

PU M A Applied Economics

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If two factors are perfect substitutes the isoquant will be:-

- a parabola
- a rectangular hyperbola
- an L-shaped curve
- a straight line

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Circular flow of income in an economy implies that:-

- a) sum of all factor incomes = total expenditure on goods and services
- b) sum of all factor incomes = value of all (final) goods and services produced
- c) total expenditure on goods and services = value of all (final) goods and services produced
- d) a, b and c

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When technological progress takes place, isoquant curve shifts:-

- upward
- remains constant
- outward
- inward

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Stopler-Samuelson theorem is related to:-

- tariff
- income distribution
- effects of non-tariff measures
- balance of payments

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A dice is thrown. Let A be the event that the number obtained is greater than 3. Let B be the event that the number obtained is less than 5. Then $P(A \cup B)$ is:-

- 3/5
- 5/2
- 0
- 1

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When it comes to comparing two or more distributions we consider:-

- a) absolute measures of dispersion
- b) relative measures of dispersion
- c) both (a) and (b)
- d) either (a) or (b)

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If during 2010-11, Personal Income = Rs. 1,600 billion and Personal Taxes = Rs. 200 billion, then Disposable Income was equal to:-

- Rs. 1,400 billion
- Rs. 1,800 billion
- Rs. 3,20,000 billion
- Rs. 8 billion

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Who is the current Union Finance Minister of India?

- P. Chidambram
- Manmohan Singh
- Narendra Modi
- Arun Jaitley

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Which of the following is the second largest bank in India in terms of credit disbursement?

- SBI
- ICICI Bank
- Bank of Baroda
- Indian Bank

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Marginal utility is:-

- total plus average utility
- total utility divided by number of units
- addition to total utility
- total minus average utility

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Absolute cost advantage theory was propounded by:-

- Ricardo

- Adam Smith
- Marshall
- Malthus

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When the price of a substitute of commodity X falls, the demand for X:-

- falls
- remains unchanged
- complements
- rises

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Which of the following is TRUE?

- while a mathematical model is 'deterministic', an econometric model is 'stochastic'
- mathematical and econometric models are both not stochastic
- both mathematical and econometric models are 'deterministic'
- while a mathematical model is 'stochastic', an econometric model is 'deterministic'

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LAC curve falls as output expands due to:-

- rise in sunk cost
- law of diminishing returns
- diseconomies of scale
- declining cost

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Aggregate supply of land is:-

- absolutely inelastic
- relatively elastic
- absolutely elastic
- elasticity more than unity

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The value of 'balanced budget multiplier' in a Keynesian model is equal to:-

- less than one
- zero
- one
- greater than 1

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If GDP is less than GNP, then:-

- a) net factor income from abroad is positive
- b) net factor income from abroad is negative
- c) net factor income from abroad is zero
- d) both (a) and (b)

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Suppose X and Y are independent random variables. The variance of X is equal to 16; and the variance of Y is equal to 9. Let $Z = X - Y$. What is the standard deviation of Z?

- 2.65
- 5
- 7
- 2.5

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Which of the following is NOT one of the problems facing most developing nations?

- food shortages
- rapid population growth
- labour shortages
- foreign debt

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In a Classical model, an increase in labour supply without any change in money supply will influence:-

- employment, output, real wage and price
- output and real wage
- employment
- employment, output and real wage

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A National Competitive test has a mean score of 100 and a standard deviation of 15. If Raju's z-score is 1.20, what was his score on the test?

- 88
- 118
- 82
- 112

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GDP at market prices is equal to:-

- GDP at factor cost + Indirect taxes
- GDP at factor cost + Direct taxes
- GDP at factor cost + Subsidies
- GDP at factor cost + Indirect taxes – Subsidies

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Keynesian analysis places emphasis on:-

- effective demand
- aggregate supply
- savings and investment
- laissez faire

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On a graph, a positive linear relationship:-

- moves up to the left
- moves up to the right
- moves down to the right
- moves up to the right

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If $xy = 1$, then $y^2 + dy/dx$ is equal to:-

- 1
- 10
- 0
- 1

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H_0 should be rejected when:-

- estimated t-value < critical t-value
- estimated t-value > critical t-value
- H_0 is large
- H_A is large

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The goal of 'full employment':-

- allows for disguised unemployment

- refers to 'zero' unemployment
- no voluntary unemployment
- allows for some amount of frictional unemployment

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Given two unbiased estimators, the estimator with the lower variance is considered as:-

- biased
- efficient
- consistent
- inefficient

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Say's Law of Market is popularly stated as:-

- demand creates its own supply
- supply equals demand
- demand is greater than supply
- supply creates its own demand

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A coin is tossed three times. What is the probability that it lands on heads exactly one time?

- 0.375
- 0.125
- 0.175
- 0.500

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Marginal land refers to a land with:-

- nominal rent
- high rent
- no rent
- economic rent

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The word economic refers to:-

- unlimited
- free
- unrestricted
- scarce

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Slope of the total utility curve changes at the:-

- saturation point
- compensated budget line
- falling portion of the curve
- point of inflection

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Which of the following statements are true?

