

M.K.G CA EDUCATION

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CA FOUNDATION

Assignment

Business and Commercial Knowledge

Organisation Facilitating Business

- Identify the one which may be considered as a public policy:
 - A decision by a central government to purchase a fleet of cars
 - An old building to be demolished by a municipal corporation
 - All citizens are to be provided with biometric Aadhar card
 - Government passes a special resolution to change the name of a park
- _____ is a course or principle of action adopted or proposed by an organization or individual.
 - Procedure
 - Policy
 - Strategy
 - Rule
- What is the constitution of Competition Commission of India?
 - A chairperson and 5 members appointed by the RBI
 - A chairperson and 6 members appointed by the Central Government
 - A chairperson and 5 members appointed by the Central Government
 - A chairperson and 6 members appointed by the RBI
- NABARD is a –
 - Department
 - Bank
 - Board
 - Exchange Programme for consumer goods
- SEBI has several functions rolled into one body. Which one of the following is not the function of SEBI?
 - Quasi-judicial
 - Quasi-legislative
 - Quasi-professional
 - Quasi-executive
- Who was the regulatory body for controlling financial affairs in India before SEBI?
 - Insurance Regulatory and Development Authority of India
 - Controller of Capital Issues
 - Reserve Bank of India
 - Government of India
- MNCs have to align their operations according to the _____ of those nations where from they operate.
 - Public policy
 - Business policy
 - Trade policy
 - Government policy

8. Public Policies are always _____
Fill in the gap by taking the appropriate expression from the following:
- (a) Goal oriented
 - (b) Minutely defined
 - (c) Pro-rich
 - (d) For the poor
9. Identify the one which may be considered as a public policy:
- (a) All citizens are to be provided with biometric Aadhar card
 - (b) Government passes a special resolution to change the name of a park
 - (c) A decision by a central government to purchase a fleet of cars
 - (d) An old building to be demolished by a municipal corporation
10. Which of the following is not correct about RBI?
- (a) Apex Monetary Institution of the highest authority in India
 - (b) It has the responsibility for controlling the country's EXIM Policy
 - (c) Central Bank of our country
 - (d) It is the Custodian of the Nation's Foreign Exchange Reserves
11. In case of Maruti-Suzuki, the Union Government surrendered partial ownership and sold the majority stake to Suzuki of Japan in course of time. This is a case of:
- (a) Displacement
 - (b) Delegation
 - (c) Divestment
 - (d) Partial Disinvestment
12. RBI Nationalized in _____
- (a) 1969
 - (b) 1949
 - (c) 1935
 - (d) 1991
13. Public Policies on monetary aspects, economy, market, taxes etc. are reflected in
- (a) Annual Report
 - (b) National Survey report
 - (c) Annual Budget
 - (d) None of the above
14. _____ is a plan or course of action, of a Government, intended to influence and determine decisions, actions, and other matters.
- (a) Government policy
 - (b) Trade policy
 - (c) Public policy
 - (d) Business policy
15. OCBs mean:
- (a) Overseas Corporate Bodies
 - (b) Ordnance Commission Bilateral secretariat
 - (c) Oversees Civic Boards
 - (d) Oversees Commercial Bilateral Treaties
16. Which of the following statement is correct?
- (a) A Decision emanates from policy and policy is taken in line with the goal
 - (b) A goal emanates from decision and decision is taken in line with the policy
 - (c) A Policy emanates from goal and decision is taken in line with the goal
 - (d) A Policy emanates from decision and decision is taken in line with the goal

17. Which of the following is not a development bank?
- (a) NABARD
 - (b) EXIM
 - (c) IFCI
 - (d) SBI
18. Central Bank is one which constitutes the –
- (a) Base of the monetary and banking structure
 - (b) At the middle of the monetary and banking structure
 - (c) Apex of the monetary and banking structure
 - (d) None of the *above*
19. In case of NOCIL (National Organic Chemicals Industries Limited), the Reliance Industries Limited as a private enterprise expanded and gradually displaced the government entity. It was a case of:
- (a) Delegation
 - (b) Displacement
 - (c) Partial Disinvestment
 - (d) Complete Privatization
20. Public Policies are always _____
- Fill in the gap by taking the appropriate expression from the following:
- (a) Pro-rich
 - (b) For the poor
 - (c) Goal oriented
 - (d) Minutely defined
21. Targets of the Government is called –
- (a) Objective
 - (b) Decision
 - (c) Policy
 - (d) Goal
22. FEMA replaced FERA as legislation in:
- (a) 1991
 - (b) 1992
 - (c) 1999
 - (d) 2006
23. Policy. is concerned with the –
- (a) Choosing one particular course of action, out a many alternative available
 - (b) Targets of the Government
 - (c) General welfare and development of the Society
 - (d) All of the above
24. Which of the following is the monetary authority of a country?
- (a) The Central Bank of the country
 - (b) Government of the country
 - (c) Banking system of the country
 - (d) All of these
25. The Industrial Finance Corporation of India (IFCI) was established in which year?
- (a) 1948
 - (b) 1945
 - (c) 1946
 - (d) 1947
26. Identify which of these is not a function of the Central Bank

