Entrance Exam

2024



QUESTION PAPER

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ECONOMETRICS

1. When the units of a factor increases, marginal revenue productivity of a factor

(A) will fall or diminish
(B) will rise or increase
(C) will have no change
(D) None of the above

2. Price discrimination under monopoly depends on

(A) Elasticity of Supply of Commodity
(B) Taxes and Other overhead expenses
(C) The Size of Market where he sells
(D) Elasticity of Demand for the commodity

3. In short run a firm would remain in business as long as which one of the following of cost is covered

(A) Total Cost
(B) Fixed Cost
(C) Variable Cost
(D) Constant Cost

4. The firm producing at the minimum point of the LAC is said to be

(A) operating under diminishing cost
(B) making optimum use of plant capacity
(C) operating excess capacity
(D) operating under increasing costs

5. Indifference Curves are convex towards the origin because of

(A) diminishing marginal rate of substitution
(B) increasing marginal rate of substitution
(C) constant marginal rate of substitution
(D) None of the above

6. The production possibility curve is not used for which of the following purposes?

(A) Knowledge of economics efficiency
(B) Distribution of nation's resources
(C) Choice of techniques of production
(D) Demand-Supply Analysis

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7. The demand for a factor of production is said to be a derived demand because

(A) it is a function of the profitability of an enterprise
(B) it depends on the supply of complementary factors
(C) it arises from the demand for the final product
(D) it arises out of means being scarce in relation to wants

8. The fall in a firm's short run average total cost with an increase in production would be due to which of the following?

(A) The greater divisibility of fixed assets
(B) Diminishing returns to fixed factor
(C) Economies of scale
(D) Diseconomies of scale

9. Marginal Revenue is equal to Marginal Cost and cuts from below the Marginal Revenue curve is condition for profit maximisation in

(A) Perfect Competition
(B) Imperfect Competition
(C) Both (A) and (B)
(D) None of the above

10. Choose the most correct statement

(A) The fiscal deficit of Government reached 9.2% of GDP during the pandemic year FY 21
(B) The fiscal deficit moderated to 5.1% in the FY 22
(C) The fiscal deficit is contained to 5% in FY 23
(D) None of the above

11. Which of the statements is **not** true?

(A) The noticeable rise in Rural Female Labour Force Participation Rate (FLFPR) from 19.7 per cent in 2018-19 to 27.7 per cent in 2020-21 is a positive development.
(B) In 2022-23, health-related indicators such as institutional births, immunisation and, coverage of health insurance, have witnessed an uptrend, as borne out by National Family Health Survey (NFHS) data.
(C) Social services expenditure witnessed an increase of 8.4 per cent in FY21 over FY20 and another 31.4 per cent increase in FY22 over FY21, being the pandemic years, which required enhanced outlay, especially in the health and education sectors
(D) None of the above

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12. In the recent past which of the factors in Health indicators have observed an increase?

(A) Households with any usual member covered under a health insurance/financing scheme (per cent)
(B) Men who are overweight or obese
(C) Neonatal mortality rate (per 1000 live births)
(D) Current Use of Family Planning Method- Any Method

13. National Action Plan on Climate Change (NAPCC) includes which of the following mission?

(A) National Solar Mission
(B) National Water Mission
(C) National Mission for sustainable Agriculture
(D) All of the above

14. Which is most correct?

(A) Union Budget for 2020-22 announced that farmers in India would be given an MSP of at least one and a half times the cost of production
(B) Financial benefit of ₹6,000 per year is transferred into the bank accounts of farmer families through Direct Benefit Transfer
(C) National Agriculture Market (e-NAM) Scheme in 2016 to create an online transparent, competitive bidding system to ensure farmers get non-remunerative prices for their produts
(D) None of the above

15. FDI Equity Flows in 22-23 during April- September 2022 were received highest in

(A) Services Sector
(B) Computer Software and Hardware
(C) Trading
(D) Chemicals

16. Fourth industrial revolution or industry 4.0 is referred to as

(A) Transformation integrating new technologies such as cloud computing, IoT, machine learning, and artificial intelligence (AI) into manufacturing processes, leading to efficiencies across the value chain.
(B) Self-reliance in semiconductor technology and production and high penetration in Internet
(C) Aatma nirbharta
(D) All of the above

