

Section 1 - Section 1

Question No.1

4.00

Bookmark

An economic model is

- a complete depiction of reality.
- a plastic scaled version of the economy.
- not an accepted tool of the economics profession.
- an abstraction from reality.

Question No.2

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Bookmark

Which among the following statements is INCORRECT?

- Measures of Dispersion are also called averages of the second order.
- Mean deviation can never be negative.
- Coefficient of correlation can be computed directly from the data without measuring deviation.
- Standard deviation can be negative.

Question No.3

4.00

Bookmark

In recent times, the number of cases of death by poisoning _____ sharply.

- increased
- has increased
- had increased
- have increased

Question No.4

4.00

Bookmark

A statistic is:

- normally distributed
- a population characteristic
- unknown
- a sample characteristic

Question No.5

4.00

Bookmark

Speculative demand for money depends upon

- Central bank
- Rate of interest
- Investment
- Income

Question No.6

4.00

Bookmark

If in a certain language, GRASP is coded as BMVNK, which word would be coded as CRANE?

- XMVIZ
- HWFSJ
- BQZMD
- FUDQH

Question No.7

4.00

Bookmark

The Phillips curve

- is a relationship between inflation and exchange rate.
- is a relationship between employment rate and inflation rate.
- is a relationship between unemployment rate and output growth rate.
- is a relationship between inflation rate and unemployment rate.

Question No.8

4.00

Bookmark

What does a large standard deviation suggest?

- Scores are not widely distributed and the mean is a reliable measure of central tendency
- The scores are not widely distributed and the median would be an unreliable measure of central tendency
- Scores are widely distributed and that the mean may not be a reliable measure of central tendency
- Scores are not normally distributed

Question No.9

4.00

Bookmark

A two digit number is three times the sum of its digits. If 45 is added to it, the digits are reversed. The number is

- 35
- 27
- 31
- 32

Question No.10

4.00

Bookmark If a firm shut down at a level when $AVC > Price$, the firm restricts its losses to

- Average variable cost
- Average fixed cost
- Variable cost
- Total fixed cost

Question No.11

4.00

Bookmark If $A = \{1, 2, 3, 4, 5\}$ and $B = \{2, 3, 4\}$, then $A - B =$ _____.

- $\{1, 2, 3, 4, 5\}$
- $\{2, 3, 4\}$
- $\{4, 5\}$
- $\{1, 5\}$

Question No.12

4.00

Bookmark

The consumer is in equilibrium at a point where the budget line

- Is below an indifference curve
- Is above an indifference curve
- Is tangent to an indifference curve
- Cuts an indifference curve

Question No.13

4.00

Bookmark

The competitive firm maximizes its profit by operating where

- average costs are at a minimum.
- total revenue is at a maximum.
- profit per unit is at a maximum.
- marginal cost equals price.

Question No.14

4.00

Bookmark

In India, monetary policy is implemented by

- Reserve Bank of India
- The Parliament
- The Ministry of Finance
- Planning Commission

Question No.15

4.00

Bookmark

The production possibility frontier illustrates:

- that people usually exploit opportunities to make themselves better off.
- the inverse relation between price and quantity of a particular good.
- that when markets don't achieve efficiency, government intervention can improve society's welfare.
- the maximum quantity of one good that can be produced given the quantity of the other good produced.

Question No.16

4.00

Bookmark

Statement: "A Car is required on rent"-An Advertisement

Assumptions:

I. All types of Vehicles are available on Rent

II. People will respond to the advertisements

- If only assumption I is implicit
- If neither I nor II is implicit
- If only assumption II is implicit
- If both I and II are implicit

Question No.17

4.00

Bookmark

Two events are mutually exclusive if

- They can occur together
- They are exclusively connected
- They exclusively include mutuality
- They cannot occur together

Question No.18

4.00

Bookmark

Cardinal utility theory assumes that consumers can

- avoid the law of diminishing marginal utility
- rank baskets of goods as to their preference.
- determine the number of utils that can be derived from consuming all goods.
- determine the marginal rate of substitution between goods.

Question No.19

4.00

Bookmark

To calculate real GDP, we measure the total value of output using:

- estimated quantities, based on average family size
- estimated quantities, based on population growth.
- current prices, with base-year quantities.
- the prices that prevailed during a selected base year.

Question No.20

4.00

Bookmark

Choose the best synonym of the italicized word. The prisoners of war signed the document under *coercion*.

