

English

1. If X and Y are complementary commodities which are consumed with a ratio of 2X and 4Y, then which of the following bundle will give the consumer maximum satisfaction?

- (A) (10X, 3Y)
- (B) (4X, 9Y)
- (C) (2X, 4Y)
- (D) (3X, 16Y)

Correct Option(s): B

English

2. In a state of unique equilibrium, the equilibrium price (P^*) is 10. When market price $P > 10$, the demand becomes higher than supply. Then such an equilibrium will be _____

- (A) Stable in short-run
- (B) Stable in long-run
- (C) Unstable equilibrium
- (D) Stable equilibrium

Correct Option(s): C

English

3. The income elasticity for Giffen good will be _____

- (A) Negative
- (B) More than one
- (C) Zero
- (D) Positive but less than one

Correct Option(s): A

English

4. If the marginal rate of substitution remains constant, then the indifference curve will be _____

- (A) Concave
- (B) Upward sloping
- (C) Linear
- (D) Convex

Correct Option(s): C

English

5. In the case of price discrimination of first degree,

- (A) the monopolist sells goods in blocks
- (B) Consumer gets consumer surplus for some units
- (C) the monopolist leaves no consumer surplus for consumer
- (D) It divides the market into two parts

Correct Option(s): C

English

6. Which of the following is not true about 'ridge line'?

- (A) It is related to production theory
- (B) On the ridge line the marginal productivities of factors are positive
- (C) Within the ridge line the marginal productivity of labour is positive
- (D) Beyond the ridge line, more of both the factors are required to produce the same output

Correct Option(s): B

English

7. When a trader sells output at a price lower than its average cost with the intention of driving the foreign competitor out of business, it is called

- (A) Predatory Dumping
- (B) Sporadic Dumping
- (C) Persistent Dumping
- (D) Seasonal Dumping

Correct Option(s): A

English

8. Using the Box-Jenkins method, a model is chosen if the residuals estimated from the model are _____

- (A) Stationary
- (B) Weakly stationary
- (C) Non-stationary
- (D) White noise

Correct Option(s): D

English

9.

The classical OLS estimates and 2SLS estimates of the simultaneous equation model will be very close to each other if, in the reduced form regressions

- (A) The standard errors of the estimates are small
- (B) The R^2 value is very high
- (C) All the coefficients are statistically significant
- (D) The coefficient of correlation is low between the explanatory variables

Correct Option(s): B

English

10. In the Koyck model, the closer the λ (lambda) is to 1, the rate of decline in β_k

- (A) Is faster
- (B) Is slower
- (C) Depends on β_k
- (D) Depends on k

Correct Option(s): B

English

11. In the logit model, as P_i goes from 0 to 1, logit L varies from

- (A) 0 to $+\infty$
- (B) 0 to 1
- (C) $-\infty$ to 0
- (D) $-\infty$ to $+\infty$

Correct Option(s): D

English

12.

For a regression through the origin, state which of these statements is not true

- (A) The $\sum u_i$ need not be equal to zero
- (B) The raw r^2 computed satisfies $0 \leq r^2 \leq 1$
- (C) In estimating the model, we use the raw sum of squares and cross-products
- (D) The conventionally computed r^2 may give a negative value

Correct Option(s): B

English

13. For a group of 200 candidates, the mean and standard deviation of scores were found to be 40 and 15 respectively. Later on it was discovered that the scores 43 and 35 were misread as 34 and 53 respectively. Find the corrected standard deviation.

- (A) 14.14
- (B) 14.67
- (C) 14.97
- (D) 175

Correct Option(s): C

English

14. The limits for quartile coefficient of skewness are _____

- (A) —3 to +3
- (B) 0 to 3
- (C) —1 to +1
- (D) — ∞ to $+\infty$

Correct Option(s): C

English

15.

A consignment of 15 record players contains 4 defectives. The record players are selected at random, one by one, and examined. Those examined are not put back. What is the probability that the 9th one examined is the last defective?

- (A) 1/7
- (B) 8/195
- (C) 9/215
- (D) 1/9

Correct Option(s): B

English

16.

If $U=X^2+Y^2+Z^2$ subject to linear constraint $X+Y+Z=1$. Find at what point U has maximum or minimum Value.

- (A) $(X, Y, Z) = (1/3, 1/3, 1/3)$
- (B) $(X, Y, Z) = (1/3, 1/2, 1/3)$
- (C) $(X, Y, Z) = (1/2, 1/2, 1/2)$
- (D) $(X, Y, Z) = (1/4, 1/3, 1/2)$

Correct Option(s): A

English

17.

