

SECTION 1 - SECTION 1

Question No.1

Comparative cost advantage in Ricardo's international trade theory arises due to

- Labour cost differences
- Differences in factor endowment
- Capital cost differences
- Factor abundance defined in terms of factor prices

Question No.2

Which is a non-probability based sampling method?

- Simple Random Sampling
- Quota Sampling
- Stratified Random Sampling
- Systematic Sampling

Question No.3

The classical economists focused on the role of money as:

- link between present and future
- medium of exchange
- medium of distribution
- wealth

Question No.4

Which of the following tax is introduced in India in 1953 and abolished in 1985?

- Expenditure Tax
- Estate Duty
- Agricultural Income-tax
- Gift Tax

Question No.5

Which of the following measures of the central tendency suits the data best if the objective is to assess the distribution of values?

- Arithmetic mean
- Kurtosis

- Mode
- Median

Question No.6

If the economy is operating at potential GDP, an increase in money supply will lead to

- Supply-side inflation
- Stagflation
- Demand-side inflation
- Structural inflation

Question No.7

Which of the following is Musgrave's views on incidence of taxation?

- The final direct money burden of a tax.
- Settlement of tax on ultimate tax payer.
- Formal and effective incidence of taxation.
- Changes in the distribution of income for private use arising from changes in budget policy.

Question No.8

Which of the following is not a component of Bharat Nirman?

- Rural telephony
- Rural housing
- Rural electrification
- Agro-based industries

Question No.9

Arrange all the four concepts of money supply M1, M2, M3 and M4 in the ascending order in terms of their liquidity

- M4, M3, M2 and M1
- M3, M2, M1 and M4
- M1, M2, M3 and M4
- M4, M2, M3 and M1

Question No.10

The Bretton Woods System was based on

- a gold standard
- a gold exchange standard
- fixed exchange rate system

- flexible exchange rate system

Question No.11

The condition of Pareto Optimality holds correct under

- Oligopoly
- Monopoly
- Monopolistic Competition
- Perfect Competition

Question No.12

For inferior commodities, income effect is—

- Positive
- Negative
- Zero
- Infinite

Question No.13

A tax imposed on a commodity according to its weight, size or measurement is called

- Specific tax
- Double taxation
- Single tax
- Advalorem tax

Question No.14

With which of the following lies the basic regulatory authority for mutual funds and stock markets?

- Government of India
- Reserve bank of India
- SEBI
- Stock Exchanges

Question No.15

The name of 2018 Nobel prize winner in Economics who has integrated technological innovations into long-run macroeconomic analysis:

- Richard H. Thaler
- Angus Deaton
- Paul M. Romer
- William D. Nordhaus

Question No.16

When income effect becomes stronger than substitution effect, the labour supply curve will

- Negatively sloped
- Slope upwards
- Bend backward
- Slope positively

Question No.17

Marginal Revenue of a Monopoly firm is less than the price. Because :

- Monopolist is in equilibrium.
- Demand curve has a positive slope.
- Demand curve has a negative slope.
- Monopolist incurs losses.

Question No.18

The classical economists focused on the role of money as

- Link between present and future
- Medium of distribution
- Medium of exchange
- Wealth

Question No.19

Which one of the following was set up during the Seventh Five Year Plan to help the low income groups?

- Regional rural bank
- UTI Bank
- NABARD
- National Housing Bank

Question No.20

Which of the following is correct about the 'Hindu Growth Rate'?

- This is about economic growth of the Hindu population
- Hints at accelerated growth in India since 1980
- Reflects low growth performance of the Indian economy during 1950-80
- Shows economic disparities among different social groups in India

Question No.21

The wholesale price index (WPI) helps

- In measuring the average change in prices received on bulk sale of goods.
- In measuring both the price changes of whole sale and consumer goods.
- In computing the retailer price changes.
- In computing the changes in the general price level of a class of consumer goods.

Question No.22

The analysis of variance is carried out by using

- Z-test
- t-test
- F-test
- c2-test

Question No.23

“Economics is the Science of Wealth” who gave this definition?

- Robbins
- Marshall
- Adam Smith
- J. K. Mehta

Question No.24

The nominal exchange rate tells

- How much foreign currency can be exchanged for a unit of domestic currency.
- The exchange of goods and services.
- The exchange of domestic currency and domestic goods.
- How much the goods and services in the domestic country can be exchanged for the goods and services in foreign country.

Question No.25

Which of the following is the basic characteristic of Oligopoly?

- a few sellers, one buyer
- a few sellers, a few buyers
- many sellers, few buyers
- a few sellers, many buyers

Question No.26

If the mean and variance of a given distribution is 8 and 0.25, then the coefficient of variation will be

- 4 percent
- 12 percent
- 8 percent
- 16 percent

Question No.27

Which of the following is not specifically mentioned as a determinant of the demand for money ?

