

COMMON P. G. ENTRANCE TEST – 2023 (CPET-2023)

Test Booklet No. :

0225

Subject Code : **08**

Hall Ticket No. :

Subject : **ECONOMICS****TEST BOOKLET**Time Allowed : **60 Minutes**Full Marks : **80****: INSTRUCTIONS TO CANDIDATES :**

1. The Test Booklet contains **16** pages including the cover page and **80** (Question No. 1 to 80) multiple choice questions.
2. DO NOT break the seal of the Test Booklet until the invigilator instructs to do so.
3. The candidates must check discrepancy, if any (like up-printed or torn or missing pages or missing questions) in the Test Booklet immediately after breaking the seal of the Test Booklet. If detected, the invigilator may be requested to replace the same.
4. Candidates are required to fill up and darken the **Hall Ticket No, Test Booklet Serial No.** and OMR Answer Sheet Serial No. in attendance sheet carefully. Wrongly filled in OMR Answer Sheet is liable for rejection.
5. Each question has four choices / answers marked (A), (B), (C), (D). Candidate has to select the most appropriate choice / answer to each question and darken the oval completely against the question number provided in the OMR Answer Sheet.
6. Indicate only one choice / answer from the options provided by darkening the appropriate oval in the OMR Answer Sheet. More than one response to a question shall be treated as a wrong answer.
7. Use only **Black Ball Point Pen** for darkening the oval for answering.
8. All the questions are compulsory and they carry equal marks. The total marks scored by a candidate depends on the number of correct choices / answers darkened in the OMR Answer Sheet. There will be no negative marking for wrong answers.
9. No candidate shall be allowed to leave the Examination Hall / Room till all OMR Answer Sheets have been collected by the invigilator.
10. On completion of the entrance test, the original OMR Answer Sheet be handed over to the invigilator. Candidates are allowed to take the second copy of the OMR Answer Sheet along with the used Test Booklet for reference.
11. Candidates are not allowed to carry any personal belongings including electronic devices such as scientific calculator, cell phones, headphones, ear buds, or any other type of devices that allow communication of any kind inside the Examination Room / Hall.
12. The candidates are advised not to scribble or make any mark on the OMR Answer Sheet except marking the answers at the appropriate places and filling up the details required. Rough work, if any, may be done in the blank sheet(s) provided at the end of the Test Booklet.
13. Any malpractice / use of unfair means will lead to your disqualification from the entrance test / admission process and may also lead to appropriate legal action as deemed fit.

DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO

PN – 8/12

(Turn over)

0325

Test Booklet No.

Subject Code 08

TEST BOOKLET

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1. With what concept does Economics deal primarily with ?
(A) Scarcity (B) Poverty
(C) Money (D) Resources
2. What concept is illustrated by the saying 'there is no free lunch' ?
(A) Productivity (B) Efficiency
(C) Tradeoffs (D) Preferences
3. Rahul spends an hour studying instead of playing tennis. What is the opportunity cost to him of studying ?
(A) The improvement in his grades from studying for the hour
(B) The difference between the improvement in his grades from studying minus the enjoyment of playing tennis
(C) The enjoyment and exercise he would have received had he played tennis
(D) Zero, since Rahul chose to study rather than to play tennis, the value of studying must have been greater than the value of playing tennis
4. For what reason are production possibility frontiers usually concave to the origin ?
(A) Constant opportunity cost (B) Increasing opportunity cost
(C) Decreasing opportunity cost (D) Increasing productivity
5. Which of the following is NOT the property of indifference curves for two goods ?
A. Higher the indifference curve, higher is the level of satisfaction
B. Indifference curve is downward sloping
C. Indifference curve is concave to origin
D. Two indifference curves cannot intersect each other
6. An indifference map is related to which of the following ?
(A) Consumer's preferences (B) Prices of the goods
(C) Money income of the consumer (D) Total utility from the two goods

