

Chapter 7: Economic reforms & LPG

1. Economic reforms were introduced in the following(s) sector of the economy:

- (a) Industrial and financial sector
- (b) Financial and fiscal sector
- (c) Monetary and fiscal sector
- (d) Industrial, financial, fiscal and external sector.

2. After economic reform industrial licensing was abolished for \_\_\_\_.

- (a) 18 industries
- (b) 28 industries
- (c) All industries
- (d) All Industries except 18 industries.

3. Industry which is not reserve for public sector.

- (a) Atomic energy    (b) Defense
- (c) Rail transport    (d) None of the above.

4. Private sector companies who are seeking entry into defence production require minimum capital investment of \_\_\_\_.

- (a) 10 crores            (b) 50 crores
- (c) 100 crores         (d) 200 crores

5. After economic reform approval would be given for foreign direct investment up to \_\_\_\_\_ percent equity in high priority industries.

- (a) 26                      (b) 36
- (c) 40                      (d) 51

6. As part of privatization programme government equity in the public sector is being unloaded in the market this known as (a) Disinvestment    (b) Liberalization

- (c) Globalization        (d) Free economy

7. Which is not the main feature of economic reforms-

- (a) Liberalization        (b) Privatization (c) Planned economy        (d) Globalization

8. Disinvestment was done in

- (a) Public sector        (b) Co-operative sector
- (c) Private sector        (d) Joint sector

9. Encouragement of foreign equity participation in Indian industries is the major consideration for initiating a series of measure aimed at \_\_\_\_the Indian economy during the last few year

- (a) Liberalizing
- (b) Controlling
- (c) Planning
- (d) Privatization

10. Many industries were not required to obtain license from the government after economic reforms in 1991. It is called

- (a) Removal of restriction
- (b) De-licensing
- (c) Flexible exchange rate system
- (d) Simplification of control

11. First Five year plan was announced in:

- (a) 1948                      (b) 1954
- (c) 1952                      (d) 1951

12. At present, India is facing ..... five year plan.

- (a) Xth                      (b) XIth
- (c) XIIth                      (d) XIIIth

13. New economic policy was announced in:

- (a) 1968                      (b) 1995
- (c) 1947                      (d) 1991

14. Privatization is normally opposed by:

- (a) Trade unions
- (b) Government employees in public sector
- (c) Communist and socialist parties
- (d) All of the above.

15. Privatization is introduced mainly due to:

- (a) Improve efficiency of government undertakings
- (b) To reduce budgetary deficit
- (c) To ensure better utilization of resources
- (d) All of the above.

16. International Bank for Reconstruction and Development (IBRD) is popularly known as \_\_\_\_\_.

- (a) International bank
- (b) World bank
- (c) Reconstruction Bank
- (d) Bank of Development

17. World Bank was founded in \_\_\_\_ at \_\_\_\_\_

- (a) 1940, New York.
- (b) 1945, Geneva
- (c) 1945, Paris
- (d) 1945, Bretton Woods

18. World Trade Organization (WTO) comes in existence on \_\_\_\_\_.

- (a) 1.1.1995                      (b) 1.4.1995
- (c) 1.6.1995                      (d) 1.9.1995

19. GATT is stand for:

- (a) General agreement for trade and tourism
- (b) General agreement for tariff and trade
- (c) Govt. Agreement on tour and travel
- (d) General agreement on trade and tours

20. Identify the need of new economic policy

- (a) Gulf- crisis
- (b) Bad performance of public sector
- (c) Inflation
- (d) All the above .

21. Disinvestments means selling of a public investment to a \_\_\_\_\_.

- (a) Private enterprises
- (b) Public enterprises
- (c) Capital market
- (d) Departmental enterprises

22. FDI means:

- (a) Forex direct investment
- (b) Foreign deregulated investment
- (c) Foreign direct investment
- (d) Forex deregulated investment

23. Privatization in India generally is in the form of disinvestments of \_\_\_\_\_.

- (a) Debts
- (b) Equity
- (c) Debenture
- (d) Non-current liabilities.

24. Disinvestments programme was started in .

- (a) 1990-91
- (b) 1991-92
- (c) 1992-93
- (d) 1993-94

25. New economic reforms in India were introduced in

- (a) 1990
- (b) 1991
- (c) 2000
- (d) 2001

26. The role of cottage and small scale industries is important because

- (a) It insures equity in national income distribution .
- (b) It helps in using latent capital
- (c) It provides employment
- (d) All of these

27. Globalization includes

- (a) Free trade with less restriction on import and export
- (b) Free flow of technology

(c) Free flow of capital

(d) All of the above

(a) Cities

(b) States

(c) Countries.

