

350 PU M.A Applied Economics

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Microeconomics studies the:-

- decision-making behaviour of buyers
- decision-making behaviour of all sellers
- decision-making behaviour of a producer
- decision-making behaviour of a government

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High annual inflation in the current year means:-

- Prices in the current year are high as compared to the prices in previous year
- Inflation in the current year is high as compared to inflation in previous year
- Prices are high continuously
- Prices are constant

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The tax on net income of companies is:-

- Interest tax
- Corporate tax
- Personal income tax
- Wealth tax

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The most important source of revenue to the states is:-

- sales tax
- Excise duty
- Personal income tax
- Service tax

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Which of the following item(s) need to be added to National Income to get Personal Income?

- a) Pension
- b) Undistributed profits of the corporates
- c) Both (a) and (b)

- d) Trade earnings

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If cross-elasticity of capital for labour is zero, then the two commodities are:-

- completely unrelated
- complements
- perfect substitutes
- imperfect substitutes

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The number of subsets of the set {2, 3, 5} is:-

- 3
- 6
- 8
- nil

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A demand curve is downward sloping due to:-

- law of ordinal preference law
- law of diminishing marginal returns
- law of transitivity and consistency
- law of diminishing marginal utility

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GATS means:-

- General Agreement on Trade and Services
- General Agreement on Traditional Services
- General Agreement on Trade in Services
- General Agreement on Trading Services

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The recent financial economic crisis originated in:-

- UK
- UAE
- USA

EU

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When TU declining:-

- MU is maximum
- MU is zero
- MU is constant
- MU is negative

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Which cost curve is known as envelope curve?

- short run AC curve
- long run AC curve
- fixed cost curve
- marginal cost curve

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An organized foresight is known as:-

- Plan
- Ground work
- Reform
- Decision making

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ATM stands for:-

- Auto-time Teller Machine
- Automated Transfer Machine
- Automated Teller Machine
- Automatic Teller Mechanism

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The law of variable proportions is applicable to:-

- secular-period
- long-period
- short-period

- market-period

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In the Transaction approach to QTM given by, $M.v = P.T$, the term 'v' stands for:-

- Velocity of Money
- Value of Money
- Variation in Money
- Veil of Money

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Advertising is an important feature of:-

- bilateral monopoly
- monopoly
- perfect competition
- monopolistic competition

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Which of the following is used as an indicator of standard of living in an economy?

- Per capita income
- Interest rates
- Foreign exchange rate
- Monthly family income

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FII means:-

- Foreign Institutional Investments
- Foreign Institutional Investors
- Foreign Industrial Investments
- Foreign Investments Indicator

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The primary data are collected by:-

- Questionnaire method
- Observation method
- Interview method

- All these

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Which of the following is also known as International Bank for Reconstruction and Development?

- WTO
- RBI
- IMF
- World Bank

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The Microfinance scheme mainly targets the:-

- A) Rural poor
- B) Urban poor
- C) Middle income groups of rural and urban
- D) Both A & B

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The law of reciprocal demand is associated with:-

- Alfred Marshall
- David Ricardo
- Adam Smith
- J.S Mill

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The difference between revenue deficit and grants for creation of capital assets is:-

- Budget deficit
- Primary deficit
- Effective revenue deficit
- Fiscal deficit

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Which of the following is/are considered as classical economist(s)?

- J. B. Say
- Adam Smith
- David Ricardo

- All of them

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Correlation analysis aims at:-

- a) Predicting one variable for a given value of the other variable
- b) Establishing relation between two variables
- c) Measuring the extent of relation between two variables
- d) Both (b) and (c)

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If a worker prefers to remain unemployed even though the wages are acceptable to him and the employer is ready to employ, then such a situation is known as:-

- disguised unemployment
- voluntary unemployment
- involuntary unemployment
- frictional unemployment

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Marginal land refers to a land with:-

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

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The difference between total expenditure and total receipts except loans and other liabilities is called:-

- Primary deficit
- Revenue deficit
- Budget deficit
- Fiscal deficit

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The *theory of drains* is associated with:-

- Jawaharlal Nehru
- Nelson Mandela

- Dadabhai Naoroji
- Mahatma Gandhi

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Which of the following statement is correct with regard to external sector in the post-reform period?

- Quantitative restrictions have been removed on most of the items except few goods
- The Tariff walls have been further raised
- Foreign investment is now being discouraged
- Quantitative restrictions have been imposed on number of tradable items

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ASEAN means Association of:-

- South East African Nationalities
- South East African Nations
- South East Atlantic Nations
- South East Asian Nations

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Bank is required to invest a portion of their deposits in government securities, as a part of their _____.