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17. India maintained its dominance in the world services trade in FY22 with all **except**

(A) Software and business services together constituting more than 60 per cent of India's total services exports
(B) Payments for transport services, travel and other business services
(C) India signed Free Trade Agreements (FTAs) with UAE and with Australia
(D) Reserve Bank of India (RBI) issued a circular permitting an additional arrangement for invoicing, payment, and settlement of exports/imports in Indian Rupees (INR) to promote the growth of global trade

18. In a disequilibrium model where the price level remains above the price level at which aggregate supply and aggregate demand intersect

(A) Output is determined by the aggregate supply curve
(B) Output is determined by the aggregate demand curve
(C) There is an output shortage
(D) There is an output surplus

19. The marginal revenue product of labour

(A) increases when there is an adverse supply shock, ceteris paribus
(B) increases when there is an increase in the price of output, ceteris paribus
(C) increases when more workers are hired, ceteris paribus
(D) increases when fewer capital units are used with a fixed quantity of labour, ceteris paribus

20. Which of the following will **not** result in an increase in output?

(A) An increase in autonomous spending
(B) A decrease in autonomous taxes
(C) An Increase in autonomous transfers
(D) An increase in lump-sum taxes

21. Which of the following statements is **not** true?

(A) When the relative increase in the price level is greater than the relative increase in the nominal money supply, the real money supply decreases
(B) When the relative increase in the nominal money supply is greater than the relative increase in the price level, the real money supply increases
(C) When the price level decreases, ceteris paribus, the real money supply decreases
(D) When the price level increases, ceteris paribus, the real money supply decreases

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22. When there is full employment and aggregate supply is vertical, a decrease in taxes

(A) increases the price level and real output
(B) increases the price level but has no effect on real output
(C) increases real output but has no effect on the price level
(D) has no effect on the price level or real output

23. When aggregate supply is positively sloped and there is a decease in the mark-up on variable cost, aggregate supply shifts

(A) leftwards, the price level falls, and real output increases
(B) rightwards, the price level falls, the real output increases
(C) leftwards, the price level increases, the real output decreases
(D) rightwards, the price level increases, and real output decreases

24. Which of the following statements is **incorrect**?

(A) The precautionary demand for money is unrelated to income
(B) There is a precautionary demand for money because of uncertainty about the receipt of future income
(C) The precautionary demand for money is affected by the opportunity cost of holding Narrow money balances
(D) There is a precautionary demand for money because of unexpected expenditures

25. A distributed lag for net investment may be due to

(A) a decrease in the capital-output ratio
(B) an increase in the capital-output ratio
(C) limited, short run production capabilities in the capital good industry
(D) a decrease in the expected level of output

26. If the cross-price elasticity between two goods is −0.8, what can be inferred about the relationship between these goods?

(A) They are substitutes
(B) They are complements
(C) There is no relationship
(D) They are normal goods

27. If the price elasticity of demand for a product is −2.5, what can be inferred about the responsiveness of quantity demanded to changes in price?

(A) The demand for the product is perfectly elastic
(B) The demand for the product is perfectly inelastic
(C) The demand for the product is elastic
(D) The demand for the product is inelastic

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28. Under the law of equi-marginal utility, how should a rational consumer allocate their income among different goods to maximize total utility?

(A) Allocate more income to goods with the highest total utility
(B) Allocate income equally among all goods
(C) Allocate income so that the marginal utility per dollar is the same for all goods
(D) Allocate income randomly among goods

29. According to the water-diamond paradox, why does water, despite being essential for life, have a lower price than diamonds?

(A) Water is less scarce than diamonds
(B) Diamonds have higher total utility
(C) Water has a lower marginal utility
(D) Diamonds are less essential for survival

30. According to the concept of consumer surplus, what happens to consumer surplus when the price of a good decreases?

(A) Increases
(B) Decreases
(C) Remains constant
(D) Becomes negative



31. What is the key characteristic that distinguishes a sunk cost from other costs in economic analysis?

(A) Sunk costs can be recovered in the future
(B) Sunk costs are explicit costs
(C) Sunk costs are relevant for future decision-making
(D) Sunk costs are costs that have already been incurred and cannot be recovered

32. What strategy involves one firm setting its price or output first, and other firms then responding?

(A) Collusion
(B) Price leadership
(C) Game theory
(D) Cartel behavior

33. What is a common feature between monopolistic competition and oligopoly?

(A) Perfect information
(B) Homogeneous products
(C) Product differentiation
(D) High barriers to entry

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34. In a perfectly competitive market for agricultural products, explain how the price of wheat is determined, considering the interaction of supply and demand?