If the demand and supply functions are given, $P_d=20-5X$ and $P_s=4X + 8$. Obtain producer's surplus.

- (A) $30/7$
- (B) $32/9$
- (C) $128/9$
- (D) $35/7$

Correct Option(s): B

English

18.

Indicate whether the following function: $z = f(x_1, x_2, x_3) = x_1^2 - 3x_1 x_2 + 3x_2^2 + 4x_2 x_3 + 6x_3^2$ has _____

- (A) Minimum value
- (B) Maximum value
- (C) No optimum solution
- (D) A Saddle point

Correct Option(s): A

English

19. Prohibitory tariff refers to the tariff rate which

- (A) Makes the post tariff international price equal to the domestic equilibrium price
- (B) Has been prohibited a country
- (C) Leads to proportionate fall in the quantity of imported commodity
- (D) Benefits the consumer more than the producers

Correct Option(s): A

English

20.

Which of the following is a likely outcome of devaluation?

- (A) Importable become cheaper
- (B) Export competitiveness declines
- (C) Worsening of trade balance
- (D) Improvement in the current account of Balance of Payment

Correct Option(s): D

English

21. Which of the following is not a consequence of tariff?

- (A) Decline in producer surplus
- (B) Decline in import
- (C) Decline in consumer surplus
- (D) Increase in domestic production

Correct Option(s): A

English

22. In the circular flow approach, the money flow from foreign sector to household sector includes:

- (A) Supply of manpower to foreign countries
- (B) Receipt for exports
- (C) Payment for imports
- (D) Remittances

Correct Option(s): D

English

23.

If people expect the interest rate to rise in the future,

- (A) then they will Buy more bonds
- (B) then Liquidity preference will fall
- (C) then they will Sell the bonds and hold more cash
- (D) then they will follow the bullish behaviour

Correct Option(s): C

English

24.

The expectation augmented Phillips curve will be vertical if

- (A) People correctly anticipate the inflation rate
- (B) Workers do not consider real wage while deciding the work hour
- (C) Workers suffer from money illusion
- (D) Workers follow adaptive expectation even in long run

Correct Option(s): A

English

25. Which of the following function will give us a multiplier value of 10?

- (A) $S = -100 + 0.1Y$
- (B) $C = 200 + 0.8Y$
- (C) $S = -150 + 0.5Y$
- (D) $C = 150 + 0.95Y$

Correct Option(s): A

English

26. Which of the following will negatively affect the money multiplier?

- (A) Decline in reserve deposit ratio
- (B) Increasing financial literacy
- (C) Increasing transaction through banking channel
- (D) Higher currency deposit ratio

Correct Option(s): D

English

27. In case of perfect capital mobility, the BoP equilibrium can be achieved

- (A) Always
- (B) At international rate of interest
- (C) By manipulating domestic rate of interest
- (D) Where closed economy IS and LM curves intersect each other

Correct Option(s): B

English

28. The concept of 'keeping up with the Joneses' is associated with

- (A) Life time income hypothesis
- (B) Absolute income hypothesis
- (C) Permanent income hypothesis
- (D) Relative income hypothesis

Correct Option(s): D

English

29.

In which of the following markets, highest fraction of indirect tax can be shifted to the consumer?

- (A) Monopoly
- (B) Oligopoly
- (C) Perfect competition
- (D) Monopolist competition

Correct Option(s): A

English

30. The equal proportional sacrifice advocates that people should be taxed in such a way that:

- (A) The sacrifice of every tax payer should be equal
- (B) The sacrifice of every tax payer should be equal for each marginal increase in tax
- (C) The sacrifice of every tax payer should be proportional to their income
- (D) The sacrifice of every tax payer should be proportional to their income and wealth

Correct Option(s): C

English

31.

If there is rivalry in consumption but no one can be excluded from its consumption, the good is called as

- (A) Commons
- (B) Private good
- (C) Public good
- (D) Club good

Correct Option(s): A

English

32.

How much weight has been attached to the tax effort for revenue sharing among states as per the 15th Finance Commission?

- (A) 4%
- (B) 2.5%
- (C) 3.5%
- (D) 3%

Correct Option(s): B

English

33. Which of the following commodities do not come under GST?

- (A) Alcohol for human consumption
- (B) Electronic Goods
- (C) Medicines
- (D) Textile products

Correct Option(s): A

English

34. Amrit Dharohar Scheme was announced in the recent budget. One of the objectives of this scheme is:

- (A) To conserve tiger reserves of the country
- (B) To protect the forest area of the country
- (C) To conserve Ganga River
- (D) To encourage wetland tourism and conserve the same

Correct Option(s): D

English

35. The 'feedback hypothesis' in environmental economics says that

- (A) Economic growth leads to higher carbon emission
- (B) There is a bidirectional causality between economic growth and carbon emission
- (C) Higher carbon emission leads to higher economic growth
- (D) There is no relation between economic growth and carbon emission

Correct Option(s): B

English

36. According to the Solow model, the capital deepening will occur when

- (A) $sy = (n+d)k$
- (B) $sy < (n+d)k$
- (C) $sy > (n+d)k$
- (D) $s > (n+d)$

Correct Option(s): C

English

37.