(d) Continents

28. For reform of direct indirect tax laws Government of India constituted

(a) Central of Direct Tax (CBDT)

(b) Tax Planning Commission

(c) Tax Reform Committee (TRC)

(d) Direct and Indirect Tax Board

32. Privatization means the transfer of \_\_\_\_ from public to private control or ownership

(a) Goods

(b) Goods and services

(c) Assets / services function

(d) Assets and liabilities

29. 'Served from India' scheme was introduced to accelerate growth of \_\_\_\_\_

(a) Export of goods

(b) Export of capital goods

(c) Export of services

(d) Export of agriculture goods.

33. Privatization can be achieved in various ways of \_\_\_\_\_.

(a) Leasing

(b) Franchising

(c) Contracting

(d) All of the above

30. Liberalization refers to \_\_\_\_ of previous government restrictions in the area of social and economic policies,

(a) Restriction (b) Relaxation

(c) Regulation (d) Re- structuring

34. For disinvestments of public sector shares, \_\_\_\_ should be sufficiently developed (a) Money market (b) Commodity market (c) Bullion market (d) Capital market

35. Globalization means integration of the

(a) One domestic enterprises with another domestic enterprises

(b) One domestic enterprise with international enterprises

(c) Domestic economy with world economy

(d) Domestic trade with the world trade

31. Liberalization of trade mean government has removed the tariff, subsidies and other restrictions on the flow of goods and services between

36. Organization which does not facilitate the process of globalization

- (a) IMF (International Monetary Fund)
- (b) World Bank
- (c) Asian Bank
- (d) WTO (World Trade Organization)

37. Navratnas does not include

- (a) IPCL                      (b) BPCL
- (c) BHEL                      (d) IOC.

38. Economic reforms to the external sector does not includes:

- (a) Exchange rate stabilization.
- (b) Foreign investment
- (c) Export subsidies
- (d) Repo rate policy

39. Prime Lending Rates (PLR) of banks for commercial credit are fixed by \_\_\_\_.

- (a) Commercial bank      (b) RBI
- (c) Ministry of finance    (d) Finance minister

40. 'Vishesh Krishi Upaj Yojana' has been started to promote\_\_\_\_\_

- (a) Agriculture production
- (b) Agriculture marketing
- (c) Agriculture financing
- (d) Agriculture export

41. If privatization is to take off and help realize higher productivity and profit the essential pre-requisite are\_\_\_\_\_

- (i) Liberalization                      (ii) Regulation
  - (iii) De-regulation                      (iv) Globalization
- Codes:

- (a) (i) Only.                      (b) (iii) Only
- (c) (i) and (iii)                      (d) (i),(ii) and (iv).

42. Globalization involves

- (i) Increasing integration among national economic system
  - (ii) Integration of financial market
  - (iii) Higher factor mobility and economies of trade
  - (iv) Spread of knowledge and technologies throughout the world
- Codes:

- (a) (i) only
- (b) (i) and (ii) only.
- (c) (i),(ii)and(iv)
- (d) (i), (ii), (iii) and (iv).

43. In order to pursue the objective of globalization, the measure have been taken:

- (a) Opening the economy with the foreign capital
- (b) Convertibility of rupee

(c) Import liberalization

(d) All of the above.

44. IMF commenced its operation in

(a) March 1947      (b) April 1947

(c) Dec. 1947      (d) April 1957

45. Which is NOT the function of W.T.O.

(a) WTO handle trade dispute.

(b) WTO handle labor dispute.

(c) WTO monitor national trade polices

(d) WTO provide technical assistance and training to developing countries

46. Main steps toward globalization DOES NOT include:

(a) Liberalization of import

(b) Opening up of foreign capital

(c) Exchange rate adjustment

(d) Non convertibility of rupee

47 India's policy in respect of foreign multinational companies has been

(a) Of discouraging them

(b) Of encouraging them in India without any pre-condition

(c) Of not interfering

(d) Of welcoming them into India with greater participation of Indian capital

48. Globalization includes

(a) Free trade with less restriction on import and export

(b) Free flow of technology

(c) Free flow of capital

(d) All of the above

49. Opening up the economy to the economies of the world so that Indian economy can compete at international level is called-

(a) Liberalization      (b) Globalization

(c) Privatization      (d) None of these

50. Privatization is favoured on the ground

(a) It helps in reduction of exchequer burden

(b) It the public sector unit to modernize, diversify and make more competitive

(c) It helps in improvement of quality of decision-making of management

(d) All of the above.

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