consider the following statements:

1. They were inserted to the Constitution through the 42nd Amendment Act in 1976.
2. Both of them were introduced to protect laws implementing Directive Principles under Article 39(b) and 39(c).

Which of the statements given above is/are correct?

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

11) Which of the following fundamental rights are ***not*** exclusively mentioned under article 19 of the Indian Constitution but are declared to be part of it by the judiciary?

1. The right to fly the National Flag with respect
2. The right to Internet Access
3. The right to travel abroad
4. The right to silence
5. Right against handcuffing and solitary confinement

Select the correct answer using the code given below:

(a) 1, 2 and 4 only
(b) 2, 3 and 5 only
(c) 1, 3 and 5 only
(d) 1, 3 and 4 only

12) Which of the following are the reasonable restrictions on freedom of speech and expression under Article 19(2) of the Constitution of India?

1. Friendly relations with foreign states
2. Defamation
3. Sedition
4. Contempt of court
5. Protections of the interests of Scheduled Tribe

Select the correct answer using the code given below:

(a) 1, 2 and 4 only
(b) 2, 3 and 5 only
(c) 1, 3, 4 and 5 only
(d) 1, 2, 3 and 4 only

13) With reference to the Article 32 of the Constitution of India, consider the following statements:

1. The right guaranteed by Article 32 can not be suspended in any circumstances.

2. Only the fundamental rights guaranteed under Part III of the Constitution can be enforced under Article 32.

3. Only the affected person can approach the Supreme Court for the violation of the fundamental rights under Article 32.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) All three
(d) None

14) Consider the following statements regarding the suspension of Fundamental Rights during a National Emergency:

I. Article 358 automatically suspends the freedoms guaranteed under Article 21 when an Emergency is declared on the grounds of war or external aggression.
II. Under Article 359, the President can suspend the right to move any court for the enforcement of specified Fundamental Rights due to war, external aggression, or armed rebellion.

Which of the statements given above is/are correct?
(a) I only
(b) II only
(c) Both I and II
(d) Neither I nor II

15) Which of the following principles are based on Gandhian Principles under Directive Principles of State Policy (DPSP)?

I. To prohibit intoxicating drinks and drugs that are injurious to health
II. To guard the children against exploitation and moral degradation
III. To provide adequate means of livelihood for both men and women
IV. To preserve and improve the breeds of the cattle and prohibit slaughter of cows

Select the correct answer using the code given below:

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

16) Consider the following Articles:

I. Article 38
II. Article 39A
III. Article 43A
IV. Article 48A

How many of the above were added to Part IV of the Constitution by the 42nd Constitutional Amendment Act, 1976?

(a) Only one
(b) Only two
(c) All three
(d) None

17) Which of the following key directives is/are mentioned outside the Part IV of the Indian Constitution?

1. Promotion of educational and economic interest of SC/ST and other weaker sections.
2. Facilities for instruction in the mother-tongue at the primary stage of education to children belonging to linguistic minority groups.
3. Promote the spread of Hindi language and to develop it so that it may serve as a medium of expression.

Select the correct answer using the code given below:

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

18) Which of the following best reflects the idea of a 'Welfare State' as envisaged in the Indian Constitution?

(a) A state that confines its activities to maintaining internal security and upholding private property rights
(b) A state that actively intervenes to ensure social and economic justice, provide essential services, and reduce inequalities among citizens
(c) A state that prioritizes rapid industrial growth over redistribution of wealth and social welfare
(d) A state that promotes economic freedom and minimal state control over production and distribution

19) Consider the following statements regarding the Fundamental Duties in the Indian Constitution:

I. They were first added by the 44th Constitutional Amendment Act, 1978, based on the recommendations of the Swaran Singh Committee.
II. The 86th Constitutional Amendment Act, 2002, added the eleventh Fundamental Duty.

Which of the statements given above is/are correct?

(a) I Only
(b) II Only
(c) Both I and II
(d) Neither I nor II

20) With respect to the Fundamental Duties, consider the following statements:

Statement I: Fundamental Duties are non-justiciable but may be enforced indirectly through parliamentary legislation.
Statement II: Fundamental Duties were originally included in the Constitution but were suspended during the Emergency.

Which one of the following is correct in respect of the above statements?

(a) Both Statement I and Statement II are correct and Statement II explains Statement I
(b) Both Statement I and Statement II are correct but Statement II does not explain Statement I
(c) Statement I is correct but Statement II is not correct
(d) Statement II is correct but Statement I is not correct

21) Which of the following are characteristic features of a parliamentary system of government?

