

Banking Daily Quiz Blog - October 14



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1. If there are good and services in the economy but there is no purchasing power for the people, this situation is called as

A Market Failure

B Market Situation

C Market Initiation

D Market Analysis

E Market Dynamics

Solution

- Option A is the correct answer.
- Market failure is the economic situation defined by an inefficient distribution of goods and services in the free market.
- In market failure, the individual incentives for rational behavior do not lead to rational outcomes for the group.
- Market failure occurs when individuals acting in rational self-interest produce a less than optimal or economically inefficient outcome.

- Market failure can occur in explicit markets where goods and services are bought and sold outright, which we think of as typical markets.
- Market failure can also occur in implicit markets as favors and special treatment are exchanged, such as elections or the legislative process.
- Market failures can be solved using private market solutions, government-imposed solutions, or voluntary collective actions.
- The four types of market failures are public goods, market control, externalities, and imperfect information. Public goods causes inefficiency because nonpayers cannot be excluded from consumption, which then prevents voluntary market exchanges.

2. Which among the following is the graphical interpretation of inflation and unemployment in an economy ?

A Assisted Curve

B Budget Curve

C Asset Curve

D Phillips Curve

E Other than those given as options

Solution

- Option D is the correct answer.
- The Phillips Curve is the graphical representation of the short-term relationship between unemployment and inflation.
- The Phillips curve is an economic concept developed by A. W. Phillips stating that inflation and unemployment have a stable and inverse relationship.
- The theory claims that with economic growth comes inflation, which in turn should lead to more jobs and less unemployment.

- Fiscal Policy refers to the budgetary policy of the government, which involves the government controlling its level of spending and tax rates within an economy.

3. Which of the following refers to the condition of slow economic growth, high employment and high prices ?

A Skew Inflation

B Hyperinflation

C Stagflation

D High Inflation

E Other than given options

Solution

- Option C is the correct answer.
- Stagflation is an economic event in which the inflation rate.
- Stagflation is an economic event in which the inflation rate is high, economic growth rate slows, and unemployment remains steadily high. Such an unfavorable combination is feared and can be a dilemma for governments since most actions designed to lower inflation may raise unemployment levels, and policies designed to decrease unemployment may worsen inflation.

- Stagflation was first recognized during the 1970's, where many developed economies experienced rapid inflation and high unemployment as a result of an oil shock.

4. Which of the following is used for the purpose of determining the wage of agricultural labourers in different states ?

A CPI-AL

B CPI-RL

C CPI-UCME

D CPI-UPL

E Other than given options

Solution

- Option A is the correct answer.
- At the national level, there are four Consumer Price Index (CPI) numbers. These are:
 1. CPI for Industrial Workers (IW),
 2. CPI for Agricultural Labourers (AL),
 3. CPI for Rural Labourers (RL) and
 4. CPI for Urban Non-Manual Employees (UNME).

5. CPI for Agricultural Labourers and Rural Labourers, CPI (AL/RL)

A person is treated as an agricultural labourer if he or she follows one or more of the agricultural occupations in the capacity of a labourer on hire, whether paid in cash or kind or partly in cash and partly in kind. A rural labourer is defined as one who does manual work in rural areas in agricultural and non-agricultural occupations in return for wages in cash or kind, or partly in cash and partly in kind. The source of weights for the current series of CPI(AL) and CPI(RL), with base 1986-87, released since November 1995, is consumption expenditure data collected during the NSS 38th Round of Consumer Expenditure Survey, 1983. For the purpose of collection of consumer expenditure data for deriving weighting diagrams for CPI(AL/RL) as a part of general consumer expenditure survey of NSSO, the rural labour household is defined as one which derives its major income during the last 365 days from wage paid manual employment (rural labour), vis-à-vis wage paid non-manual employment as also self-employment.

5. Which among the following state becomes first organic state in india?

A Punjab

B Sikkim

C Haryana

D Madhya Pradesh

E Uttar Pradesh

Solution

- Option B is the correct answer.
- India ranks first in number of organic farmers, 9th in area; Sikkim becomes first fully organic state.
- North East India has traditionally been organic and the consumption of chemicals is far less than the rest of the country. Similarly, the tribal and island territories are being nurtured to continue their organic story.
- Sikkim became the first state in the world to become fully organic and other With the aim of assisting farmers to adopt organic farming and improve remunerations due to premium prices, two dedicated

programs namely Mission Organic Value Chain Development for North East Region (MOVCD) and Paramparagat Krishi Vikas Yojana (PKVY) were launched in 2015 to encourage chemical-free farming, said Ministry of Agriculture & Farmers Welfare. States including Tripura and Uttarakhand have set similar targets.

