Entrance Examination for Admission to the P.G. Courses in the Teaching Departments, 2023

CSS

ECONOMICS / FINANCIAL ECONOMICS

General Instructions

1. The Question Paper is having 100 Objective Questions, each carrying one mark.

2. The answers are to be (✓) 'tick marked' **only** in the "**Response Sheet**" provided.

3. **Negative marking** : **0.25 marks** will be deducted for each wrong answer .

Time : 2 Hours   **Max. Marks : 100**

To be filled in by the Candidate										
Register Number	in Figures									
	in words									

Choose appropriate answer from the options in the questions.

(100 × 1 = 100 marks)

1. Basic problems arising in connection with general equilibrium is / are?

    a) Existence problem   b) Uniqueness problem

    c) Stability problem   d) All of the above

_____

2. Theoretical structure of Hicksian theory of business cycle consists of

   a) Keynesian Multiplier Analysis only

   b) Keynesian Multiplier Analysis and Harrod's growth analysis

   c) Clark's accelerator analysis and Keynesian Multiplier Analysis

   d) Harrod's growth analysis, Clark's accelerator analysis and Keynesian Multiplier Analysis

3. Harrod neutral technical progress is

   a) Labour augmenting only

   b) Capital augmenting only

   c) Initially it is labour augmenting but later it turns to capital augmenting.

   d) Initially it is capital augmenting but later it turns to labour augmenting

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4. The Golden rule model of growth or accumulation is associated with,

   a) Harrod and Domar

   b) J Schumpeter

   c) ES Phelps

   d) JM Keynes

5. National Income is equivalent to,

   a) The difference between NNP at factor cost and NNP at market prices

   b) NNP at factor cost only.

   c) NNP at market prices only.

   d) None of the above.

6. For two sector circular flow of income,

   a) C+G=C+T

   b) C+I=C+S

   c) C–S=C+I

   d) C=G+T

7. According to classical theory of full employment, money is considered as,

   a) Store of value

   b) Medium of exchange

   c) Both of the above

   d) None of the above

8. Statement 1: According to past-peak income hypothesis, consumption -income relationship is not irreversible in nature.

   Statement 2 : According to absolute income hypothesis, consumption -income relationship is reversible in nature

   a) Both statements are correct

   b) Both statements are incorrect

   c) Statement 1 is incorrect and 2 is correct

   d) Statement 1 is correct and 2 is incorrect

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9. Permanent income hypothesis states that,

   a) The transitory component of income is uncorrelated with permanent income

   b) The transitory component of consumption is correlated with permanent income

   c) The transitory component of consumption is correlated with permanent consumption

   d) The permanent income is uncorrelated with permanent consumption.

10. The ratio of change in total employment to the primary employment is known as,

    a) Unemployment rate   b) Primary deficit

    c) Employment multiplier   d) Optimum employment rate

11. The Acceleration theory of investment is associated with,

    a) Aftalion and JM Clark   b) JM Clark

    c) JM Clark , Aftalion and Frisch   d) Aftalion and Frisch

12. Find the incorrectly matched pair of author and their work

    a) *Poverty and Famines* - Amartya Sen

    b) *Capitalism and Freedom* - M Friedman

    c) *The wealth of Nation* - Adam Smith

    d) *I do what I do* - C. Rangharajan

13. Statement 1:   According to Baumol's approach , transaction demand for cash varies indirectly with real income and directly with rate of interest.

    Statement 2:   Economies of scale exist in the transaction demand for money.

    a) Both statements are correct

    b) Both statements are incorrect

    c) Statement 1 is incorrect and 2 is correct

    d) Statement 1 is correct and 2 is incorrect

14. As per the IS LM model, in classical range,

   a) Fiscal policy is ineffective.

   b) Both fiscal and monetary policy is ineffective.

   c) Monetary policy is ineffective

   d) Both fiscal and monetary policy is effective depending on the equilibrium level

15. The relationship between unemployment and the rate of change of wage rates, according to Phillips Curve is,

   a) Inverse and linear

   b) Direct and non-linear

   c) Irreverse and non-linear

   d) Inverse and non-linear

16. According to mercantilist philosophy of international trade,

   a) All countries would gain from trade through international division of labor

   b) Countries can gain only at the cost of other countries

   c) Free trade brings out the maximum benefit from trade

   d) None of the above is related to mercantilist philosophy

17. The principle of reciprocal demand was developed by,

   a) JS Mill   b) JM Keynes

   c) Edgeworth and Marshall   d) David Ricardo

18. Statement 1 : According to theory of immiserizing growth , gains from the growth in output could be more than offset by the loss from adverse terms of trade, so that the country winds up with a lower level of economic welfare.