- i. Categorical variables are the same as qualitative variables
- ii. Categorical variables are the same as quantitative variables
- iii. Quantitative variables can be continuous variables

- i and ii
- iii only
- i only
- i and iii

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If for a sample data: Mean<Median<Mode,then the distribution is:-

- skewed to the right
- neither symmetric nor skewed
- symmetric
- skewed to the left

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Equality of MRTS between labour and capital leads to optimization in:-

- consumption
- production
- profit
- exchange

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If the expected or mean value of an estimator equals its true value, then the estimator is said to be:-

- consistent
- inconsistent
- unbiased
- efficient

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In a simple regression model, if the variance of error term is constant, the errors are said to be:-

- heteroscedastic
- serially correlated
- homoscedastic
- significant

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Following which approach, national income can be measured as sum of flow of expenditure on final goods and services incurred by the household sector, the business sector and the government sector?

- income approach
- expenditure approach
- product approach
- investment approach

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The Planning Commission of India is recently replaced by a new organization called:-

- CSO
- Planning Aayog
- SEBI
- NITI Aayog

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4P4 is equal to:-

- 1
- 0
- 10
- 24

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Which of the following sectors dominates Indian GDP in recent years?

- services
- industry
- organised sector
- agriculture

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National income is a:-

- a) flow concept

- b) stock concept
- c) both (a) and (b)
- d) only (b)

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Selling a product in a foreign market at a lower price than in home market is called:-

- subsidy
- dumping
- cartel
- rebate

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At saturation point for commodity X, the MUX is:-

- zero
- constant
- positive
- negative

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The mean of the numbers a, b, 8, 5, 10 is 6 and the variance is 6.80. Then which one of the following gives possible values of a and b?

- a = 0, b = 7
- a = 2, b = 4
- a = 5, b = 2
- a = 3, b = 4

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Quartiles are the values dividing a given set of observations into:-

- three equal parts
- two equal parts
- five equal parts
- four equal parts

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'Value and Capital' was authored by:-

- J. Hicks
- A. Marshall
- R. Stone
- D. Bernoulli

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Price elasticity of demand is:-

- change in tastes of consumers
- change in costs to a change in output
- rate of responsiveness of demand to a change in price
- rate of response of demand to a change in supply

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In Keynesian consumption function, the value of 'marginal propensity to consume' (MPC) is:-

- $0 < MPC < 1$
- $0 > MPC > 1$
- $MPC = 1$
- greater than '0'

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Which of the following is/are studied in macroeconomics?

- inflation
- domestic saving and investment
- GDP
- all of these

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Which is not an assumption revealed preference theory?

- consistency
- revealed preference axiom
- transitivity
- a cardinal approach

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An indifference map shows:-

- the average level of satisfaction
- different levels of satisfaction
- total satisfaction
- a given level of satisfaction

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Following which approach, national income can be measured as sum of the annual flow of final goods and services valued at their respective prices?

- product approach
- investment approach
- income approach
- expenditure approach

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Personal income is equal to:-

- NNP at factor cost – Undistributed Profits – Corporate Taxes + Transfer Payments
- NNP at factor cost – Undistributed Profits
- NNP at factor cost – Undistributed Profits – Corporate Taxes
- NNP at factor cost – Undistributed Profits + Transfer Payments

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The definition of the first derivative of a function $f(x)$ at any point a is:-

$$f'(a) = \lim_{h \rightarrow 0} \frac{f(a+h)+f(a)}{h}$$

$$f'(a) = \lim_{h \rightarrow 0} \frac{f(a+h)-f(a)}{h}$$

$$f'(a) = \frac{f(a+h)-f(a)}{h}$$

1

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Under which theorem OLS estimates are BLUE, if assumptions of classical linear regression model are satisfied?

- simple regression
- Gauss-Markov
- econometrics
- serially correlated

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According to H-O theory the USA should import:-

- a) capital intensive goods
- b) labour intensive goods
- c) land intensive goods
- d) both (a) and (b)

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'Foundations of Economic Analysis' was authored by:-

- R. Edgeworth
- Paul Samuelson
- A. Marshall
- J. Hicks

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The average inflation in India since independence is around:-

- 26.3%
- 6.5%
- 12.8%
- 1.3%

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Industrial development and regulation act was passed by parliament in:-

- 1956
- 1951
- 1947
- 1949

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Oil is leaking from a tanker at the rate of $R(t) = 2000e^{-0.2t}$ litres per hour, where t is measured in hours. How much oil has leaked out of the tanker after 10 hours?

- 865 litres
- 54 litres
- 271 litres
- 8647 litres

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Developing countries, if compared with other countries, have:-

- a greater degree of equality in the income distribution
- a lower infant mortality rate
- a lower rate of illiteracy
- a smaller percentage of the labour force in urban areas

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Bretton Woods led to the formulation of:-

- IMF

- IBRD
- GATT
- all of these

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is equal to:-

- c^a
- a^c
- aC
- C

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The idea that suggests that poverty is self-perpetuating because poor nations are unable to save and invest enough to accumulate the capital stock that would help them grow is:-

- neo-colonialism
- the dependency theory
- the vicious circle of poverty hypothesis
- the under-consumptionist hypothesis

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Values of a random variable are:-

- real numbers
- natural numbers
- always positive numbers
- always positive real numbers

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According to the World Urbanization Prospects, ____ per cent of the world's population was residing in urban areas in 2014.

