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**1-Scatter diagram is used to study \_\_\_ in economic statistics.**

1. Variability in the series
2. Nature of Correlation in the two series
3. Regression
4. Secular trend

(Ans: b)

**2-Coefficient of Correlation (r) is significant, if:**

1.  $r > 5$  times Probable Error
2.  $r < 6$  times Probable Error
3.  $r > 6$  times Probable Error
4.  $r = 6$  times Probable Error

(Ans: c)

**3-Which statistical measure helps in measuring the purchasing power of money?**

1. Arithmetic average
2. Index numbers
3. Harmonic mean
4. Time series

(Ans: b)

**4-Fisher's ideal index number is:**

1. Arithmetic mean of Laspeyre's and Paasche's index
2. Harmonic mean of Laspeyre's and Paasche's index
3. Geometric mean of Laspeyre's and Paasche's index
4. None of the above

(Ans: c)

**5-Which among the following is NOT a correct statement?**

1. Welfare economics is based on value judgements.
2. Welfare economics is also called 'economics with a heart'.
3. Welfare economics focuses on questions about equity as well as efficiency.
4. The founder of Welfare economics was Alfred Marshall.

(Ans: d)

**6-Who is the 'lender of the last resort' in the banking structure of India?**

1. State Bank of India
2. Reserve Bank of India
3. EXIM Bank of India
4. Union Bank of India

(Ans: b)

**7- \_\_\_ is the official minimum rate at which the Central Bank of a country is prepared to rediscount approved bills held by the commercial banks.**

1. Repo rate
2. Bank rate
3. Prime lending rate
4. Reverse repo rate

(Ans: b)

**8-In order to control credit, Reserve Bank of India should:**

1. Increase CRR and decrease Bank rate
2. Decrease CRR and reduce Bank rate
3. Increase CRR and increase Bank rate
4. Reduce CRR and increase Bank rate

(Ans: c)

**9-Which among the following is a function of the Reserve Bank of India?**

1. Bank issues the letters of credit to their customers certifying their creditability
2. Collecting and compilation of statistical information relating to banking & other financial sectors
3. Banks under write the securities issued by public or private organizations
4. Accepting deposits from the public

(Ans: b)

**10-Credit creation power of the commercial banks gets limited by which of the following?**

1. Banking habits of the people
2. Cash reserve ratio
3. Credit policy of the central bank
4. All of the above

(Ans: d)