- Statutory Liability Requirements
- Strategic Liquidity Ratio
- Statutory Liquidity Ratio
- Statement of Liquidity Ratio

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The cash balance approach to Quantity Theory of Money (QTM) is associated with:-

- Milton Friedman
- JM Keynes
- Cambridge economists
- Irving Fischer

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Bombay Stock Exchange began to function in:-

- 1892
- 1868

- 1890
- 1874

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Nearly 50% of labour force in India is engaged in:-

- Service sector
- Foreign trade
- Industry
- Agriculture

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Special Drawing Rights (SDRs) is the Currency of IMF. This is in the form of:-

- Gold
- Book- keeping entry only
- Paper Currency
- Silver and Gold (both)

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An isoquant map shows:-

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

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Under traditional market structure, prices are homogeneous under:-

- oligopoly
- monopolistic competition
- monopoly
- perfect competition

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Local public goods:-

- have benefits that are subject to exclusion by pricing for local consumers
- are those whose benefits are non-rival only for the population of a particular geographical area

- are best provided by a central government
- are pure public goods for the entire nation

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If GDP is less than GNP, then:-

- Trade income is added
- Net factor income from abroad is positive
- Net factor income from abroad is negative
- There is no trade

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Which one of the following is not a social factor of urbanization.

- Sophisticated technology
- Migration
- Rural unemployment
- Better standard of living

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Keynes emphasized on which of the following for determination of equilibrium output?

- Aggregate savings
- Effective demand
- Aggregate borrowings
- Aggregate supply

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Probability of an event range from:-

- $-\alpha$ to $+\alpha$
- 0 to 1
- 0 to α
- 1 to 1

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Macroeconomics is a study of:-

- flow of trade between countries
- individual's choice and preferences

- economic aggregates
- behavior of firms

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In a classical model, savings is a function of:-

- Pension income
- Interest rate
- Disposable income
- Permanent income

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The frequency distribution of a continuous variable is known as:-

- a) Grouped frequency distribution
- b) Simple frequency distribution
- c) (a) or (b)
- d) (a) and (b)

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The slope of the labour demand curve is negative due to:-

- diminishing labour utility
- constant wage rate
- trade-off between work and leisure
- diminishing labour productivity

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Indian's currency, money supply and interest rates are managed by:-

- SBI
- ICICI
- CBI
- RBI

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Index number for the base period is always taken as:-

- 50
- 1

- 100
- 0

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If A be the Arithmetic Mean of two positive unequal quantities x and y and G be their Geometric Mean, then:-

- $A < G$
- $A > G$
- $A \leq G$
- $A \geq G$

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In monopolistic competition:-

- there is single seller and single buyer
- there are two sellers and many buyers
- many sellers and many buyers
- there are few sellers and few buyers

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At closing-down point, a firm should cover at least the:-

- fixed costs
- constant costs
- variable costs
- total costs

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Economists use the term utility to mean:-

- the satisfaction a consumer obtains from a good or service
- the contribution a good or service makes to social welfare
- any characteristic of a good or service which cannot be measured
- the value of a product before it has been advertised

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Cramer's Rule. Cramer's rule is applicable when.

- $\Delta \neq 0$

- $\Delta \neq 1$
- $\Delta = 0$
- $\Delta = 1$

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Supply of labour depends upon:-

- labour force
- preference for leisure
- all these
- wage rate

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When a firm registers both profits and losses, which of the following measure of central tendency cannot be considered?

- GM
- Mode
- Median
- AM

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The value of correlation coefficient lies between:-

- 1 and +1
- 1
- 1 and 0
- 0 and 1

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'Principles of Economics' was authored by:-

- Adam Smith
- Alfred Marshall
- David Ricardo
- J.S. Mill

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Monopoly of Note Issue is the main function of:-

- A Central bank
- Commercial banks
- Development banks
- Scheduled banks

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"Globalization is the geographic dispersion of industries and service activities around the globe" - was a statement made by:-

- IMF
- OECD
- World Bank
- WTO

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The PPP theory was formulated by:-

- Gustov Cassel
- Alfred Marshall
- Learner
- None-of the above

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The sum of two numbers is 45 and the mean proportional between them is 18. The numbers are:-

- (32, 13)
- (15, 30)
- (36, 9)
- (25, 20)

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Under the classical macroeconomic framework, increase in money supply leads to:-

- Increase in employment and output
- Increase in employment
- Increase in unemployment and output
- Increase in prices

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The Quantity Theory of Money (QTM) was first propounded by:-

- Davanzatti
- David Ricardo
- D. Hume
- J.S. Mill

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A is the largest prime >24 ; B is the greatest prime <28 ; then:-

- A \neq B
- A = B
- A < B
- A > B

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

- A) Capital intensive goods
- B) Labour intensive goods
- C) Technological goods
- D) Both A & B

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According to Keynes with increase in income, the average propensity to consume:-

- is indeterminate
- remains constant
- increases
- falls

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High powered money is:-

- Currency held by public and reserves with the central bank
- All loans and advances of banks
- Money held by banks
- Bank's reserves at the central bank

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Inflation targeting was first adopted by:-

- New Zealand
- The U.K.
- U.S.A.
- Canada

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

- Greater than 1
- Infinity
- 1
- 0

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If the roots of the equation $2x^2 + 8x - m^3 = 0$ are equal then value of m is:-

- 1
- 2
- 1
- 3

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South Asian Association for Regional Cooperation (SAARC) has the following number of members:-

- 6
- 7
- 5
- 8

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The International Bank for Reconstruction and Development (IBRD) is also called as:-

- World Bank
- Global Bank
- Federal Bank
- Exim Bank

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In a coding of alphabet, AT=20, BAT=40, CAT= ?