(A) The government sets the price
(B) Wheat producers collectively set the price
(C) The market equilibrium is reached where supply equals demand
(D) Buyers negotiate with sellers to set the price

35. If an economy is operating at a point inside its production possibilities frontier (PPF), what does this suggest?

(A) The economy is inefficient
(B) The economy is using its resources effectively
(C) The PPF is irrelevant
(D) The economy is experiencing a recession

36. Consider a scenario where a government imposes a tax on carbon emissions to address environmental concerns. Which economic principle underlies this action?

(A) People respond to incentives
(B) Trade can make everyone better off
(C) Markets are usually a good way to organize economic activity
(D) Prices rise when the government prints too much money

37. In the calculation of Net National Product (NNP) from Net Domestic Product (NDP), what should be added to account for the difference?

(A) Depreciation
(B) Transfer payments
(C) Intermediate products
(D) Net factor income from abroad

38. Limit price is a price that

(A) limits excess profits
(B) restricts output
(C) prevents entry
(D) encourages exit

39. The Average Revenue (AR) of a monopoly firm is

(A) always more than the Marginal Revenue (MR)
(B) always less than the Marginal Revenue (MR)
(C) equal to the Marginal Revenue (MR)
(D) some times more and sometimes lesser than the Marginal Revenue (MR)

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40. When Marginal Propensity to consumer is 0.75 the multiplier has the value

(A) 0.75
(B) 2.00
(C) 5.00
(D) 4.00

41. Supply creates its own demand, this is ……

(A) Giffen law
(B) Say's law
(C) Gossen's law
(D) Pigue law

42. Liquidity trap is a situation when

(A) all potential investors expect the rate of interest to rise in future
(B) all potential investors expect the rate of interest to fall in future
(C) natural rate of interest is above the critical rate of interest
(D) demand for money for speculative purpose is interest inelastic

43. The permanent income hypothesis was developed by

(A) J.M. Keynes
(B) Dusenberry
(C) Milton Freidman
(D) Modigliani

44. The second stage of the theory of demographic transition is characterized by

(A) high birth-rate and high death rate
(B) high birth-rate and falling death rate
(C) low birth-rate and low death rate
(D) falling birth-rate and falling death rate

45. Theory of Unlimited Supply of Labour was propounded by

(A) A.W. Lewis
(B) Ragnar Nurkse
(C) Harvey Leibenstien
(D) Simon Kuznets

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46. HDI is **not** composed of

(A) longevity
(B) level of income
(C) literacy
(D) human freedom

47. The book "Problems of Capital Formation in underdeveloped Countries" is authored by

(A) Ragnar Nurkse
(B) R.E. Baldwin
(C) Benjamin Higgins
(D) Meier and Baldwin

48. Theory of Customs Union was first developed systematically by

(A) Jacob Viner
(B) Haberler
(C) Lipsey
(D) Vanek

49. Devaluation results is

(A) rise in the price of imports
(B) fall in the price of exports
(C) Both (A) and (B)
(D) no effect on balance of payment

50. Dumping aims at flooding a foreign country with

(A) low-priced commodities
(B) high-priced commodities
(C) commodities with similar price
(D) commodities with fluctuating price

51. Large source of National Income in India is

(A) service sector
(B) agriculture sector
(C) industrial sector
(D) trade sector

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52. Buffer stocks of food grains in India are held by

(A) State Trading Corporation
(B) The Food Corporation of India
(C) State Governments
(D) Ministry of Food and Civil Supply

53. FRBM is related to

(A) Fiscal Discipline
(B) International Trade
(C) Foreign Business Management
(D) Foreign Exchange