   Statement 2 : The offer curves try to show how the terms of trade are determined by the interactions of demand and supply.

   a) Both statements are correct

   b) Both statements are incorrect

   c) Statement 1 is incorrect and 2 is correct

   d) Statement 1 is correct and 2 is incorrect

19. When real cost ToT is corrected for the relative desirability of imports and of the domestic goods whose consumption is foregone because of the use of resources in export production, we obtain, what is called as the,

    a) Double factorial ToT
    b) Modified- real cost ToT
    c) Utility ToT
    d) Commodity ToT

20. Leontief paradox empirically examined the,

    a) Absolute advantage theory of international trade
    b) Comparative cost advantage theory of international trade
    c) Rybczynski theorem
    d) None of the above

21. Which is correct according to the Stolper-Samuelson theorem?

    a) Free trade will benefit the relatively abundant factor and hurt the relatively scarce factor of production.
    b) Absence of free trade will benefit the relatively abundant factor and hurt the relatively scarce factor of production.
    c) Free trade will benefit the relatively scarce factor and hurt the relatively abundant factor of production.
    d) Absence of free trade will benefit the relatively scarce factor and hurt the relatively abundant factor of production.

22. Statement 1 : When two or more countries abolish all tariff duties among themselves and adopt a common external tariff barrier, it is known as customs union.

    Statement 2 : An economic union is the lowest form of economic integration in which countries are in the form of a common market in which they unify their fiscal and monetary policy.

    a) Both statements are correct
    b) Both statements are incorrect
    c) Statement 1 is incorrect and 2 is correct
    d) Statement 1 is correct and 2 is incorrect

23. GATT was replaced by——————on 1st January 1995.

a) IMF
b) World Trade Organisation

c) World Economic Forum
d) G-20

24. First ministerial conference of WTO was held at,

a) Geneva
b) Doha

c) Singapore
d) Kyoto

25. The current account of the Balance of Payments includes transactions like

a) Imports and exports of goods and services

b) Transfers to and from abroad

c) Income to and from abroad

d) All of the above

26. Identify the correct sequential order of WW Rostow's stages of growth.

a) Traditional Society-Pre-Conditions. The take off Stage-Drive to Maturity-Stage of Mass Consumption

b) Traditional Society-Pre-Conditions. The take off Stage-Stage of Mass Consumption Drive to Maturity

c) Pre-Conditions-Traditional Society. The take off Stage-Drive to Maturity-Stage of Mass Consumption

d) Traditional Society-Pre-Conditions. Drive to Maturity-The take off Stage-Stage of Mass Consumption

27. According to WA Lewis theory of development which among the following is incorrectly quoted,

a) Subsistence sector is characterized by zero marginal labor productivity

b) Achievement of self-sustained growth

c) Existence of surplus labour in the urban sector which can be profitably used for future development.

d) Existence of a traditional and modern sector.

28. An increase in GNP that cannot be attributed to short term adjustments in stocks of either labor or capital is ascribed to third category, commonly referred to as the

   a) Invisible hand

   b) Solow Residual

   c) Stock adjustment principle

   d) None of the above

29. Theories based on the idea of 'GNP growth that is determined by the system governing the production process rather than by forces outside the system' are collectively known as

   a) Neo classical growth theories

   b) Marxian theory of development

   c) Endogenous growth theories

   d) Exogenous growth theories

30. Statement 1 : The more the Lorenz curve from the diagonal line the greater the equality represented.

   Statement 2 : Gini-coefficient is formulated using Lorenz curve.

   a) Both statements are correct

   b) Both statements are incorrect

   c) Statement 1 is incorrect and 2 is correct

   d) Statement 1 is correct and 2 is incorrect

31. 'In the early stages of economic growth, the distribution of income will tend to worsen, whereas at later stages it will improve'. This is known as,

   a) Kuznet inverted U hypothesis

   b) Economic inequality hypothesis

   c) Keynesian theory of development

   d) Income inequality hypothesis

32. Which among the following is not a reason for market failures?

   a) Public goods

   b) Asymmetric information

   c) Private good

   d) Externalities

33. According to the purchasing power parity theory, the value of a currency should remain constant in terms of ——————— it can buy in different countries.