- Inflation rate
- Real rate of interest
- Wealth
- Nominal yield on alternative assets

Question No.28

When the variable assumes constant values, the standard deviation (S.D.) will be

- 0
- 3
- 5
- 1

Question No.29

The optimum capital stock is achieved when the user cost of capital is equal to

- the marginal product of capital
- the interest rate
- the depreciation rate
- Tobin's Q

Question No.30

If the demand for money is perfectly interest inelastic, the LM schedule will be

- Vertical line
- Downward sloping
- Horizontal line

- Upward sloping

Question No.31

High growth of which industry provides a positive signal for industrial growth in future?

- Basic goods industries
- Capital goods industries
- Intermediate goods industries
- Durable consumer goods industries

Question No.32

Who distinguished between value in use and value in exchange and gave the famous example of diamonds and water?

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

Question No.33

High powered money comprises

- Currency held by the public + other deposits of RBI
- Currency held by the public + Demand and time deposits + Cash reserves of banks
- Currency held by the public + Cash reserves of banks + Other deposits of RBI
- Currency held by the public + Cash reserves of banks

Question No.34

The index basket of WPI for all commodities during 2011-12 includes

- 675
- 678
- 697
- 676

Question No.35

An agreement between two countries to maintain a free trade area, a common external tariff, free mobility of capital and labour and degree of unification in government policies and monetary policy is called

- Customs union
- Free trade area

- Economic union
- Common market

Question No.36

Capital to risk-weighted asset ratio of all scheduled commercial banks in India under the Basel – I framework is stipulated at the minimum of

- 14%
- 12%
- 7%
- 9%

Question No.37

Upto which census, synchronous de facto method was adopted in India wherein the census was conducted throughout the country in a single night?

- 1971
- 1931
- 1951
- 1901

Question No.38

Growth process resulting into broad based benefits and providing equality of opportunity to all is referred to as

- Faster growth
- Inclusive growth
- Exclusive growth
- Sustained growth

Question No.39

In which year the "temporary" suspension of the dollar's convertibility into gold?

- 1970
- 1973
- 1971
- 1972

Question No.40

In which terms a unit of SDR was originally denominated?

- The Pound-Sterling

- The world market value of U.S. Dollar
- The German Mark
- The gold value equivalent of one US Dollar

Question No.41

Frictional unemployment is also known as

- Cyclical unemployment
- Structural unemployment
- Turnover unemployment
- Disguised unemployment

Question No.42

In which year the Mahatma Gandhi National Rural Guarantee Act (MGNREGA) in India was introduced?

- 2009
- 2006
- 2005
- 2008

Question No.43

Which of the following is not a direct tax?

- estate duty
- state excise
- corporation tax
- agricultural income tax

Question No.44

The term of the 11th Five Year Plan is

- 2006 – 2011
- 2005 – 2010
- 2007 – 2012
- 2008 – 2013

Question No.45

The full capacity growth rate in Harrod-Domar Model is also known as

- Natural growth rate
- Expected growth rate
- Warranted growth rate

- Actual growth rate

Question No.46

The cost incurred by the firm in hiring labour is called as

- Implicit Cost
- Explicit Cost
- Marginal Cost
- Total Cost

Question No.47

The M1 definition of money is

- Currency outstanding, checking deposits and money market deposit accounts
- Currency outstanding and checking deposits
- Currency outside banks and checking deposits
- Currency outside banks, checking deposits and travellers checks

Question No.48

Which of the following is the second law of Gossen ?

- Law of equi-product
- Theory of indifference curve
- Law of equi-marginal utility
- Law of diminishing marginal utility

Question No.49

For which of the following items of household consumption expenditures in India, NSSO takes the reference period as 365 days?

- Clothing, footwear, bedding, education etc.
- Edible oil, fish & meat, egg
- All other food, fuel & light, misc. goods & services
- Vegetables, fruits, spices, beverages & processed food

Question No.50

The portfolio investment by foreign institutional investors is called

- FDI
- Balance of payment
- SDR
- FII

Question No.51

The Government of India acquired the ownership and control of major banks in 1969 whose deposits were not less than

- Rs 80 crore
- Rs 60 crore
- Rs 40 crore
- Rs 50 crore

Question No.52

Broad money supply (M_3) includes

- Currency with the public and other deposits with the RBI.
- Currency with the public, other deposits with the RBI and demand deposits.
- Currency with the public, other deposits with the RBI and time deposits.
- Currency with the public, other deposits with the RBI, demand deposits and time deposits.