I. A bicameral legislature with two chambers having equal powers.
II. Collective responsibility of the Council of Ministers.
III. The executive is drawn from the legislature and is responsible to it.
IV. Strict separation of powers between the legislative and executive branches of government.
V. The Council of Ministers has an official term length.

Select the correct answer using the code given below:

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

22) Independent judiciary is considered an essential condition for a federation because:

I. It ensures distribution of powers between the Union and States is maintained.
II. It acts as an impartial umpire to resolve disputes between different levels of government.
III. It upholds the supremacy of the Constitution by exercising judicial review.
IV. It provides uniform interpretation of the Constitution for both Union and States.

Which of the above correctly explains that the need of an independent judiciary is indispensable to federalism?

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

23) Which of the following amendments to the Indian Constitution require ratification by at least half of the State legislatures?

I. Election of the Vice-President
II. Distribution of legislative powers between Union and States
III. Representation of States in Parliament
IV. The extent of a state's executive power
V. Secession of territory to foreign country by the Parliament

Select the correct answer using the code given below:

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

24) With reference to the effects of a National Emergency, consider the following statements:

I. The Parliament gains power to make laws on subjects in the State List.
II. The President may suspend the right to move any court for enforcement of certain Fundamental Rights by specific order.
III. The Prime Minister can modify the distribution of revenues between the Centre and States.

Which of the statements given above are correct?
(a) I and II only
(b) II and III only
(c) I and III only
(d) I, II and III

25) With reference to the conditions for imposition of the President's Rule in India, consider the following statements:

I. The Governor's report is mandatory for imposing President's Rule.
II. The first imposition of President's Rule in India was in Punjab in 1951.
III. During President's Rule, the State Legislative Assembly is always dissolved immediately.
IV. Chhattisgarh and Telangana are two Indian states where President's Rule has never been imposed since their formation.

Which of the above statements are correct?

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

26) With reference to the effects of Financial Emergency, consider the following statements:

I. A proclamation of Financial Emergency suspends all Fundamental Rights automatically.
II. A Financial Emergency may indirectly affect the federal balance by subjecting State financial administration to Union control.
III. President may by law authorise reduction of salaries and allowances of all or any class of persons serving the State.

How many of the statements mentioned above are correct?
(a) Only one
(b) Only two
(c) All the three
(d) None

27) With reference to the emergency provisions, consider the following statements:

I. State governments can be controlled under Article 356 if the President believes the governance in a State has failed according to constitutional provisions.
II. During a National Emergency the Centre assumes extraordinary powers to legislate and govern including matters normally within the exclusive domain of states.
III. During a Financial Emergency the Governor may order the lowering of the salaries of high court judges and state personnel.

Which of the statements given above are correct?

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

28) Consider the following statements:

Statement I: The Vice-President is elected by an Electoral College consisting solely of all members from the Rajya Sabha.
Statement II: The Vice-President is the ex-officio chairman of the Rajya Sabha.

Which one of the following is correct in respect of the above statements?

(a) Both Statement I and Statement II are correct and Statement II explains Statement I
(b) Both Statement I and Statement II are correct but Statement II does not explain Statement I
(c) Statement I is correct but Statement II is not correct
(d) Statement I is not correct but Statement II is correct

29) With reference to the President of India, consider the following statements:

Statement I: The President of India is elected indirectly by an Electoral College through the system of proportional representation by means of the single transferable vote.
Statement II: Under the system of responsible government introduced by the Constitution, real power vests in the Council of Ministers.

Which one of the following is correct in respect of the above statements?

(a) Both Statement I and Statement II are correct and Statement II explains Statement I
(b) Both Statement I and Statement II are correct but Statement II does not explain Statement I
(c) Statement I is correct but Statement II is not correct
(d) Statement I is not correct but Statement II is correct

30) With reference to the Vice-President, consider the following statements:

1. The Constitution provides for an acting Vice-President when he resigns mid-term.
2. The election is conducted under the Presidential and Vice-Presidential Elections Act, 1952.
3. Only the Secretary General of the Upper House of Parliament can be appointed as the Returning Officer for the Vice-President's election.

