

**Study Circle Career Development Institute**

## **100 Important Points : SSP**



**(55) Inflation - causes, effects, control, measures**

## **(4) Economic and Social Development (15)**

- 1) **Sustainable Development (2)**
- 2) **Poverty (2)**
- 3) **Inclusion (2)**
- 4) **Demographics (2)**
- 5) **Social Sector Initiatives (2)**
- 6) **Indian Economy - Public Finance (1)**
- 7) **Extrenal Trade (1)**
- 8) **Banking, Inflation (1)**
- 9) **Industry (1)**
- 10) **Agriculture (1)**

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- 46) Growth and Development - MDG, SDG, Macro Economics
- 47) Economic reforms - Sectoral growth in education, health, social security
- 48) Concepts, Measurement and estimates of poverty, Alleviation programs
- 49) Factors determining employment, Generation programs
- 50) Inclusive growth with respect to various underprivileged groups
- 51) Programs with respect to women, children, senior citizens
- 52) Population - quantitative & qualitative
- 53) Demographic cycle, Population Policies
- 54) Sectoral growth in education, health, social security
- 55) Inflation - causes, effects, control, measures**
- 56) Public Finance and Financial Institutions - Taxes, budgets, fiscal policies
- 57) International Economics & International Capital Movements
- 58) Banking - Credit and Monetary policies
- 59) Indian Industry, Infrastructure and Services Sector
- 60) Agriculture and Rural Development - Co-operative sector

# General Studies Paper I

- 1) **History of India and Indian National Movement (15)**
- 2) **Maharashtra, India and World Geography (15)**
- 3) **Maharashtra and India - Indian Polity and Governance (15)**
- 4) **Economic and Social development (15)**
- 5) **Environmental Ecology, Bio-diversity & Climate Change (10)**
- 6) **General Science (15)**
- 7) **Current Events of State, National and International Importance (15)**

## 1) History of India and Indian National Movement (15)

- 1) History of Ancient India (4)
- 2) History of Mediavel India (3)
- 3) History of Modern India (4)
- 4) Indian National Movement (4)

## 2) Maharashtra, India and World Geography (15)

- 1) Physical Geography of World (3)
- 2) Social Geography of World (1)
- 3) Economical Geography of World (1)
- 4) Physical Geography of India (2)
- 5) Social Geography of India (1)
- 6) Economical Geography of India (2)
- 7) Physical Geography of Maharashtra (2)
- 8) Social Geography of Maharashtra (1)
- 9) Economical Geography of Maharashtra (1)

## 3) Maharashtra and India - Indian Polity and Governance (15)

- 1) Constitution (3)
- 2) Political System (3)
- 3) Panchayati Raj & Urban Governance (3)
- 4) Public Policy (3)
- 5) Humana Rights Issues (3)

## 4) Economic and Social development (15)

- 1) Sustainable Development (2)
- 2) Poverty (2)
- 3) Inclusion (2)
- 4) Demographics (2)
- 5) Social Sector Initiatives (2)
- 6) Indian Economy - Public Finance (1)
- 7) Extrenal Trade (1)

- 8) Banking, Inflation (1)
- 9) Industry (1)
- 10) Agriculture (1)

**5) Environmental Ecology, Bio-diversity & Climate Change (6)**

- 1) Environmental Ecology (2)
- 2) Bio-diversity (2)
- 3) Climate Change (2)

**6) General Science (19)**

- 1) Physics (3)
- 2) Chemistry (3)
- 3) Biology and Zoology (2)
- 4) Botany (2)
- 5) Agriculture Science (2)
- 6) Human Biology and (2)
- 7) Health, Hygeine, Food and Nutrition (3)
- 8) ST development & its applications to Infrastructure development (2)

**7) Current Events of State, National and International Importance (15)**

- 1) Political events (2)
- 2) Organisations (2)
- 3) Economical events (2)
- 4) S & T events (2)
- 5) Geographical events, Places (2)
- 6) Sociocultural events (1)
- 7) Sports events (1)
- 8) Litearature and Days (1)
- 9) Appointments, Personalities (1)
- 10) Prizes and Honours (1)