- security
- compulsion
- confusion
- supervision

Question No.21

4.00

Bookmark

Mean Deviation can be calculated from

- Mean
- Median
- Mode
- Any of the above

Question No.22

4.00

Bookmark

Long run supply curve of a constant cost industry is

- Horizontal line overlapping X axis
- Vertical line at mid of X axis
- Horizontal line at a price that is equal to the long run minimum average cost of production
- Vertical line overlapping Y axis

Question No.23

4.00

Bookmark

Which among the following is not a function of International Monetary Fund?

- It serves a medium term and long term credit institution.
- It provides a mechanism for improving short term balance of payments position.
- It provides reservoir of the currencies of the member countries and enables members to borrow one another's currency.
- It provides machinery for international consultations.

Question No.24

4.00

Bookmark

_____ got the highest priority during the first plan period in India.

- Self reliance
- Removal of unemployment
- Growth with social justice
- Development of Agriculture including irrigation

Question No.25

4.00

Bookmark

The equation of exchange $PT = MV$ was given by

- Fisher
- Keynes
- Kuznet
- Crowther

Question No.26

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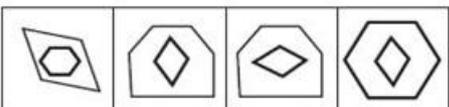
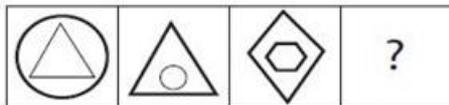
Bookmark

In law of diminishing returns at least one factor

- Must be efficient
- Must be purchasable
- Must be owned by the firm
- Must be constant

Question No.27

4.00

Bookmark 

- 1
- 4
- 3
- 2

Question No.28

4.00

Bookmark

Which of the following does NOT characterize monopolistic competition?

- Absence of advertising.
- Product differentiation.
- Some control over price
- Many producers.

Question No.29

4.00

Bookmark

These boys need some new books, _____?

- do they?
- don't they?
- isn't it?
- is it?

Question No.30

4.00

Bookmark

A numerical measure of linear association between two variables is the

- arithmetic mean
- covariance
- standard deviation
- variance

Question No.31

4.00

Bookmark

Which of the following cost curves is never U-shaped?

- Average variable cost curve
- Marginal cost curve
- Average cost curve
- Average fixed cost curve

Question No.32

4.00

Bookmark

Demand for a commodity refers to

- Amount of the commodity demanded at a particular price and at a particular time
- Need for the commodity
- Desire for the commodity
- Quantity demanded of that commodity

Question No.33

4.00

Bookmark

Which of the following statement is TRUE

- For a monopoly firm MR can be zero or even negative
- For a monopoly firm MR and AR are positive sloped
- For a monopoly firm AR can be zero
- For monopoly firm MR and AR are identical

Question No.34

4.00

Bookmark

An economy is said to have a *comparative advantage* in the production of a good if it can produce that good:

- with a higher opportunity cost than another economy.
- outside its production possibility frontier.
- with more resources than another economy.
- at a lower opportunity cost than another economy.

Question No.35

4.00

Bookmark

Which particular interest rate(s) do we attempt to explain using the theory of liquidity preference?

- only the nominal interest rate
- only the interest rate on long-term bonds
- both the nominal interest rate and the real interest rate
- only the interest rate on short-term government bonds

Question No.36

4.00

Bookmark

A decrease in the price of apples will result in an increase in:

- the quantity of apples supplied.
- the supply of apples.
- the quantity of apples demanded.
- the demand for apples.

Question No.37

4.00

Bookmark

Convenience sampling is an example of

- nonprobabilistic sampling
- probabilistic sampling
- stratified sampling
- cluster sampling

Question No.38

4.00

Bookmark

Marginal propensity to consume (MPC) is

- Ratio of additional income consumed
- Consumption divided by saving
- Total income spent on consumption
- Ratio of total income consumed

Question No.39

4.00

Bookmark

Standard of living of a country can be raised if it increases

- Production
- Money supply
- Exports
- Labour force

Question No.40

4.00

Bookmark

Statements: All tools are books, Some books are pens.

Conclusion:

I. Some tools are pen

II. Some pens are books

- If either I or II follows
- If only conclusion I follows
- If only conclusion II follows
- If neither I nor II follows

Question No.41

4.00

Bookmark

If the income elasticity of demand is +2

- the good is an elastic inferior good.
- the good is an elastic normal good.
- the good is an inelastic normal good.
- the good is an inferior good.