- (a) Custodian of Cash Reserves
 - (b) Custodian of Foreign Exchange Reserves
 - (c) Issue of Currency
 - (d) Paying interest on deposits obtained from the public
- 27.** Act of making choice is called
- (a) Assessment
 - (b) Selection
 - (c) Decision
 - (d) Judgement
- 28.** Reforms in Dowry Act and Divorce Act are the examples of:
- (a) Economic Reforms
 - (b) Cultural Reforms
 - (c) Commercial Reforms
 - (d) Socio-cultural Reforms
- 29.** OCBs mean:
- (a) Ordnance Commission Bilateral secretariat
 - (b) Oversees Civic Boards
 - (c) Overseas Corporate Bodies
 - (d) Oversees Commercial Bilateral Treaties
- 30.** Blackrock invested 30 million USDs as a portfolio investor in Indian stock market. This may be a case of:
- (a) FII investment
 - (b) FDI
 - (c) Indirect investment
 - (d) NRI investment
- 31.** Identify which of these is not a function of the Central Bank
- (a) Banker of Banks
 - (b) Arranging for clearing arrangements between Banks
 - (c) Formulating the Government Budget
 - (d) All of the above
- 32.** Identify which of these is not a function of the Central Bank
- (a) Implementing Government's monetary policy
 - (b) Specifying Income Tax Rates
 - (c) Custody of Cash Reserves
 - (d) Clearing arrangements among Banks
- 33.** The Governments try to look for some avenues to look for a feedback process towards Public Policy. These processes are known as-
- (a) Policy Reforms
 - (b) Policy changes
 - (c) Policy Developments
 - (d) None of the above
- 34.** Policies based on nature of economy is classified as –
- (a) Urban, Rural and Semi-urban
 - (b) Developed Economy, Emerging Economy, Socialist and Communist States
 - (c) Monarchy, Aristocracy, and Democracy
 - (d) None of the above
- 35.** Which of the following is not the function of RBI.
- (a) Regulation of Foreign Trade
 - (b) Custodian of Forex Reserves

- (c) Banker's Bank
 - (d) Issue of currency
36. FDI in sectors/activities which do not require any prior approval either of the Government or the Reserve Bank of India is identified as:
- (a) Non-Commercial Route
 - (b) Green Channel
 - (c) Priority route
 - (d) Automatic Route
37. Since when has IFCI been converted into a private limited company?
- (a) 1992
 - (b) 1991
 - (c) 1993
 - (d) 1994
38. Decisions on annual financial spending, Taxes and Duties and Military spending are considered in:
- (a) Policies
 - (b) Budget
 - (c) Goal Setting
 - (d) Long term planning process
39. FEMA replaced FERA as legislation in:
- (a) 2006
 - (b) 1991
 - (c) 1992
 - (d) 1999
40. Which of the following statements about Central Bank is incorrect?
- (a) Central Banks performs general banking and agency service for the state
 - (b) Central Bank generally deals with the public and tries to encourage saving habits among people
 - (c) Central Bank regulates currency in accordance with the requirements of business and the general public
 - (d) None of the above
41. SEBI has to be responsive to the needs of groups, which constitute the market:
- (a) The investors
 - (b) The market intermediaries
 - (c) The issuers of securities
 - (d) All of the above
42. Which one of the following statements is incorrect?
- (a) The SEBI members consist of one member from amongst the official of RBI, who shall be nominated by RBI.
 - (b) The SEBI members consist of a Chairman, who shall be appointed by Central Government.
 - (c) The SEBI members consist of two members from amongst the officials of the Ministry of the Central Government.
 - (d) The SEBI members consist of five other members out of which at least four members shall be whole-time members, who shall be appointed by Central Government.
43. Which of the following is not an example of Public Policy?
- (a) Separate compartment for Women in trains
 - (b) To make River Ganga pollution free
 - (c) Restructuring of Government debts
 - (d) None of the above
44. When was SEBI constituted?

