



**NATIONAL SCIENCE OLYMPIAD
ECONOMICS
PAST PAPER 2024**

Economics Past Paper

1. What do you mean by the supply of goods?

- a) Stock available for sale
- b) Total stock in the warehouse
- c) The actual production of the goods
- d) Quantity of the goods offered for sale at a particular price per unit of time

Answer:- d

2. When the depreciation is deducted from the gross national product, the net value is known as _____.

- a) Gross domestic product
- b) Net national product
- c) Net domestic product
- d) None of the above

Answer: b

3. When the depreciation is deducted from the gross domestic product, the net value is known as _____.

- a) Gross national product
- b) Net national product
- c) Net domestic product
- d) None of the above

Answer: c

4. Which of the following is the correct duration for the financial year in India?

- a) April 15th to March 15th
- b) April 1st to March 1st
- c) April 1st to March 31st
- d) January 1st to December 31st

Answer: c

5. Which of the following agencies is responsible for the calculation of gross domestic product in India?

- a) Reserve Bank of India
- b) National Statistical Office
- c) Central Statistical Office
- d) Indian Statistical Institute

Answer: b)

6. Which of the following is a step that the central bank will take to encourage greater investment in the economy?

- a) It will look to increase the cash reserve ratio
- b) It will look to reduce the cash reserve ratio
- c) It will look to increase the bank rate
- d) It will look to sell the government securities in the open market

Answer: b

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7. Which of the following is a step that the central bank will take to increase the overall availability of credit?
- a) It will sell the government securities in the market
 - b) It will buy more government securities from the market
 - c) It will raise the reverse repo rate
 - d) It will raise the repo rate

Answer: a

8. Which of the following statements is true about the Indian monetary system?
- a) The Indian monetary system is based on the gold standard
 - b) The Indian monetary system is based on the credit money standard
 - c) The Indian monetary system is based on the paper standard
 - d) The Indian monetary system is based on the metallic standard

Answer: c

9. Which of the following statements represents the main function of the central bank in a country?
- a) It is responsible for the regulation over the supply of money in the market
 - b) It is responsible for the issuance of notes within the country
 - c) It acts as a banker both to the government and to other banks in the country
 - d) All of the above

Answer: d

10. Which of the following statements is true about demand deposits?
- a) It includes both fixed deposits and current account deposits
 - b) It includes both savings account deposits and fixed deposits
 - c) It includes both current account deposits and savings account deposits
 - d) It includes fixed deposits, current account deposits and savings account deposits

Answer: c

11. Which of the following statements is true about the central bank?
- a) It regulates the entire banking system in the country
 - b) It is under the ownership of the central government of a country
 - c) It is the apex bank of a country
 - d) All of the above

Answer: d

12. Which of the following statements about the bank rate is true?
- a) Bank rate is different from interest rate
 - b) Bank rate is the discount rate provided by the central bank of a country
 - c) Bank rate is defined as the rate at which the central bank of a country gives credit to the commercial banks
 - d) All of the above

Answer: d

13. Which of the statements gives a true picture of the effect of the central bank selling securities in the market?
- a) The credit creation capacity of commercial banks will fall
 - b) The credit creation capacity of commercial banks will rise
 - c) The credit creation capacity of commercial banks may rise or fall
 - d) There is no effect on the credit creation capacity of commercial banks

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Answer: a

14. Which of the statements gives a true picture of the effect of lowering the cash reserve ratio by the central bank of a country?
- a) The lending capacity of commercial banks will increase
 - b) The lending capacity of commercial banks will decrease
 - c) The lending capacity of commercial banks may increase or decrease
 - d) There is no effect on the lending capacity of commercial banks

Answer: a

15. Which of the statements gives an accurate picture of the effect of the rise of the reverse repo rate by the central bank of a country?
- a) The demand for goods and services in the country will decrease
 - b) The demand for goods and services in the country will increase
 - c) The demand for goods and services in the country may increase or decrease
 - d) There is no effect on the demand for goods and services in the country

Answer: a

16. Which of the statements gives an accurate picture of the effect of the increase in the repo rate?
- a) The money supply in the country will decrease
 - b) The money supply in the country will increase
 - c) The money supply in the country will increase initially and then decrease
 - d) There is no effect on the money supply in the country