State Service Preliminary Examination 2024

Preparation & Guidance : Topics & Subtopics of the Syllabus

100 Important Points Economy : 55

- 1) Annual rate of inflation during 9<sup>th</sup> and 10<sup>th</sup> Plan in India was  
1) 4% and 5% respectively                      2) 5% and 7% respectively  
3) 4% and 7% respectively                      4) 7% and 5% respectively
- 2) Which of the following is/are *not* the supply-side factor/s responsible for inflation ?  
a) Increase in export    b) Store                      c) Increase in credit creation    d) Famine  
**Answer Options :**  
1) (c) only                      2) (a) and (c) only                      3) (b), (c) and (d)                      4) (a), (b), (c), (d)
- 3) Prices of which of the following commodities are considered in Wholesale Price Index (WPI) ?  
a) Primary Goods                      b) Oil                      c) Manufactured Goods  
**Answer Options :**  
1) (a) and (b) only                      2) (a) and (c)                      3) (b) and (c)                      4) (a), (b) and (c)
- 4) India has experienced persistent and high food inflation in the recent past. What could be the reasons?  
a) Due to a gradual switchover to the cultivation of commercial crops, the area under the cultivation of food grains has steadily decreased in the last five years by about 30%  
b) As a consequence of increasing incomes, the consumption patterns of the people have undergone a significant change.  
c) The food supply chain has structural constraints.-  
**Answer Options :**  
1) (a) and (b) only                      2) (a) and (c)                      3) (b) and (c)                      4) (a), (b) and (c)
- 5) Which reference to the Wholesale Price Index (WPI), consider the following statements:  
a) The new WPI series with base 1993-94 = 100 became effective from April 1998  
b) In the new WPI series, became effective from 1 April, 2000. Statement 2 and 3 are correct.  
c) The weight for electricity has increased in the new WPI series.  
**Answer Options :**  
1) (a) and (b) only                      2) (a) and (c)                      3) (b) and (c)                      4) (a), (b) and (c)
- 6) The supply-side economics lays greater emphasis on the point of view of  
1) producer                      2) global economy                      3) consumer                      4) middleman
- 7) 'Eco mark' is given to the Indian products that are  
1) pure and unadulterated                      2) rich in proteins  
3) environment friendly                      4) economically viable

- 8) A consumer is said to be in equilibrium, if
- 1) he is able to fulfil his need with a given level of income
  - 2) he is able to live in full comforts with a given level of income
  - 3) he can fulfil his needs without consumption of certain items
  - 4) he is able to locate new sources of income
- 9) The statutory minimum price (SMP) of sugarcane is :
- 1) Rs. 26 per quintal for 1991-92
  - 2) Rs. 30 per quintal for 1991-92
  - 3) Rs. 34 per quintal for 1991-92
  - 4) None of the above
- 10) Buyers' market denotes the place where
- 1) The demand exceeds the supply
  - 2) The supply exceeds the demand
  - 3) The demand and supply are well balanced
  - 4) Commodities are available at competitive rates
- 11) During one year the sales of a cooperative milk society are Rs.41,000. During the succeeding year the sales increased to Rs.59,000. It is claimed that there is a 50% increase in the saleable proceeds of the milk handled by it. If we are to arrive at a conclusion to know whether there has been any improvement in its functioning, we must enquire whether
- 1) The quality of milk is maintained
  - 2) Price stability is maintained
  - 3) Expenditure is increased
  - 4) Expenditure is decreased
- 12) The rate of inflation in 1980-81 in India was about
- 1) 14%
  - 2) 11%
  - 3) 16%
  - 4) 5%
- 13) The Government's gold auction policy is aimed at
- 1) Checking of smuggling and reducing the budgetary deficit of the Central Government
  - 2) Promoting jewellery exports
  - 3) Making gold available to consumers for ornaments
  - 4) Price stabilisation
- 14) Temporary control of inflation can be effected by
- 1) Increasing the prices
  - 2) Increasing the taxes
  - 3) Restraint on the growth of money supply
  - 4) Reducing the prices
- 15) Economic growth is usually coupled with ...
- 1) Deflation
  - 2) Inflation
  - 3) Stagflation
  - 4) Hyperinflation
- 16) Which of the following brings out the '**Consumer Price Index** Number for Industrial Workers'?
- 1) The Reserve Bank of India
  - 2) The Department of Economic Affairs
  - 3) The Labour Bureau
  - 4) The Department of Personnel and Training
- 17) National Food Security Mission is mainly aimed at
- a) Food Inflation Regulation
  - b) Crop Development
  - c) Sustainable Agricultural Growth
  - d) Exports of agri-products