How many of the statements given above are correct?
(a) Only one
(b) Only two
(c) All the three
(d) None

31) With reference to the Impeachment of President of India, consider the following statements:

1. The condition for the impeachment of the President is given in the Constitution.
2. The proposal stating the charge to impeach the President has to be contained in a resolution.
3. The President is entitled to legally represent himself through an authorized attorney during the impeachment proceedings in the Parliament.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) All the three
(d) None

32) With reference to the ordinance-making power of the President, consider the following statements:

1. This power of the President was incorporated into the Constitution of India from the Government of India Act, 1935.
2. The President can promulgate an ordinance only when both Houses of Parliament are not in session.
3. The President cannot withdraw an ordinance when the Parliament is in session.

How many of the statements given above are not correct?

(a) Only one
(b) Only two
(c) All the three
(d) None

33) Which of the following Bills require prior recommendation of the President before introduction in the Parliament?

1. Finance Bill [II] under Article 117(3)
2. Bill affecting State boundary
3. Bill seeking to impose restrictions on trade under Article 304
4. Bill involving taxation of Union subject
5. Constitutional Amendments bill

Select the correct answer using the code given below:

(a) 1 and 5 only
(b) 2, 3 and 4 only
(c) 1, 2, 3 and 4 only
(d) 1, 2, 3, 4 and 5

34) With reference to the constitutional position of the President in India's parliamentary system, consider the following statements:

1. The President is an integral part of the Indian Parliament.
2. The President delivers an address to Parliament at the commencement of every session.
3. The President takes oath under Article 60 which requires him to preserve, protect, and defend the Constitution.

Which of the statements given above are correct?

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

35) With reference to the procedure for the removal of the Vice President of India, consider the following statements:

1. Like the President, the Constitution also specifies ground for removal of the Vice President.
2. Resolution for removal must be passed by an effective majority of both the Rajya Sabha and the Lok Sabha.
3. The resolution for removal of the Vice President can be initiated in either House of Parliament.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) All the three
(d) None

36) Which of the following are considered as parts of the basic structure of the Indian Constitution?

1. Republication and democratic form of Government
2. Secular character of the Constitution
3. Division between Fundamental Rights and Directive Principles of State Policy
4. Federal character of the Constitution

Select the correct answer using the codes given below:

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

37) **Statement I:** The power of Amendment under Article 368 does not include the power to alter the basic structure of the Constitution.
Statement II: The Right to Equality does not form a part of the basic structure of the Constitution.

Codes:

(a) Both the statements are individually true and Statement II is the correct explanation of Statement I.
(b) Both the statements are individually true but Statement II is not the correct explanation of Statement I.
(c) Statement I is true but Statement II is false.
(d) Statement I is false but Statement II is true.

38) Which one of the following statements is correct?

(a) The Constitution clearly lays down what its basic structure is
(b) The Supreme Court has elaborately defined the basic structure of the Constitution
(c) The Law Commission of India with the help of Attorney-General of India has defined the basic structure of the Constitution
(d) Neither the Supreme Court nor the Parliament have defined the basic structure of the Constitution

39) Which one of the following statements regarding the current status of the relationship between Fundamental Rights and Directive Principles is correct?

(a) Directive Principles cannot get priority over Fundamental Rights in any case.
(b) Directive Principles always get priority over Fundamental Rights.
(c) Fundamental Rights always get priority over Directives Principles.
(d) In some cases Directive Principles may get priority over Fundamental Rights.

40) Which of the following is/are among Directive Principles of State Policy?

1. The State shall strive to promote science and technology for development.
2. The State shall endeavour to secure for citizens a Uniform Civil Code throughout India.
3. The State shall try to develop population policy and family planning programmes.
4. The State shall take steps to promote tourism.

Select the correct answer using the codes given below:

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

41) With reference to inflation, consider the following statements:

1. Inflation necessarily decreases when GDP grows because demand strengthens or supply reduces.
2. Central banks may raise interest rates to control inflation, even though it can temporarily slow economic growth.

Which of the statements given above is/are correct?

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

42) Which one of the following best describes the concept of "shrinkflation"?

(a) A situation where the price of a product is reduced while its size or quantity remains unchanged.
(b) A situation where companies increase prices but keep the size or quantity constant.
(c) It occurs when companies reduce the quality of a product without changing the size or price.
(d) A situation where companies reduce the size or quantity of a product while keeping the price unchanged.

43) With reference to key inflation-related terms, consider the following statements:

1. Deflation refers to a decrease in the rate of inflation, meaning prices are still rising but more slowly than before.
2. Disinflation is a sustained decrease in the general price level, implying prices are actually falling over time.
3. Reflation is the policy or action of stimulating the economy by increasing the money supply or lowering taxes to raise inflation and economic growth after a period of decline.

