

M.A. (Economics)

1. If demand is linear (a straight line), then price elasticity of demand is
 - A) Elastic in the upper portion and inelastic in the lower portion
 - B) Inelastic in the upper portion and elastic in the lower portion
 - C) Inelastic throughout
 - D) Elastic throughout
2. In long-run equilibrium in a competitive market, firms are operating at
 - A) The minimum of their average-total-cost curves
 - B) Zero economic profit
 - C) The intersection of marginal cost and marginal revenue
 - D) All of these answers are correct
3. Which of the following is a characteristic of capital as a factor of production?
 - A) It never depreciates
 - B) It is fixed in supply
 - C) It is an active factor of production
 - D) It is a passive factor of production
4. On which law of consumption the concept of consumer's surplus is based?
 - A) Engel's law
 - B) Law of demand
 - C) First law of Gossen
 - D) Second law of Gossen
5. For the function $Q = AK^aL^b$ the following statements are given:
 - 1) $dQ/dL = AbK^aL^{b-1}$
 - 2) Marginal Product of Labour (MPL) = $AaK^{a-1}L^b$
 - 3) Marginal Product of Capital (MPK) = $a \times (Q / K)$
 - 4) Marginal rate of substitution of capital for labour (MRS) = ldK / dL

Which of the above statements are true?

 - A) 1,2,3
 - B) 1,2,3,4
 - C) 2,3,4
 - D) 1,3,4
6. For the demand function $Q_1 = 10 - 9 P_1 + P_2 + 0.01Y$ which one of the following statements is true?
 - A) $dQ_1 / dP_1 = -9 + P_2 + 0.01Y$
 - B) $dQ_1 / dP_1 = -9$
 - C) $dQ_1 / dP_2 = P_2$
 - D) $dQ_1 / dY = 0.01 - 9 P_1 + P_2$
7. In which of the following market structure is the degree of control over the price of its product by a firm very large?
 - A) Imperfect competition
 - B) Perfect competition
 - C) Monopoly
 - D) In A and B both
8. The producer's demand for a factor of production is governed by the ____ of that factor.

- A) Price
C) Availability
- B) Marginal Productivity
D) Profitability

9. Under conditions of perfect competition in the product market:

- A) $MRP = VMP$ B) $MRP > VMP$ C) $VMP > MRP$ D) None of these

10. Who has sought to measure Consumer's Surplus with the help of indifference curve technique?

- A) Alfred Marshall B) Edgeworth C) J.R. Hick D) Pareto

11. Which of the following measure of the high-power money supply (H) has been used by RBI of India

- A) Currency held by the public + Other deposits with the RBI
B) Cash reserves of the commercial banks + Other deposits with the RBI
C) Currency held by the public + cash reserves of the commercial banks + other deposits with the RBI
D) Currency held by the public + cash reserves of the commercial banks + Time deposits of the commercial banks + other deposits with the RBI

12. Which of the following is known as long run average cost curve?

- A) Learning curve B) Envelope curve
C) Equal product curve D) Phillips curve

13. Who has contributed the modern theory of interest rate determination?

- A) Paul A. Samuelson B) Gunnar Myrdal
C) Knut Wicksell D) J.R. Hicks

14. Which one of the following is NOT correct?

- A) During inflation lenders suffer and borrowers benefit out'
B) Rising inflation indicates rising aggregate demand and indicates comparatively lower supply and higher purchasing capacity among the consumers'
C) With rising inflation the currency of the economy depreciates provided it follows the flexible currency regime.
D) Inflation decreases the nominal (face) value of the wages while the real value increases.

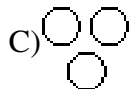
15. _____ unemployment may result when some workers are temporarily out of work while changing job

- A) Seasonal B) Frictional C) Disguised D) Technical

16. An expression coined by economists to describe an economy that is growing at such a slow pace that more jobs are being lost than are being added:

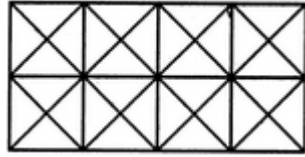
- A) Stagflation B) Recession
C) Growth Recession D) Ratchet Inflation

17. When national income is calculated with reference to a base year, it is called:
 A) Nominal national income B) Net national income
 C) Real national income D) Gross national income
18. What is the correct formula for GDP Deflator?
 A) Nominal GDP - (minus) Real GDP B) Nominal GDP + Real GDP
 C) Nominal GDP/ Real GDP D) Real GDP/ Nominal GDP
19. According to the Classical model, unemployment
 A) Could not persist because wages would fall to eliminate the excess supply of labour
 B) Could persist for long periods of time because wages are not flexible
 C) Could be eliminated only through government intervention
 D) Could never exist
20. Which country was the first to adopt a gold standard in the modern sense?
 A) Italy B) France C) Great Britain D) Portugal
21. Under the Industrial policy of 1991:
 A) The mandatory convertible clause is applicable to all term loans.
 B) The mandatory convertible clause is applicable to term loans of more than 10 years.
 C) The mandatory convertible clause is applicable to term loans of less than 10 years.
 D) The mandatory convertible clause is no longer applicable.
22. Pointing to a woman in the picture, Rajesh said her mother has only one grandchild whose mother is my wife. How is the woman in the picture related to Rajesh?
 A) Daughter B) Niece C) Wife D) Sister-in-law
23. Which of the following diagrams indicates the best relation between Women, Mothers and Engineers?