Question No.53

Suppose the money supply and the price level are constant, and the demand for money is a function of income and interest rate. When the income level increases, there is

- an increase in the quantity of money demanded and a decrease in the rate of interest.
- an increase in the quantity of money demanded and an increase in the rate of interest.
- a decrease in the quantity of money demanded and an increase in the rate of interest.
- a decrease in the quantity of money demanded and a decrease in the rate of interest.

Question No.54

In a two variable regression Y is dependent variable and X is independent variable. The correlation coefficient between Y and X is 0.6. For this which of the following result is correct?

- 60% variations in Y are explained by X.
- 4.5 % variation in Y are explained by X.
- 6% variations in Y are explained by X.
- 36% variations in Y are explained by X.

Question No.55

For an inferior goods, income consumption curve and Engles curves are:

- Are the same
- Positively sloped
- Income consumption curve positively sloped and the Engles curve is negatively sloped
- Negatively sloped

Question No.56

Quasi rent is the reward to a factor of production which is

- Transfer earnings in the short run
- Economic rent in the short run but transfer earnings in the long run
- Economic rent both in the short and long run
- Transfer earnings both in the short and long run

Question No.57

According to which of the following hypotheses, consumption is irreversible?

- Life Cycle Hypothesis
- Permanent Income Hypothesis
- Relative Income Hypothesis
- Absolute Income Hypothesis

Question No.58

The number of sustainable development goals as a part of Wider 2030 Agenda includes

- 17
- 16
- 12
- 15

Question No.59

According to the monetary approach, a revaluation of a nation's currency

- increases the nation's demand for money
- reduces the nation's supply of money
- increases the nation's supply of money
- reduces the nation's demand for money

Question No.60

Which of the following plans witnessed the highest growth rate in India?

- Eighth Plan
- Tenth Plan
- Ninth Plan
- Seventh Plan

Question No.61

Which one of the following is an example of a positive externality?

- More exports than imports
- A government budget surplus
- Noise pollution
- A motorway improvement scheme

Question No.62

The negative relationship between the gap between actual GDP and its trend value and the difference between actual unemployment rate and its equilibrium value is called

- Okun's Law
- The Aggregate Supply Curve
- The Phillips Curve
- The Natural Rate of Unemployment Hypothesis

Question No.63

An industry whose long run supply curve is horizontal is called

- Efficient Industry
- Decreasing Cost Industry
- Constant cost industry
- Increasing Cost Industry

Question No.64

According to Mundell in an optimum currency area, the achievement of internal and external balance is possible through

- Official development assistance
- Inflow of funds from abroad
- The mobility of factors
- Capital flows

Question No.65

In which year was the policy of population planning adopted by the government of India?

- 1947
- 1952
- 1956
- 1962

Question No.66

Who amongst the following economists imparted money demand of a portfolio theory approach?

- Baumol, James Tobin and Milton Friedman
- James Tobin and Milton Friedman
- J.M. Keynes, Baumol and James Tobin
- J.M. Keynes and Baumol

Question No.67

The real GDP adjusted for

- Inflation
- Tax rate
- Deflation
- Exchange rate

Question No.68

Fiscal deficit less interest payments is called

- Net fiscal deficit
- Monetised deficit
- Budgetary deficit
- Primary deficit

Question No.69

The name of 2018 Nobel prize winner in Economics who has integrated climate change into long-run macroeconomic analysis:

- William D. Nordhaus
- Richard H. Thaler
- Paul M. Romer
- Angus Deaton

Question No.70

In which year Asian Financial Crisis happened?

- 1998
- 1996
- 1999
- 1997

Question No.71

What happens to marginal cost when average cost increases

- Marginal cost is above average cost
- Marginal cost is below average cost
- Marginal cost is equal to average variable cost
- Marginal cost is equal to average cost

Question No.72

'Multi-dimensional Poverty Index' (MPI) is a new index to be included in

- World Human Report
- India's Human Development Report
- World Development Report
- Human Development Report

Question No.73

In an economy of two individuals A and B and two commodities X and Y, general equilibrium of production and exchange occurs when

- MRS_{xy} for A = MRS_{xy} for B
- MRS_{xy} for A and B = (P_x/P_y)
- $MRT_{xy} = MRS_{xy}$ for A = MRS_{xy} for B
- $MRT_{xy} = (P_x/P_y)$

Question No.74

The practice of charging each consumer the reservation price is called

- First degree price discrimination
- Third degree price discrimination
- Peak load pricing
- Inter-temporal price discrimination

Question No.75

Linear Programming Technique was developed for the first time by

- Koopmans
- Leontief

- Dantzig
- Mahalanobis

Question No.76

What does change in economic growth?

