

Study Circle Career Development Institute

100 Important Points : SSP



(56) Public Finance and Financial Institutions - Taxes, budgets, fiscal policies

(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)**

- 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 : 56

- 1) Consider the following items :
- | | |
|------------------------------|---|
| a) Cereal grains hulled | b) Chicken eggs cooked |
| c) Fish processed and canned | d) Newspapers containing advertising material |
- Which of the above items is/are exempted under GST (Goods and Services Tax)?
- 1) (a) and (b) only 2) (a), (b) and (d) 3) (a), (c) and (d) 4) (a), (b), (c), (d)
- 2) Which one of the following is not a feature of "Value Added Tax" ?
- 1) It is a multi-point destination-based system of taxation
 - 2) It is a tax levied on value addition at each stage of transaction in the production-distribution chain
 - 3) It is a tax on the final consumption of goods or services and must ultimately be borne by the consumer
 - 4) It is basically a subject of the Central Government and the State Governments are only a facilitator for its successful implementation
- 3) The Union Budget 2000 awarded a Tax Holiday for the North-Eastern Region to promote industrialisation for
- 1) 5 years 2) 7 years 3) 9 years 4) 10 years
- 4) Match List I with List II and select the correct answer using the codes given below the Lists :
- | | |
|----------------------|--|
| List I (Term) | List II (Explanation) |
| A. Fiscal deficit | 1. Excess of Total Expenditure over Total Receipts |
| B. Budget deficit | 2. Excess of Revenue Expenditure over Revenue Receipts |
| C. Revenue deficit | 3. Excess of Total Expenditure over Total Receipts less borrowings |
| D. Primary deficit | 4. Excess of Total Expenditure over Total Receipts less borrowings and Interest Payments |
- Answer Options :**
- | | | | | |
|----|----------|----------|----------|----------|
| | A | B | C | D |
| 1) | 3 | 1 | 2 | 4 |
| 2) | 4 | 3 | 2 | 1 |
| 3) | 1 | 3 | 2 | 4 |
| 4) | 3 | 1 | 4 | 2 |
- 5) The Kelkar Proposals which were in the news recently were the
- 1) recommendations for reforms in the power sector
 - 2) recommendations for tax reforms
 - 3) guidelines for the privatization of public sector undertakings
 - 4) guidelines for reducing vehicular pollution, and the promotion of CNG use

- 6) Consider the following states :
- a) Gujarat b) Karnataka c) Maharashtra d) Tamil Nadu
- The descending order of these states with reference to their level of Per Capita Net State Domestic Product is
- 1) c- a- b-d 2) a - b - c - d 3) b - c - a - d 4) d - b - c - a
- 7) Since 1980, the share of the tertiary sector in the total GDP of India has
- 1) shown an increasing trend 2) shown a decreasing trend
- 3) remained constant 4) been fluctuating
- 8) The growth rate of per capita income at current prices is higher than that of per capita income at constant prices, because the latter takes into account the rate of
- 1) growth of population 2) increase in price level
- 3) growth of money supply 4) increase in the wage rate
- 9) Which of the following is/are among the noticeable features of the recommendations of the Thirteenth Finance Commission?
- a) A design for the Goods and Services Tax, and a compensation package linked to adherence to the proposed design
- b) A design for the creation of lakhs of jobs in the next ten years in consonance with India's demographic dividend
- c) Devolution of a specified share of central taxes to local bodies as grants
- Answer Options :**
- 1) (b) only 2) (b) and (c) 3) (a) and (c) 4) (a), (b) and (c)
- 10) Consider the following statements :
- a) The Fiscal Responsibility and Budget Management (FRBM) Review Committee Report has recommended a debt to GDP ratio of 60% for the general (combined government by 2023, comprising 40% for the Central Governments and 20% for the State Governments.
- b) The Central Government has domestic liabilities of 21% of GDP as compared to that of 49% of GDP of the State Governments.
- c) As per the Constitution of India, it is mandatory for a State to take the Central Government's consent for raising any loan if the former owes any outstanding liabilities to the latter.
- Answer Options :**
- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)
- 11) The average monthly income of a person in a certain family of 5 is Rs.1000/-. What will be the monthly average income of a person in the same family if the income of one person increased by Rs.12000/- per year ?
- 1) 1200/- 2) 1600/- 3) 2000/- 4) 3400/-
- 12) Under what heading does the salaries of Government servants come in the budget ?
- 1) Capital outlay 2) Plan expenditure 3) Current expenditure 4) None of the above

- 13) A decrease in tax to GDP ratio of a country indicates which of the following?
a) Slowing economic growth rate b) Less equitable distribution of national income