- (a) 1986
 - (b) 1989
 - (c) 1988
 - (d) 1990
45. Which of the following institutions has been scrapped recently?
- (a) Minerals and Metals Regulatory Commission
 - (b) Coal India Limited
 - (c) Planning Commission
 - (d) FIPB
46. Public Policies are classified as –
- (a) Govt. driven, business driven and people driven
 - (b) Positive, Negative, Neutral
 - (c) Regulatory, Facilitative, Restrictive and Distributive
 - (d) None of the above
47. Which of the following statements about IFCI is not true?
- (a) IFCI has been a Private Financial institution since its inception
 - (b) I-Fin is a subsidiary of IFCI.
 - (c) It guarantees loans raised by the industrial concerns
 - (d) It underwrites shares and debentures of the industrial concerns
48. The method of FDI other than Automatic route is called:
- (a) Priority Route
 - (b) NRI Route
 - (c) Government Route
 - (d) Institutional Route
49. Which of the following is a direct beneficiary of IFCI?
- (a) Service industry
 - (b) Agro-based industry
 - (c) Capital & intermediate goods industry
 - (d) All of the above
50. NABARD refinances the financial institutions which finances the _____
- (a) Secondary sector
 - (b) Urban sector
 - (c) Rural sector
 - (d) Service sector
51. The rate of interest at which the RBI lends to Banks
- (a) Bank Rate
 - (b) Reverse Repo Rate
 - (c) Repo Rate
 - (d) Time Rate
52. FIPB stands for:
- (a) Foreign Institutional Preparatory Board
 - (b) Foreign Investment Priority Board
 - (c) Foreign Investment Promotion Board
 - (d) Foreign Institutional Promotion Board
53. Bank Rate at 1% =
- (a) 1000 basis points
 - (b) 10 basis points
 - (c) 100 basis points

- (d) None of the above
54. Waiving of farm loans is an example of –
- (a) Facilitative Policy
 - (b) Restrictive Policy
 - (c) Distributive Policy
 - (d) Regulatory Policy
55. The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:
- (a) Disinvestment
 - (b) Deregulation
 - (c) Delegation
 - (d) Decentralization
56. How many members of SEBI should be from RBI?
- (a) 1
 - (b) 2
 - (c) 4
 - (d) 3
57. Which institution has been recently designated as a nodal agency for "Scheme of Credit Enhancement Guarantee for Scheduled Caste entrepreneurs"?
- (a) IFCI
 - (b) NABARD
 - (c) IDBI
 - (d) SIDBI
58. If current Bank Rate is 9% and decreases it by 90 basis points, the New will be
- (a) 8.90%
 - (b) 8%
 - (c) 8.10%.
 - (d) 9.10%
59. _____ is rate at which Banks borrow money from the RBI against pledging or sale of Government Securities to RBI.
- (a) Interest Rate
 - (b) Demand Rate
 - (c) Repo Rate
 - (d) Reverse Repo Rate
60. Establishment of Central Board of Film Certification is an example of-
- (a) Restrictive Policy
 - (b) Distributive Policy
 - (c) Regulatory Policy
 - (d) Facilitative Policy
61. Reforms in Dowry Act and Divorce Act are the examples of:
- (a) Cultural Reforms
 - (b) Commercial Reforms
 - (c) Socio-cultural, Reforms
 - (d) Economic Reforms
62. SEBI, RBI and IRDA are:
- (a) Regulatory Institutions
 - (b) Policy institutions
 - (c) Satellite Institutions

