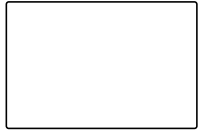


Name: _____

Date: _____



Question: 1 of 25

QID: 1618

Marks: 1

Priya notices that during a financial crisis, people prefer to hold cash rather than invest. What property of money does this behaviour highlight?

- A. Fungibility
- B. Stability
- C. Durability
- D. Portability

Question: 2 of 25

QID: 1619

Marks: 1

A small country decides to switch from its national currency to using the US Dollar. Which property of money might they be trying to leverage by doing this?

- A. Durability
- B. Stability
- C. Portability
- D. Recognisability

Question: 3 of 25

QID: 1620

Marks: 1

If the demand for a country's currency increases by 5% and the supply remains constant, what is the likely impact on the currency's value?

- A. It increases
- B. It decreases
- C. It remains the same
- D. It fluctuates randomly

Question: 4 of 25

QID: 1621

Marks: 1

John bought 0.05 Bitcoin when 1 Bitcoin was \$30,000. If the value of Bitcoin increases to \$50,000, what is the new value of John's Bitcoin in USD?

- A. \$3000
- B. \$1500
- C. \$2500
- D. \$2000

Question: 5 of 25

QID: 1643

Marks: 1

A commodity-backed currency is tied to gold, where 1 unit of currency equals 0.1 grams of gold. If the price of gold is \$50 per gram, what is the value of 100 units of the currency in USD?

- A. \$500
- B. \$50
- C. \$1000
- D. \$200

Question: 6 of 25

QID: 1644

Marks: 1

If a country experiences hyperinflation, what happens to the value of its money?

- A. It increases significantly.
- B. It decreases significantly.
- C. It remains stable.
- D. It becomes more durable.

Question: 7 of 25

QID: 1645

Marks: 1

Why might a country prefer to use fiat currency instead of commodity-backed currency?

- A. Commodity-backed currency is less stable.
- B. Fiat currency allows for greater control over the economy.
- C. Commodity-backed currency cannot be used internationally.
- D. Fiat currency does not fluctuate in value

Question: 8 of 25

QID: 1646

Marks: 1

If an individual wants to protect their wealth from inflation, which form of money might they prefer?

- A. Cash
- B. Bonds
- C. Cryptocurrency
- D. Commodities like gold

Question: 9 of 25

QID: 1668

Marks: 1

If a country's money supply increases by 10% but the demand for money remains constant, what happens to the value of money?

- A. It increases
- B. It decreases
- C. It remains the same
- D. It doubles

Question: 10 of 25

QID: 1669

Marks: 1

If a new cryptocurrency is created with a supply limit of 21 million units, what economic principle does this illustrate?

- A. Demand and supply
- B. Inflation
- C. Fixed supply
- D. Commodity backing

Question: 11 of 25

QID: 1670

Marks: 1

What is one key advantage of using digital currency over physical currency?

- A. Higher value
- B. Convenience and speed of transactions
- C. Limited supply
- D. Physical form

Question: 12 of 25

QID: 1671

Marks: 1

Which property of money ensures that it remains useful over time without deteriorating?

- A. Fungibility
- B. Portability
- C. Durability
- D. Stability

Question: 13 of 25

QID: 1693

Marks: 1

If a currency depreciates by 10% against the USD, what happens to the price of imported goods from the US costing \$500?

- A. It increases by \$450.
- B. It increases to \$550.
- C. It remains the same.
- D. It decreases to \$400.

Question: 14 of 25

QID: 1694

Marks: 1

If a new cryptocurrency is created with a fixed supply and increasing demand, what is the expected effect on its value?

- A. Decrease in value
- B. Increase in value
- C. Value remains unchanged
- D. Value fluctuates randomly

Question: 15 of 25

QID: 1695

Marks: 1

Why might a digital currency like Bitcoin be considered a better store of value compared to a national fiat currency?

- A. Bitcoin is universally accepted.
- B. Bitcoin is not subject to government inflation.
- C. Bitcoin has a stable value.
- D. Bitcoin is widely used in daily transactions.

Question: 16 of 25

QID: 1696

Marks: 1

A country is considering adopting a cryptocurrency as its official currency. Which of the following economic issues is most likely to arise due to the inherent volatility of cryptocurrencies?

- A. Hyperinflation
- B. Exchange rate stability
- C. Price volatility in goods and services
- D. Increased foreign direct investment

Question: 17 of 25

QID: 1718

Marks: 1

If a country's currency is devalued by 15% against the USD, and the original exchange rate was 1 USD = 50 units of the country's currency, what is the new exchange rate?

- A. 1 USD = 42.5 units
- B. 1 USD = 57.5 units
- C. 1 USD = 52.5 units
- D. 1 USD = 47.5 units

Question: 18 of 25

QID: 1719

Marks: 1

An investor buys 0.5 Bitcoin at a time where a Bitcoin is worth Rs. 1,00,000. Over the course of 3 months, the price of Bitcoin fluctuates according to the monthly percentage change: 5%, 2%, 10%. What is the value of his investment at the end of 3 months? Select the closest figure)

- A. Rs. 47,325
- B. Rs. 48,445
- C. Rs. 56,595
- D. Rs. 42,445

Question: 19 of 25

QID: 1720

Marks: 1

Which of the following cryptographic techniques is primarily used to secure transactions on the blockchain?

- A. Symmetric-key encryption
- B. RSA encryption
- C. Hashing algorithms
- D. Digital signatures

Question: 20 of 25

QID: 1743

Marks: 1

Seema is using Bitcoin to purchase an online service. If 1 Bitcoin equals \$50,000 and the service costs \$100, how many Bitcoins does Seema need to pay?

- A. 0.005Bitcoin
- B. 0.0005Bitcoin
- C. 0.001Bitcoin
- D. 0.002Bitcoin

Question: 21 of 25

QID: 1744

Marks: 1

which property of money ensures that it can be easily carried and used in transactions?

- A. Fungibility
- B. Portability
- C. Durability
- D. Stability

What is the primary reason cryptocurrencies like Bitcoin are considered decentralised?

- A. They are not recognised by any government
- B. They are traded on the internet
- C. They are managed by a network of computers without a central authority
- D. They have a limited supply

What is the main role of the central bank in controlling inflation?

- A. Increasing government spending
- B. Controlling money supply
- C. Reducing taxes
- D. Implementing price controls

Why is money considered important for economic growth?

- A. Money is the only determinant of economic growth.
- B. Money facilitates trade and investment, leading to increased production and economic development.
- C. Money is necessary for personal wealth accumulation only.
- D. Money hinders economic growth by creating wealth disparities.

What will be the impact on the supply of money if the central bank buys government securities in the open market? (lending capacity)

- A. Increase in money supply
- B. Decrease in money supply
- C. No change in money supply
- D. It depends on other factors

— END OF QUESTION PAPER —