

Code No.

N – 3545

Entrance Examination for Admission to the P.G. Courses in the Teaching Departments, 2022

CSS ECONOMICS

General Instructions

1. The Question Paper is having two Parts — Part 'A' Objective type (60%) & Part 'B' Descriptive type (40%).
2. Objective type questions which carry 1 mark each are to be (✓) 'tick marked' in the response sheets against the appropriate answers provided.
3. 8 questions are to be answered out of 12 questions carrying 5 marks each in Part 'B'.
4. **Negative marking** : 0.25 marks will be deducted for each wrong answer in Part 'A'.

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

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

PART – A (Objective Type)

Choose appropriate answer from the options in the questions. **One mark each.**

(60 × 1 = 60 marks)

1. The Kerala economy at current prices contributes about _____ to the national GDP during the year 2020- 2021

a) 3.48%

c) 3.28%

b) 3.84%

d) 3.54%

DO NOT WRITE HERE

-
2. The process of splitting up of a production function and entrust them upon several individuals who are experts in the respective fields is:
- | | |
|-----------------------|------------------------|
| a) Division of labour | b) Division of power |
| c) Diversification | d) Product integration |
3. The growth definition of economics was propounded by:
- | | |
|------------|------------------|
| a) J B Say | b) P A Samuelson |
| c) A K Sen | d) John Robbins |

4. "Money is what money does" defined by:
- a) Milton Friedman
 - b) Walker in America
 - c) Chamberlin
 - d) Kenneth E Boulding
5. "Wherever six economists are gathered there are seven opinions" that humourously observed by:
- a) J A Schumpeter
 - b) Malthus
 - c) Barbara Wootten
 - d) J S Mill
6. The graphical method of measuring inequality is:
- a) Lorenz Curve
 - b) Gini Coefficient
 - c) Contract Curve
 - d) Measures of central Tendency
7. "Ente Koodu" project is to ensure:
- a) Shelter for children
 - b) Accommodation facilities for she travelers
 - c) Shelter for women and children from 5-00 pm to 7-00 pm
 - d) Shelter for all
8. The chairman of 15th Finance Commission is;
- a) N K Singh
 - b) Y V Reddy
 - c) Urjit Patel
 - d) Aravind Panagaria
9. The horizontal fiscal imbalance that arises in a fiscal federalism is also called:
- a) Problem of equalization
 - b) Problem of efficiency
 - c) Problem of effectiveness
 - d) Problem of economy
10. In India, commercial banks have the highest share in the disbursement of credit to:
- a) Money lenders
 - b) PSUs
 - c) Agriculture
 - d) Micro finance

11. Which of the following trade policies would benefit the producers, hurt consumers, and increase the amount of trade?
- a) The increase of tariff in an importing country
 - b) The reduction of tariff in an importing country
 - c) Starting to allow trade when the world price is greater than the domestic price
 - d) Starting to allow trade when the world price is less than the domestic price
12. KIIFB was formed in the year
- a) January 1999
 - b) January 2000
 - c) November 1999
 - d) November 2000
13. The Global poverty Line is set at:
- a) \$ 1.25
 - b) \$ 1.50 a day
 - c) \$ 1.75 a day
 - d) \$ 1.90 a day
14. Durbin Watson Test is used for detecting
- a) Multicollinearity
 - b) Heteroskedasticity
 - c) Autocorrelation
 - d) Regression
15. "The Commodity Fetishism" is a natural feature of
- a) Mixed Economy
 - b) Capitalism
 - c) Socialism
 - d) Communism
16. The process of selecting one among alternative courses of more or less similar actions is called:
- a) Forecasting
 - b) Introspection
 - c) Decision making
 - d) Estimation
17. Under probability, the probable outcome of an event is
- a) Known
 - b) Not known
 - c) Certain
 - d) All of these

18. The uncertainty associated with an uncertain situation/ event is called:
- a) Risk
 - b) Return
 - c) Insurance
 - d) Gambling
19. The difference between the value of imported and exported is:
- a) International trade
 - b) Balance of payments
 - c) Terms of Trade
 - d) Balance of Trade
20. "Rent is high because corn is high and corn is high not because of rent is high", according to:
- a) Adam Smith
 - b) David Ricardo
 - c) R G D Allen
 - d) Nicholas Kaldor
21. _____ is potential supply
- a) input
 - b) profit
 - c) stock
 - d) rent
22. The process of finding relative maximum or minimum of a function is known as
- a) Optimization
 - b) Minimization
 - c) Maximization
 - d) Saturization
23. $P = a - bQ$ is the demand curve of a monopolist. Which of the following statement is true?
- a) AR & MR are equal
 - b) The rate of decline of MR is twice the rate of decline of AR
 - c) The demand curve has unit elasticity
 - d) The slope of the MR is zero
24. Lagrangian Multiplier is a
- a) OLS Method
 - b) MLP method
 - c) Constraint optimization method
 - d) Unconstraint optimization method