54. Which Human Development Report introduced Human Poverty Index (HPI)?

(A) 2007-08
(B) 2004
(C) 1990
(D) 1997

55. Which of the following materials can be used in 'Geo-textile'?

(A) Jute
(B) Silk
(C) Cotton
(D) Fibre

56. The Gini coefficient is a technique frequently used to show

(A) variations in life expectancy
(B) income inequality
(C) differences in infant mortality
(D) the education gap

57. Doha development of W.T.O. launched in

(A) 2001
(B) 2008
(C) 2002
(D) 2013

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58. MSME stands for

(A) Micro Small and Medium Enterprises
(B) Micro Small and Major Enterprises
(C) Micro Small and Middle Enterprises
(D) Micro Small and Minor Enterprises

59. The concept of sustainable development is coined and defined by

(A) Planning Commission
(B) Finance Commission
(C) Brundtland Commission
(D) Joseph Commission

60. The Global slowdown has an impact on India's

(A) Agriculture Sector
(B) Industrial Sector
(C) Domestic Sector
(D) Foreign Trade

61. The average of 7 consecutive number is 21. The average of three greatest of these number is

(A) 21
(B) 23
(C) 19
(D) 20

62. The distance between two stations A and B is 220 kms. A train starts from A with 80 km/hr towards B, after 30 minutes another train moves with the speed 100 km/hr towards A. Find the distance from A where both the trains meet

(A) 135 kms
(B) 150 kms
(C) 160 kms
(D) 120 kms

63. The expression $\frac{1}{1+x^{b-a}+x^{c-a}}+\frac{1}{1+x^{a-b}+x^{c-b}}+\frac{1}{1+x^{b-c}+x^{a-c}}$ is equal to

(A) 0
(B) x^{a-b-c}
(C) 1
(D) $\frac{1}{2}$

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64. Four points *A*, *B*, *C* and *D* lie on a straight line in the *X*-*Y* plane, such that *AB* = *BC* = *CD*, and the length of AB is 1 metre. An ant at *A* wants to reach a sugar particle at *D*. But there are insect repellants kept at points *B* and *C*. The ant would not go within one metre of any insect repellent. The minimum distance in metres that the ant must transverse to reach the sugar particle is

(A) $3\sqrt{2}$
(B) $1+\pi$
(C) $4\pi/3$
(D) 5

65. In a chess competition involving some boys and girls of a school, every student had to play exactly one game with every other student. It was found that in 45 games both the players were girls and in 190 games both were boys. The number of games in which one player was a boy and the other was a girl is

(A) 200
(B) 216
(C) 235
(D) 256

66. The sum of an infinite series of Geometric Progression whose first term is 28 and the fourth term is $4/49$ is

(A) $95/6$
(B) $67/8$
(C) $98/3$
(D) $57/8$

67. If the sum and difference of two angles are $\left(\frac{11}{9}\right)^{o}$ and $60°$ respectively, the angles in the degree taking the value of $\pi = 22/7$ will be

(A) 62, 8
(B) 70, 54
(C) 60, 90
(D) 20, 30

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68. A circular swimming pool is surrounded by a concrete wall 4 cm wide. If the area of the concrete wall surrounding the pool is $11/25$ that of the pool, then the radius (in m) of the pool is

(A) 8
(B) 30
(C) 20
(D) 16

69. The percentage of metals in a mine of lead ore is 60%. The $\frac{3}{4}\%$ of the metals is silver and the rest is lead. If the mass of ore extracted from this mine is 8000 kg the mass (in kg) of lead is

(A) 4763
(B) 4762
(C) 4761
(D) 4764

70. If $\tan A + \cot A = 2$, then the value of $\tan^{10} A + \cot^{10} A$ is

(A) 2
(B) 5
(C) 4
(D) 3

71. Chebyshev's theorem says that 99% of the values will lie within ± 3 standard deviations from the mean for

(A) bell shaped distributions
(B) positively skewed distributions
(C) left tailed distribution
(D) no distribution

72. In which of the following situations would $\sigma_{\bar{x}} = \frac{\sigma}{\sqrt{n}}$ be the correct formula to use for computing $\sigma_{\bar{x}}$

(A) Sampling is from an infinite population
(B) Sampling is from a finite population with replacement
(C) Sampling is from a finite population without replacement
(D) Both (A) and (B)

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73. If the population proportion information is unknown, the standard error of the proportion can be estimated by the formula where n is the sample size, p is the probability of success and q is the probability of failure

(A) $\sqrt{npq}$

(B) $\sqrt{n\bar{p}\bar{q}}$

(C) $\sqrt{\frac{\bar{p}\bar{q}}{n}}$

(D) $\sqrt{\frac{pq}{n}}$

74. What are the major assumption we made when performing one-tailed tests for differences between means with small samples?

