



Date : 18th Nov 2023

General Knowledge - GDP

English

Q:1 What can be described as a period of inflation combined with a decline in the gross domestic product (GDP)?

1. Inflation
2. Deflation
3. High demand
4. Stagflation

Q:2 As per RBI, in India, services sector accounted for _____ of the GDP in the 1980s

1. 58.6 per cent
2. 38.6 per cent
3. 18.6 per cent
4. 78.6 per cent

Q:3 The contribution made by each sector of the economy into GDP is called _____.

1. Structural composition
2. Nominal composition
3. Real GDP
4. Real composition

Q:4 Which organisation estimates about India's GDP growth rate to 6.6%?

1. WTO
2. UNCTAD
3. UNESCO
4. IMF

Q:5 In 1950-51, what percentage of GDP of India was contributed by the industrial sector?

1. 22 percent
2. 28 percent
3. 13 percent
4. 16 percent

Q:6 According to a report by the UN in February 2023, India's GDP is to grow at ___% in FY24.

1. 5.8
2. 6.2
3. 6.7
4. 7.1

Q:7 The year whose prices are being used to calculate the real GDP is called _____.

1. current year
2. constant year

3. base year

4. fiscal year

Q:8 The value of GDP at the current prevailing prices is called _____.

1. nominal GDP
2. current GDP
3. domestic GDP
4. real GDP

Q:9 Which organisation of the government of India reports the GDP of the country?

1. Securities and Exchange Board of India
2. Central Statistics Office
3. NITI Aayog
4. Reserve Bank of India

Q:10 In which year, India's industrial manufacturing GDP production was the 6th highest in the world?

1. 2013
2. 2014
3. 2015
4. 2016



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Answer Key

1. (4)	2. (2)	3. (1)	4. (2)	5. (3)
6. (2)	7. (3)	8. (1)	9. (2)	10. (3)

Answers and Solutions

Q:1 The correct answer is **Option 4** i.e. **Stagflation**.
Stagflation:

Stagflation is a seemingly contradictory condition described by slow economic growth and relatively high unemployment, or economic stagnation, which is at the same time accompanied by rising prices (i.e. inflation).

Stagflation can also be alternatively defined as a period of inflation combined with a decline in the gross domestic product (GDP).

Stagflation refers to an economy that is experiencing a simultaneous increase in inflation and stagnation of economic output.

Q:2 The correct answer is **Option 2** i.e. **38.6 per cent**

- In the 1980s, the services sector accounted for around 38.6% of India's GDP.
- The services sector saw significant growth during this period, and it has continued to expand over the years, making it a crucial component of India's economy.
- Technological Advances: The 1980s saw the adoption and integration of modern technologies in various service industries, such as telecommunications, information technology, and financial services. This played a pivotal role in the sector's growth.
- Liberalization and Globalization: The process of economic liberalization, which began in the early 1990s, was initiated during the latter part of the 1980s. These reforms opened up the Indian economy to foreign investment and trade, leading to increased opportunities and competition in the services sector.
- Education and Skilled Workforce: Investments in education and the development of a skilled workforce were essential for the growth of services like IT and software development, banking, and finance.
- Rising Middle Class: The expanding middle class and changing consumer behavior led to greater demand for services, including retail,

healthcare, hospitality, and entertainment

Q:3 The correct answer is **Option 1** i.e. **Structural composition**

- The contribution made by each sector of the economy into the Gross Domestic Product (GDP) is called 'sectoral distribution of GDP' or 'economic sector contribution to GDP.'
- The economy is typically divided into three main sectors: primary, secondary, and tertiary.
- The primary sector includes activities related to agriculture, forestry, fishing, and mining. The secondary sector encompasses manufacturing and industrial activities.
- The tertiary sector includes services such as retail, education, healthcare, and more.
- The sectoral distribution of GDP is a way to measure and analyze the relative economic importance of each sector within a country's economy, providing valuable insights into its economic structure and development

Q:4 The correct answer is **Option 2** i.e. **UNCTAD**.

The UN Conference on Trade and Development (UNCTAD) has raised its economic growth forecast for India in 2023 from 6 to 6.6 percent. It also predicts a slight decline in India's Growth to 6.2 percent for the year 2024.

Q:5 The correct answer is **Option 3** i.e. **13 percent**

The contribution of the industrial sector to GDP increased during this period, from 13% in 1950-1951 to 24.6% in 2016.

Q:6 The correct answer is **Option 2** i.e. **6.2**.

India's GDP to grow at 6.2% in FY24, rising interest payments a concern, says the UN report.

A) India's GDP is expected to grow by 6 percent in the current financial year, and by a marginally quicker 6.2 percent in the financial year 2023-24 that starts on 1 April.

B) The report noted that the rising interest rates signify that interest payments could be higher than the entire education budget of a few years ago.

Q:7 The correct answer is **Option 3** i.e. **base year**.

- The base year is the year in which an index is set to 100. While computing macroeconomic



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numbers such as inflation or economic growth rates, indices are used.

- To monitor prices, the statistical agencies of the government will choose a basket of goods, and set the value of this basket to 100, for a chosen base year.

Q:8 The correct answer is **Option 1** i.e. **nominal GDP**.

- Nominal GDP is the market value of the final production of goods and services within a country in a given period using that year's prices (also called "current prices").
- Nominal GDP reflects the raw numbers in current dollars unadjusted for inflation.

Q:9 The correct answer is **Option 2** i.e. **Central Statistics Office**.

- **The Central Statistics Office (CSO)** is a governmental agency in India under the Ministry of Statistics and Programme Implementation responsible for **co-ordination of statistical activities in India, and evolving and maintaining statistical standards**.
- The Director-General leads the Central Statistics Office.
- The Central Statistics Office is **headquartered in Delhi**.
- The government declared that the National Sample Survey Office (NSSO) and the Central Statistics Office will be merged to become the National Statistical Office (NSO).
- **The responsibilities of CSO** include coordinating statistical activities and liaison with the Central Government Departments, State Governments and International Agencies; preparation of national accounts; conducting Annual Survey of Industries, Economic Censuses and their Follow-up Enterprise Surveys; constructing IIP etc.
- The CSO was **formed in the year 1951**, initially, it was functioning as an institute but later on, it was reformed into a CSO office that deals with all the National Statistics.

Q:10 The correct answer is **Option 3** i.e. **2015**.

- In 2015, India's industrial manufacturing GDP production was the 6th highest in the world.
- The 9th largest in inflation-adjusted constant 2005 US dollars (\$197.1 billion).

- The 1991 economic reforms resulted in significant changes in the industrial sector, including the removal of import restrictions, the introduction of foreign competition, privatisation of certain government-owned public-sector industries, the liberalisation of the foreign direct investment (FDI) regime.