7. If a firm sells its output on a market that is characterized by many sellers and buyers, a homogeneous product, unlimited long-run resource mobility, and perfect knowledge, then the firm is a / an :
 - (A) Monopolist
 - (B) Oligopolist
 - (C) Perfect competitor
 - (D) Monopolistic competitor
8. A perfectly competitive firm should reduce output or shut down in the short run if market price is equal to marginal cost and price is :
 - (A) Greater than average total cost
 - (B) Less than average total cost
 - (C) Greater than average variable cost
 - (D) Less than average variable cost
9. A firm's demand for labour is known as derived demand because :
 - (A) The firm gains utility from hiring more labour
 - (B) Its demand for labour depends on the demand for the product it sells in the market
 - (C) The wage rate paid to labour is derived from the market for labour
 - (D) It is derived from the demand for capital
10. The change in consumption that results when a price change moves the consumer along a given indifference curve is called the :
 - (A) Substitution effect
 - (B) Price effect
 - (C) Income effect
 - (D) Indifference effect
11. Organization of Petroleum Exporting Countries (OPEC) is an example of :
 - (A) Bilateral monopoly
 - (B) Monopoly
 - (C) Cartel
 - (D) Monopsony
12. The locus or joining of the points of tangency between the isoquants and the iso-cost lines is known as the :
 - (A) Expansion path
 - (B) Ridge line
 - (C) Iso profit line
 - (D) Price line

13. Downward sloping , convex isoquants imply that the substitutability between the factors of production is :
- (A) Perfect (B) Zero
(C) Imperfect (D) Negative
14. The elasticity of substitution for the Cobb Douglas Production Function :
- (A) Is equal to one (B) Is equal to zero
(C) Lies between 0 and 1 (D) Is infinite
15. A two-person zero-sum game means that the :
- (A) The sum of losses to one player is equal to the sum of gains to other
(B) The sum of losses to one player is not equal to the sum of gains to other
(C) None of the two players loose or gain
(D) The total payoff of the game between two players is not zero
16. The size of the payoff matrix of a game can be reduced by using the principle of :
- (A) Game inversion (B) Rotation reduction
(C) Dominance (D) Game transpose
17. Which among the following is a stock variable ?
- (A) Expenditure (B) Salary
(C) Wealth (D) Saving
18. GDP at market price exceeds GDP at factor cost by the amount of revenue raised through :
- (A) Direct taxes (B) Indirect taxes
(C) Income taxes (D) Tax on rents
19. Cotton yarns purchased by textile mill is :
- (A) An intermediate good (B) A consumer good
(C) A capital good (D) A necessary good

20. Which of the following are not included in national income ?

- i. Intermediate goods
- ii. Transfer payments
- iii. Windfall gains
- iv. Agricultural labour
- v. Household services rendered by the housewives

Select the correct option from the following :

- (A) i, ii, iv
- (B) i, ii, iii, iv
- (C) i, ii, iii, v
- (D) All these

21. Which of the following gives the relationship between tax rates and amount of tax revenue ?

- (A) Kuznet's curve
- (B) Laffer curve
- (C) Phillip's curve
- (D) Lorenz curve

22. Which of the following equation is not true ?

- (A) $APC + APS = 1$
- (B) $1 - APC = APS$
- (C) $MPC + MPS = 1$
- (D) $APC + MPC = 1$

23. In which type of economy, domestic income is equal to national income ?

- (A) Open economy
- (B) Closed economy
- (C) Circular economy
- (D) Mixed economy

24. Which one of the following groups will not be negatively affected by the rise in prices ?

- (A) The debtors
- (B) The consumers
- (C) The business class
- (D) The pensioners

25. Assume that the consumption function is of the form, $C = 50 + 0.8Y$. If income is Rs. 1000, then consumption shall be :