(A) Unknown population variances were equal
(B) Sampling fractions were quite small
(C) The samples were chosen using judgemental sampling techniques
(D) None of the above

75. Who is primarily responsible for the development of control charts?

(A) Crosby
(B) Ishikawa
(C) Dodge
(D) Shewhart

76. We know that the standard error is the same at all points on the regression line because we assumed that

(A) Observed values of Y are normally distributed around each estimated value of Y mean
(B) The variances of the distribution around each possible value of Y are the same
(C) All available data were considered when the regression line was calculated
(D) None of the above

77. A method used to deal with cyclical variation when the cyclical component does not explain most of the variation left unexplained by trend component is

(A) Spearman Analysis
(B) Specific Analysis
(C) Second Degree Analysis
(D) None of the above

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78. A primary difference between average of relatives and aggregate methods in indices is that

(A) Aggregates methods sum all prices before finding the ratio
(B) Averages of relative methods sum all prices before finding the ratio
(C) Aggregates methods are useful only for price indices
(D) (A) and (C) but not (B)

79. A border patrol check point that stops every passenger van is using

(A) Sample random sampling
(B) Systematic Sampling
(C) Stratified Sampling
(D) None of the above

80. Among the below which statement is most appropriate about the difference between the Consumer Price Index (CPI) and the Wholesale Price Index (WPI)?

(A) WPI focuses on goods purchased by households, while CPI covers goods purchased by businesses
(B) WPI includes goods sold at both wholesale and retail levels, while CPI covers only retail-level prices
(C) WPI does not capture changes in the prices of services, which CPI does
(D) WPI excludes volatile items such as food and energy, while CPI includes them

81. What is the probability of rolling a fair six-sided die and getting an odd number?

(A) $1/6$
(B) $1/3$
(C) $1/2$
(D) $2/3$

82. Statistical inference is the branch of statistics that delves into which fundamental aspect?

(A) Collection and describing data
(B) Predictions about future outcomes
(C) Drawing conclusions about populations based on sample data
(D) Summarizing data

83. Product of any matric A and any scalar c is written as

(A) cA
(B) $c + A$
(C) c/A
(D) A/c

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84. Operational Calculus is also known as

(A) operational analysis
(B) operational amplification
(C) logical analysis
(D) integration

85. If A, B and C are three matrices then $A(BC) =$

(A) $A + BC$
(B) $BA + C$
(C) $(AB)C$
(D) $A + B + C$

86. Divergence of vector is a

(A) vector function
(B) scalar function
(C) unit function
(D) inner function

87. The value of x is

x	1	3	4
y	4	12	19

Corresponding to $y = 7$ is

(A) 1.887142858
(B) 1.857142858
(C) 1.007281458
(D) 2.007145828

88. If $y = x^2 + x^5$, find the $\frac{dy}{dx}$

(A) $2x^2 + 5x^5$
(B) $2x + 5x^4$
(C) x^7
(D) $x^2 + 7$

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89. Scalar multiplication is performed by multiplying each entry or component by

(A) matrix
(B) function
(C) constant c
(D) unity vector

90. If in a real square matrix A, transpose of A does not affect matrix, matrix is called

(A) symmetric
(B) skew symmetric
(C) orthogonal
(D) identity

91. Critical point is also called

(A) Stationary point
(B) Minimax point
(C) Center point
(D) Spiral point

92. The degree of a polynomial is the

(A) largest coefficients of x
(B) smallest coefficients of x
(C) lowest power of x
(D) highest power of x

93. The graph of the linear function is

(A) parabola
(B) ellipse
(C) hyperbola
(D) straight line

94. A numerical value used as a summary measure for a sample, such as sample mean, is known as a

(A) population parameter
(B) sample parameter
(C) sample statistic
(D) population mean

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95. The mean of a distribution is 14 and the standard deviation is 5. What is the value of the coefficient of variation?