Question No.42

4.00

Bookmark

Quantity Theory of Money explains that

- Value of money depends upon quantity of money
- Supply of money depends upon quantity of money
- Quantity of investment depends upon quantity of money
- Rate of interest depends upon quantity of money

Question No.43

4.00

Bookmark

The natural rate of unemployment can be defined as the unemployment rate that exists when the economy

- has only cyclical and structural unemployment
- is neither expanding nor shrinking
- has zero inflation
- produces at the full-employment output level

Question No.44

4.00

Bookmark

Study the following information carefully and answer the question below it

- (i) There is a group of five persons- A, B, C, D and E
- (ii) One of them is manual scavenger, one is sweeper, one is watchman, one is human scarecrow and one is grave-digger
- (iii) Three of them – A, C and grave-digger prefer tea to coffee and two of them – B and the watchman prefer coffee to tea
- (iv) The human scarecrow and D and A are friends to one another but two of these prefer coffee to tea.
- (v) The manual scavenger is C's brother

Who is a manual scavenger?

- D
- A
- B
- C

Question No.45

4.00

Bookmark

GDP measures the:

- value of the final goods and services produced within a country during a given period.
- money circulating through an economy during a year.
- amount of government spending undertaken during a given period.
- value of the final goods and services produced by the citizens of a country regardless of their location during a given period.

Question No.46

4.00

Bookmark

The measure of location which is the most likely to be influenced by extreme values in the data set is the

- mean
- mode
- median
- range

Question No.47

4.00

Bookmark

According to W.W. Rostow, there are _____ stages of economic growth

- Four
- Five
- Two
- Three

Question No.48

4.00

Bookmark

Which of the following is a characteristic of capital as a factor of production?

- It is an active factor of production
- It is fixed in supply
- It is a passive factor of production
- It never depreciates

Question No.49

4.00

Bookmark

Choose the correct meaning of the italicized idiom.

You cannot throw *dust into my eyes*.

- Abuse me
- Terrify me
- Hurt me
- Cheat me

Question No.50

4.00

Bookmark

Choose the correct meaning of the italicized idiom.

Those who work by *fits and starts* seldom show good results.

- Disinterestedly
- Rarely
- Regularly
- Irregularly

Question No.51

4.00

Bookmark

If 5 men or 8 boys can do a work in 84 days. In how many days can 10 men and 5 boys can do the same work?

- 32
- 35
- 28
- 25

Question No.52

4.00

Bookmark

A significant property of the Cobb - Douglas production function is that the elasticity of substitution between inputs is

- Zero
- Equal to unity
- More than unity
- Less than unity

Question No.53

4.00

Bookmark

In a perfectly competitive market a firm in the long run will be in equilibrium when

- AC = MC
- MR = MC
- AR = MR
- P = AR = MR = AC = MC

Question No.54

4.00

Bookmark

Based on the information given answer the following question.

1. In a family of six persons, there are people from three generations. Each has separate professions and they like different colours. There are two couples.
2. Shyam is an Engineer and his wife is not a doctor and she does not like Red colour.
3. Chartered Accountant likes green colour and his wife is a teacher.
4. Manisha is the mother-in-law of Sunita and she likes orange colour.
5. Vimal is the grand father of Tarun and tarun is the Principal and likes black colour.
6. Nyna is the grand daughter of Manisha and she likes blue colour. Nyna's Mother likes white colour.

Which of the following is the correct pair of two couples?

- Tarun-Nyna, Shyam-Sunita
- Shyam-Manisha, Vimal-Sunita
- Cannot be determined
- Shyam-Sunita, Vimal-Manisha

Question No.55

4.00

Bookmark

A tangency point between an isoquant and an isocost line identifies

- the various combinations of inputs that can be used to produce a given level of output.
- the various levels of output that can be produced using a given level of inputs.
- the least costly combination of inputs required to produce a given level of output.
- the least costly combination of inputs required to produce various levels of outputs.

Question No.56

4.00

Bookmark

One of the methods to find out Mode is

- Mode = 2 Median – 3 Mean
- Mode = 3 Median + 2 Mean
- Mode = 3 Median – 2 Mean
- Mode = 3 Median – 3 Mean

Question No.57

4.00

Bookmark

Price elasticity of demand of a product will be more inelastic if

- It forms a very small part of consumers household budget
- It is for mass consumption
- It forms a major part of consumer house hold budget
- It is inferior

Question No.58

4.00

Bookmark

Which of the following is not part of the opportunity cost of going on holiday?

- the money you could have made if you had stayed at home and worked.
- the money you spent on a theatre show there.
- the money you spent on food.
- the money you spent on airline tickets.

Question No.59

4.00

Bookmark

Mixed economy means an economy where

- there is co-existence of public sector along with private sector
- economy is controlled by military as well as civilian rulers
- there is importance of small scale industries along with heavy industries
- both agriculture and industry are equally promoted by the state

Question No.60

4.00

Bookmark

According to Hecksher and Ohlin basic cause of international trade is

- Difference in markets
- Difference in factor endowments
- Difference in political systems
- Difference in ideology

Question No.61

4.00

Bookmark

Which of the following oligopoly models is concerned with the maximization of joint profits?