25. In Cobb–Douglas production function, the elasticity of substitution is:
- a) Greater than one
 - b) Equal to one
 - c) Less than one
 - d) Equal to zero
26. The main function of NABARD is:
- a) Granting crop loan to farmers
 - b) Future Research
 - c) Providing rural employment
 - d) Facilitating credit flow for promotion and development of agriculture
27. The first Industrial policy in India was launched in
- a) 1956
 - b) 1948
 - c) 1977
 - d) 1991
28. Dropping Variables is a remedy for
- a) Multicollinearity
 - b) Heteroskedasticity
 - c) Autocorrelation
 - d) Scaling
29. The period of business cycle in which real GDP is increasing is called:
- a) depression
 - b) recession
 - c) peak
 - d) expansion
30. Who explains the trade off between inflation and unemployment is permanent?
- a) Phillips
 - b) Friedman and Phelps
 - c) Lucas
 - d) Keynes
31. The goal of multilateral trade agreement is usually to
- a) equalise the level of tariffs across nations so no nations is disadvantaged relative to other
 - b) use targeted tariffs to ensure that nations produce those goods in which they have comparative advantage
 - c) reduce tariffs in various nations simultaneously to blunt political pressure for protectionism
 - d) ensure that tariffs are used only to promote infant industries that will eventually become viable

32. Fiat money is:
- a) A type of money with intrinsic value
 - b) A type of money set by government decree
 - c) Any asset used as the medium of exchange
 - d) Any asset used as the unit of account
33. The theory of purchasing power parity says that higher inflation in a nation causes the nation's currency to _____ Leaving the _____ exchange rate unchanged.
- a) Appreciate; nominal
 - b) Appreciate; real
 - c) Deppreciate; nominal
 - d) Deppreciate; real
34. Deviation of unemployment from its natural rate is known as
- a) Frictional unemployment
 - b) Cyclical unemployment
 - c) Structural unemployment
 - d) Disguised unemployment
35. The exchange rate is kept the same in all parts of the market by:
- a) Exchange arbitrage
 - b) Interest arbitrage
 - c) Hedging
 - d) Speculation
36. The Unemployment Multiplier was introduced by;
- a) Keynes
 - b) Adam Smith
 - c) RF Kahn
 - d) Leon Walras
37. India's First Five Year Plan was based on;
- a) Mahalanobi's model
 - b) Feldman model
 - c) Harrod- Domar model
 - d) Leontief model
38. Endogeneus growth models have been developed by;
- a) Kenneth J Arrow
 - b) Paul M. Romer
 - c) Robert E Lucas
 - d) R M Solow

39. The Accelerator Model predicts that the changes in investment is determined by the change in:
- a) inventory
 - b) capital
 - c) interest
 - d) output
40. Under Game theory, the equilibrium point is called;
- a) Saddle point
 - b) Saturation Point
 - c) Point of Bliss
 - d) Point of tangency
41. The drastic changes that occurred in the mode of production of factories during the close of 18th century and beginning of 19th century is called
- a) Green Revolution
 - b) Industrial Revolution
 - c) White Revolution
 - d) Pink Revolution
42. The term “Reserve Price” was introduced by:
- a) Higgins
 - b) Arthur Lewis
 - c) Malthus
 - d) H J Davenport
43. India’s largest innovation hub, the integrated Start up complex was created at
- a) Thiruvananthapuram
 - b) Kochi
 - c) Kozhikode
 - d) Kannurs
44. Blue Property is related to
- a) Central Limit Theorem
 - b) Gauss Markov Theorem
 - c) Maximum Likelihood Method
 - d) Factor Analysis
45. Degree of freedom refers to:
- a) Number of observations + Number of constraints
 - b) Number of observations – Number of constraints
 - c) Number of constraints – Number of observations
 - d) Number of observations / Number of constraints
46. The principle of Maximum Social Advantage (MSA) was developed by:
- a) Hugh Dalton
 - b) Seligman
 - c) Franco Modigliani
 - d) Edwin Cannon