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

- 14) With reference to **inflation in India**, which of the following statements is correct?
1) Controlling the inflation in India is the responsibility of the Government of India only
2) The Reserve Bank of India has no role in controlling the inflation
3) Decreased money circulation helps in controlling the inflation
4) Increased money circulation helps in controlling the inflation

- 15) With reference to Indian economy, consider the following statements:
a) The rate of growth of Real Gross Domestic Product has steadily increased in the last decade.
b) The Gross Domestic Product at market prices (in rupees) has steadily increased in the last decade.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

- 16) Which of the following come under Non-plan expenditure?
a) Subsidies b) Interest payments c) Defence expenditure
d) Maintenance expenditure for the infrastructure created in the previous plans.

Answer Options :

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

- 17) **Assertion (A) :** Though India's national income has gone up several fold since 1947, there has been no marked improvement in the per capita income level.

Reason (R) : Sizeable proportion of the population of India is still living below the poverty line
In the context of the above two statements which one of the following is correct?

- 1) Both A and R are true and R is the correct explanation of A
2) Both A and R are true but R is not a correct explanation of A
3) A is true but R is false
4) A is false but R is true

- 18) The single largest component in the non-plan expenditure during 1991-92 was:
1) interest payment 2) compensation to banks in respect of amount spent as loan waiving
3) subsidies on fertiliser 4) compensation on the loss incurred by PSUs

- 19) The largest revenue in India is obtained from
1) Direct taxes 2) Excise duty 3) Sales tax 4) Railways

- 20) With reference to Union Budget, which of the following is/are covered under Non-Plan Expenditure?

- a) Defence expenditure b) Interest payments
c) Salaries and pensions d) Subsidies

Answer Options :

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

- 21) Zero Base Budgeting (ZBB) lays emphasis on :
- unlimited deficit financing
 - preparing new budget right from scratch
 - preparing the budget neglecting the history of expenditure
- Answer Options :**
- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)
- 22) Fiscal deficit in the Union Budget means :
- the sum of budgetary deficit and net increase in internal and external borrowings
 - the difference between current expenditure and current revenue
 - the sum of monetised deficit and budgetary deficit
 - net increase in Union Government's borrowings from the Reserve Bank of India
- 23) The year 1985-86 recorded an increase in the national income by :
- 1) 3.2% 2) 4.2% 3) 5.9% 4) 5.1%
- 24) Major limitation of national income estimation are indicated below point out the incorrect one :
- non availability of data
 - existence of large number of industries
 - existence of non-monetised sector
 - lack of reliable statistical data
- 25) The term national Income represents
- Gross national product at market prices *minus* depreciation
 - Gross National product at market prices *minus* depreciation *plus* net factor income from abroad
 - Gross national product at market prices *minus* depreciation and indirect taxes plus subsidies
 - Gross national product at market prices *minus* net factor income from abroad
- 26) In an open economy, the national income (Y) of the economy is :
(C, I, G, X, M stand for Consumption, Investment, Govt. Expenditure, total exports and total imports respectively.)
- $Y = C + I + G + X$
 - $Y = C + I + G - X + M$
 - $Y = C + I + G + (X - M)$
 - $Y = C + I - G + (X - M)$
- 27) National Income is the
- Net National Product at market price
 - Net National Product at factor cost
 - Net Domestic Product at market price
 - Net Domestic Product at factor cost
- 28) The new GDP series released by the CSO in February, 1999 is with reference to base price of
- 1) 1999-92 2) 1992-93 3) 1993-94 4) 1994-95
- 29) Consider the following statements :
- Tax revenue as a percent of GDP of India has steadily increased in the last decade.
 - Fiscal deficit as a percent of GDP of India has steadily increased in the last decade.
- Answer Options :**
- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

- 30) Which of the following is/are included in the capital budget of the Government of India?
a) Expenditure on acquisition of assets like roads, buildings, machinery, etc.
b) Loans received from foreign governments
c) Loans and advances granted to the States and Union Territories

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)
- 31) The largest source of financing the public sector outlay of the Eighth Five Year Plan comes from
- 1) balance from current revenue 2) contribution of public enterprises
3) government borrowings 4) deficit financing

- 32) The highest savings is recorded by
- 1) household sector 2) banking sector 3) private sector 4) public sector

- 33) Grants-in-aid given to States are meant
- 1) to maintain friendly relationship between Centre and States
2) for use in centrally sponsored plan schemes
3) to cover gaps of revenue account so that States can undertake various beneficial activities.
4) for meeting State Plan projects

- 34) With reference to the Indian Public Finance, consider the following statements :
- a) External liabilities reported in the Union Budget are based on historical exchange rates.
b) The continued high borrowing has kept the real interest rates high in the economy.
c) The upward trend in the ratio of Fiscal Deficit to GDP in recent years has an adverse effect to private investments.
d) Interest payments is the single largest component of the non-plan revenue expenditure of the Union Government.