- Price leadership model
- Edgeworth's model
- Bertrand's model
- Collusive model

Question No.62

4.00

Bookmark

Failing to reject the null hypothesis when it is false is

- Type II error
- alpha
- gamma
- Type I error

Question No.63

4.00

Bookmark

Scarcity

- is not an issue addressed in economics.
- exists because resources are limited while human wants are unlimited.
- means we are unable to have as much as we would like to have.
- will likely be eliminated as technology continues to expand.

Question No.64

4.00

Bookmark

Study the following information carefully and answer the question below it:

Aasha, Bhuvnesh, Charan, Danesh, Ekta, Farhan, Ganesh and Himesh are sitting around a circle, facing the centre. Aasha sits fourth to the right of Himesh while second to the left of Farhan. Charan is not the neighbour of Farhan and Bhuvnesh. Danesh sits third to the right of Charan. Himesh never sits next to Ganesh.

Who among the following sits between Ganesh and Danesh?

- Charan
- Bhuvnesh
- Ekta
- Aasha

Question No.65

4.00

Bookmark

If leisure is an inferior good, the individual's supply curve for labor is

- upward sloping.
- completely inelastic.
- backward bending.
- perfectly elastic.

Question No.66

4.00

Bookmark

Which number replaces the question mark?



- 12
- 11
- 10
- 9

Question No.67

4.00

Bookmark

Fisher's ideal index number is

- Arithmetic mean of Laspeyre's and Paasche's index
- Harmonic mean of Laspeyre's and Paasche's index
- Geometric mean of Laspeyre's and Paasche's index
- None of the above

Question No.68

4.00

Bookmark

Choose the best antonym of the italicized word.

Many snakes are actually *innocuous*.

- poisonous
- harmful
- deadly
- ferocious

Question No.69

4.00

Bookmark

In a game, a dominant strategy is

- a strategy that leads to one player's interests dominating the interests of the other players.
- the best strategy for a player to follow only if other players are cooperative.
- the best strategy for a player to follow, regardless of the strategies followed by other players.
- a strategy that must appear in every game.

Question No.70

4.00

Bookmark

Keynes believed that the equality between savings and investment is brought about by

- Changes in income
- Rate of interest
- Marginal efficiency of investment
- Availability of capital

Question No.71

4.00

Bookmark

The type of unemployment that includes those persons who are unemployed for an intervening period of change over in job for better job is known as

- Seasonal unemployment
- Voluntary unemployment
- Frictional unemployment
- Technical unemployment

Question No.72

4.00

Bookmark

The price elasticity of demand is the same thing as the negative of the

- reciprocal of slope times the ratio of price to quantity
- reciprocal of slope.
- the first derivative of the demand function.
- slope.

Question No.73

4.00

Bookmark

The difference between total receipts and total expenditure of the Government is known as

- Revenue deficit
- Capital deficit
- Fiscal deficit
- Budget deficit

Question No.74

4.00

Bookmark

Choose the missing term : AZ, GT, MN, ?, YB

- TS
- SX
- KE
- SH

Question No.75

4.00

Bookmark

When the value of a nation's exports exceeds the value of that nation's imports, the nation is said to have:

- a trade surplus.
- price stability.
- hyperinflation.
- a trade deficit.

Question No.76

4.00

Bookmark

If the cross elasticity between two products is positive then we can say that

- The products are complementary to each other
- The products are perfectly substitute of each other
- Both are luxury items
- Both the products are unrelated

Question No.77

4.00

Bookmark

At any given point on an indifference curve, the absolute value of the slope equals

- unity—otherwise there would be no indifference.
- the marginal rate of substitution.
- the marginal rate of technical substitution
- the consumer's marginal utility.

Question No.78

4.00

Bookmark

Who is the 'lender of the last resort' in the banking structure of India?

- Reserve Bank of India
- EXIM Bank of India
- Union Bank of India
- State Bank of India

Question No.79

4.00

Bookmark

Balance of payments means

- The balance of govt. receipts and payments
- The balance of receipts and payments of State Bank
- The balance of receipts and payments of foreign exchange by a country
- The balance of receipts and payments of all banks

Question No.80

4.00

Bookmark

Inflation is a situation when

- Prices rise and fall
- Prices of some goods rise
- Prices double every year
- General price level rises continuously

Question No.81

4.00

Bookmark

Isoquants are right angled only when

- Factors are perfect complements
- Factors are neutral
- Factors are perfect substitutes
- Factors are scarce

Question No.82

4.00

Bookmark

Since the _____ of the motor car, road accidents have increased dramatically.