(A) 60.4%
(B) 48.3%
(C) 35.7%
(D) 27.8%

96. The middle value of an ordered array of numbers is the

(A) Mode
(B) Mean
(C) Median
(D) Mid Point

97. 1st quartile is also known as

(A) Lower Quartile
(B) Upper Quartile
(C) Median
(D) Geometric Mean

98. Which method used to examine inflation rate anticipation, unemployment rate and capacity utilization to produce products?

(A) Data exporting technique
(B) Data importing technique
(C) Forecasting technique
(D) Data supplying technique

99. Find the mode of the call received on 7 consecutive days.

11, 13, 13, 17, 19, 23, 25

(A) 11
(B) 13
(C) 17
(D) 23

100. Sir Francis Galton, while studying the hereditary characteristics, was the first scientist to discover the concept of the average relationship which is known as

(A) regression analysis
(B) correlation
(C) skewness
(D) kurtosis

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101. Which one of the following statistical technique could be used to assess the impact of change in input use on crop yield?

(A) Correlation coefficient
(B) Standard deviation
(C) Coefficient of variation
(D) Regression

102. The value of Durbin Watson d statistics

(A) Ranges from -1 to $+1$
(B) Ranges from 0 to 1
(C) Ranges from $-\alpha$ to $+\alpha$
(D) Ranges from 0 to 4

103. The probability of rejecting a true hypothesis is

(A) Type - II error
(B) Type - I error
(C) Standard error
(D) Probable error

104. Moving Average is used in

(A) dispersion
(B) correlation
(C) hypothesis testing
(D) time series analysis

105. To test the significance of individual co-efficient in regression model we use

(A) Z test
(B) 't' test
(C) F test
(D) Chi-square test

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106. Which of the following statements is most correct?

(A) Other things held constant, it is generally safer to invest money in proprietorship than in a partnership or a corporation
(B) According to the text, law firms and accounting firms must be organised as proprietorship or partnerships, these businesses do not have the option of incorporating
(C) If you are planning to start a business, which you will run as a sole employee, and if you expect the business to earn ₹10,00,000 per year before taxes, you can minimise income taxes by setting up the business as a corporation
(D) Maximising the income statement item "net income" is not the best goal for a corporation whose managers are interested in maximising the economic welfare of the firm's stockholders.

107. Other things held constant, (1) if the expected inflation rate decreases (2) investors become more risk averse, the Security Market Line would shift

(A) Down and have steeper slope
(B) Up and have less steep slope
(C) Up and keep same slope
(D) Down and keep same slope

108. If you receive ₹15,000 today and can invest it at a 5% annual rate compounded continuously, what will be your ending value after 20 years?

(A) ₹35,821
(B) ₹40,774
(C) ₹75,000
(D) ₹81,342

109. Which of the following statement is most correct?

(A) The cash balances of most firms consist of transactions, compensating, precautionary and speculative balances. The total desired cash balance can be determined by calculating the amount needed for each purpose and then summing them together
(B) The easier a firm's access to borrowed funds the higher its precautionary balances will be, in order to protect against sudden increases in interest rate
(C) For some firms, holding highly liquid marketable securities is a substitute for holding cash because the marketable securities accomplish the same objective as cash
(D) Firms today are more likely to rely on cash than on reserve borrowing power of marketable securities for speculative purposes because of the need to move quickly

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110. A 'GST Council' has been constituted for taking related decisions on GST. Who is the Chairman of it?

(A) Finance Minister
(B) Prime Minister
(C) Deputy Chairman of NITI Aayog
(D) Commerce Minister

111. Typically, according to the text, the MCC schedule is either horizontal or rising, which implies that the cost of capital to a firm increases as it raises larger and larger amounts of capital. The rising section of Marginal Cost of Capital schedule

(A) is caused by economies of scale in financing
(B) would be eliminated (that is, the MCC schedule would be horizontal) if the firm retained all of its earnings
(C) results from a change in the debt ratio as the firm expands
(D) results from floatation costs associated with the sale of new common and preferred stock, along with higher debt costs, as the firm's rate of expansion increases

112. The beta coefficient of an asset measures its

(A) total risk
(B) systematic risk
(C) credit risk
(D) business risk

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113. Heavy use of off-balance sheet lease financing will tend to