    a) Bonds

    b) Stocks

    c) Goods

    d) Labour

34. Multidimensional poverty index was developed in the year,

    a) 2011

    b) 2014

    c) 2000

    d) 2010

35. According to Karl Marx, Surplus value means?

    a) The workers produce less than what he receives in the form of wages

    b) The workers produce more than what he receives in the form of wages

    c) Value of a good after tax deduction

    d) All of the above

36. Who has been considered as the founder of the Austrian school?

    a) S.Smith

    b) John Nash

    c) Karl Menger

    d) Gossen

37. Who introduced the concept of 'Representative firm'?

    a) Alfred Marshall

    b) JM Keynes

    c) Karl Marx

    d) EF Schumacher

38. 'The Theory of the Leisure Class' was written by,

    a) Karl Marx

    b) Abbijith Banerjee

    c) JS Mill

    d) Thorstien Veblen

39. Which among the following is/are correct according to 'Pareto Optimality'?

    a) A situation in which it is impossible to make anyone better-off without making someone worse-off

    b) A situation in which it is possible to make anyone better-off without making someone worse-off

    c) A situation in which Pareto improvement is possible

    d) None of the above

40. Statement 1 : Capital market is a market for short term securities.

    Statement 2 : Money market is a market for long term securities.

    a) Both statements are incorrect

    b) Both statements are correct

    c) Statement 1 is incorrect and 2 is correct

    d) Statement 1 is correct and 2 is incorrect

41. NABARD was established on the basis of recommendations by,

    a) Shivaraman committee –1992

    b) Shivaraman committee–I982

    c) YV Reddy committee – 1982

    d) YV Reddy committee – 1992

42. ———————— determined floating exchange rate

    a) Market forces   b) Central bank

    c) International agreements   d) Fiscal policy

43. As per the 15th Finance Commission which of the following has higher allocation based on the horizontal devolution criteria.

    a) Income distance   b) Population

    c) Fiscal discipline   d) None of the above

44. Canons of public expenditure was given by,

    a) Findlay Shirras   b) Adam Smith

    c) Adolph Wagner   d) R Musgrave

45. As per the concept of Gender budgeting, which among the following is correct?

    a) It is a separate budget for women

    b) It is used as a tool to promote gender equality

    c) It harms women

    d) It is not implemented in India

46. The curve which shows the relationship between tax rate and tax revenue is known as

    a) Rahn Curve

    b) Laffer Curve

    c) Beveridge curve

    d) Kuznet curve

47. Statement 1 : Income tax is based on the 'Ability to pay principle' by J. Dalton

    Statement 2 : Toll tax is based on the ' Benefit principle by Lindhal and Wicksell

    a) Both statements are correct

    b) Both statements are incorrect

    c) Statement 1 is incorrect and 2 is correct

    d) Statement 1 is correct and 2 is incorrect

48. Under progressive taxation which of the following is correct?

    a) Marginal Rate of taxation > Average rate of taxation

    b) Marginal Rate of taxation < Average rate of taxation

    c) Marginal Rate of taxation = Average rate of taxation

    d) Marginal Rate of taxation + Average rate of taxation= I

49. Which of the following are the characteristics of 'artificially scarce goods'?

    a) Non rival and excludable

    b) Rival and excludable

    c) Rival and non-excludable

    d) Non-rival and non-excludable

50. Tragedy of commons is related to

    a) Public goods are underproduced

    b) Private goods are under consumed

    c) Common goods are over consumed

    d) Common goods are underproduced

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51. SEBI was established in

a) 1988　　　　　　　　　　　　b) 1998

c) 1995　　　　　　　　　　　　d) 2005

52. Which among the following is generally called the broad money?

a) M1　　　　　　　　　　　　　b) M2

c) M3　　　　　　　　　　　　　d) M1+M3

53. As per the assumptions of cardinal utility theory,

1) Rationality of consumer

2) Total utility is additive in nature

3) Constant marginal utility

4) Constant marginal utility of money

a) 1,2, and 3 are correct　　　　b) 1,2, and 4 are correct

c) 2,3, and 4 are correct　　　　d) 1,3, and 4 are correct

54. Let, if a consumer chooses bundle A in a situation in which bundle B was also available to him, he will not choose B in any other situation in which A is also available .This is known as