Answer: a

17. Which of the following statements is true about credit creation by banks?
- a) Banks create credit on the basis of their total assets
 - b) Banks create credit on the basis of their total deposits
 - c) Banks create credit on the basis of their total securities
 - d) Banks create credit out of nothing

Answer: b

18. Which of the following is not the function of the central bank of a country?
- a) Being the custodian of foreign exchange reserves
 - b) Accepting deposits from the general public
 - c) Both a and b are correct
 - d) Both a and b are incorrect

Answer: b

19. Which agency regulates the money supply in India?
- a) The Government of India
 - b) Commercial banks
 - c) Reserve Bank of India
 - d) None of the above

Answer: c

20. Which of the following statements is true about the money supply?
- a) It is the total volume of money that is held by the government of a country
 - b) It is the total volume of money that is held by the general public of a country over a time period

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- c) It is the total volume of money that is held by the general public of a country at a particular point in time
- d) All of the above

Answer: c

21. What do you mean by 'under conditions of a perfect competition in the product market'?

- a) $MRP = VMP$
- b) $MRP > VMP$
- c) $VMP > MRP$
- d) None of the above

Answer:- a

22. Which of the following is the relation that the law of demand defines?

- a) Income and price of a commodity
- b) Price and quantity of a commodity
- c) Income and quantity demanded
- d) Quantity demanded and quantity supplied

Answer:- b

23. What do you mean by a mixed economy?

- a) Modern and traditional industries
- b) Public and private sectors
- c) Foreign and domestic investments
- d) Commercial and subsistence farming

Answer:- b

24. What do you mean by the demand of a commodity?

- a) Desire for the commodity
- b) Need for the commodity
- c) Quantity demanded of that commodity

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d) Quantity that consumers are able and willing to buy at various prices during any particular period of time

Answer:- d

25. Starting from the time of independence, why did India follow a planned economy?

1. India followed a five-year plan and required an outlook.

2. Directive Principles of Indian Constitution indicated the planned vision of India.

3. There was no indication whatsoever from the five year plans regarding how much of each and every good and service is to be produced.

Choose the correct statements from the given options

a) Only 2

b) 2 and 3

c) 1 and 3

d) All of the above

Answer:- b

26. What do you mean by Gross National Product?

a) The total value of goods and services produced in the country

b) The total value of all the transactions in the country

c) The depreciation in the total value of goods and services produced in the country

d) The total value of goods and services produced in the country and the net factor income from abroad

Answer:- d

27. Which of the following is the reason for the decline in the child sex ratio in India?

a) Low fertility rate.

b) Female foeticide

c) Incentives for a boy child from the government

d) None of the above

Answer:- b

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28. What factors are taken into consideration while revising the poverty line periodically?

- a) By conducting a survey every five years
- b) Survey carried out by National Sample Survey Organisation
- c) Both a and b
- d) None of the above

Answer:- c

29. In India, which banks/institutions have the highest share in the disbursement of credit to agriculture and allied activities?

- a) Cooperative banks
- b) Regional Rural Banks
- c) Commercial banks
- d) Microfinance institutions

Answer:- c

30. Which of the following is/are linked with the financial sector of India and controlled by the Reserve Bank of India (RBI)?

- a) Commercial bank
- b) Money lenders
- c) Stock exchange operations
- d) All of the above

Answer:- c

31. When price floor is set above equilibrium price it will result in?

- a) Shortage
- b) Surpluses
- c) Equilibrium
- d) None of the above

Answer:- b

32. What is Gross Domestic Product?

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- a) The total value of goods and services manufactured in the country
- b) The total value of all the transactions in the country
- c) The reduction in the total value of goods and services produced in the country
- d) The monetary value of all finished goods and services made within a country during a specific period.

Answer:- d

33. Why is the unemployment rate low in India statistically?

Unemployment is calculated only from the age group of 15 years to 59 years.
Unemployment survives only when an individual cannot find a job.
People are not interested in working outside the domestic area.
Choose the correct option.