How many of the statements mentioned above is/are not correct?

(a) Only one
(b) Only two
(c) All three
(d) None

44) Which of the following measures can help in reducing inflation in an economy?

1. Raising interest rates to decrease borrowing and the money supply
2. Increase government spending on non-essential sectors.
3. Improving supply-chain infrastructure to enhance production efficiency

How many of the statements mentioned above is/are correct?

(a) Only one
(b) Only two
(c) All three
(d) None

45) Which one of the following best describes the concept of a "Liquidity Trap"?

(a) A situation in which interest rates are very low and people prefer to hold cash instead of spending or investing.
(b) It occurs when high interest rates discourage borrowing and spending, leading to economic slowdown.
(c) It is a situation where investors prefer to invest heavily in stocks instead of holding cash, even when interest rates are high.
(d) It occurs when central banks raise interest rates to control inflation and successfully stimulate economic growth.

46) With reference to the Philips curve, consider the following statements:

1. The Phillips curve suggests an inverse relationship between inflation and unemployment.
2. In the long run, the Phillips Curve is horizontal at the natural rate of unemployment.

Which of the statements given above is/are correct?
(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) Neither 1 nor 2

47) With reference to inflation, consider the following statements:

1. High inflation often leads to a stronger currency, while low inflation generally supports a weaker currency.
2. A higher rate of domestic inflation relative to trading partners may reduce the price competitiveness of a country's exports.

Which of the statements given above is/are correct?

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

48) Which one of the following best describes the concept of "imported inflation"?

(a) Inflation caused by excessive domestic money supply, independent of global factors.
(b) Inflation driven by higher wages and increasing demand for locally produced goods.
(c) Inflation because a country's exports become more competitive, pushing prices up abroad.
(d) Inflation arising due to an increase in the costs of imports into the country.

49) Which of the following best defines the concept of 'Orange Economy'?

(a) An economy driven by renewable energy sources, particularly solar and hydro power.
(b) A system of trade and commerce centered around the cultivation and export of citrus fruits.
(c) An economic model focused on organic farming and sustainable agricultural practices.
(d) A set of economic activities that leverage creativity, culture and Intellectual Property to generate wealth and jobs.

50) With reference to Inflation, consider the following statements:

Statement I: As inflation increases, the purchasing power of each rupee rises.
Statement II: A persistent rise in the general price level reduces consumers' purchasing power because a fixed amount of money will afford progressively less consumption.

Which of the statements given above are correct?

(a) Both Statement I and Statement II are correct and Statement II explains Statement I
(b) Both Statement I and Statement II are correct but Statement II does not explain Statement I
(c) Statement I is correct but Statement II is not correct
(d) Statement I is not correct but Statement II is correct

51) With reference to the Consumer Price Index (CPI), consider the following statements:

1. The CPI is released by the Reserve Bank of India.
2. The basket of goods in CPI gives equal weightage to all goods and services.

Which of the statements given above is/are correct?

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

52) With reference to headline and core inflation, consider the following statements:

1. Core inflation is the rate at which prices are rising in the economy, including sharply fluctuating items like food and energy.
2. Since prices of food and fuel fluctuate frequently, headline inflation is less volatile than core inflation.

Which of the statements given above is/are not correct?

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

53) With reference to the Wholesale Price Index (WPI), consider the following statements:

1. It is a measure of inflation based on the prices of goods before they reach consumers.
2. It is compiled and released by the National Statistical Office under the Ministry of Statistics and Programme Implementation (MoSPI).

Which of the statements mentioned above is/are correct?

(a) 1 only
(b) 2 only
(c) Both 1 and 2
(d) None

54) With reference to price indices in India, consider the following statements:

1. The Consumer Price Index (CPI) measures price changes only in goods, whereas the Wholesale Price Index (WPI) tracks price changes in both goods and services.
2. The Reserve Bank of India (RBI) uses the Consumer Price Index (CPI) to measure inflation and formulate its monetary policy.

Which of the statements given above is/are correct?

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

55) Consider the following statement regarding RESIDEX:

1. RESIDEX was launched by SIDBI for tracking prices of residential properties in India.
2. The index is released on a quarterly basis.

Which of the statements given above is/are correct?

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

56) Which one of the following best describes the concept of Cobweb phenomenon?