**Answer Options :**

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

18) Match List I with List II and select the correct answer using the codes given below the Lists :

**List I (Publisher)**

- A. Ministry of Industry
- B. Central Statistical
- C. Reserve Bank
- D. Ministry of Finance

**List II (Publication)**

- 1. Report on Currency and Finance
- 2. Economic Survey Organisation
- 3. Wholesale Price of India of Index
- 4. National Accounts Statistics

**Answer Options :**

	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>
1)	4	3	2	1
2)	3	4	1	2
3)	4	3	1	2
4)	3	4	2	1

19) Stagflation means :

- 1) Deflation followed by inflation
- 2) Inflation with recession
- 3) deflation
- 4) inflation along with growth

20) In India, inflation is measured by the .....

- 1) Wholesale Price Index number
- 2) Consumers Price Index for urban non-manual workers
- 3) Consumers Price Index for agricultural workers
- 4) National Income deflation

21) The current price index (base 1960) is nearly 330. This means that

- 1) all items cost 3-3 times more than what they did in 1960
- 2) the prices of certain selected items have gone upto 3.3 times
- 3) weighted mean of prices of certain items has increased 3.3 times
- 4) gold price has gone up by 3.3 times

22) To know whether the rich are getting richer and the poor getting poorer, it is necessary to compare:

- 1) the wholesale price index over different periods of time for different regions
- 2) the distribution of income of an identical set of income recipients in different periods of time
- 3) the distribution of income of different sets of income recipients at a point of time
- 4) the availability of foodgrains among 2 sets of people, one rich & the other poor, over different periods of time

23) Food Security in India has been enacted with a view to

- a) Promoting domestic production to meet the demands of growing population
- b) Providing free food to poor people.
- c) Providing minimum support prices for procurement and storage of food items.
- d) Operating a public distribution system.

**Answer Options :**

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

24) A zero rate of inflation obtains necessarily in a year where the annual rate of inflation :

- 1) in every week of the year is zero
- 2) is falling in every week of the year
- 3) is both falling and rising in a year
- 4) is constant in every week of the year

- 25) Revamped Public Distribution System was launched by Government of India on 1st January 1992 with objective
- 1) To ensure minimum availability of food grains per adult per month in the identified area
  - 2) To provide minimum availability of food grains to the people below poverty line
  - 3) To provide required quantity of food grains to the people below poverty line
  - 4) None of the above
- 26) A deflator is a technique of :
- 1) Adjusting for changes in price level
  - 2) Adjusting for change in commodity
  - 3) Accounting for decline of GNP
  - 4) Accounting for higher increase of GNP
- 27) Who is the price leader under Oligopoly?
- 1) the smallest firm
  - 2) the average firm
  - 3) the largest firm
  - 4) there is no firm that can be termed as price leader under oligopoly
- 28) The economically relevant range of the total utility curve is the portion over which
- 1) the total utility is rising at declining rate
  - 2) the total utility is rising at an increasing rate
  - 3) the total utility is maximum and constant
  - 4) the total utility declining
- 29) At 1984-85 prices the poverty line in rural areas is defined at a monthly income level of :
- 1) Rs. 86
  - 2) Rs. 96
  - 3) Rs. 107
  - 4) Rs. 122
- 30) In an economy of steadily increasing prices, who will benefit the most?
- 1) Salaried employees
  - 2) Debtors
  - 3) pensioners
  - 4) Businessmen
- 31) The market equilibrium for a commodity is determined by :
- 1) the market demand for commodity.
  - 2) the market supply of the commodity.
  - 3) the balancing of the forces of demand and supply for the commodity.
  - 4) any of the above.
- 32) Stagflation is
- 1) deflation with growth
  - 2) inflation with recession
  - 3) inflation with growth
  - 4) deflation followed by inflation
- 33) The new series of Wholesale Price Index (WPI) released by the Government of India is with reference to the base prices of
- 1) 1981-82
  - 2) 1990-91
  - 3) 1993-94
  - 4) 1994-95
- 34) Which of the following methods of financing economic development can lead to inflation?
- 1) Internal and External Borrowing
  - 2) Progressive Taxation
  - 3) Deficit Financing
  - 4) Government Bonds
- 35) The per-capita availability of which of the following has remained stable between 1980-81 and 1987-88 ?
- 1) Sugar
  - 2) Pulses
  - 3) Edible oils
  - 4) Cereals