- a) Only 3
- b) 2 and 3
- c) Only 2
- d) All of the above

Answer:- c

34. What does the bowed-out shape of the production possibilities curve illustrate?

- a) Law of increasing opportunity cost
- b) The production is inefficient
- c) The production is unattainable
- d) The demand is relatively elastic

Answer:- a

35. What is the main economic problem faced by the society?

- a) Unemployment
- b) Inequality
- c) Poverty
- d) Scarcity

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Answer:- d

36. What does "Capitalism" refer to?

- a) The use of market
- b) Government ownership of capital
- c) Private ownership of capital goods
- d) Private ownership of homes and cars

Answer:- c

37. The goal of a pure market economy is to meet the desire of _____ .

- a) Consumers
- b) Companies
- c) Workers
- d) The government

Answer:- a

38. What does the law of demand mean?

- a) As the quantity demanded rises, the price rises.
- b) As the price rises, the quantity demanded rises.
- c) As the price rises, the quantity demanded falls.
- d) As the supply rises, the demand rises.

Answer:- c

39. Which of the following is an example of an agricultural price support program?

- a) A price ceiling
- b) A price floor
- c) Equilibrium pricing
- d) None of the above

Answer:- b

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40. is the difference between value of goods sold to the rest of the world and value of goods imported from rest of the world.

- a) Balance of payment
- b) Balance of trade
- c) Balance of current account
- d) Balance of capital account

Answer: b

41. From the following which is not included in "Residents" in Balance of Payments transactions?

- a) Firms
- b) Foreign Military Personnel
- c) Government agencies
- d) Individuals
- e) None of these

Answer: b

42. In current account, when value of credit items are more than debt items, it indicates net of foreign exchange.

- a) Asset
- b) Liability
- c) Inflow
- d) Outflow

Answer: b

43. Balance of Payments is a concept.

- a) Flow
- b) Stock
- c) Vibrant
- d) Narrow

Answer: a

44. 'Import of Machinery' is recorded in the Account and 'Borrowings from abroad' is recorded in the account.

- a) Current, Capital
- b) Capital, Current
- c) Capital, Capital
- d) Current, Current

Answer: a

45. A country with a trade surplus will likely experience:

- a) Appreciation of its currency
- b) Depreciation of its currency
- c) No change in its currency value
- d) Exchange rate stability

Answer: a)

46. In the context of foreign exchange rates, what does the term "pegging" refer to?

- a) Tying a currency's value to another currency or asset
- b) Rapid fluctuation of currency values
- c) A currency's conversion rate
- d) A currency's appreciation

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Answer: a) Tying a currency's value to another currency or asset

47. The system where a country's currency is fully convertible into gold is known as:

- a) Fixed exchange rate system
- b) Gold standard
- c) Flexible exchange rate system
- d) Managed exchange rate system

Answer: b)

48. Which organization is responsible for maintaining exchange rate stability among its member countries?

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

Answer: b)

49. In a floating exchange rate system, the exchange rate is primarily determined by:

- a) Government intervention
- b) Market forces of supply and demand
- c) International treaties
- d) Central bank policies

Answer: b)

50. A country with a trade deficit is likely to experience:

- a) Appreciation of its currency
- b) Depreciation of its currency
- c) No change in its currency value
- d) An increase in foreign reserves

Answer: b)

51. What does the Balance of Payments (BoP) measure?

- a) Government spending
- b) Trade balance
- c) Financial transactions with foreign entities
- d) Inflation rate

Answer: c)

52. In the Balance of Payments, the current account includes which of the following?

- a) Imports and exports of goods and services
- b) Financial investments abroad
- c) Government grants and subsidies
- d) All of the above

Answer: a)

53. Which component of the Balance of Payments represents income earned from foreign investments?

- a) Current account
- b) Capital account
- c) Financial account

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d) Trade account

Answer: a)

54. The Balance of Payments is always expected to be in:

- a) Surplus
- b) Deficit
- c) Equilibrium
- d) None of the above

Answer: c)

55. What is the primary determinant of exchange rates in the foreign exchange market?

- a) Central bank policies
- b) Inflation rate
- c) Supply and demand for currencies
- d) Government fiscal policies

Answer: c)