- (d) Goal setting bodies
63. is the rate of interest offered by RBI, when Banks deposit their Surplus Funds with the RBI for short periods.
- (a) Interest Rate
 - (b) Repo Rate
 - (c) Demand Rate
 - (d) Reverse Repo Rate
64. Which of the following, set up in 1990, is the Principal Financial Institution for the Promotion, Financing and Development of the Micro, Small and Medium enterprise sector?
- (a) EXIM Bank
 - (b) NABARD
 - (c) IFCI
 - (d) SIDBI
65. SEBI stands for-
- (a) Securities and Exchange Board of India
 - (b) Securities and Exchange Bank of India
 - (c) Securities and Exchange Board for Investment
 - (d) None of These
66. The process by which a legislative proposal is brought before a law-making body and then translated into the law of the land is called-
- (a) Law making
 - (b) Presenting the Law
 - (c) Policy Drafting
 - (d) None of the above
67. NABARD serves as an apex financing agency for the institutions providing investment and production credit for promoting the various developmental activities in _____
- (a) Sub-urban areas
 - (b) Rural areas
 - (c) Urban areas
 - (d) All of the above
68. Law-making body at the Central Level in India-
- (a) Vidhan Parishad
 - (b) Vidhan Sabha
 - (c) Lok Sabha
 - (d) All the above
69. Identify the sector where, FDI is not permitted:
- (a) Textile
 - (b) Real Estate
 - (c) Automobile
 - (d) Infrastructure
70. Headquarter of SEBI is located at
- (a) Kolkata
 - (b) New Delhi
 - (c) Mumbai
 - (d) None of These
71. Which among the following complaints not dealt by SEBI
- (a) Complaints regarding Pension Fund

- (b) Complaints falling under the purview of the regulatory bodies like RBI, IRDA, PFEDA, CCI, FMC etc.
- (c) Complaints regarding Commodities
- (d) All of Above
72. A _____ emanates from decision and decision is taken in line with _____. Identify the right expression to fill in the blanks:
- (a) Policy; Goal
- (b) Budget; Plan
- (c) Plan; Budget
- (d) Goal; Plan
73. Law-making body at the State Level in India-
- (a) Vidhan Parishad
- (b) Rajya Sabha
- (c) Lok Sabha
- (d) All the above
74. The Chairman of SEBI shall be appointed by the
- (a) RBI
- (b) Members of SEBI
- (c) Central Government
- (d) None of the above
75. SIDBI does not function as a Nodal/ Implementing Agency to which ministry of the Government:
- (a) Ministry of Food Processing and industry
- (b) Ministry of Commerce and Industry
- (c) Ministry of External Affairs
- (d) Ministry of textiles
76. How many officials of RBI shall be members of the SEBI Board?
- (a) Atleast 2
- (b) No minimum limit
- (c) Atleast 1
- (d) RBI Officials cannot be members of SEBI
77. Where can the first appeal against SEBI be made?
- (a) Securities Appellate Tribunal
- (b) RBI
- (c) High Court
- (d) Supreme Court
78. The Lower House in State Legislature –
- (a) Lok Sabha
- (b) Vidhan Parishad
- (c) Rajya Sabha
- (d) Vidhan Sabha
79. In case of Maruti-Suzuki, the Union Government surrendered partial ownership and sold the majority stake to Suzuki of Japan in course of time. This is a case of:
- (a) Partial Disinvestment
- (b) Displacement
- (c) Delegation
- (d) Divestment
80. Simplification of trade restrictions related to import is an example of:
- (a) Disinvestment

- (b) Aggregation
 - (c) Globalization
 - (d) Privatization
- 81.** Duties of SEBI does not include –
- (a) Promoting the development of Securities Market
 - (b) Protecting of the interests of investors in securities
 - (c) Regulating the Securities Market
 - (d) None of the above
- 82.** Which bank took over the operations of the international finance wing of IDBI, and became the principal financial institution in the field of international trade in India?
- (a) IFCI
 - (b) SIDBI
 - (c) EXIM bank
 - (d) None of the above
- 83.** The Upper House in State Legislature –
- (a) Lok Sabha
 - (b) Vidhan Parishad
 - (c) Rajya Sabha
 - (d) Vidhan Parishad
- 84.** The EXIM bank does not perform one of the following functions:
- (a) It finances exports and imports of machinery on lease basis.
 - (b) It finances exports and imports of goods and services of India
 - (c) It finances exports and imports of goods and services of third world countries
 - (d) It finances ventures in global market to acquire Indian firms
- 85.** When a State has both Vidhan Sabha and Vidhan Parishad, the Proposed Bills should be passed-
- (a) Both Vidhan Sabha and Vidhan Parishad
 - (b) At least in the Vidhan Sabha
 - (c) At least in the Vidhan Parishad
 - (d) At the discretion of the State
- 86.** Which of the following groups does not constitute the Securities Market?
- (a) Issuers of Securities
 - (b) Intermediaries
 - (c) Investors
 - (d) None of the above
- 87.** SEBI has its Western Regional Office in:
- (a) Ahmedabad
 - (b) Surat
 - (c) Pune
 - (d) Mumbai
- 88.** SEBI's functions- are classified as –
- (a) Quasi-Legislative, Quasi-Authority and Quasi- Executive
 - (b) Quasi-Legislative, Quasi-Judicial and Quasi- Administrative
 - (c) Quasi-Legislative, Quasi-Judicial and Quasi- Executive
 - (d) Quasi-Governmental, Quasi-Judicial and Quasi- Executive
- 89.** In case of NOCIL (National Organic Chemicals Industries Limited), the Reliance Industries Limited as a private enterprise expanded and gradually displaced the government entity. It was a case of:
- (a) Partial Disinvestment
 - (b) Complete Privatization

