



INDIAN SCHOOL AL WADI AL KABIR

DEPARTMENT OF COMMERCE

MCQs: LPG: An Appraisal

1. Which of the following was NOT a reason for economic reforms?
 - a) Inefficient management
 - b) Rise in population
 - c) Poor performance of public sector
 - d) Burden of debts

2. The New Economic Policy was announced in:
 - a) September, 1990
 - b) April, 1991
 - c) May, 1992
 - d) July, 1991

3. 'International Bank for Reconstruction and Development' was also called:
 - a) Deutsche Bank
 - b) IMF
 - c) World Bank
 - d) None of the above

4. Liberalization means removal of entry and growth restrictions on _____ sector:
 - a) Private
 - b) Public
 - c) Manufacturing
 - d) Service

5. Which of the following industries were no longer reserved exclusively for public sector?
 - a) Defence equipment
 - b) Liquor
 - c) Atomic energy generation
 - d) Railways

6. sector became the major driver of growth after reforms.
 - a) Service
 - b) Industrial

- c) Agriculture
- d) Both a & c

7. In post reform period India has become a major exporter of

- a) Auto parts
- b) Engineering goods
- c) IT software
- d) All of the above

8. Which of the following was not a positive impact of economic reforms?

- a) Rise in Foreign Direct Investment and foreign Institutional investment.
- b) Rise in export.
- c) Rise in employment
- d) Growth of service sector.

9. In post reform era industrial growth recorded slowdown, which of the following reason caused such a slowdown?

- a) Cheaper import.
- b) Inadequate investment in infrastructure
- c) High tariff barriers in developed nations.
- d) All of the above.

10. Integrated Good & Services Tax (IGST) is levied by?

- a) Central government
- b) State government
- c) Union territory
- d) Both a and b.

11. What kind of tax is GST?

- a) Direct tax
- b) Indirect tax
- c) Depend on good and services
- d) None of the above.

12. India is a favourable outsourcing destination for MNCs due to the:

- a) High population density
- b) Strong administrative structure
- c) Lower wage rates
- d) All of the above

13. Currently, the WTO has _____ member countries:

- a) 167
- b) 164
- c) 150
- d) 136

14. Barriers imposed on amount of imports and exports are known as:

- a) Non- tariff barriers
- b) Import duty
- c) Tariff barriers

d) None of the above

15. Which of the following reforms were initiated under liberalization?

- a) Financial sector reforms
- b) Trade & investment policy reforms
- c) Tax reforms
- d) All of the above

16. WTO was established in the year:

- a) 1995
- b) 1998
- c) 1991
- d) 1992

17. Which of the following was the objective of demonetization?

- a) To eliminate fake currency
- b) To prevent terrorism financing
- c) Take away black money from economy
- d) All of the above

18. How did demonetisation impact demand deposit with banks?

- a) It increased demand deposit
- b) It reduced demand deposit
- c) Did not affected
- d) Can't be determined

19. Privatisation done by selling a part of government equity stake is known as :

- a) Disinvestment
- b) Strategic sales
- c) Investment
- d) None of the above

20. Flow of foreign investment in India was a result of:

- a) Liberalisation
- b) Privatisation
- c) Globalisation
- d) All of the above.

21. ... has been removed to increase the competitive position of Indian goods in international markets.

- a) Import duties
- b) Export duties
- c) Tariffs
- d) quota

22. Which of the following stands true for Foreign exchange market reforms:

- a) Devaluation of currency
- b) Free determination of rupee value
- c) It was to correct balance of payment crisis
- d) All of the above.

23. **Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**

Assertion: Economic reforms lead to the problem of fiscal management.

Reason: During reform Public expenditure declined and revenues also declined as reduction in taxes did not increase tax revenues and reduced tariff also curtailed the scope for raising revenues.

- (a) Assertion and Reason both are correct statements and Reason is correct explanation for Assertion.
- (b) Assertion and Reason both are correct statements but Reason is not correct explanation for Assertion.
- (c) Assertion is true but Reason is false.
- (d) Assertion is false but Reason is true

A: a

24. **Read the following statements—Assertion (A) and Reason (R). Choose one of the correct alternatives given below:**

Assertion: Some scholars question the usefulness of India being part of WTO.

Reason: Major volume of Trade happens between developed nations and developed nations are against subsidies given in developing nations specially in agriculture.

- (a) Assertion and Reason both are correct statements and Reason is correct explanation for Assertion.
- (b) Assertion and Reason both are correct statements but Reason is not correct explanation for Assertion.
- (c) Assertion is true but Reason is false.
- (d) Assertion is false but Reason is true

A: a

25. Role of which institution was reduced from regulator to facilitator?

- a) IMF
- b) Planning Commission
- c) Ministry of Finance
- d) Reserve Bank of India

26.

1. Match the column:-

Column I	Column II
Turning the world into one whole or creating a borderless world	Privatization
Outright sale of public sector companies	Liberalization
Putting an end to those restrictions, rule and laws which were aimed at regulating the economic activities but became major hindrances in growth and development	Globalization

27. Transfer of ownership and disinvestment are used in the process of _____

- a) Globalization
- b) Privatization
- c) Liberalization
- d) All of the above

28. The special status of Navratnas and Mini Ratnas was given to:

- a) PSUs
- b) Private companies
- c) International Organizations
- d) Financial sector

29. General Agreement on Trade and Tariff is the predecessor of:

- a) UNESCO
- b) World Trade Organization
- c) World Bank
- d) IMF

30. The Indian rupee was made fully convertible in the budget of:

- a) 1993-94
- b) 1991-92
- c) 1995-96
- d) None of the above