- 36) Consumer welfare is indicated by  
1) Savings                      2) Disposable income   3) Expenditure                      4) None of the above
- 37) Following are the statements about Targeted Public Distribution System (TPDS) :  
a) It divides entire population into BPL and APL.  
b) It works with dual pricing system.  
c) Maximum income level of families under BPL was ₹ . 25,000 p.a.  
d) State governments were to decide the size of the population below poverty line.  
Which of the above statements are true ?  
1) (a) and (b) only              2) (a) and (c) only              3) (b), (c) and (d)              4) (a), (b), (c), (d)
- 38) Who is among the most benefited from inflation ?  
1) creditors                      2) saving bank account holder   3) pensioners                      4) debtors
- 39) Assume that CPI (1970-100) is at present 500. This means that :  
1) prices of have increased and the weighted mean price increase for specified item is 400%  
2) prices of all consumer goods have increased five times  
3) prices of all items in a specified list have increased by 400%  
4) prices of all goods and commodities have increased five times
- 40) Subsidised price under Targeted Public Distribution System for wheat is ..... for a period of three years from the date of commencement of the National Food Security Act 2013.  
1) ₹. 3 per kg.15              2) ₹ 1 per kg.                      3) ₹ 2 per kg.                      4) ₹ 4 per kg.
- 41) The prices at which the government purchases food grains for maintaining the public distribution system and for building up buffer-stocks is known as  
1) minimum support prices                      2) procurement prices  
3) issue prices    4) ceiling prices
- 42) Which of the following is **not** a cause of demand pull inflation?  
1) Increase in money supply in the economy              2) Reduction in savings of people  
3) Rise in exports    4) Increase in wage rate
- 43) Which of the following statements are correct regarding inflation in less developed countries (LDC's)?  
a) The socio-economic political structure of LDC's decides the nature of inflation.  
b) Infrastructural inadequacies create inflation.  
c) Demand from specific sector creates inflation.  
**Answer Option :**  
1) (a) and (b) only              2) (a) and (c)                      3) (b) and (c)                      4) (a), (b) and (c)
- 44) What are the objectives of Monetary Policy?  
a) Neutrality of money, price stabilisation, exchange stabilisation  
b) Full Employment, Economic Growth  
c) Infrastructural Development  
d) Educational and Health improvement

**Answer Option :**

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

45) Monetary measures to control inflation include :

- a) Restrictions on bank credit      b) Increasing bank rate  
c) Reducing public expenditure      d) Incentives to savings

**Answer Option :**

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

46) The control of inflation is done through .....

- a) Repo      b) Reverse repo      c) Cash reserve ratio      d) Borrowing from IMF

**Answer Options :**

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

47) Which of the following monetary tools have the same effect on the expansion of money under monetary and credit policy of the central bank ?

- 1) Cash Reserve Ratio (CRR)      2) Statutory Liquidity Ratio (SLR)  
3) Both the above      4) Neither of the above

48) Which of the following fiscal measures will be effective for controlling the inflationary condition?

- 1) Increase in government expenditure      2) Increase in public debt  
3) Increase in the tax rate      4) Increase in cash reserve ratio

49) The "National Food Security Act" was enacted by Ministry of Consumer Affairs, Food and Public Distribution in the year :

- 1) January 2012      2) December 2012      3) December 2013      4) None of the above

50) To control inflation, through open market operations, which of the following steps will be taken by the central bank of a country?

- 1) Selling of government securities  
2) Buying of government securities  
3) Increase in interest rate of commercial bank borrowings  
4) Reduction in interest rate of commercial bank borrowings