- (c) Delegation
 - (d) Displacement
90. Decisions on annual financial spending, Taxes and Duties and Military spending are considered in:
- (a) Goal Setting
 - (b) Long term planning process
 - (c) Policies
 - (d) Budget
91. Sale of 50% stake in a PSU to a single private sector company is an example of:
- (a) Disinvestment to form a Joint Venture
 - (b) Displacement of stake
 - (c) Decentralization of Authority
 - (d) Delegation of stake
92. Appeal against SEBI's Orders lies to the
- (a) Securities Appellate Tribunal
 - (b) Stock Market Tribunal
 - (c) Supreme Court
 - (d) None of the above
93. Which of the given statements does not stand true for EXIM Bank?
- (a) It finances joint ventures abroad
 - (b) It provides counselling services to companies engaged in exports and imports
 - (c) It was set up in 1982
 - (d) It is a member of the Alliance for financial inclusion
94. The Economic Change Process is characterized by –
- (a) Privatization
 - (b) Liberalization
 - (c) Globalization
 - (d) All of the above
95. Who regulates the currency in the country?
- (a) RBI
 - (b) Central Bank
 - (c) SEBI
 - (d) Finance Ministry
96. Blackrock invested 30 million USDs as a portfolio investor in Indian stock market. This may be a case of:
- (a) FDI
 - (b) FII investment
 - (c) Indirect investment
 - (d) NRI investment
97. When a Company publicly sells new stocks and bonds for the first time, it does so in –
- (a) Primary Market
 - (b) Secondary Market
 - (c) Investment Market
 - (d) Stock Market
98. Example of Secondary Market
- (a) NYSE
 - (b) BSE
 - (c) NSE
 - (d) All the above
99. Where is the headquarter of NABARD?

- (a) Gurugram
- (b) Benlгалuru
- (c) Mumbai
- (d) Delhi

100. The Economic policy which refers to the gradual decrease in Government command and control over the economic policies –

- (a) Privatization
- (b) Globalization
- (c) Delegation
- (d) Liberalization

101. Power of SEBI under the SEBI Act

- (a) handle licensing of Dealers in Securities in certain areas
- (b) withdraw recognition of Stock Exchange
- (c) issue directions to recognised Stock Exchanges
- (d) prevent fraudulent and unfair trade practices

102. Large number of SHGs have been linked to credit, resulting in an important Indian tool for microfinance, by the endeavour of:

- (a) SIDBI
- (b) NABARD
- (c) IDBI
- (d) SEBI

103. Under the SCRA, the SEBI has power to

- (a) seize records
- (b) specify Listing Requirements
- (c) investigation
- (d) withdraw recognition of Stock Exchange

104. NABARD is the most important institution in the country which looks after the development of the

- (a) Small industry
- (b) Cottage industry
- (c) Village industry
- (d) All of the above

105. Transfer of Government Ownership to private hands is called –

- (a) Globalization
- (b) Privatization
- (c) Nationalization
- (d) Liberalization

106. In order to take a decision, there must be _____ course of action. Fill in the blank space with appropriate expression

- (a) One
- (b) Specific
- (c) Financial
- (d) More than one

107. Hyundai India Limited came to India through the FDI route. It followed the path of:

- (a) Joint Venture
- (b) By creating a 100% Indian subsidiary
- (c) Replacement of a government sector business
- (d) Divestment in Public Sector Unit