(a) It describes a market situation where prices remain constant despite changes in supply and demand.
(b) It occurs when producers immediately adjust their supply to current market prices, resulting in stable prices over time.)
(c) It refers to the continuous rise in prices due to increasing demand without any relation to supply changes.
(d) It is a phenomenon where prices of certain goods witness fluctuations that are cyclical in nature.

57) With reference to Inflation-Indexed Bonds (IIBs) in India, consider the following statements:

1. Inflation-Indexed Bonds were first issued in 1997 under the name Capital Indexed Bonds (CIBs).
2. The CIBs provided inflation protection to both principal and interest payment, whereas the newer IIBs provide inflation protection only to the principal.

Which of the statements given above is/are correct?

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

58) Consider the following information:

1. Increase in government spending
2. Price increases for raw materials and wages
3. Population growth and rising demand for consumption
4. Disruptions to the supply chain and increased input taxes

How many of the above can lead to demand-pull inflation?

(a) Only one
(b) Only two
(c) All three
(d) None

59) Consider the following statements about cost-push inflation:

1. It occurs due to an increase in production costs such as wages and raw material prices.
2. Supply chain disruptions and commodity price shocks are common triggers of cost-push inflation.

Which of the statements given above is/are correct?

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

60) In the context of macroeconomic policy, why is a moderate level of inflation considered desirable in a developing economy?
(a) It decreases the cost of borrowing, encouraging people to save more money.
(b) It causes wages to rise faster than prices, increasing the purchasing power of consumers.
(c) It reduces government revenue by lowering tax collections, enabling more public spending.
(d) It encourages spending and investment by reducing the real burden of debt.

61) With reference to e₹ (Digital Rupee), consider the following statements:

1. e₹ is a digital form of sovereign currency issued by the Reserve Bank of India and is designed to function similarly to physical cash.
2. The e₹ wallet is currently supported only on Android devices.
3. There is no minimum balance required to open/maintain an e₹ wallet.

How many of the statements mentioned above is/are correct?

(a) Only one
(b) Only two
(c) All three
(d) None

62) With reference to Angel tax in India, consider the following statements:

1. It refers to the income tax that the government imposes on funding raised by unlisted companies or startups, if their share price exceeds the fair market value.
2. It was introduced in 2024 to curb money laundering and tax evasion.

Which of the statements given above is/are correct?

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

63) With reference to Consumer Price Index (CPI) and Producer Price Index (PPI), consider the following statements:

1. CPI measures the change in the average prices paid by consumers, whereas PPI measures the change in the average prices received by producers.
2. The weights of items in CPI are derived from Consumer Expenditure Surveys, while the weights in PPI are based on the supply pattern of the economy.

Which of the statements given above is/are correct?

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

64) Consider the following statements about bond yield:

1. Bond yield refers to the return an investor realizes on a bond and is inversely related to the bond's price.
2. When market interest rates rise, existing bond prices also rise to maintain yield parity

Which of the statements given above is/are correct?

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

65) Supply-side inflation is often difficult for monetary policy to control because:

(a) It originates from excess liquidity in the banking system
(b) It results from structural bottlenecks and cost shocks that monetary tightening cannot directly address
(c) It occurs only during periods of high economic growth
(d) It disappears automatically once interest rates rise

66) With reference to money market and capital market, consider the following statements:

1. The money market deals primarily with short-term financing needs, while the capital market focuses on long-term investment.
2. The money market is more liquid and less risky compared to the capital market, which is less liquid and riskier.
3. The money market is regulated by SEBI, while the capital market is regulated by RBI.

Which of the statements given above is/are correct?
(a) 1 and 2 only
(b) 2 and 3 only
(c) 1 and 3 only
(d) All of the above

67) Which one of the following statements correctly describes the meaning of 'deficit financing' in the Indian context?

(a) Practice of meeting excess government expenditure over revenue through printing of new currency by the RBI.
(b) Method of raising funds by the government through market borrowing alone to bridge its fiscal deficit.
(c) Financing of government expenditure solely through disinvestment of public sector undertakings.
(d) Mechanism where the government adjusts its fiscal gap only by raising tax revenue without borrowing.

68) Which of the following taxes are considered regressive in India?