- Mind-sets of people
- Structure of economy
- Psychology of people
- National Income

Question No.77

The value of foreign trade multiplier will be high under the condition when

- marginal propensity to consume domestic goods is high
- there is increase in exports
- marginal propensity to import is high
- marginal propensity to save is high

Question No.78

Which of the following components of aggregate demand is self-terminating and self-financing?

- Investment expenditure
- Non-durable consumption expenditure
- Government expenditure
- Durable consumption expenditure

Question No.79

If the international terms of trade settle at a level that is between each country's opportunity cost then

- there is no basis for gainful trade for either country.
- one country gains and the other country loses from trade.
- only one country gains from trade.
- both countries gain from trade.

Question No.80

Monetised deficit means

- Increase in RBI credit to Central Government.
- Fiscal deficit less interest payments.
- Government expenditure which is financed through the sale of adhoc treasury bills.

- Fiscal deficit less loans and advances.

Question No.81

For a viable input-output system which conditions are postulated?

- Kuhn-Tucker conditions
- Hawkins-Simon conditions
- Von Neumann conditions
- Bhagwati-Eckaus conditions

Question No.82

Cobb-Douglas production function $Q = AL^\alpha K^{1-\alpha}$ does not possess the characteristics of

- Constant Returns to Scale
- Variable Elasticity of Substitution
- Unit Elasticity of Substitution
- Linear homogeneity

Question No.83

The premise, that benefit of economic growth will reach all sections of population is called as:

- Trickle up effect
- Trickle-down effect
- Backlash effect
- Take-off effect

Question No.84

Which among the following is an essential characteristic of mixed economy?

- co-existence of the rich and the poor
- co-existence of private and public sectors
- co-existence of small scale and large scale industries
- assigning equal importance to both agriculture and heavy industries

Question No.85

In India, in 2004-05 the number of poor persons below poverty line was the highest in the State

- Madhya Pradesh
- Bihar

- Uttar Pradesh
- Rajasthan

Question No.86

The MRTP Act of 1969 has been

- replaced by Trade Union (Amendment) Act 2001
- merged in Industrial Policy Act of 1991
- merged in Industrial Policy Act of 1978
- replaced by Competition Act 2002

Question No.87

Meeting the needs of present generation without compromising the needs of future generation is

- Social Development
- Economic Development
- Economic Growth
- Sustainable Development

Question No.88

Suppose that observations are available on the monthly bond prices of 100 companies for five years. What type of data are these?

- Time Series
- Cross Sectional
- Panel
- Qualitative

Question No.89

Which of the following tax has 'announcement effect'?

- Property tax
- Income tax
- Excise Duties
- Capital gains taxation

Question No.90

Which sister organization of the World Bank provides long term loans at zero interest to the poorest developing countries?

- International Developmental Association
- IMF
- Asian Development Bank

- International Finance Corporation

Question No.91

The RBI made Indian Rupee fully convertible in current account transactions related to goods and services in the year

- 1994
- 2002
- 2011
- 1985

Question No.92

In whose growth model, entrepreneur's significance is pivotal?

- Schumpeter
- Domar
- Harrod
- Keynes

Question No.93

The process of budget making after reevaluating every item of expenditure in every financial year is known as:

- Fresh Budgeting
- Debit Budgeting
- Performance Budgeting
- Zero Based Budgeting

Question No.94

The main aim of Mahatma Gandhi National Rural Guarantee Act (MGNREGA) in India was to

- guarantee the 'right to get cash'
- guarantee the 'right to work'
- guarantee the 'right to benefit'
- guarantee the 'right to get wages'

Question No.95

The crowding out effect is zero when

- money demand is perfectly interest inelastic, or investment is perfectly interest elastic
- there is liquidity trap, or investment is perfectly interest inelastic
- money demand is perfectly interest elastic, or investment is

perfectly interest inelastic

- IS curve is falling and LM curve is rising

Question No.96

In which year the Kissan Credit Card System in India was introduced?

- 1978
- 1988
- 2008
- 1998

Question No.97

Which of the following is not a characteristic feature of the Phillips curve?

- The Price expectations are adaptive.
- There is a loop around Phillips curve.
- The unemployment rate, when money wage stabilises, is 5½ percent.
- The price expectations are static.

Question No.98

Predatory pricing policy is designed to

- encourage entrants into the market
- drive competitors out of business
- attain least cost output
- maximise profits

Question No.99

The locus of Pareto Optimality in Production and Consumption is given by

- The Utility Possibility Curve
- The Transformation Curve
- The Grand Utility Possibility Curve
- The Social Welfare Function

Question No.100

A.W. Phillips' wage-inflation unemployment trade off is based on

- Rational expectations hypothesis
- Extrapolative expectations hypothesis
- Adaptive expectations hypothesis
- Static expectations hypothesis