24. Rasik walked 20 m towards north. Then he turned right and walks 30 m. Then he turns right and walks 35 m. Then he turns left and walks 15 m. Finally he turns left and walks 15 m. In which direction and how many metres is he from the starting position?
 A) 15 m West B) 30 m East C) 30 m West D) 45 m East

25. Count the number of squares in the given figure.



- A) 11 B) 21 C) 24 D) 26

26. The price of the cooking oil has increased by 25 %. The percentage of reduction that a family should affect in the use of cooking oil so as not to increase the expenditure on this account is:

- A) 15% B) 20% C) 25 % D) 30%

27. Which is following indicator is not considered while calculating Human Development Index by UNDP?

- A) Life expectancy B) Educational attainment
C) Standard of living D) Infant mortality

28. Arrange the various stages in chronological order given by Rostow stages of economic growth

- I. Age of high mass consumption
II. Preconditions of take off stage
III. Take off stage
IV. Drive to maturity
A) ii),iii),iv),i) B) ii),iv),iii),i) C) iv),iii),ii),i) D) ii),iii),i),iv)

29. Rosenstein Rodan justified the theory of “big push” with the help indivisibilities not included:

- A) Indivisibility of production function B) Indivisibility of demand
C) Indivisibility of supply of investment D) Indivisibility of supply of savings

30. Quote “ A country is poor because it is poor “ given by

- A) Nelson B) Lewis C) Keynes D) Nurkse

31. Pioneer among the economists who advocates the concept of rolling plan

- A) Gunnar Myrdal B) Amartya Kumar Sen
C) Manmohan singh D) Musgrave

32. Present stage of India with respect to theory of demographic transition is:

- A) First B) Second C) Third D) Fourth

33. The economist who propounded the concept of technical dualism was:

- A) Prof Boeke B) Prof Higgins C) Prof Hirschman D) Prof mint

34. Which of following investment criterion has been advocated Amartya Sen:
A) Employment criterion
B) Reinvestment criterion
C) Capital turnover criterion
D) Time factor criterion
35. Which of following Economist was optimistic regarding stability/future of capitalism?
A) Keynes
B) Schumpeter
C) Karl Marx
D) None of these
36. India's second five year plan was based on:
A) Leontiff input output model
B) Harrod domar model
C) Mahalnobis two sector model
D) Mahalnobis four sector model
37. Sum of the square of residual is used as a measure of:
A) Explained Variance
B) Unexplained Variance
C) Disturbance term
D) Explained Sum of Square
38. The least square and Maximum Likelihood method produce same estimators in case of
A) Linear Model
B) Quadratic Model
C) Polynomial of degree n
D) Any non-linear model
39. Which test of autocorrelation is applicable in case of dynamic model?
A) Durbin Watson test
B) Durbin's h -test
C) Durbin-Wu-Hildreth test
D) Haussmann test
40. Which one of the following is a test of Heteroscedasticity?
A) Breusch-Pagan test
B) Frisch Confluence Analysis
C) Durbin Watson test
D) Wald test
41. The use of a linear model at the place of non-linear model is called
A) White noise error
B) Standard Error
C) Specification Error
D) Mean Square Error
42. The regression line for a bivariate model passes through
A) Medians of two axes
B) Arithmetic means of two axes
C) Geometric means of two axes
D) Modes of two axes
43. The presence of perfect multicollinearity causes
A) Increase in magnitude of coefficients
B) Fall in magnitude of coefficients
C) Indeterminacy of coefficients
D) Infinite Coefficients
44. The R^2 is not a measure of _____ out of the following
A) Coefficient of Multiple determinant
B) Ratio of explained variation to total variation in dependent variable because of independent variable
C) Measure of goodness of fit of the model
D) Standard Error