1. Excise duty on petroleum products
2. Customs duty on imported luxury cars
3. Goods and Services Tax (GST) on essential commodities
4. Capital Gains tax
5. Tax on intoxicants such as alcohol and tobacco

Select the correct answer using the codes given below:

(a) 1, 3 and 5 only
(b) 2, 3 and 5 only
(c) 1, 3 and 4 only
(d) 1, 2, 3, 4 and 5

69) With reference to the Contingency Fund of India, consider the following statements:

1. It is placed at the disposal of the President of India to meet unforeseen expenditure pending parliamentary approval.
2. The fund is held by the Secretary of the Department of Economic Affairs (DEA) within the Ministry of Finance on behalf of the President.
3. The amount equivalent to forty per cent of the Fund corpus is placed at the disposal of the Secretary, Department of Expenditure.
4. An equivalent amount is withdrawn from the Public Account of India to compensate this Fund.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) Only three
(d) All four

70) With reference to the Annual Financial Statement in the Indian Constitution, consider the following statements:

1. The President is required by the Constitution to lay the Annual Financial Statement to both Houses of Parliament.
2. The Statement distinguishes expenditure on revenue account from other expenditure.
3. The Statement lays out estimates of receipts and expenditure for the preceding as well as the next financial year.
4. The Revenue section solely makes the Union Budget.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) Only three
(d) All four

71) Which of the following are constituents of public accounts of India?

1. Postal Savings Deposits
2. Recoveries of loans granted by Government
3. Gold Reserve Fund (GRF)
4. Remittances

Select the correct answer using the codes given below:

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

72) Which of the following are components of non-tax revenue receipts of the Annual Financial Statement of the Union Government?

1. Interest receipts on loans given by the Government of India
2. Dividends from the Reserve Bank of India
3. Sales of Treasury Bills
4. Receipts from fees, fines, and penalties collected by Union ministries and departments
5. Borrowings by Government from Reserve Bank

Select the collect answer using the codes given below:

(a) 1, 2 and 4 only
(b) 2, 3 and 5 only
(c) 1, 3, 4 and 5 only
(d) 1, 2, 3, 4 and 5

73) With reference to coin minting, consider the following statements:

1. Coins are issued by the Reserve Bank of India under the Coinage Act, 2011.
2. Coins may be minted up to ₹1000 denomination.
3. Coins above ₹20 denomination are legal tender in all transactions without any upper limit.

Which of the statements given above is/are correct?

(a) 1 and 2 only
(b) 2 only
(c) 1 and 3 only
(d) 3 only

74) With reference to Ways and Means Advances (WMAs) in India, consider the following statements:

1. It is a facility solely for the Union Government to borrow from the RBI.
2. Normal WMA is provided against collateral in the form of government securities, while Special WMA is provided without collateral.
3. The limits for WMA are decided by the RBI in consultation with the government.
4. The government is allowed to draw amounts in excess of their WMA limits.

Which of the statements given above are correct?

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

75) With reference to Capital Expenditure in government finance, consider the following statements:

1. Loans given by the Union Government to States and Union Territories are treated as capital expenditure.
2. Capital expenditure only covers day-to-day operational expenses of the government.
3. Capital expenditure results in reduction in financial liabilities of the government.
4. Creation of new Parliament buildings by the government is also included in capital expenditure.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) Only three
(d) All four

76) With reference to Treasury Bills (T-Bills) in India, consider the following statements:

1. They are short-term debt instruments issued only by the Union Government through the Reserve Bank of India (RBI).
2. They pay interest at a rate decided by the RBI on maturity.

Which of the statements given above is/are correct?

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

77) The Fiscal Deficit formula in government finance?

(a) Fiscal Deficit = Total Receipts (including borrowings) – Total Expenditure

(b) Fiscal Deficit = Revenue Expenditure – Revenue Receipts

(c) Fiscal Deficit = Primary Deficit + Interest Payments – Capital Expenditure

(d) Fiscal Deficit = Total Expenditure – (Revenue Receipts + Non-debt Capital Receipts)

78) With reference to Effective Revenue Deficit (ERD) in India, consider the following statements:

1. The concept of ERD was recommended by the Rangarajan Committee on Public Expenditure.
2. ERD shows the difference between fiscal deficit and revenue deficit.
3. ERD measures the gap between capital receipts and capital expenditure of the government.
4. In the Union Budget 2025–26, the Effective Revenue Deficit is estimated at around 3% of GDP.

How many of the statements given above are correct?

(a) Only one
(b) Only two
(c) Only three
(d) All four

79) Which of the following steps will help the Government of India in reducing fiscal slippage in the long run?