The theory of absolute convergence in growth theory says that:

- (A) The growth rate will be higher if a country is further away from the steady state
- (B) Every country will grow towards the same steady state
- (C) Both The growth rate will be higher if a country is further away from the steady state & Every country will grow towards the same steady state are correct
- (D) Every country has a different steady state

Correct Option(s): C

English

38. The endogenous money supply hypothesis claims that

- (A) The money supply is controlled by the central bank
- (B) Broad money is a multiple amount of high power money
- (C) The money supply is determined through economic activity
- (D) There is a stable relation between bank reserve and money supply

Correct Option(s): C

English

39. Which of the following is likely to reduce the inflation rate?

- (A) Purchase of government bonds in open market
- (B) Reduction in repo rate
- (C) Increase in cash reserve ratio
- (D) Subsidised priority lending

Correct Option(s): C

English

40.

The Nash equilibrium in the Prisoner's dilemma is achieved where

- (A) Both the players choose to cooperate
- (B) One player betrays while other cooperates
- (C) There is no Nash equilibrium
- (D) Both the players betray each other

Correct Option(s): D

English

41. The price set by firms to prevent the entry of a potential entrant is called _____

- (A) Break-even price
- (B) Limit price
- (C) Competitive price
- (D) Mark-up price

Correct Option(s): B

English

42. If the competitive output in the market is 100 and there are 4 firms in an oligopoly market, then how much output will be produced if firms compete on the basis of quantity (Cournot Model)?

- (A) 80
- (B) 400
- (C) 25
- (D) 90

Correct Option(s): A

English

43. Which of the following theory of economic development emphasised on the labour transition from agriculture to manufacturing sector?

- (A) Balanced growth model
- (B) Critical minimum effort theory
- (C) Ricardian theory of development
- (D) Lewis theory

Correct Option(s): D

English

44.

In case of Harrod-Domar growth model if the actual growth rate (g_a) = warranted growth rate (g_w) < natural growth rate (g_n), then it refers to a state of _____

- (A) Disequilibrium
- (B) Equilibrium with rising unemployment
- (C) Equilibrium with constant unemployment
- (D) Equilibrium with falling unemployment

Correct Option(s): B

English

45.

Which of the following is correct about the operating procedure of monetary policy in India?

- (A) There has been a continuous decline in the statutory liquidity ratio
- (B) Different money market rates are not converging
- (C) India has not adopted inflation targeting officially
- (D) The M_3/M_0 ratio is falling

Correct Option(s): A

English

46. If a new firm wants to design its product to look similar to an established firm, then such a situation can be described by

- (A) Matching Pennies Game
- (B) Stag hunt game
- (C) BoS game
- (D) Prisoner's Dilemma

Correct Option(s): A

English

47. Which of the following is not correct about the sex ratio of India?

- (A) The sex ratio has improved in recent years
- (B) Urban areas have higher females per 1000 males as compared to rural areas
- (C) At national level, there are more females per 1000 males
- (D) Kerala has the highest sex ratio among Indian states

Correct Option(s): B

English

48.

Banks can deposit their excess funds with the RBI for one day and get them back the next day. This is called as

- (A) Marginal Standing Facility Rate
- (B) Standing Deposit Facility Rate
- (C) Fixed Reverse Repo Rate
- (D) Bank Rate

Correct Option(s): B

English

49.

Calculate the aggregate value of depreciation when the GDP at market price of a country in a particular year was Rs.1,100 Crores, Net Factor Income from abroad was Rs.100 Crores. The value of Indirect taxes – Subsidies was Rs. 150 Crores and National Income was Rs. 850 crores.

- (A) Rs. 250 crore
- (B) Rs. 200 crore
- (C) Rs. 350 crore
- (D) Rs. 400 crore

Correct Option(s): B

English

50.

Suppose in autarky $(w/r)_1 < (w/r)_2$, then which of the following will happen after trade ?

- (A) The real income of capital will increase in Nation-1
- (B) The real income of labour will increase in Nation-2
- (C) The real income of labour will increase in Nation-1
- (D) The real income of capital will fall in Nation-2

Correct Option(s): C