Answer Options :

- 1) (a) and (b) only 2) (a) and (c) only 3) (b), (c) and (d) 4) (a), (b), (c), (d)
- 35) Consider the following :
- a) Market borrowing b) Treasury bills c) Special securities issued to RBI
Which of these is/are component(s) of internal debt ?
- 1) (a) and (b) only 2) (a) and (c) 3) (b) and (c) 4) (a), (b) and (c)

- 36) Gilt-edged market means
- 1) bullion market 2) market of Government securities
3) market of guns 4) market of pure metals

- 37) **Assertion (A) :** Fiscal deficit is greater than budgetary deficit.
Reason (R) : Fiscal deficit is the borrowing from the Reserve Bank of India plus other liabilities of the government to meet its expenditure.
- 1) Both A and R are true and R is the correct explanation of A
2) Both A and R true but R is *not* a correct explanation of A
3) A is true but R is false 4) A is false but R is true

- 38) There has been a persistent deficit budget year after year. Which of the following actions can be taken by the government to reduce the deficit?
- a) Reducing revenue expenditure b) Introducing new welfare schemes
c) Rationalizing subsidies d) Expanding industries

Answer Options :

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

- 39) Consider the following taxes :
- a) Corporation tax b) Customs duty c) Wealth tax d) Excise duty

Which of these is/are indirect taxes ?

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

- 40) Which of the following two statements is/are correct?
- a) The Income Tax is based on the principle of 'ability to pay'.
b) High rates of Income Tax were an important reasons for evasion thereof and rise of black money.

Answer Options :

- 1) (a) only 2) (b) only 3) Both (a) and (b) 4) Neither (a) nor (b)

- 41) Under which of the following circumstances may 'capital gains' arise?
- a) When there is an increase in the sales of a product
b) When there is a natural increase in the value of the property owned
c) When you purchase a painting and there is a growth in its value due to increase in its popularity

Answer Options :

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

- 42) Which one of the following statements regarding the levying, collecting and distribution of Income Tax is correct?

- 1) The Union levies, collects and distributes the proceeds of income tax between itself and the states
2) The Union levies, collects and keeps all the proceeds of income tax to itself
3) The Union levies and collects the tax but all the proceeds are distributed among the states
4) Only the surcharge levied on income tax is shared between the Union and the states

- 43) Which of the following is the largest source of revenue in India ?

- 1) Excise duty 2) Railways 3) Sales Tax 4) Direct taxes

- 44) **Assertion (A) :** Indirect taxes contribute maximum amount to the Central Govt.

Reason (R) : Since many goods are being constantly produced and sold. They contribute a good share to the exchequer.

- 1) Both A and R are correct and R is reason for A.
2) Both A and R are true, but R is not the right explanation for A.
3) A is true R is false.
4) A is false R is true.

- 45) Corporation tax
- 1) is levied and appropriated by the States
 - 2) is levied by the Union and collected and appropriated by the States
 - 3) is levied by the Union and shared by the Union and the States
 - 4) is levied by the Union and belongs to it exclusively
- 46) Agricultural income tax is assigned to the State governments by
- 1) the Finance Commission
 - 2) the National Development Council
 - 3) the Inter-State Council
 - 4) the Constitution of India
- 47) Which of the following is an indirect tax ?
- 1) Excise duty
 - 2) Capital gains tax
 - 3) Wealth tax
 - 4) Corporation tax
- 48) The sales tax you pay while purchasing a toothpaste is a
- 1) tax imposed by the Central Government.
 - 2) tax imposed by the Central Government but collected by the State Government.
 - 3) tax imposed by the State Government but collected by the Central Government.
 - 4) tax imposed and collected by the State Government.
- 49) The Minimum Alternative Tax (MAT) was introduced in the Budget of the Government of India for the year
- 1) 1991-92
 - 2) 1992-93
 - 3) 1995-96
 - 4) 1996-97
- 50) A redistribution of income in a country can be best brought about through
- 1) progressive taxation combined with progressive expenditure
 - 2) progressive taxation combined with regressive expenditure
 - 3) regressive taxation combined with regressive expenditure
 - 4) regressive taxation combined with progressive expenditure