- 56
- 40
- 60
- 34

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The regulator for equity markets is:-

- IOB
- Indian Bank
- SEBI
- RBI

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An employer recruits experienced (x) and fresh workmen (y) for his firm under the condition that he cannot employ more than 9 people. x and y can be related by the inequality:-

- $x + y \neq 9$
- $x + y = 0$
- $x + y \geq 9$
- $x + y \leq 9$

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Hyper Inflation means:-

- 20% and over
- 3 - 7%
- 10 - 20%
- 13%

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The members of the North Atlantic Free Trade Association (NAFTA) are:-

- USA, UK, India
- USA, Canada, Japan
- USA, Canada, Mexico
- USA, Canada, India

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Which of the following unemployment type is more durable or permanent in character?

- Frictional unemployment
- Structural unemployment
- Temporary unemployment
- Voluntary unemployment

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Debt re-scheduling is:-

- regular payments of interest and repayments of capital
- a change in debt repayment due to inability to pay
- an agreement with the World Bank to turn some of a debt into other forms
- a programme of austerity measures agreed with the IMF to make repayment possible

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"The development of free enterprise system is entirely based upon growth of monetary economics". Who said this?

- Alfred Marshall
- Adam Smith
- Karl Marx
- David Ricardo

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Major component of India's exports during 2014-15 was:-

- agricultural products
- manufactures
- services
- fuels and mining products

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Which of the following does not form a part of the foreign exchange reserves of India?

- Gold
- SDRs
- Foreign currency assets
- Foreign currency and securities held by the banks and corporate bodies

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Which of the following statement is true?

- Potential output and actual output are equal in an economy
- Actual output generally fluctuates around the potential output in an economy
- Potential output is always higher than actual output in an economy
- Potential output is always lower than actual output in an economy

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If the money supply is \$2 trillion and velocity is 5, then nominal GDP is:-

- \$1 trillion
- \$2 trillion
- \$10 trillion
- \$5 trillion

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There are 10 trains plying between Chennai and Delhi. The number of ways in which a person can go from Calcutta to Delhi and return by a different train is:-

- 80
- 90
- 70
- 99

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The backward sloping part of labour supply curve is due to:-

- domination of income effect over substitution effect
- both income and substitution effect being equal
- domination of substitution effect over income effect
- reduction in real wage

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Tobin's model of the speculative demand for money shows that people can reduce their ____ by ____ their asset holdings.

- Wealth / diversifying
- return / diversifying
- risk / specializing

- risk / diversifying

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Mr. X and Mr. Y enter into a railway compartment having six vacant seats. The number of ways in which they can occupy the seats is:-

- 31
 32
 25
 30

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In case of proportional relation between consumption and income:-

- $APC = MPC$
 $APC < MPC$
 $APC > MPC$
 $APC = MPS$

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If the terms $2x$, $(x+10)$ and $(3x+2)$ be in Arithmetic Progression, the value of x is:-

- 10
 0
 7
 6

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The n^{th} element of the sequence 1, 3, 5, 7,... is:-

- $2n - 1$
 1
 $2n + 1$
 n

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Which region contributes to around 20% of India's imports and exports?

- North America
 Europe

- Latin America
- Africa

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India's share in world trade during 2014 was:-

- 5.2%
- 3%
- 1.7%
- 7.2%

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If the money supply is \$500 and nominal income is \$4,000, the velocity of money is:-

- 20
- 1/20
- 1/8
- 8

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If the marginal propensity to consume (MPC) in a closed economy without government sector is 0.8, what is the value of 'investment multiplier' in this economy?

- 1.25
- 5
- 1
- 0

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According to Milton Friedman, the demand for money is insensitive to interest rates because:-

- people base their investment decisions on expected profits, not interest rates.
- transactions are not subject to scale economies as wealth increases.
- competition among banks keeps the opportunity cost of holding money relatively constant.
- the demand for money is insensitive to changes in the opportunity cost of holding money

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An aeroplane flies from A to B at the rate of 500 km/hour and comes back from B to A at the rate of 700 km/hour. The average speed of the aeroplane is:-

- 620 km. per hour.

- 600 km. per hour
- 583.33 km. per hour
- $100\sqrt{35}$ km. per hour

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When a firm uses its plant less than its optimum capacity, it gives rise to:-

- Ideal capacity
- Reserve capacity
- Idle capacity
- Productive capacity