a) Revealed preference axiom　　b) Transitivity axiom

c) Rationality principle　　　　　d) None of the above

55. The slope of the income-leisure curve is given by

a) Marginal rate of labour hour　　b) Market wage rate

c) Marginal rate of wage rate　　　d) Minimum wage rate

56. Market demand for a given commodity is the————summation of the individual demand curve

a) Vertical　　　　　　　　　　b) Linear

c) Horizontal　　　　　　　　　d) Non-linear

57. The total revenue (TR) of a firm will reach its maximum level at the point where,

   (1) e=1   (2) MR=0

   (3) e=0   (4) MR=l

   (5) e>l

   a) 1 and 2   b) 1 and 4

   c) 2 and 3   d) 2 and 5

58. For a 'linear-programming isoquant', it assumes.

   a) Perfect substitutability of factors of production

   b) Perfect complementarity of factors of production

   c) Limited substitutability of factors of production

   d) Zero complementarity of factors of production

59. Power of a commodity to satisfy human want is called,

   (1) Utility   (2) Optimisation

   (3) Equilibrium   (4) Utile

   a) 1 is correct   b) 2 is correct

   c) 2 and 4 are correct   d) 3 and 4 are correct

60. In the short run, imposition of a lump-sum tax will,

   a) Shift the MC curve upward because the cost of production is increased

   b) Shift the MC curve downward because the cost of production is increased

   c) Not affect the MC curve

   d) Movement along the MC curve because the cost of production is increased

61. Under ————— monopolist will receive the entire consumer surplus.

   a) Zero-degree price discrimination

   b) First degree price discrimination

   c) Second degree price discrimination

   d) Third degree price discrimination

62. Statement 1 : A situation in which a firm stops production and leaves the market is called 'break even point'.

Statement 2 : The situation in which a firm is in normal profit condition is known as 'shut down point'

a) Both statements are correct

b) Both statements are incorrect

c) Statement 1 is incorrect and 2 is correct

d) Statement 1 is correct and 2 is incorrect

63. The cost which is spent on advertisement by a firm is known as,

a) Marginal cost

b) Selling cost

c) Ad-valorem cost

d) None of the above

64. What do you mean by 'zero-sum game'?

a) Total profit of the game is non-zero in quantity.

b) Each entry in the game matrix is zero.

c) Gain of one player is offset by the loss of the other player.

d) Gain of each player is indeterminate.

65. Find the incorrect statement given below

a) Basic problem in linear programming technique is known as primary problem

b) If the basic problem is a maximisation problem ,its dual is a minimisation problem.

c) If the basic problem is a minimisation problem ,its dual is a maximisation problem

d) Both basic and dual problems have the same set of solutions.

66. The demand for rare paintings is an example of,

a) Snob effect

b) Vebeln effect

c) Art effect

d) Bandwagon effect

67. Substitute goods have

    a) Positive cross elasticity of demand

    b) Negative cross elasticity of demand

    c) Zero cross elasticity of demand

    d) None of the above

68. Find the shutdown point of the firm using the given total cost function $TC = Q^3 - 5Q^2 + 60Q + 125$

    a) Q= 3   b) Q=2.8

    c) Q=2.5   d) Q=3.5

69. For the demand function $P = -x^2 - 2X + 15$, What is consumer surplus at x=2?

    a) 10   b) 9

    c) 9.34   d) 9.7

70. X wants to determine the minimum unit of goods to be sold in order to reach break-even each month. The firm sells only one item Y. The fixed costs of running the firm are rupees 1,700 a month and the variable cost of producing a single unit of Y is rupees 5 in raw materials and rupees 20 for direct labour. X sells Y at a price of rupees 30 per unit. Find the break-even point of X.

    a) 340   b) 240

    c) 345   d) 245

71. For the consumption function of an individual $C = 0.3 + 90Y_d$, find MPS and multiplier value M

    a) MPS=0.3, M=1.43   b) MPS=0.7, M=3.34

    c) MPS=0.3, M=3.34   d) MPS=0.7, M=1.43

72. Given the IS function Y=200–3i and LM function Y=150+2j, find the equilibrium level of income and interest rate.

    a) Y=175, i=10   b) Y=170, i=15

    c) Y=175, i =15   d) Y=170, i= 10

73. In order to solve the problem of inflation, central bank will,

   a) Decrease the policy repo rate

   b) Print more money

   c) Increase fiscal expenditure

   d) Sell bonds as a part of OMO

74. Which among the following is/are true for REER of a country?

   a) Traded currencies are weighted according to the trade concentration between the countries.

   b) It is adjusted for inflation.

   c) Both a) and b) are correct.

   d) 'a') is correct and 'b') is not correct.