- 44%
- 54%
- 64%
- 43%

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The slope of the tangent to the curve $y^3x + y^2x^2 = 6$ at (2, 1) is:-

- $-5/14$
- $-5/3$
- $-3/2$

0

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Since June 2014, India has experienced a very favourable terms-of-trade shock as a result of:-

- favorable exchange rate
- rupee depreciation
- decline in the price of crude-oil
- economic development

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Many developing countries instituted import-substitution policies because:-

- the prices of the goods they exported were increasing
- their terms of trade were improving
- the prices of the goods they imported were falling
- their terms of trade were deteriorating

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As the sample size increases, standard error:-

- decreases
- increases
- remains constant
- decreases proportionately

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A type of unemployment in which workers are in-between jobs or are searching for new and better jobs is called _____ unemployment.

- cyclical
- turnover
- frictional
- structural

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$\frac{3(AM - Median)}{Standard Deviation}$

is a measure of:-

- skewness
- quartile range
- percentile rank

kurtosis

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SEBI was set up in:-

1984

1980

1988

1992

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When economists say that developing countries have a 'dualistic' economy, the two parts referred to are:-

rich people and poor people

men and women

modern sector and traditional sector

town and country

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India is a member of:-

WTO

IMF

ADB

all the above

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Cube root of 238328 is:-

65

64

68

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If two events A and B are independent, then:-

a) they can be mutually exclusive

b) they cannot be mutually exclusive

c) they cannot be exhaustive

d) both (b) and (c)

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Statistical decision about an unknown universe is taken on the basis of:-

- complete enumeration
- sample observations
- a sampling frame
- sample survey

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Root mean square error represents:-

- the predicted value only
- the differences between predicted values and observed values
- the observed value only
- the differences between predicted values and estimated values

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Matrix running from the upper left corner to the lower right corner and zeros elsewhere is called:-

- sub matrix
- scalar matrix
- diagonal matrix
- unit matrix

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The sum of the deviations of all the values of a distribution from their arithmetic mean is:-

- 1
- 0
- 0 to 1
- infinite

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An increase in aggregate expenditure causes larger increase in income if:-

- marginal propensity to save is close to zero
- multiplier is large
- marginal propensity to consume is close to unity
- all are true

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The opportunity cost of a good is:-

- the expenditure on the good
- the time lost in finding it

- the loss of interest in using savings
- the quantity of one good sacrificed to get one more unit of another good

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Features of a public good include:-

- exclusion principle
- a good that the public must pay for
- non-rival in consumption
- costlier than a private good

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Fisher equations states that:-

- nominal interest rate divide inflation is equal to real interest rate
- real interest rate adjust inflation is equal to nominal interest rate
- nominal interest rate minus inflation is equal to real interest rate
- real interest rate minus inflation is equal to nominal interest rate

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Kurtosis measures _____ of a frequency curve.

- the presence of symmetry
- the relative peakedness
- the lack of symmetry
- the normal curve

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Real exchange rate is:-

- nominal exchange rate adjust with inflation rate
- nominal exchange rate adjust with interest rate
- nominal exchange rate with ratio of price levels in two countries
- nominal exchange rate with trade deflator

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The currency notes of India are printed in:-

- Bombay
- Nagpur
- New Delhi
- Nasik

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The Physical Quality of Life Index (PQLI) combines three indicators. They are:-

- infant mortality, life expectancy and adult literacy rate
- health, education and environment
- crime rate, clean environment and quality of housing
- air pollution rate, water pollution rate and sanitation

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The law of one price is not applicable to all goods internationally, because some goods are not tradable:-

- Balassa-Samuelson effect
- Harrod effect
- Rybczynski effect
- Fisher effect

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The balance of payments is divided into two major accounts, the:-

- current account and the capital account
- current account and the trade account
- capital account and the reserve account
- trade account and the reserve account

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Disguised unemployment largely exists in _____ of developing countries.

- service sector
- care sector
- agricultural sector
- industrial sector

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A matrix whose determinantal value is zero is called:-

- non-singular matrix
- singular matrix
- correlation matrix
- inverse matrix

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A tested and proved hypothesis is:-

- an assumption
- a law
- a theory
- an "if-then" proposition

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The second derivative of a function informs us about the _____ of its graph.

- slope
- height
- curvature
- value

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The speculative demand for money increases in response to:-

- a) increase in bond prices
- b) decrease in interest rates
- c) both (a) and (b) are true
- d) only (a) is true

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The Standard Error is equal to:-

- the sample's standard deviation divided by the square root of the number parameter
- the standard deviation divided by the square root of the number of parameters
- the population standard deviation divided by the mean
- the sample's standard deviation divided by the square root of the number of points in the sample

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The research on the title "The Problem of Indian Rupee" was done by:-

- Raja Chelliah
- Montek Singh Ahluwalia
- B.R. Ambedkar
- V.K.R.V. Rao