- inception
- advent
- initiation
- inauguration

Question No.83

4.00

Bookmark

The basic difference between macroeconomics and microeconomics is

- microeconomics explores the causes of inflation while macroeconomics focuses on the causes of unemployment.
- microeconomics concentrates on individual markets while macroeconomics focuses primarily on international trade.
- microeconomics concentrates on the behavior of individual consumers and firms while macroeconomics focuses on the performance of the entire economy.
- microeconomics concentrates on the behavior of individual consumers while macroeconomics focuses on the behavior of firms.

Question No.84

4.00

Bookmark

Public Saving is equal to

- disposable income minus consumption
- net tax revenues minus transfer payments.
- national income minus consumption.
- net tax revenues minus government purchases.

Question No.85

4.00

Bookmark

Price elasticity of demand is not affected by

- Nature of the commodity
- Availability of close substitute
- Cost of production
- Consumption habits

Question No.86

4.00

Bookmark

Reverse Repo transaction by the RBI involves

- Purchase of securities by the RBI from the banks with the agreement to sale them at a pre-determined rate and date
- Sale of securities by RBI to the banks with the commitment to purchase the same from them at a predetermined rate and date
- Open market outright purchase of government securities by the RBI
- Open market outright sale of government security by the RBI

Question No.87

4.00

Bookmark

Which of the following equation is correct?

- $GNP = GDP - \text{Net factor income from abroad}$
- $GNP = GDP - \text{Gross factor income from abroad}$
- $GNP = GDP + \text{Net factor income from abroad}$
- $GNP = GDP + \text{Gross factor income from abroad}$

Question No.88

4.00

Bookmark

Which of the following is not a resource?

- Labor.
- Capital.
- Money.
- Land.

Question No.89

4.00

Bookmark

Balanced growth implies

- Different sectors growing at their natural rates of growth
- Simultaneous development of a variety of activities, which support one another
- Uniform rate of growth of output over time
- Equal allocation of resources to different sectors

Question No.90

4.00

Bookmark

In the short run, when the output of a firm increases, its average fixed cost

- Remains constant
- Increases
- First decreases and then rises
- Decreases

Question No.91

4.00

Bookmark

When cross elasticity of demand is a large positive number, one can conclude that

- The good is a complement
- The good is inferior
- The good is normal
- The good is a substitute

Question No.92

4.00

Bookmark

A supply curve passing through the origin will have elasticity

- Less than 1
- Zero
- Just One
- More than 1

Question No.93

4.00

Bookmark

If A+B means A is daughter of B,

A-B means A is husband of B

A × B means A is brother of B

From the statement P – Q + R × S, how is Q related to S?

- Niece
- Sister
- Mother
- None of these

Question No.94

4.00

Bookmark

The value of a correlation is reported by a researcher to be $r = -0.5$. Which of the following statements is correct?

- The x-variable explains –50% of the variability in the y-variable.
- The x-variable explains –25% of the variability in the y-variable.
- The x-variable explains 50% of the variability in the y-variable.
- The x-variable explains 25% of the variability in the y-variable.

Question No.95

4.00

Bookmark

If the prices of both goods increase by the same percent, the budget line will

- shift parallel to the right.
- pivot about the y axis.
- pivot about the x axis.
- shift parallel to the left.

Question No.96

4.00

Bookmark

For any two sets A and B, Which one of the following is not correct

- $A \cap \Omega = A$
- $A \cap (B - A) = B$
- $(A \cup B) \cap I = A \cup B$
- $A \cup A \cap I = \Omega$

Question No.97

4.00

Bookmark

If consumers spend Rs.25 million a month on mobile phones, regardless of whether the price they pay goes up or down, that implies that their price elasticity of demand for mobile phones is

- 1
- infinite.
- 0
- 25

Question No.98

4.00

Bookmark

Choose the best antonym of the italicized word.

There are four chapters that are *extraneous* to the structure of the book.

- important
- relevant
- needful
- integral

Question No.99

4.00

Bookmark

Which market structure symbolizes the existence of 'few sellers'?

- Monopoly
- Oligopoly
- Monopolistic competition
- Perfect competition

Question No.100

4.00

Bookmark

The supply curve for a monopolist

- is equal to the average variable cost curve above the marginal cost curve.
- cannot be uniquely determined.
- is typically perfectly inelastic
- is equal to the marginal cost curve above the average variable cost curve.