Daily subject quiz – Economy (12-11-2026)

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Questions

1. The Consolidated Fund of India is constituted under which Article of the Constitution of India?

A. Article 265
B. Article 266
C. Article 267
D. Article 280

2. Consider the following statements:
1. The Standing Deposit Facility (SDF), introduced by the RBI in April 2022, forms the floor of the liquidity adjustment facility (LAF) corridor.
2. The Marginal Standing Facility (MSF) rate is fixed below the policy repo rate.
3. Banks do not earn interest on the balances they keep with the RBI to meet the Cash Reserve Ratio (CRR).
Which of the statements given above are correct?

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

3. Match the committees (List I) with their subject (List II):
(a) Raja J. Chelliah Committee (1991) – 1. Review of the FRBM framework
(b) Urjit Patel Committee (2014) – 2. Tax reforms
(c) Bimal Jalan Committee (2019) – 3. Economic capital framework of the RBI
(d) N.K. Singh Committee (2017) – 4. Revising the monetary policy framework
Codes: (a) (b) (c) (d)

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

4. Assertion (A): An increase in the Cash Reserve Ratio (CRR) reduces the amount banks can lend.
Reason (R): The CRR is a qualitative (selective) instrument of credit control.

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. Asia's first Export Processing Zone was set up in 1965 at:

A. Santacruz (Mumbai)
B. Kandla
C. Falta
D. Tambaram (Chennai)

6. Consider the following statements about payments banks in India:
1. They cannot issue credit cards.
2. They can accept deposits of up to ₹2 lakh per individual customer.
3. They can issue ATM / debit cards.
Which of the statements given above are correct?

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

7. Match the reports / indices (List I) with the organisations that publish them (List II):
(a) Global Innovation Index – 1. International Monetary Fund
(b) Human Development Index – 2. World Economic Forum
(c) World Economic Outlook – 3. World Intellectual Property Organization
(d) Global Gender Gap Report – 4. United Nations Development Programme
Codes: (a) (b) (c) (d)

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

8. Assertion (A): An increase in the policy repo rate tends to make bank loans costlier.
Reason (R): The repo rate is the rate at which the RBI provides overnight liquidity to banks against the collateral of government and other approved securities.

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

9. Which body releases India's official estimates of Gross Domestic Product (GDP) and other national accounts?

A. Reserve Bank of India
B. NITI Aayog
C. Department of Economic Affairs, Ministry of Finance
D. National Statistics Office, Ministry of Statistics and Programme Implementation

10. Consider the following statements:
1. The Planning Commission was set up in March 1950 by a resolution of the Government of India.
2. NITI Aayog came into being on 1 January 2015.
3. NITI Aayog was established by an Act of Parliament.
Which of the statements given above are correct?

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

Answers with explanations

1. **B) Article 266** – Article 266(1) constitutes the Consolidated Fund of India, into which all revenues, loans raised and loan repayments received by the Union go; Article 266(2) provides for the Public Account. Article 267 deals with the Contingency Fund, Article 265 says no tax shall be levied except by authority of law, and Article 280 provides for the Finance Commission.

2. **C) 1 and 3 only** – Statement 2 is wrong: the MSF rate is set above the repo rate (it is the ceiling of the LAF corridor), because it is a penal window for banks that need overnight funds beyond the normal limits. The SDF, introduced in April 2022, lets the RBI absorb liquidity without giving collateral and is the floor of the corridor; CRR balances earn no interest.

3. **A) 2 4 3 1** – The Tax Reforms Committee under Raja J. Chelliah (1991) shaped direct and indirect tax reform; the Urjit Patel Committee (report January 2014) recommended CPI inflation as the nominal anchor, which led to flexible inflation targeting; the Bimal Jalan Committee (2019) reviewed the RBI's economic capital framework and surplus transfer; the N.K. Singh Committee (report January 2017) reviewed the FRBM Act.

4. **C) A is true, but R is false** – A is true: a higher CRR locks up a larger share of deposits with the RBI, so less is left for lending and the money multiplier falls. R is false: the CRR, like the repo rate, SLR and open market operations, is a quantitative (general) instrument; qualitative instruments include margin requirements, moral suasion and selective credit controls.

5. **B) Kandla** – The Kandla Export Processing Zone in Gujarat (1965) was the first in Asia. The Madras Export Processing Zone at Tambaram was set up in 1984; most export processing zones were converted into Special Economic Zones after the SEZ policy of 2000 and the SEZ Act, 2005.

6. **D) 1, 2 and 3** – All three are correct. Payments banks, licensed by the RBI to widen financial inclusion, can take demand deposits (the limit was raised from ₹1 lakh to ₹2 lakh per customer in April 2021), issue ATM/debit cards and offer remittance services, but they cannot lend and cannot issue credit cards.

7. **C) 3 4 1 2** – The Global Innovation Index is published by WIPO; the Human Development Index appears in UNDP's Human Development Report; the World Economic Outlook is the IMF's flagship report; the Global Gender Gap Report is brought out by the World Economic Forum.

8. **A) Both A and R are true, and R is the correct explanation of A** – Both are true and R explains A: when the RBI raises the rate at which banks borrow from it, banks' cost of funds rises, and – with external-benchmark-linked lending – this passes on to borrowers as higher loan rates. This transmission is how the Monetary Policy Committee's repo decision reaches the economy.

9. **D) National Statistics Office, Ministry of Statistics and Programme Implementation** – The National Statistics Office (NSO) under the Ministry of Statistics and Programme Implementation (MoSPI) compiles and releases the quarterly and annual GDP estimates and the National Accounts Statistics. The RBI publishes monetary and banking data, and the Economic Survey of the Department of Economic Affairs uses the NSO estimates.

10. **B) 1 and 2 only** – Statement 3 is wrong: like the Planning Commission (set up by a Cabinet resolution of 15 March 1950), NITI Aayog was created by a Cabinet resolution of 1 January 2015; it is neither a constitutional nor a statutory body. The Prime Minister is the Chairperson of NITI Aayog.

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