45. What is the degree of freedom for a *t-statistics* to test significance of each coefficient in a regression model with one dependent variable and two independent variables?
 A) $n-3$ B) $n-1$ C) $n-2$ D) $n-4$
46. Which one of the following is a value of *F-statistics* if $R^2=0.85$, $n=36$, $k=4$?
 A) 50.56 B) 60.44 C) 6.44 D) 5.56
47. A line that traces relationship between rate of return on bonds of different maturities?
 A) Marginal Line B) Profit indifference
 C) Coupling of rates D) Yield Curve
48. The 'Quantitative Theory of Money' is associated with _____ function of money
 A) Store of value B) Unit of account
 C) Medium of exchange D) None of these
49. "Money is what Money does" was given by
 A) Crowther B) Robertson C) Walker D) Marshall
50. In case of floating exchange rate, a surplus on BOP will cause _____
 A) Exchange rate to appreciate B) Government intervention in currency market
 C) No change in exchange rate D) Exchange rate to depreciate
51. Use the information on Output per labour hour in table below
- | | Country – A | Country – B |
|--------|-------------|-------------|
| Mobile | 3 | 9 |
| Rice | 1 | 2 |
- The Country-B has comparative advantage in
 A) Rice B) Mobile C) Both Products D) Neither Products
52. Suppose A is 5×2 matrix, B is $r \times s$ matrix and C is $p \times 3$ matrix. If $A^T \times B \times C^T$ is defined which of the following is true
 A) $r=2$, $s=5$ B) $r=3$, $s=4$ C) $r=5$, $s=3$ D) $r=3$, $s=5$
53. Which value of 'a' will make the following matrix A singular?
- $$A = \begin{pmatrix} a & -1 & -3 \\ 3 & 2 & 3 \\ 2 & 1 & 2 \end{pmatrix}$$
- A) -3 B) -2 C) 3 D) 2
54. A firm faces the following long run cost function
 $TC = q^3 - 20q^2 + 300q$
 The average cost function will be at its minimum when
 A) $q=10$, $AC=250$ B) $q=20$, $AC=150$ C) $q=10$, $AC=200$ D) $q=20$, $AC=150$
55. In the rule of addition of probability, the events are always

- A) Independent events
- B) Mutually exclusive events
- C) Bayesian
- D) Empirical

56. If for a distribution the difference of first quartile and median is greater than difference of median and third quartile, then the distribution is classified as

- A) Absolute open ended
- B) Positive skewed
- C) Negative skewed
- D) Not skewed at all

57. Which of the following statements about mean (μ) and variance (σ) of Binomial distribution is not true?

- A) $\mu = 5.00, \sigma^2 = 2.50$
- B) $\mu = 6.00, \sigma^2 = 4.20$
- C) $\mu = 3.75, \sigma^2 = 2.81$
- D) $\mu = 4.00, \sigma^2 = 9.00$

58. In multiplicative theorem the $P(A \cap B) = P(A) \times P(B)$ is applicable if

- A) Events are mutually exclusive
- B) Events are dependent
- C) If events are exhaustive
- D) If events are independent

59. The variable is random if

- A) It assumes a probability distribution
- B) It is exogenously given with probability distribution
- C) Some items of variable are missing
- D) None of above

60. Mean and Variance of which distribution is same

- A) Bernoulli distribution
- B) Binomial distribution
- C) Normal distribution
- D) Poisson Distribution

61. Given the demand curve perfectly elastic and supply curve unitary elastic, tax burden falls

- A) Entirely on seller
- B) Equally on seller and buyer
- C) Entirely on buyer
- D) More on buyer than seller

62. Which of the following schemes were announced in Interim Budget 2019-20?

- i. PM KISAN
- ii. AYUSHMAN BHARAT
- iii. GOBAR DHAN
- iv. PRADHAN MANTRI SHRAM YOGI MAANDHAN

- A) i and iv
- B) i, iii and iv
- C) ii and iii
- D) i only

63. Canons of Public Expenditure are given by

- A) Adam Smith
- B) Dalton
- C) Findley Shirras
- D) Pigou

64. Effective Revenue Deficit target set by the interim budget 2019-20

- A) 0.2%
- B) 1.3%
- C) 2.2%
- D) 3.4%

65. As per the 7th Schedule of Indian Constitution which of the following taxes is included in Union list

- i. Income tax except agricultural income

- ii. Tax on Agricultural income
- iii. Rates on stamp duty on financial documents
- iv. Tax on consumption and sale of electricity

A) i, iii, iv B) iii,iv C) i, iii D) i, iv

66. Weber theory in industrial economics deals with

- A) Industrial Location B) Industry performance
- C) SCP Paradigm D) Industrial Conduct

67. Technical Efficiency is a_____

- A) Cross-sectional concept B) Dynamic concept
- C) Long-run concept D) Medium term concept

68. What is the current base year of IIP?

- A) 2004-05 B) 2007-08 C) 2011-12 D) 2017-18

69. The term Green revolution coined by

- A) M S Swaminathan B) Sam Pitroda
- C) Norman Borlaug D) William Gaud

70. As per Tendulkar committee estimates, people below poverty line in 2011-12 w.r.t. India

- A) 12 % B) 29.5% C) 21.9 % D) 25.5 %

71. Who decides MSP in India for food grains?

- A) NSSO B) Ministry of Finance
- C) DIPAM D) CACP

72. Which of the following index is not given by World Bank?

- A) Inclusive Development Index B) Human Capital Index
- C) Ease of doing business D) Logistic Performance Index

73. External debt of India as a percentage of GDP is approximately

- A) 20% B) 15% C) 25% D) 10%

74. The major export partner of India in recent years is

- A) China B) Bangladesh C) USA D) Nepal

75. How many corporations are there in the present list of Maharatna

- A) 10 B) 7 C) 8 D) 9