- (A) Rs 800
- (B) Rs 850
- (C) Rs 900
- (D) Rs 950

26. An increase in marginal propensity to consume will :
- (A) Lead to the consumption function becoming steeper
 - (B) Shift the consumption function upwards
 - (C) Shift the consumption function downwards
 - (D) Have no impact on the consumption function
27. An outward shift in the MEC curve would :
- (A) Decrease consumption
 - (B) Reduce aggregate supply
 - (C) Increase aggregate demand
 - (D) Lower economic growth
28. Which of the following might shift the short-run Phillips curve to the left ?
- (A) A rise in the expected rate of inflation
 - (B) A natural disaster which temporarily disrupts production
 - (C) A rise in the benefits paid to unemployed people
 - (D) An increase in the labour force
29. A situation where people who have taken out insurance behave more recklessly as a result is known as :
- (A) Fraud
 - (B) Asymmetric information
 - (C) Moral hazard
 - (D) Adverse selection
30. In the Mundell-Fleming framework, in a small open economy under a fixed exchange rate :
- (A) Monetary policy is effective and Fiscal policy is very ineffective
 - (B) Monetary policy is ineffective and Fiscal policy is very effective
 - (C) Both Monetary policy and Fiscal policy are effective
 - (D) The government must abandon public spending

31. Which of the following statements about rational expectations is NOT correct ?
- (A) They assume that people take account of all information
 - (B) They assume that, on average, people's forecasts are correct
 - (C) They imply that expected changes in demand have no effects on unemployment or the price level
 - (D) They imply that unexpected changes in demand have long-lasting effects on both unemployment and the price level
32. As economic development proceeds, income inequality tends to follow a curve that is :
- (A) V-shaped
 - (B) Inverted U-shaped
 - (C) L-shaped
 - (D) S-shaped
33. Capital deepening means :
- (A) The ratio of capital to labour, reflecting the quantity of capital used by each labourer in production
 - (B) The increase in the ratio of capital stock to GDP
 - (C) A rise in the ratio of capital to labour
 - (D) Capital and labour are complementary in the production process
34. Statement I : There is positive relationship between ranking of Indian states according to Human Development Index (HDI) and Sustainable Development Goals (SDG).
Statement II : The underlying dimensions of SDG targets are closely related to education and health outcomes.
- (A) Both the statements are correct and statement II explains statement I
 - (B) Both the statements are correct but statement II does not explain statement I
 - (C) Statement I is correct but statement II is incorrect
 - (D) Both the statements are incorrect
35. If the Gini coefficient takes a value equal to 1, it indicates :
- (A) Absolute equality
 - (B) Maximum inequality
 - (C) An inequality of 10%
 - (D) Minimum inequality

36. Who according to J Schumpeter are the creative forces that drive economic growth ?
- (A) Bankers (B) Capitalists
(C) Entrepreneurs (D) Government
37. The number written on the jersey of a player is an example of :
- (A) Nominal variable (B) Ordinal variable
(C) Continuous variable (D) Pure variable
38. Data related to human beings are called :
- (A) Territorial data (B) Organizational data
(C) Peripheral data (D) Demographic data
39. The choice of the research design is determined by :
- (A) The nature of the research problem
(B) The target audience
(C) The personal experience of the researcher
(D) All these
40. Which of the following is not a data collection method ?
- (A) Research questions (B) Participant observation
(C) Interview (D) Focus group discussion
41. A text taken from a source is placed in a research report without a reference. What is it called ?
- (A) Cross-referencing (B) Plagiarism
(C) Populism (D) Quotation
42. Statement I : Codes of ethics are formulated to regulate the relations of the researcher with the people and the fields which they intend to study.
Statement II : All the risks involved in the study need not be explained to the participants in advance.
- (A) Statement I is correct and so is statement II
(B) Statement I is correct but statement II is not
(C) Statement I is incorrect and so is statement II
(D) Statement I is incorrect but statement II is correct