(A) make a company appear more risky than it actually is because its stated debt ratio will appear higher
(B) make a company appear less risky than it actually is because its stated debt ratio will appear lower
(C) affect a company's cash flow but not its degree of risk
(D) have no effect on either cash flows or risk because the cash flows are already reflected in the income statement

114. According to the text, the financial staff's role in the forecasting process centers on

(A) developing the original assumption used in estimating each project's cash flow
(B) making sure that no biases are inherent in the forecasts
(C) deciding which projects are strategically important to the firm
(D) setting the sales price and quantity estimates for use by other departments

115. Suppose the firm's Weighted Average Cost of Capital is stated in nominal terms, but the project's expected cash flows are expressed in real rupee terms. In this situation other things held constant, the calculated NPV would

(A) be correct
(B) be biased downward
(C) be biased upward
(D) more information is needed, otherwise, we can make no reasonable statement



116. The dominant objective of Monetary Policy is

(A) Money Supply
(B) Controlling Demand for Money
(C) Achieving Price Stability
(D) Promoting Foreign Trade

117. Countries that impose no tax or very low tax are called

(A) Tax exempting countries
(B) Tax neutral countries
(C) Tax evading countries
(D) Tax havens

118. Which of the following is generally referred to as 'broader measure of money supply'?

(A) M1
(B) M2
(C) M3
(D) M4

FOR REFERENCE ONLY

119. What is the weightage given to population in the 11th Finance Commission recommendations?

(A) 25%
(B) 10%
(C) 15%
(D) 17.5%

120. Zero Base Budgets was first tried by

(A) Philip E. Taylor
(B) C.V. Brown
(C) Jimmy Cutt
(D) Peter Pyhrr

121. Which of the following is **not** a development expenditure of the state?

(A) Medical and health
(B) Education
(C) Development of agriculture
(D) Debt payment

122. Who is the custodian of National Reserves of International Currency?

(A) RBI
(B) SBI
(C) IDBI
(D) IBRD

123. The rate at which the RBI accepts funds from other banks is called

(A) Repo rate
(B) Bank rate
(C) Reverse Repo rate
(D) Cash reserve ratio

124. Which are the quantitative instruments of monetary policy?

I. Bank Rate
II. Variable Reserve Ratio
III. Open Market Operations
IV. Selective Credit Controls

(A) I, II, III and IV
(B) I, II and III
(C) II, III and IV
(D) I and IV

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125. Generally banks borrow in call money market for

(A) maintaining Cash Reserve Ratio (CRR)
(B) investment with Central Government
(C) investment with State Government
(D) credit for infrastructure

126. What is 'Green Banking'?

(A) Bank financing on pro-environment project
(B) Bank financing on agriculture
(C) Bank financing on irrigation
(D) All bank financing to farmers

127. First share market in India was established in

(A) Delhi
(B) Mumbai
(C) Kolkata
(D) Chennai

128. In 2014, Reserve Bank of India adopted CPI as the key measure of inflation on the basis of recommendation of

(A) Nachiket Mor Committee
(B) Urjit R. Patel Committee
(C) Y.B. Reddy Committee
(D) C. Rangarajan Committee

129. The following are the examples of financial assets **except**

(A) stocks
(B) bank loan
(C) bond
(D) raw material

130. Market value of shares are decided by

(A) Investment Market
(B) Respective Company
(C) The Government
(D) Share Holders

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131. Which factors lead to activity of stock market?

(A) Per Capita income
(B) Money Supply
(C) Unemployment rate
(D) Manufacturing and trade

132. LIC of India was established in

(A) 1897
(B) 1986
(C) 1956
(D) 1960

133. Fiscal Policy does **not** deal with

(A) Taxation
(B) Public Expenditure
(C) Credit expansion and contraction
(D) Deficit Financing

134. SDR is the currency of IMF which is the form of

(A) paper currency
(B) gold
(C) both silver and gold
(D) book-keeping entry only

135. The Headquarters of Asian Development Bank (ADB) is at

(A) Singapore
(B) Manila
(C) Hong Kong
(D) Tokyo

136. Under the Constitution of India who are the ultimate sovereign?

(A) President of India
(B) People of India
(C) All elected leaders of India
(D) Prime Minister of India

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137. Which among the four Vedas is the oldest?