47. The tax revenue sharing between the federal and subnational governments is aimed at correcting which of the following type of imbalances?
- a) Vertical imbalances
 - b) Horizontal imbalances
 - c) Diagonal imbalances
 - d) Criss- cross imbalances
48. The benefits of diversification when constructing a portfolio is that it can eliminate
- a) Adverse selection
 - b) Risk aversion
 - c) Firm specific risk
 - d) Market risk
49. The term Acceleration principle was first introduced into economics by:
- a) J M Clark
 - b) John Maynard Keynes
 - c) Kenneth E Boulding
 - d) J R Hicks
50. Identify the model which analyses the contribution of technological progress to over all growth rate;
- a) Solow Model
 - b) Kaldor Model
 - c) Harrod Model
 - d) Tobin Model
51. The product differentiation and price discrimination are the specific features of:
- a) Perfect competition
 - b) Monopoly
 - c) Monopolistic Competition
 - d) Pure competition
52. The ability of a person to understand what is going through the mind of another person is:
- a) Deductive method
 - b) Inductive method
 - c) Introspection
 - d) Reasoning
53. The Long Run Average Cost curve (LAC) is also called:
- a) Utility Curve
 - b) Envelop curve
 - c) Indifference curve
 - d) Output expansion curve
54. Marshall's value theory falls under the classification of:
- a) Classical theories
 - b) Modern theories
 - c) Neo - classical theories
 - d) Theories of Austrian school of thought

55. The theorem that states the payments made to factors of production should exhaust the total output is:
- a) Coase theorem
 - b) Cobb - webb theorem
 - c) Product exhaustion theorem
 - d) None of these
56. Which sector contributed more to GVA of Kerala during 2020- 2021?
- a) Primary sector
 - b) Secondary sector
 - c) Tertiary sector
 - d) Cooperative sector
57. The best or optimum level of output for a perfectly competitive firm is given by the point
- a) $MR = AC$
 - b) $MR = MC$
 - c) MR exceeds MC by the greater amount
 - d) $MR = MC$ and MC is rising
58. The appropriate switching policy to correct deficit in the balance of payment is:
- a) Fiscal policy
 - b) Monetary policy
 - c) Revaluation
 - d) Devaluation
59. The rate of growth of an economy mainly depends upon:
- a) The rate of growth of the labour force
 - b) The proportion of national income saved and invested
 - c) The rate of technological improvements
 - d) All of the above
60. The wage Good Model was developed by;
- a) Prebisch Singer
 - b) Arthur Lewis
 - c) Lebeinstein
 - d) Vakil and Brahmananda

ANSWER SHEET — PART – A

1	A	B	C	D	E
2	A	B	C	D	E
3	A	B	C	D	E
4	A	B	C	D	E
5	A	B	C	D	E
6	A	B	C	D	E
7	A	B	C	D	E
8	A	B	C	D	E
9	A	B	C	D	E
10	A	B	C	D	E
11	A	B	C	D	E
12	A	B	C	D	E
13	A	B	C	D	E
14	A	B	C	D	E
15	A	B	C	D	E
16	A	B	C	D	E
17	A	B	C	D	E
18	A	B	C	D	E
19	A	B	C	D	E
20	A	B	C	D	E

21	A	B	C	D	E
22	A	B	C	D	E
23	A	B	C	D	E
24	A	B	C	D	E
25	A	B	C	D	E
26	A	B	C	D	E
27	A	B	C	D	E
28	A	B	C	D	E
29	A	B	C	D	E
30	A	B	C	D	E
31	A	B	C	D	E
32	A	B	C	D	E
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34	A	B	C	D	E
35	A	B	C	D	E
36	A	B	C	D	E
37	A	B	C	D	E
38	A	B	C	D	E
39	A	B	C	D	E
40	A	B	C	D	E

41	A	B	C	D	E
42	A	B	C	D	E
43	A	B	C	D	E
44	A	B	C	D	E
45	A	B	C	D	E
46	A	B	C	D	E
47	A	B	C	D	E
48	A	B	C	D	E
49	A	B	C	D	E
50	A	B	C	D	E
51	A	B	C	D	E
52	A	B	C	D	E
53	A	B	C	D	E
54	A	B	C	D	E
55	A	B	C	D	E
56	A	B	C	D	E
57	A	B	C	D	E
58	A	B	C	D	E
59	A	B	C	D	E
60	A	B	C	D	E

ECONOMICS

PART – B

(Descriptive Type)

Answer **any eight** of the following. Each carries **five** marks. **(8 × 5 = 40 Marks)**

1. What is Trade cycle? Explain the implications of different stages of trade cycle.
2. What are the major achievements of 13th plan period in Kerala?
3. What is Linear Programming? Explain the fundamental assumptions of Linear Programming.
4. Describe briefly about various sources of public revenue.
5. Explain what a Tariff is and its economic effects.
6. Elucidate the differences between Money Market and Capital Market.
7. Give a brief account on A K Sen's contributions to welfare economics.
8. Discuss the role of IMF on enlarging international liquidity.
9. What is money? What are the drastic evolutions that occurred in the concept of money?
10. What you mean by "Fiscal Federalism"? Briefly explain about revenue sharing and inter- governmental grants.
11. Explain and illustrates slash equilibrium.
12. What is regression? Explain the uses of regression technique in data analysis.