6. Mori, has recently given tag of small digital village. It is located in which of the following state ?

A Gujarat

B Madhya Pradesh

C Punjab

D Andhra Pradesh

E Haryana

Solution

- Option D is the correct answer.
- Amaravati: Mori, a tiny village under Sakhinetipalli mandal in East Godavari district of Andhra Pradesh, sealed its place on India's digital map by transforming completely into a Smart Digital Village, in every sense of the term
- All the 1189 households in the village with a population of 4500 became fully digital as Chief Minister N Chandrababu Naidu finally launched the AP FiberNet project that will provide internet at a speed of 15 mbps, WiFi, a telephone connection and 250 cable

television channels (using a triple-play set-top box) for a total price of Rs 149 per month.

- The AP State Fiber Grid Corporation distributed 650 Android-based smartphones to the villagers to enable them go for digital transactions post-demonetisation. Mori would also soon have piped LPG supply.

7. RBI has recently launched the GDP growth projection for current fiscal to

A 7.2%

B 7.3%

C 7.4%

D 9.5%

E 7.6%

Solution

- Option D is the correct answer.
- The Reserve Bank of India (RBI) has cut its projection for gross domestic product (GDP) growth for fiscal 2021-22 (FY22) to 9.5 per cent from the earlier forecast of 10.5 per cent.

8. **The Socio-Economic Caste Census-2011 was commenced from among which of the following state ?**

A Telegana

B Andhra Pradesh

C Tripura

D Arunachal Pradesh

E Manipur

Solution

- Option C is the correct answer.
- The Socio-Economic Caste Census-2011 was commenced (Launched) Sankhola village of Hazemara block in West Tripura district.
- SECC-2011 is a study of socio economic status of rural and urban households and allows ranking of households based on predefined parameters.
- SECC 2011 has three census components which were conducted by three separate authorities but under the overall coordination of

Department of Rural Development in the Government of India.

Census in Rural Area has been conducted by the Department of Rural Development (DoRD).

- Census in Urban areas is under the administrative jurisdiction of the Ministry of Housing and Urban Poverty Alleviation (MoHUPA).
- Caste Census is under the administrative control of Ministry of Home Affairs: Registrar General of India (RGI) and Census Commissioner of India.

9. WPI is released by which of the following organisation ?

A Central Statistics Office

B Reserve Bank of India

C Chief Economic Advisor (CEA)

D Department for Promotion of Industry and Internal Trade

E Ministry of Commerce and Industry

Solution

- Option E is the correct answer.
- The WPI is published by the Economic Advisor in the Ministry of Commerce and Industry.
- The Wholesale Price Index focuses on the price of goods traded between corporations, rather than the goods bought by consumers, which is measured by the Consumer Price Index.
- Major components of WPI:

1. Primary articles is a major component of WPI, further subdivided into Food Articles and Non-Food Articles.

2. Food Articles include items such as Cereals, Paddy, Wheat, Pulses, Vegetables, Fruits, Milk, Eggs, Meat & Fish, etc.
3. Non-Food Articles include Oil Seeds, Minerals and Crude Petroleum
4. The next major basket in WPI is Fuel & Power, which tracks price movements in Petrol, Diesel and LPG
5. The biggest basket is Manufactured Goods. It spans across a variety of manufactured products such as Textiles, Apparels, Paper, Chemicals, Plastic, Cement, Metals, and more.
6. Manufactured Goods basket also includes manufactured food products such as Sugar, Tobacco Products, Vegetable and Animal Oils, and Fats.

10. **Real Income is:-**

A

the net part of wage, one is free to use which is derived after deducting the direct taxes

B

the wages someone gets in hand per day or per month

C

the net part of wages, one is free to use which is derived after deducting the indirect taxes

D

Real income is the earnings of individuals or the nation after adjusting to the extent of inflation.

E

none of the above option

Solution

- Option D is the correct answer.
- Real income is the earnings of individuals or the nation after adjusting to the extent of inflation.
- It is computed by dividing the nominal income by the price level.
- Personal, corporate, or national income after accounting for inflation. For example, if one's nominal income has grown 10% and

the inflation rate is 3%, the real income growth is 7%. Real income is also known as real wages.



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