- 108.** A situation in a market in which Sellers independently strive for the Buyers' patronage, in order to achieve certain business objective
- (a) Market segment
 - (b) Market share
 - (c) Competition
 - (d) All the above
- 109.** Increase in Competition leads to –
- (a) Wider choice to Consumers
 - (b) Producers will have maximum incentive to innovate and specialize
 - (c) Reduced costs
 - (d) All the above
- 110.** Which of the following institutions has been scrapped recently?
- (a) Coal India Limited
 - (b) Planning Commission
 - (c) FIPB
 - (d) Minerals and Metals Regulatory Commission
- 111.** Which of the following is an impact of Liberalization?
- (a) Rapid restructuring and reforming of the PSUs
 - (b) Divestment
 - (c) Foreign Direct Investment
 - (d) All of the above
- 112.** Who of the following is not primarily a profit seeking institution?
- (a) SIDBI
 - (b) RBI
 - (c) NABARD
 - (d) EXIM Bank
- 113.** The regional office of SEBI is not located in:
- (a) Chandigarh
 - (b) Ahmedabad
 - (c) Chennai
 - (d) Kolkata
- 114.** The situation where products perform the same function and compete against each other is called –
- (a) Direct Competition
 - (b) Conventional Competition
 - (c) Straight Competition
 - (d) None of the above
- 115.** FDI is allowed in:
- (a) Coconut Plantation
 - (b) Sugarcane Plantation
 - (c) Tea Plantation
 - (d) All of the above
- 116.** FDI in sectors /activities which do not require any prior approval either of the Government or the Reserve Bank of India is identified as:
- (a) Green Channel
 - (b) Priority route
 - (c) Non-Commercial Route
 - (d) Automatic Route

117. _____ is the conflict between vendors whose products or services are not the same, but that could satisfy the same consumer need.
- (a) Secondary Competition
 - (b) Unconventional Competition
 - (c) Indirect Competition
 - (d) All of the above
118. Which one of the following is an Indian regulatory body that facilitates business organizations?
- (a) IRDAI
 - (b) IFCI
 - (c) EXIM Bank
 - (d) NABARD
119. IRDAI stands for-
- (a) Insurance Regulatory and Development Authority of India
 - (b) Income Regulatory and Development Authority of India
 - (c) Indemnity Regulatory and Development Authority of India
 - (d) Insurance Regulatory Department of India
120. Privatization may have an adverse effect on-
- (a) Enhancing efficiency, quality and competitiveness,
 - (b) Growth and expansion of Industries
 - (c) Employee morale generating fear of dislocation or termination
 - (d) All of the above
121. The RBI has been vested with extensive power to control and supervise commercial banking system under which Act?
- (a) The Reserve Bank of India Act, 1935
 - (b) The Reserve Bank of India Act, 1936
 - (c) The Reserve Bank of India Act, 1933
 - (d) The Reserve Bank of India Act, 1934
122. FDI involves the acquisition of at least _____ of the voting power in an Enterprise by Foreign Investors.
- (a) 10%
 - (b) 20%
 - (c) 25%
 - (d) 51%
123. The method of FDI other than Automatic route is called:
- (a) NRIRoute
 - (b) Government Route
 - (c) Institutional Route
 - (d) Priority Route
124. _____ is an Indian Development Bank.
- (a) SEBI
 - (b) RBI
 - (c) SIDBI
 - (d) IRDAI
125. Which of the following statements is true? IRDAI comprises of –
- (a) Not more than 4 Whole-Time Members, and Not more than 5 Part-Time Members
 - (b) More than 4 Whole-Time Members, and Not more than 5 Part-Time Members
 - (c) Not more than 5 Whole-Time Members, and Not more than 4 Part-Time Members
 - (d) Not more than 5 Whole-Time Members, and Not more than 5 Part-Time Members