56. In a fixed exchange rate system, the exchange rate is determined by:

- a) Market forces
- b) Government intervention
- c) International organizations
- d) None of the above

Answer: b)

57. What is the term for the rate at which the central bank lends money to commercial banks in a country?

- a) Inflation rate
- b) Exchange rate
- c) Discount rate
- d) Prime rate

Answer: c)

58. Which of the following is not added while calculating the national income of India?

- a) The service rendered by housewives
- b) The value of a good or a service
- c) Both a and b are correct
- d) Both a and b are incorrect

Answer: a)

59. Which of the following is not an example of an indirect tax in India?

- a) Custom duty
- b) Excise duty
- c) Sales tax
- d) Estate duty

Answer: d)

60. Which of the following statements is true about the value of money during the inflationary period?

- a) The value of money is stable during the inflationary period
- b) The value of money increases during the inflationary period
- c) The value of money decreases during the inflationary period

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d) None of the above

Answer: c)

61. Which of the following is another name for the average income of a country?

- a) Inflation rate
- b) Disposable income
- c) Per capita income
- d) None of the above

Answer: c

62. Which of the following is the total value of Net National Product (NNP) at the production point?

- a) Gross national product at factor cost
- b) Gross national product at market price
- c) Net national product at factor cost
- d) Net national product at market price

Answer: c

63. Which of the following is the total value of Net National Product (NNP) at the consumer point?

- a) Gross national product at factor cost
- b) Net national product at market price
- c) Gross national product at market price
- d) Net national product at factor cost

Answer: b

64. When the depreciation is deducted from the gross national product, the net value is known as _____.

- a) Gross domestic product
- b) Net national product
- c) Net domestic product
- d) None of the above

Answer: b

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- c) Net domestic product
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Answer: c

66. Which of the following is the correct duration for the financial year in India?

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- d) January 1st to December 31st

Answer: c

67. Which of the following agencies is responsible for the calculation of gross domestic product in India?

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- a) Reserve Bank of India
- b) National Statistical Office
- c) Central Statistical Office
- d) Indian Statistical Institute

Answer: b)

68. Which of the following is a step that the central bank will take to encourage greater investment in the economy?

- a) It will look to increase the cash reserve ratio
- b) It will look to reduce the cash reserve ratio
- c) It will look to increase the bank rate
- d) It will look to sell the government securities in the open market

Answer: b

69. Which of the following is a step that the central bank will take to increase the overall availability of credit?

- a) It will sell the government securities in the market
- b) It will buy more government securities from the market
- c) It will raise the reverse repo rate
- d) It will raise the repo rate

Answer: a

70. Which of the following statements is true about the Indian monetary system?

- a) The Indian monetary system is based on the gold standard
- b) The Indian monetary system is based on the credit money standard
- c) The Indian monetary system is based on the paper standard
- d) The Indian monetary system is based on the metallic standard

Answer: c

71. Which of the following statements represents the main function of the central bank in a country?

- a) It is responsible for the regulation over the supply of money in the market
- b) It is responsible for the issuance of notes within the country
- c) It acts as a banker both to the government and to other banks in the country
- d) All of the above

Answer: d

72. Which of the following statements is true about demand deposits?

- a) It includes both fixed deposits and current account deposits
- b) It includes both savings account deposits and fixed deposits
- c) It includes both current account deposits and savings account deposits
- d) It includes fixed deposits, current account deposits and savings account deposits

Answer: c

73. Which of the following statements is true about the central bank?

- a) It regulates the entire banking system in the country
- b) It is under the ownership of the central government of a country
- c) It is the apex bank of a country
- d) All of the above

Answer: d

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74. Which of the following statements about the bank rate is true?

- a) Bank rate is different from interest rate
- b) Bank rate is the discount rate provided by the central bank of a country
- c) Bank rate is defined as the rate at which the central bank of a country gives credit to the commercial banks
- d) All of the above

Answer: d

75. Which of the statements gives a true picture of the effect of the central bank selling securities in the market?

- a) The credit creation capacity of commercial banks will fall
- b) The credit creation capacity of commercial banks will rise
- c) The credit creation capacity of commercial banks may rise or fall
- d) There is no effect on the credit creation capacity of commercial banks

Answer: a