(A) Samaveda
(B) Rigveda
(C) Yajurveda
(D) Atharveda

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138. The golden Quaderilateral Project (highways) will connect which of the following cities?

(A) Delhi, Kanyakumari, Kolkata, Jammu
(B) Delhi, Mumbai, Kolkata, Chennai
(C) Delhi, Hyderabad, Chennai, Bengaluru
(D) Delhi, Mumbai, Bengaluru, Jammu

139. Amjad Ali Khan is associated with which of the following musical instruments?

(A) Sitar
(B) Violin
(C) Sarod
(D) Veena

140. The time difference between I.S.T. and G.M.T. is

(A) 5 hours
(B) 5 hours 15 minutes
(C) 5 hours 30 minutes
(D) 5 hours 45 minutes

141. Aligarh Muslim University was founded by

(A) Sir Syed Ahmad Khan
(B) Maulana Azad
(C) Badruddin Tyabji
(D) None of the above

142. First United Nations Conference on Environment was held in

(A) Montreal
(B) Stockholm
(C) London
(D) Paris

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143. Lithosphere consist of

(A) upper and lower mantle
(B) crust and core
(C) crust and uppermost solid mantle
(D) mantle and core

144. The term "Rainbow Revolution" refers to

(A) Rainwater harvesting
(B) Generation of solar energy
(C) Comprehensive revolution covering the entire agriculture sector
(D) Increasing the production in textile sector

145. Name the women's empowerment programme initiated by the Central Government in the year 1989.

(A) Mahila Kalyan
(B) Mahila Samakhya
(C) Mahila Jagruti
(D) Mahila Andolan

146. Which state has the maximum mangrove vegetation in India?

(A) Madhya Pradesh
(B) Gujarat
(C) West Bengal
(D) Karnataka

147. Which is the first state in India to start a programme for the empowerment of women?

(A) Kerala
(B) Karnataka
(C) West Bengal
(D) Uttar Pradesh

148. Chairman of 15th Finance Commission

(A) C. Rangarajan
(B) Bimal Jalan
(C) Shanker Acharya
(D) N. K. Singh

FOR REFERENCE ONLY

149. Who is ISRO Chairman?

(A) K. Sivan
(B) G. Madhavan Nair
(C) Satis Dhawan
(D) S. Somanath

150. Digital India programme was launched in

(A) April 2015
(B) July 2015
(C) October 2015
(D) January 2015

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ANSWER KEY

Subject Name: 624 MSc IN ECONOMETRICS AND FINANCIAL TECHNOLOGY

SI No.	Key	SI No.	Key	SI No.	Key	SI No.	Key	SI No.	Key
1	A	31	D	61	B	91	A	121	D
2	D	32	B	62	D	92	D	122	A
3	C	33	C	63	C	93	D	123	C
4	B	34	C	64	B	94	C	124	B
5	A	35	A	65	A	95	C	125	A
6	D	36	A	66	C	96	C	126	A
7	C	37	D	67	A	97	A	127	B
8	C	38	C	68	C	98	C	128	B
9	C	39	A	69	D	99	B	129	D
10	A	40	D	70	B	100	A	130	A
11	D	41	B	71	D	101	D	131	B
12	B	42	A	72	D	102	D	132	C
13	D	43	C	73	C	103	B	133	C
14	B	44	B	74	A	104	D	134	C
15	B	45	A	75	D	105	B	135	B
16	A	46	D	76	B	106	D	136	B
17	B	47	A	77	D	107	A	137	B
18	B	48	A	78	A	108	B	138	B
19	B	49	C	79	D	109	C	139	C
20	D	50	A	80	C	110	A	140	C
21	C	51	A	81	C	111	D	141	A
22	B	52	B	82	C	112	B	142	B
23	B	53	A	83	A	113	B	143	C
24	A	54	D	84	A	114	B	144	C
25	C	55	A	85	C	115	B	145	B
26	B	56	B	86	B	116	C	146	C
27	C	57	A	87	B	117	D	147	B
28	C	58	A	88	B	118	C	148	D
29	C	59	C	89	C	119	B	149	D
30	A	60	D	90	A	120	D	150	B

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