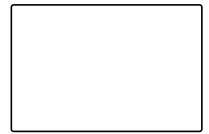


Name: _____

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Question: 1 of 25

QID: 2133

Marks: 1

What determines the exchange rate between two currencies in a free market?

-
- A. Government regulations
 - B. Demand and supply in the foreign exchange market
 - C. Fixed rates set by central banks
 - D. The gold standard

Question: 2 of 25

QID: 2134

Marks: 1

What is the equilibrium point in the money market?

-
- A. When money supply is fixed.
 - B. When demand for money exceeds supply.
 - C. When supply of money exceeds demand.
 - D. When demand for money equals supply.

Question: 3 of 25

QID: 2135

Marks: 1

What is the primary advantage of using fiat money over commodity money?

-
- A. Intrinsic value
 - B. Easier to regulate
 - C. Higher durability
 - D. Better stability during economic crises

Question: 4 of 25

QID: 2163

Marks: 1

If the central bank increases the interest rates to combat high inflation, what is the likely immediate impact on consumer spending and borrowing?

-
- A. Increase in both
 - B. Decrease in both
 - C. Increase in spending, decrease in borrowing
 - D. Decrease in spending, increase in borrowing
 - E. No impact

Question: 5 of 25

QID: 2164

Marks: 1

Which of the following best describes the concept of mining in blockchain technology?

- A. Extracting digital assets from the internet.
- B. Validating transactions to the blockchain ledger
- C. Creating new digital currencies.
- D. Storing data on a decentralised network.

Question: 6 of 25

QID: 2165

Marks: 1

A company buys equipment for Rs. 1,00,000 with a residual value of Rs. 20,000 and a useful life of 8 years. What is the annual depreciation expense using the straight-line method?

- A. Rs. 12,500
- B. Rs. 10,000
- C. Rs. 15,000
- D. Rs. 8,000

Question: 7 of 25

QID: 2193

Marks: 1

Which of the following is a disadvantage of using the straight-line depreciation method?

- A. It is complex to calculate.
- B. It may not reflect the actual usage pattern of the asset.
- C. It results in higher depreciation expenses in the early years.
- D. It requires a detailed tracking of asset usage.

Question: 8 of 25

QID: 2194

Marks: 1

A blockchain network experiences a 51% attack. What does this imply?

- A. The network has successfully resisted all hacking attempts.
- B. A single entity has gained control.
- C. The blockchain has become faster and more efficient.
- D. The network has decentralised further.

Question: 9 of 25

QID: 2195

Marks: 1

How does the introduction of a central bank digital currency (CBDC) differ from traditional cryptocurrencies?

- A. CBDCs are fully decentralised.
- B. CBDCs are issued and regulated by central banks.
- C. CBDCs have no backing from any government.
- D. CBDCs cannot be used for international transactions.

Question: 10 of 25

QID: 2223

Marks: 1

How do central banks battle inflation?

- A. By increasing interest rates
- B. By increasing money supply
- C. By decreasing unemployme
- D. By decreasing interest rates

Question: 11 of 25

QID: 2224

Marks: 1

What is the purpose of the Know Your Customer (KYC) guidelines in the Indian banking system?

- A. Determining the eligibility for government scheme.
- B. Facilitating cross-border transactions.
- C. Preventing money laundering and identity theft.
- D. Regulating interest rates on loans.

Question: 12 of 25

QID: 2225

Marks: 1

The process of converting future cash flows into their present value equivalent is called:

- A. Compounding
- B. Discounting
- C. Amortisation
- D. Accumulation

Question: 13 of 25

QID: 2226

Marks: 1

Which of the following income sources is exempt from income tax in India?

- A. Income from agricultural activities
- B. Income from house property
- C. Income from salary
- D. Income from capital gains

Question: 14 of 25

QID: 2273

Marks: 1

The price of 1 kg onion went from Rs. 77 to Rs. 50. Calculate the deflation rate.

- A. 35.06%
- B. -35.06%
- C. 54%
- D. -54%

Question: 15 of 25

QID: 2274

Marks: 1

The cost of an excavator is Rs. 50,00,000 and it is depreciated at the rate of 8% per annum. Calculate the value of the excavator at the end of year 3 if the WDV method is followed.

- A. Rs. 46,00,000
- B. Rs. 38,93,440
- C. Rs. 42,32,000
- D. Rs. 3,89,34,400

Question: 16 of 25

QID: 2275

Marks: 1

Which of the following are measures taken by the government and central bank to manage deflation?

- A. Cutting tax rates
- B. Decreasing interest rates
- C. increasing government spending
- D. Increasing interest rates
- E. Increasing money supply in the economy

Question: 17 of 25

QID: 2276

Marks: 1

Which of the following can lead to deflation

- A. Decreased aggregate demand
- B. Increased government spending
- C. Expansionary monetary policy
- D. Increase in interest rates

Question: 18 of 25

QID: 2292

Marks: 1

If the central bank increases open market operations by buying government securities, what is the likely effect on interest rates?

- A. Interest rates will rise.
- B. Interest rates will fall.
- C. Interest rates will remain unchanged.
- D. Interest rates will fluctuate unpredictably.

Question: 19 of 25

QID: 2293

Marks: 1

What is the primary reason a country might peg its currency to another currency?

- A. To increase exchange rate volatility
- B. To stabilise the domestic currency
- C. To reduce foreign trade
- D. To eliminate the need for a central bank

Question: 20 of 25

QID: 2294

Marks: 1

Which of the following is a likely result of an appreciation of the domestic currency in the foreign exchange market?

- A. Increase in export volumes.
- B. Decrease in import volumes.
- C. Decrease in export.
- D. Increase in domestic inflation.

Question: 21 of 25

QID: 2295

Marks: 1

If the central bank wants to decrease the money supply, which of the following actions should it take?

- A. Decrease the reserve requirement
- B. Buy government securities
- C. Increase the repo rate
- D. Decrease the repo rate

Question: 22 of 25

QID: 2818

Marks: 1

How do central banks battle inflation?:

- A. By increasing interest rates
- B. By increasing money supply
- C. By decreasing unemployment
- D. By decreasing interest rates

Question: 23 of 25

QID: 2819

Marks: 1

What is the purpose of the Know Your Customer (KYC) guidelines in the Indian banking system?

- A. Regulating interest rates on loans
- B. Preventing money laundering and identity theft
- C. Facilitating cross-border transactions
- D. Determining the eligibility for government schemes

Question: 24 of 25

QID: 2820

Marks: 1

The process of converting future cash flows into their present value equivalent is called:

- A. Compounding
- B. Discounting
- C. Amortization
- D. Accumulation

Which of the following income sources is exempt from income tax in India?

- A. Income from agricultural activities
- B. Income from house property
- C. Income from salary
- D. Income from capital gains

-- END OF QUESTION PAPER --