126. After independence, India followed a:
- (a) Commonwealth Model of Growth
 - (b) Mixed Economic Path
 - (c) Capitalistic Model of Development
 - (d) Socialistic Path of Development
127. Which of the following is not an Indian Development Bank?
- (a) RBI
 - (b) IFCI
 - (c) EXIM Bank
 - (d) NABARD
128. Who cannot be a Foreign Direct Investor?
- (a) Unincorporated Private or Public Enterprises
 - (b) Governments or Government Agencies
 - (c) Estates, Trusts, or other organizations
 - (d) None of the above
129. The Reserve Bank of India being the Central Bank of India performs all the central banking functions. Which one of the following is not the functions of RBI?
- (a) Banker to the government
 - (b) Issue of currency
 - (c) Watchdog of the unethical competition in the market
 - (d) Custodian of the nation's foreign exchange reserves
130. A Watch Company of Malaysia investing in a textile Company in India is an example of-
- (a) Vertical FDI
 - (b) Conglomerate FDI
 - (c) Horizontal FDI
 - (d) None of the above
131. FIPB stands for:
- (a) Foreign Institutional Promotion Board
 - (b) Foreign Institutional Preparatory Board
 - (c) Foreign Investment Priority Board
 - (d) Foreign Investment Promotion Board
132. Which one of the following is not the role of the Competition Commission of India?
- (a) To promote and sustain competition in markets
 - (b) To protect the interests of consumers
 - (c) To ensure freedom of trade carried on by other participants in markets in India
 - (d) To promote practices having adverse effect on competition
133. _____ is a process in which the Resident of one Country acquires ownership of Financial Assets/Securities in another Country.
- (a) Foreign Industrial Investment
 - (b) Foreign Direct Investment
 - (c) Foreign Portfolio Investment
 - (d) None of the above
134. When was IRDAI constituted?
- (a) 1998
 - (b) 1999
 - (c) 1997
 - (d) 2000
135. Identify the sector where, FDI is not permitted:

- (a) Automobile
 - (b) Infrastructure
 - (c) Textile
 - (d) Animal Husbandry
- 136.** Which of the following statements is not true about FPI
- (a) Increase in Output, Employment, Wage Levels, etc. of the Country in which Investment takes place
 - (b) No interest in Management or Control
 - (c) Constitutes Investment in Nominal Capital
 - (d) Speculative in nature
- 137.** In India, Foreign Investments is prohibited in –
- (a) Cigar manufacturing
 - (b) Chit Funds
 - (c) Real Estate
 - (d) All of the above
- 138.** The form of privatization, where government keeps hold of responsibility and private enterprise handles the management of it fully or partly is known as:
- (a) Decentralization
 - (b) Disinvestment
 - (c) Deregulation
 - (d) Delegation
- 139.** Simplification of trade restrictions related to import is an example of:
- (a) Globalization
 - (b) Privatization
 - (c) Disinvestment
 - (d) Aggregation
- 140.** A category of Facilitators, who operate to ease the doing of business -
- (a) Trade Facilitators
 - (b) Industry Facilitators
 - (c) Business Facilitators
 - (d) All the above
- 141.** Which Section of IRDAI Act, 1999 lays down the duties, powers and functions of IRDAI?
- (a) Section 5
 - (b) Section 10
 - (c) Section 12
 - (d) Section 14
- 142.** An example of Point of Contact (POC) Business Facilitators
- (a) Bank
 - (b) Insurance Company
 - (c) Transport Agency
 - (d) Business Incubator
- 143.** Sale of 50% stake in a PSU to a single private sector company is an example of:
- (a) Displacement of stake
 - (b) Decentralization of Authority
 - (c) Delegation of stake
 - (d) Disinvestment to form a Joint Venture
- 144.** SIDBI caters to the needs of –
- (a) Medium Enterprises
 - (b) Micro Industries

- (c) Small Enterprises
 - (d) All the above
- 145.** SEBI, RBI and IRDA are:
- (a) Policy institutions
 - (b) Regulatory Institutions
 - (c) Satellite Institutions
 - (d) Goal setting bodies
- 146.** Which of the following is not a function of SIDBI?
- (a) Assistance to the Service Sector including Transport, Health Care, Tourism, etc.
 - (b) Re-Financing of Loans and Advances given by the Primary Lending Institutions
 - (c) Leasing and Factoring Services to MSMEs
 - (d) Financing the Joint Ventures abroad
- 147.** FDI is allowed in:
- (a) Tea Plantation
 - (b) Coconut Plantation
 - (c) Sugarcane Plantation
 - (d) None of the above
- 148.** Who is the custodian of the nation's foreign exchange reserves?
- (a) President of India
 - (b) Reserve Bank of India
 - (c) State Bank of India
 - (d) Central Government of India
- 149.** The Subsidiary of SIDBI that enables faster realisation of receivables by MSMEs
- (a) SVCL
 - (b) SMERA
 - (c) RXIL
 - (d) MUDRA
- 150.** Which of the following statements about RBI is incorrect?
- (a) The RBI is the sole authority for the issue of currency in India
 - (b) It deals largely with Governments, Central and State Banks
 - (c) Its role is to ensure monetary stability, including stability of domestic price levels
 - (d) One of its missions is to protect the interest of policyholders
- 151.** After independence, India followed a:
- (a) Socialistic Path of Development
 - (b) Commonwealth Model of Growth
 - (c) Mixed Economic Path
 - (d) Capitalistic Model of Development
- 152.** EXIM Bank acts as an apex Banking Institution in –
- (a) Agriculture
 - (b) Foreign Trade
 - (c) Industrial loan
 - (d) All the above
- 153.** EXIM Bank activities include –
- (a) Export marketing
 - (b) Overseas investment
 - (c) Import of technology
 - (d) All the above
- 154.** Hyundai India Limited came to India through the FDI route. It followed the path of:

- (a) Divestment in Public Sector Unit
 - (b) Joint Venture
 - (c) By creating a 100% Indian subsidiary
 - (d) Replacement of a government sector business
- 155.** Which of the following is not a function of EXIM Bank?
- (a) Financing the Joint Ventures abroad
 - (b) Financing the exports and imports of goods and services of third world countries
 - (c) Financing the exports and imports of machinery on lease basis
 - (d) None of the above
- 156.** For the discharge of its functions efficiently, SEBI has been vested with the following powers:
- (a) To compel certain companies to list their shares in one or more stock exchanges
 - (b) To approve by-laws of stock exchanges
 - (c) To inspect the books of accounts and call for periodical returns from recognized stock
 - (d) All of the above
- 157.** Provision of finance for agriculture is now handled by
- (a) Reserve Bank of India (RBI)
 - (b) National Bank for Agriculture and Rural Development (NABARD)
 - (c) Export-Import Bank of India (EXIM Bank)
 - (d) Small Industries Development Bank of India (SIDBI)
- 158.** Which of the following is type of Public Policies.
- (a) Facilitative Policy
 - (b) Regulatory Policy
 - (c) Restrictive Policy
 - (d) All of these
- 159.** FEMA replaced FERA in
- (a) 2004
 - (b) 2000
 - (c) 1991
 - (d) 1999
- 160.** Who cannot be a Foreign Direct Investor?
- (a) Governments or Government Agencies
 - (b) Estates, Trusts, or Other Organizations
 - (c) Unincorporated Private or Public Enterprises
 - (d) None of the above
- 161.** LPG stand for.
- (a) Liberalisation
 - (b) Privatisation
 - (c) Globalisation
 - (d) All of the these

ANSWER KEY

1.	C
2.	B
3.	B
4.	B
5.	C
6.	B
7.	A
8.	A
9.	A
10.	B
11.	C
12.	B
13.	C
14.	A
15.	A
16.	D
17.	D
18.	C
19.	B
20.	C
21.	D
22.	C
23.	C
24.	A
25.	A
26.	D
27.	C
28.	D
29.	C
30.	A
31.	C
32.	B
33.	A
34.	B

35.	A
36.	D
37.	C
38.	B
39.	D
40.	D
41.	D
42.	C
43.	D
44.	C
45.	C
46.	C
47.	A
48.	C
49.	D
50.	C
51.	A
52.	C
53.	C
54.	C
55.	C
56.	A
57.	A
58.	C
59.	C
60.	C
61.	C
62.	A
63.	D
64.	D
65.	A
66.	A
67.	B
68.	C

69.	B
70.	C
71.	D
72.	A
73.	A
74.	C
75.	C
76.	C
77.	A
78.	D
79.	D
80.	C
81.	D
82.	C
83.	D
84.	D
85.	B
86.	D
87.	A
88.	C
89.	D
90.	D
91.	A
92.	A
93.	D
94.	D
95.	A
96.	B
97.	A
98.	D
99.	C
100.	D
101.	D
102.	B

103.	D
104.	D
105.	B
106.	D
107.	B
108.	C
109.	D
110.	A
111.	D
112.	A
113.	A
114.	A
115.	D
116.	D
117.	C
118.	A
119.	A
120.	A
121.	D
122.	A

123.	B
124.	C
125.	C
126.	B
127.	A
128.	D
129.	C
130.	B
131.	D
132.	D
133.	C
134.	B
135.	D
136.	A
137.	D
138.	D
139.	A
140.	C
141.	D
142.	D

143.	D
144.	D
145.	B
146.	D
147.	A
148.	B
149.	C
150.	D
151.	C
152.	B
153.	D
154.	C
155.	D
156.	D
157.	B
158.	D
159.	D
160.	D
161.	D