1. Improving GST compliance.
2. Improving efficiency in public expenditure through outcome-based budgeting.
3. Increasing reliance on Ways and Means Advances (WMAs)
4. Narrowing the tax base for better compliance
5. Promoting monetisation of public assets.

Select the correct answer using the codes given below:

(a) 1, 2 and 4 only
(b) 2, 3 and 5 only
(c) 1, 2 and 5 only
(d) 1, 2, 3, 4 and 5

80) In which one of the following situations can a higher fiscal deficit be considered beneficial for the economy?

(a) When it is primarily used for financing subsidies and routine administrative expenditure.
(b) When it results from monetising the deficit through printing money, leading to excess liquidity in the economy.
(c) When it reflects higher revenue expenditure on salaries and pensions of government employees.
(d) When it arises from increased borrowing to invest in capital expenditure like infrastructure, which creates long-term assets and growth potential.

81) With reference to **Census 2027**, consider the following statements:

1. It will be India's first Census after 2011.
2. It is proposed to include caste enumeration.
3. The Census is conducted under the Census Act, 1948.
4. Census data has no relevance to the delimitation of constituencies.

Which of the statements given above are correct?

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

82) With reference to the **Foreign Contribution (Regulation) Act (FCRA)**, consider the following statements:

1. FCRA regulates the acceptance and utilisation of foreign contributions in India.
2. The FCRA Amendment Act, 2020 prohibited transfer of foreign contributions from one registered organisation to another.
3. The proposed FCRA Amendment Bill, 2026 provides for automatic cessation of registration in specified circumstances.
4. FCRA is applicable only to charitable trusts and not educational institutions.

Which of the statements given above are correct?

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

83) With reference to the **Tenth Schedule of the Constitution**, consider the following statements:

1. It was introduced through the 52nd Constitutional Amendment Act, 1985.
2. The Speaker acts as the adjudicating authority in disqualification cases under the Tenth Schedule.
3. The merger provision is contained in Paragraph 4 of the Tenth Schedule.
4. The 170th Law Commission Report recommended strengthening the merger exception.

Which of the statements given above is/are correct?

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

84) With reference to India's demographic transition, consider the following statements:

1. India's Total Fertility Rate has fallen below replacement-level fertility.
2. Replacement-level fertility is generally estimated at 2.1 children per woman.
3. Declining fertility can increase the proportion of elderly people in the population.
4. Population ageing necessarily results in a demographic dividend.

Which of the statements given above are correct?

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

85) With reference to **NFHS-6 and child nutrition**, consider the following statements:

1. Stunting is an indicator of chronic undernutrition.
2. Wasting is an indicator of acute undernutrition.
3. The first 1,000 days are considered critical for physical and cognitive development.
4. NFHS primarily collects data on industrial production and employment.

Which of the statements given above are correct?

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

86) With reference to **Free Trade Agreements**, consider the following statements:

1. Rules of Origin help determine whether a product qualifies for preferential tariff treatment.
2. Rules of Origin can prevent circumvention of trade agreements through third countries.
3. Sanitary and Phytosanitary measures are examples of non-tariff measures.
4. Global Value Chains involve production and value addition across multiple countries.

Which of the statements given above are correct?

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

87) Consider the following statements regarding modern trade negotiations:

1. Non-tariff barriers can influence market access even when tariffs are reduced.
2. Section 301 of the U.S. Trade Act, 1974 deals with unfair trade practices.
3. The Office of the United States Trade Representative is responsible for coordinating U.S. international trade policy.
4. Modern trade negotiations are restricted primarily to customs duties.

Which of the statements given above are correct?

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

88) With reference to India's claim for **permanent membership of the UN Security Council**, consider the following statements:

1. India is a member of the G4 grouping.
2. Japan, Germany and Brazil are the other members of the G4.
3. The G4 advocates expansion of both permanent and non-permanent membership.
4. India has been a significant contributor to UN peacekeeping operations.

Which of the statements given above are correct?

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

89) With reference to national income accounting, consider the following statements:

1. GDP measures the value of final goods and services produced within a country's borders.
2. GVA measures value added by different sectors after accounting for intermediate consumption.
3. PFCE is an indicator of household consumption expenditure.
4. GFCF primarily measures household expenditure on consumer goods.

Which of the statements given above are correct?