75. Let Ex and Em be the elasticity of demand for export and import respectively. Then, devaluation will improve the BOP deficit if,

   a) Ex+Em=1   b) Ex-Em=0

   c) Ex–Em<1   d) Ex+Em>1

76. For a data set, mode is four times the value of mean. Then what is the value of median if mean = 20?

   a) Median = 40   b) Median = 30

   c) Median = 35   d) Insufficient data to calculate

77. A teacher plotted the distribution of an easy exam as per the student opinion. Then the distribution of marks shows a ——————— distribution

   a) Positively skewed distribution

   b) Negatively skewed distribution

   c) Uniformly skewed distribution

   d) Linearly skewed distribution

78. In country X, it is found that 50 % of the population is interested in investing in bonds. If a sample of 4 is taken from a village, then what is the probability that exactly 3 of them are interested in investing in bonds?

   a) 0.5
   b) 0.025
   c) 0.05
   d) 0.25

79. A random variable is uniformly distributed between 8 and 20. Then find the variance of the distribution of the variable.

   a) 144
   b) 12
   c) 28
   d) 14

80. In a cricket series, player A scored an average score of 45 runs with standard deviation of 1.0 runs, player B scored an average score of 60 runs with standard deviation of 20 runs and player C scored an average score of 55 runs with standard deviation of 12 runs. Which player will get the best player award based on consistency in scoring runs?

   a) Player A
   b) Player B
   c) Player C
   d) Both players A and C

81. The economic growth potential resulting when the working age share is larger than the non-working age share of the population is known as?

   a) Demographic dividend
   b) Unemployment
   c) Demographic transition
   d) Ageing of population

82. GST was introduced all over the India on,

   a) 1st, June, 2017
   b) 1st, July, 2017
   c) 1st July, 2018
   d) 1st June, 2018

83. PM Gati Shakti plan is implemented for

   a) National plan for enhancing industrial strength of India
   b) National master plan for multi-modal connectivity
   c) National action plan for enhancing vaccination drive
   d) National plan for cultural tourism promotion

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84. Statement 1: Under 'Pradhan Mantri Fasal Bima Yojana', risk insurance is provided to farmers against crop damage due to non-preventable natural risks from pre-sowing to post harvest for the crops/areas notified by the concerned State Government.

Statement 2: 'The Jal Jeevan mission' includes extensive information, education and communication as a key component of the mission.

a) Both statements are correct

b) Both statements are incorrect

c) Statement 1 is incorrect and 2 is correct

d) Statement 1 is correct and 2 is incorrect

85. Statement1: Agriculture sector in India is facing the problem of 'underemployment'.

Statement 2: Indian agriculture is not growing too much. In 2020-21, exports of agriculture and allied products from India decreased by 18 per cent from the previous year.

a) Both statements are correct

b) Both statements are incorrect

c) Statement 1 is incorrect and 2 is correct

d) Statement 1 is correct and 2 is incorrect

86. Which of the following is the correct definition of 'Effective Revenue Deficit'?

a) Difference between revenue deficit and grants for creation of capital assets

b) Difference between revenue deficit and interest liabilities of the government

c) Difference between fiscal receipt and net expenditure of the government

d) Difference between fiscal receipt and money spent on various social services

87. The change in cost of goods and services excluding those from the food and fuel energy sector is known as,

a) Headline inflation   b) Core inflation

c) CPI   d) WPI

88. Which among the following is/are the features of the economic policy adopted in India in 1991?

   a) Privatization   b) Liberalization

   c) Globalization   d) All of the above

89. Who was the chairman of the first finance commission?

   a) KC Neogy   b) K Santhanam

   c) YV Reddy   d) NK Singh

90. 'Global financial stability report' is published by,

   a) World economic forum   b) IMF

   c) UNDP   d) World bank

91. If the coefficient of correlation between two variables is found to be 0.7, then the percentage of variation explained by the independent variable is,

   a) 70%   b) 49%

   c) 51%   d) 30%

92. Which is known as Ideal index number?

   a) Laspeyres index number

   b) Fisher's index number

   c) Paasche index number

   d) Marshall-Edgeworth index number

93. CLRM assumes:

   a) Linearity in variable   b) Linearity in parameters

   c) Both a) and b)   d) None of the above

94. Correlation between error terms in a regression model is known as?

   a) Autocorrelation   b) Heteroscedasticity

   c) Multicollinearity   d) Stationarity

95. Problem of heteroscedasticity is generally found in
    a) Time series data
    b) Cross sectional data
    c) Pooled data
    d) Panel data