43. Which one is not one of the principal causes that led to decay of handicrafts in India during Colonial period ?
- (A) Disappearance of princely courts
 - (B) Hostile policy of East India Company
 - (C) Lack of availability of credit
 - (D) Competition of machine-made goods
44. The number of people in different age groups in a population is referred to as :
- (A) Occupational structure
 - (B) Adolescent population
 - (C) Age composition
 - (D) Sex ratio
45. Which Ministry is responsible for calculating GDP in India ?
- (A) Ministry of Finance
 - (B) Ministry of Commerce and Industry
 - (C) Ministry of consumer Affairs
 - (D) Ministry of Central Statistical and Program Implementation
46. Which Five Year Plan gave the slogan of Garibi Hatao ?
- (A) Third Five-Year Plan
 - (B) Fourth Five-Year Plan
 - (C) Fifth Five-Year Plan
 - (D) Sixth Five-Year Plan
47. The very first five-year plan of India was based on :
- (A) Mahalanobis model
 - (B) Harrod Domar Model
 - (C) Bombay Plan
 - (D) None of these
48. In the context of Indian agriculture, which one of the following statements is correct ?
- (A) White revolution in the field of agriculture is associated with modernization of sheep farming
 - (B) Blue revolution in the field of agriculture is associated with improvement in the production of fish and marine products
 - (C) Second Green revolution in the field of agriculture is associated with developments in the production of sugarcane
 - (D) Yellow revolution in the field of agriculture is associated with improvement in the production and export of meat

49. Who announced the launch of Rashtritya Krishi Vikash Yojana ?
(A) Shri Narendra Modi (B) Smt. Indira Gandhi
(C) Dr. Manmohan Singh (D) Shri A. B. Vajpayee
50. When was the first ever Industrial Policy resolution announced in India ?
(A) 1947 (B) 1948
(C) 1956 (D) 1961
51. A plan for economic development of India was issued by a group of leading industrialists in India, which is popularly known as :
(A) The Bombay Plan (B) The Delhi Plan
(C) The Calcutta Plan (D) The Madras Plan
52. The first major Environmental Protection Act promulgated in India was :
(A) Water Act (B) Air Act
(C) Environmental Act (D) Noise Pollution Rules
53. The KALIA scheme launched by the Government of Odisha is for the :
(A) Poor people (B) Students
(C) Children (D) Farmers
54. As per Odisha Economic Survey 2022-23, the rate of growth of Odisha economy was _____ that of the Indian economy during 2021-22.
(A) Slower than (B) Faster than
(C) Half of (D) The same as
55. Odisha Millet Mission, one of the flagship programmes of Government of Odisha, was launched in :
(A) 2015-16 (B) 2017-18
(C) 2020-21 (D) 2009-10

56. Who recommends the Minimum Support Price for agricultural commodities ?
- (A) Ministry of agriculture
 - (B) Planning Commission
 - (C) NABARD
 - (D) Commission for Agricultural Costs and Prices
57. Which one of the following is not a function of the Central Bank of a country ?
- (A) It regulates the supply of money in the economy
 - (B) It lends money and accepts deposits from the public
 - (C) It is the lender of last resort to the Commercial Banks in the country
 - (D) It acts as the banker to the government
58. Paper money is called fiat money because :
- (A) It has got general acceptability
 - (B) It is issued with the authority of the government
 - (C) It is convertible to gold
 - (D) It is easy to carry
59. While constructing an Index Number, the index for the base year is always taken as :
- (A) 100
 - (B) 1000
 - (C) 0
 - (D) Per the requirement of the problem in hand
60. Which one of the following is a public good ?
- (A) The trees in your garden
 - (B) National defense services
 - (C) Railways
 - (D) A personal Wi-Fi connection
61. Higher is the elasticity of demand for a good, _____ will be the burden of tax on the consumer.
- (A) More
 - (B) Lesser
 - (C) Zero
 - (D) Negative