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

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90) With reference to **Foreign Direct Investment (FDI)**, consider the following statements:

1. FDI involves a lasting management interest in productive assets of another country.
2. Gross FDI refers to total foreign investment inflows.
3. Net FDI may be lower than gross FDI because of repatriation, disinvestment and outward FDI.
4. FDI is identical to Foreign Portfolio Investment because both necessarily involve management control.

Which of the statements given above are correct?

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

91) Consider the following statements regarding a decline in international crude oil prices for India:

1. It can reduce India's import bill.
2. It can help reduce pressure on the Current Account Deficit.
3. It can improve macroeconomic stability for an oil-import-dependent economy.
4. It necessarily increases India's crude oil import dependence.

Which of the statements given above are correct?

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

92) With reference to the **Western Ghats**, consider the following statements:

1. The Western Ghats are important for water security and biodiversity conservation.
2. The Kasturirangan Committee recommended declaring a portion of the Western Ghats as Ecologically Sensitive Area.
3. The Gadgil Committee recommended stronger conservation measures over a larger area.
4. Ecologically Sensitive Areas completely prohibit all agricultural and traditional livelihood activities.

Which of the statements given above are correct?
(a) 1 and 2 only
(b) 1, 2 and 3 only
(c) 2, 3 and 4 only
(d) 1, 2, 3 and 4

93) With reference to India's renewable energy transition, consider the following statements:

1. Rapid renewable energy capacity addition can create transmission bottlenecks.
2. Battery Energy Storage Systems can store surplus renewable electricity and release it during periods of high demand.
3. High Temperature Low Sag conductors can increase transmission capacity without necessarily requiring entirely new corridors.
4. Renewable energy generation and transmission infrastructure always have identical implementation timelines.

Which of the statements given above are correct?
(a) 1 and 2 only
(b) 1, 2 and 3 only
(c) 2, 3 and 4 only
(d) 1, 2, 3 and 4

94) With reference to Artificial Intelligence, consider the following statements:

1. Generative AI can create text, images, audio, video and computer code.
2. Large Language Models are trained on large datasets to process and generate human-like language.
3. The IndiaAI Mission seeks to strengthen India's AI ecosystem.
4. Deepfakes refer exclusively to written misinformation generated by AI.

Which of the statements given above are correct?

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

95) The term **"AI sovereignty"**, as discussed in the context of India's technological development, refers to:

(a) Complete prohibition of foreign AI technologies in India
(b) India's ability to independently develop, deploy, regulate and govern critical AI capabilities
(c) Transfer of all AI-related activities from private companies to the government
(d) Restricting AI applications only to defence and national security

96) With reference to missile systems and modern warfare, consider the following statements:

1. China's PLA Rocket Force handles conventional as well as nuclear missile operations.
2. Hypersonic missiles generally refer to missiles travelling at speeds above Mach 5.
3. India's Agni series consists of ballistic missiles.
4. BrahMos is a long-range subsonic cruise missile.

Which of the statements given above are correct?

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

97) Consider the following statements:

1. The Golden Triangle comprises Myanmar, Laos and Thailand.
2. The region is associated with illicit production of opium and synthetic drugs.
3. India's northeastern border with Myanmar is vulnerable to cross-border drug trafficking.
4. The Narcotics Control Bureau functions under the Ministry of External Affairs.

Which of the statements given above are correct?

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

98) With reference to industrial safety, consider the following statements:

1. Ammonia is widely used in refrigeration and food-processing industries.
2. Ammonia exposure can cause respiratory distress and serious health effects at high concentrations.
3. The Directorate of Industrial Safety and Health is involved in industrial safety inspections and enforcement.
4. Industrial safety regulation is concerned only with post-accident compensation and not accident prevention.

Which of the statements given above are correct?

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

99) With reference to **Birsa Munda's movement**, consider the following statements:

1. Birsa Munda led the Ulgulan against British rule and non-tribal exploitation.
2. The Khuntkatti system was a traditional Munda landholding arrangement.
3. The Chotanagpur Tenancy Act, 1908 provides protection against transfer of tribal land to non-tribals.
4. The Birsait movement was primarily an economic movement with no socio-religious dimension.

Which of the statements given above are correct?

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

100) With reference to the historical India–Thailand connection, consider the following statements:

1. The Bangkok Conference of 1942 provided an organisational framework for the Indian National Army.
2. The Thai-Bharat Cultural Lodge was established in Bangkok.
3. The Thai script has historical links with the Southern Indian Pallava script.
4. The Ramayana has no significant cultural presence in Thailand.

Which of the statements given above are correct?

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