

## Economic & Socio Issues Question & Answers

1) In which year was National Development Council established?

1. 1950
2. 1951
3. 1952
4. 1953
5. 1954

**Solution: 1952**

**Explanation:** The National Development Council was established on August 6, 1952, by a resolution of the Union Cabinet. The sole objective of the council was to create a platform where the center and the states can come together and discuss their issues regarding the implementation of planning programmes. It is there to consider the proposals formulated for plans at all important stages and accept them, review the working of the plans from time to time and to consider important questions of social and economic policy affecting national development.

2) The phenomenon of an increase in economic integration among nations is known as:

1. Privatization
2. Globalization
3. Professionalization
4. Liberalization
5. None of the Above

**Solution: Globalization**

**Explanation:** Globalization has always been there in the economic sense of the term though it always had its political dimensions. It is defined as an increase in economic integration among nations. Even before the nation-states were born, the countries around the world had gone for globalization i.e. a closer integration among economies. It lasted from 1800 to 1930. The concept was popularized again in the mid-1980s

3) A general increase in the prices of goods and services in an economy is known as:

1. Deflation
2. Inflation
3. Disinflation

4. Hyperinflation
5. None of the Above

**Solution: Inflation**

**Explanation:** Inflation is defined as the rise in the general level of prices of goods and services in an economy. If the price of one good has gone up, it is not termed as inflation but for it, to be counted as inflation, the prices of most of the goods should go up. On the other hand, when the general level of prices is falling, it is known as deflation.

4) The total sum of the goods and services produced in a country in a year, minus depreciation is called as:

1. Gross domestic product
2. Gross National Product
3. Gross national income
4. Net domestic product
5. Net National Product

**Solution: Net domestic product**

**Explanation:** The net domestic product (NDP) equals the gross domestic product (GDP) minus depreciation on a country's capital goods. Net domestic product accounts for capital that has been consumed over the year in the form of housing, vehicle, or machinery deterioration.

5) World economic outlook is released by

1. WEF
2. World Bank
3. IBRD
4. IMF
5. IFSC

**Solution: IMF**

**Explanation:** The World Economic Outlook (WEO) is a survey conducted and published by the International Monetary Fund. It is published biannually and partly updated two times a year.

6) Which five-year plan marked the beginning of Economic Liberalization?

1. 6th FYP
2. 9th FYP
3. 10th FYP

4. 8th FYP
5. 7th FYP

**Solution: 6th FYP**

**Explanation:** The Sixth Five-Year Plan marked the beginning of economic liberalization. Price controls were eliminated and ration shops were closed. This led to an increase in food prices and an increase in the cost of living. This was the end of Nehruvian socialism. The National Bank for Agriculture and Rural Development was established for development of rural areas on 12 July 1982 by recommendation of the Shivaraman Committee.

7) Which of the following statement is not true about SAARC?

1. The official language of SAARC is English
2. The organization promotes the development of economic and regional integration.
3. Its secretariat is based in Kathmandu, Nepal
4. SAARC has seven members namely: Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan, and Sri Lanka
5. SAARC was founded in Dhaka on 8 Dec 1985

**Solution: 4**

**Explanation:** The South Asian Association for Regional Cooperation (SAARC) is the regional intergovernmental organization and geopolitical union of nations in South Asia. Its member states include Afghanistan, Bangladesh, Bhutan, India, Nepal, the Maldives, Pakistan and Sri Lanka.

8) Which Five-Year Plan was called as the “Rolling Plan”?

1. Fourth Plan
2. Eighth Plan
3. Seventh Plan
4. Sixth Plan
5. Fifth Plan

**Solution: Sixth Plan**

**Explanation:** The Janata Party government rejected the Fifth Five-Year Plan and introduced a new Sixth Five-Year Plan (1978–1980). This plan was again rejected by the Indian National Congress government in 1980 and a new Sixth Plan was made. The Rolling Plan consists of three kinds of plans that were proposed. The First Plan is for the present year which comprises the annual budget and Second is a plan for a fixed number of years, which may be 3, 4 or 5 years. Plan number two is kept changing as per the requirements of the Indian economy. The

Third Plan is a perspective plan which is for long terms i.e. for 10, 15 or 20 years. Hence there is no fixation of dates in for the commencement and termination of the plan in the rolling plans.

9) Which of the following is not a Centrally Sponsored Scheme?

1. Urban Rejuvenation Mission
2. Pradhan Mantri Krishi Sinchai Yojana
3. Pradhan Mantri Kisan Sampada Yojana
4. Pradhan Mantri Awas Yojna
5. Mahatma Gandhi National Rural Employment Guarantee Programme

**Solution: Pradhan Mantri Kisan Sampada Yojana**

**Explanation:** Government of India has approved a new Central Sector Scheme – Pradhan Mantri Kisan SAMPADA Yojana (Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters) with an allocation of Rs. 6,000 crore for the period 2016-20 coterminous with the 14th Finance Commission cycle. The scheme will be implemented by the Ministry of Food Processing Industries.

10. Minimum number of directors in a public limited company is

1. 3
2. 5
3. 7
4. 9
5. 6

**Solution: 3**

**Explanation:** The 1956 Act prescribed minimum of 2 directors for a private and 3 for a public company respectively to constitute a Board. This criterion has been retained by the new Act, but the maximum limit of directors on the Board has now been raised from 12 to 15.