62. Which of the following is NOT a part of the Human Development Index ?
- (A) Infant mortality (B) life expectancy
(C) GDP per capita (D) educational attainment
63. Which one of the following is not an assumption of the theories of Absolute and Comparative Cost advantage ?
- (A) A two country two commodity framework
(B) Countries aim at maximization of production and consumption
(C) Labour is the only factor of production
(D) Transportation of goods from one country to another involves a cost
64. A matrix with dimension $(1 \times n)$ is known as a :
- (A) Row vector (B) Column vector
(C) Symmetric matrix (D) Identity matrix
65. The set $A = \{x, x \in \mathbb{R}, \text{ and } x^2 = 9, 2x = 6\}$ is :
- (A) An empty set (B) A singleton set
(C) An infinite set (D) A set with two elements
66. If $|A| = 0$, then A is a :
- (A) Null matrix (B) Singular matrix
(C) Non-singular matrix (D) Rectangular matrix
67. For two matrices A and B, if $AB = 0$, then this necessarily implies that :
- (A) $A = 0$ and $B = 0$ (B) $A = 0$ or $B = 0$
(C) $A = 0$ (D) None of these
68. The slope of the function $y = x^2 - x$ is zero at which of the following values of x :
- (A) $x = 3$ and $x = -2$ (B) $x = 0.5$
(C) $x = 3$ (D) $x = -2$

69. If the average revenue function is given by $AR = 3q + 5$, where q is the level of output, the marginal revenue function is given by :
- (A) $3q + 5$ (B) $6q - 5$
 (C) $3q^2 + 5q$ (D) $6q + 5$
70. Examine the curvature of the function $Y = 3X^2 - 14X + 5$ at the point $X = 3$:
- (A) Concave (B) Convex
 (C) Linear (D) None of these
71. At a point $x = a$, the first derivative of the function $y = f(x)$ is zero and the second derivative is positive. This implies that the function has a :
- (A) Relative maximum at $x = a$ (B) Relative minimum at $x = a$
 (C) Point of inflection at $x = a$ (D) Global minimum at $x = a$
72. Which of the following measures of Central tendency is not based on all items of the distribution ?
- (A) Mode (B) Arithmetic mean
 (C) Harmonic mean (D) Weighted arithmetic mean
73. If total sum of square is 192 and the sample standard deviation is 4, then total number of observations are :
- (A) 12 (B) 6
 (C) 48 (D) 24
74. Increase in the number of patients in the hospital due to heat stroke is :
- (A) Secular trend (B) Seasonal variation
 (C) Irregular variation (D) Cyclical variation
75. Tickets numbered 1 to 30 are mixed up and a ticket is drawn at random. What is the probability that the ticket drawn has a number which is a multiple of 3 ?
- (A) $\frac{1}{2}$ (B) $\frac{2}{5}$
 (C) $\frac{1}{3}$ (D) $\frac{3}{10}$

76. In a two variable linear regression analysis, if the two regression lines coincide, then it implies that :
- (A) The two variables are independent
 - (B) The two variables are orthogonal
 - (C) The two variables are perfectly linearly related
 - (D) None of these
77. The difference between open and closed input-output system is in terms of the :
- (A) Technological improvement
 - (B) Homogenous labour input
 - (C) Interdependence between industries
 - (D) Existence of an exogenous sector
78. Given a demand function $P = 2Q - 4$, calculate the Consumers' Surplus when Price = 5 :
- (A) 10
 - (B) 5
 - (C) 0
 - (D) 25
79. Which measure of Central Tendency is most suited for calculation of an Index number ?
- (A) Arithmetic Mean
 - (B) Geometric Mean
 - (C) Harmonic Mean
 - (D) Median
80. Which one of the following is a random sampling design ?
- (A) Judgement sampling
 - (B) Quota sampling
 - (C) Simple random sampling
 - (D) Cluster sampling



SPACE FOR ROUGH WORK

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