Daily subject quiz – Economy (05-11-2026)

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Questions

1. The Goods and Services Tax (GST) Council is constituted under which Article of the Constitution of India?

A. Article 246A
B. Article 269A
C. Article 279A
D. Article 280

2. Consider the following statements about the Monetary Policy Committee (MPC):
1. The MPC is constituted under the Reserve Bank of India Act, 1934.
2. The MPC has six members, three of whom are from the RBI including the Governor.
3. The inflation target is fixed by the MPC itself.
Which of the above are correct?

A. 1 only
B. 1 and 2 only
C. 2 and 3 only
D. 1, 2 and 3

3. Match the institutions (List I) with the year they were established (List II):
(a) Reserve Bank of India – 1. 1990
(b) NABARD – 2. 1935
(c) SIDBI – 3. 1992 (statutory status)
(d) SEBI – 4. 1982
Codes: (a) (b) (c) (d)

A. 2 4 1 3
B. 2 1 4 3
C. 4 2 1 3
D. 2 4 3 1

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4. Assertion (A): The primary deficit of a government can be negative (a primary surplus) even when its fiscal deficit is positive.
Reason (R): Primary deficit is the fiscal deficit minus interest payments.

A. Both A and R are true, and R is the correct explanation of A
B. Both A and R are true, but R is not the correct explanation of A
C. A is true, but R is false
D. A is false, but R is true

5. Match the Tamil Nadu towns (List I) with the industry they are best known for (List II):
(a) Tiruppur – 1. Poultry and egg production
(b) Sivakasi – 2. Home textiles (handloom made-ups)
(c) Namakkal – 3. Knitwear (hosiery) exports
(d) Karur – 4. Fireworks and safety matches
Codes: (a) (b) (c) (d)

A. 4 3 1 2
B. 3 4 2 1
C. 1 4 3 2
D. 3 4 1 2

6. Consider the following statements about Tamil Nadu:
1. The Nutritious Meal Programme for school children was introduced in 1982.
2. The Chief Minister's Breakfast Scheme for government primary school students was launched in Madurai on 15 September 2022.
3. Tamil Nadu follows a targeted Public Distribution System in which only BPL families get rice.
Which of the above are correct?

A. 1 only
B. 1 and 2 only
C. 2 and 3 only
D. 1, 2 and 3

7. Consider the following statements about the Finance Commission:
1. It is constituted by the President under Article 280 of the Constitution.
2. The Sixteenth Finance Commission, chaired by Arvind Panagariya, covers the period 2026-27 to 2030-31.
3. Its recommendations are binding on the Union Government.
Which of the above are correct?

A. 1 only
B. 2 and 3 only
C. 1 and 2 only
D. 1, 2 and 3

8. On 19 July 1969, how many major commercial banks were nationalised in India?

A. 6
B. 20
C. 12
D. 14

9. The Committee on the Financial System (1991), which recommended banking sector reforms such as lowering SLR/CRR and prudential norms, was chaired by:

A. M. Narasimham
B. C. Rangarajan
C. Vijay Kelkar
D. R.N. Malhotra

10. Assertion (A): India's financial year runs from 1 April to 31 March.
Reason (R): Article 112 of the Constitution fixes the financial year as 1 April to 31 March.

A. Both A and R are true, and R is the correct explanation of A
B. Both A and R are true, but R is not the correct explanation of A
C. A is true, but R is false
D. A is false, but R is true

Answers with explanations

1. **C) Article 279A** – Article 279A, inserted by the Constitution (101st Amendment) Act, 2016, provides for the GST Council chaired by the Union Finance Minister. Art. 246A gives the power to levy GST; Art. 269A deals with IGST; Art. 280 is the Finance Commission.

2. **B) 1 and 2 only** – Statement 3 is wrong: under Section 45ZA of the RBI Act, the Central Government fixes the inflation target in consultation with the RBI (once in five years). The MPC (Section 45ZB) only sets the policy repo rate; the Governor has a casting vote in a tie.

3. **A) 2 4 1 3** – RBI – 1 April 1935; NABARD – 12 July 1982; SIDBI – 2 April 1990 (SIDBI Act, 1989); SEBI was set up in 1988 and got statutory powers under the SEBI Act on 30 January 1992.

4. **A) Both A and R are true, and R is the correct explanation of A** – Primary deficit = fiscal deficit – interest payments. If interest payments are larger than the fiscal deficit, the primary deficit becomes negative. So R correctly explains A.

5. **D) 3 4 1 2** – Tiruppur – knitwear exports; Sivakasi – fireworks and matches; Namakkal – poultry/egg hub; Karur – home textiles such as bed linen and curtains.

6. **B) 1 and 2 only** – Statement 3 is wrong: Tamil Nadu follows a universal PDS – all eligible rice-card families get rice, and it retained this even after implementing the NFSA in 2016.

7. **C) 1 and 2 only** – Statement 3 is wrong: Finance Commission recommendations are advisory; the President lays them before Parliament with an explanatory memorandum (Article 281).

8. **D) 14** – Fourteen major banks (each with deposits of Rs 50 crore or more) were nationalised on 19 July 1969; six more were nationalised on 15 April 1980.

9. **A) M. Narasimham** – The M. Narasimham Committee (1991) laid the base for banking reforms; a second Narasimham Committee on Banking Sector Reforms followed in 1998. R.N. Malhotra chaired the 1993 insurance reforms committee.

10. **C) A is true, but R is false** – A is true, but R is false: Article 112 only requires the Annual Financial Statement for each financial year; the term 'financial year' (year beginning 1 April) is defined in Section 3(21) of the General Clauses Act, 1897, applied to the Constitution through Article 367.

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