96. According to the Gauss Markov theorem, least square estimators are?
    a) Best linear unbiased estimator
    b) Best non-linear unbiased estimator
    c) Best linear biased estimator
    d) Best non-linear biased estimator

97. An estimator is unbiased if,
    a) Its expected value is the true value of the parameter
    b) Its expected value is not the true value of the parameter
    c) Its unexpected value is the true value of the parameter
    d) None of the above

98. What is the meaning of FDI in the capital account of BoP?
    a) Foreign Dividend Income
    b) Foreign Direct Investment
    c) Foreign Development Income
    d) Foreign Development Investment

99. Current base year for the calculation of GDP in India is
    a) 2010-11
    b) 2011-12
    c) 2012-13
    d) 2014-15

100. Who serves as the Chairman of NITI Aayog?
    a) Prime minister
    b) Finance minister
    c) Finance secretary
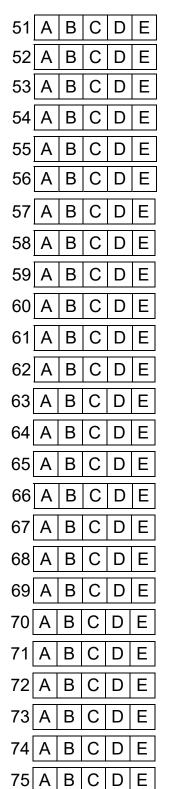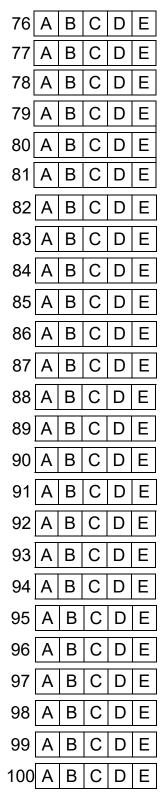   d) President of India

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ANSWER SHEET

1 A B C D E	26 A B C D E	51 A B C D E	76 A B C D E
2 A B C D E	27 A B C D E	52 A B C D E	77 A B C D E
3 A B C D E	28 A B C D E	53 A B C D E	78 A B C D E
4 A B C D E	29 A B C D E	54 A B C D E	79 A B C D E
5 A B C D E	30 A B C D E	55 A B C D E	80 A B C D E
6 A B C D E	31 A B C D E	56 A B C D E	81 A B C D E
7 A B C D E	32 A B C D E	57 A B C D E	82 A B C D E
8 A B C D E	33 A B C D E	58 A B C D E	83 A B C D E
9 A B C D E	34 A B C D E	59 A B C D E	84 A B C D E
10 A B C D E	35 A B C D E	60 A B C D E	85 A B C D E
11 A B C D E	36 A B C D E	61 A B C D E	86 A B C D E
12 A B C D E	37 A B C D E	62 A B C D E	87 A B C D E
13 A B C D E	38 A B C D E	63 A B C D E	88 A B C D E
14 A B C D E	39 A B C D E	64 A B C D E	89 A B C D E
15 A B C D E	40 A B C D E	65 A B C D E	90 A B C D E
16 A B C D E	41 A B C D E	66 A B C D E	91 A B C D E
17 A B C D E	42 A B C D E	67 A B C D E	92 A B C D E
18 A B C D E	43 A B C D E	68 A B C D E	93 A B C D E
19 A B C D E	44 A B C D E	69 A B C D E	94 A B C D E
20 A B C D E	45 A B C D E	70 A B C D E	95 A B C D E
21 A B C D E	46 A B C D E	71 A B C D E	96 A B C D E
22 A B C D E	47 A B C D E	72 A B C D E	97 A B C D E
23 A B C D E	48 A B C D E	73 A B C D E	98 A B C D E
24 A B C D E	49 A B C D E	74 A B C D E	99 A B C D E
25 A B C D E	50 A B C D E	75 A B C D E	100 A B C D E

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ROUGH WORK

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