

Entrance Examination for Admission to the P.G. Courses in the Teaching Departments, 2024

CSS

ECONOMICS / FINANCIAL ECONOMICS

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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								

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Choose appropriate answer from the options in the questions.

(100 × 1 = 100 marks)

1. Suppose that observations are available on the monthly bond prices of 100 companies for 5 years. What type of data are these?
 - A. Qualitative
 - B. Time Series
 - C. Cross sectional
 - D. Panel

DO NOT WRITE HERE

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2. What is the meaning of the term “heteroscedasticity”?
- A. The variance of the errors is not constant
 - B. The variance of the dependent variable is not constant
 - C. The errors are not linearly independent of one another
 - D. The errors have non-zero mean
3. _____ means selling the products at a price less than on going price in the market.
- A. Quota
 - B. Tariff
 - C. Subsidy
 - D. Dumping

4. _____ is the oldest International Trade theory.
- A. Country Similarity Theory
 - B. Theory of Absolute Cost advantage
 - C. Product Life Cycle Theory
 - D. Mercantilist Theory
5. _____ happens when Imports are more than exports
- A. Trade barrier
 - B. Trade deficit
 - C. Trade surplus
 - D. Trade contract
6. The number of Explanatory variables in a simple regression is _____.
- A. One
 - B. Zero
 - C. Two
 - D. More than two
7. For a symmetric distribution, Skewness is,
- A. 1
 - B. 0
 - C. 3
 - D. 2
8. Explanatory Variable is also known as _____
- A. Regressor
 - B. Explained Variable
 - C. Response Variable
 - D. Dependant Variable
9. The standard deviation of the sampling distribution of an estimator is _____
- A. t value
 - B. RSS
 - C. Standard Error
 - D. r square

10. Linear Regression is estimated through:
- A. MLE
 - B. FIML
 - C. PIML
 - D. OLS
11. Life expectancy at birth, literacy rate and standard of living are related to:
- A. Human Poverty Index
 - B. Gender related development index
 - C. Human development index
 - D. None of the above
12. The main thrust of industrial policy of 1948 was to:
- A. Olay the foundation for Socialist economy
 - B. Lay the foundation for market economy
 - C. Lay the foundation for mixed economy
 - D. None of the above
13. Name the Act which replaced the MRTP Act 1969.
- A. New Public sector Act
 - B. Competition Act
 - C. FERA
 - D. BIFR
14. Filling the gap between government revenue and government expenditure by borrowing funds from the Central Bank is called:
- A. Deficit financing
 - B. Private financing
 - C. Selling bonds in the market
 - D. None of the above

15. Which of the following is not a database of the Indian economy?
- A. Economic Review
 - B. Economic Survey
 - C. R.B.I Bulletin
 - D. Census Report
16. The Rate at which the R.B.I lends money to commercial banks or financial institutions in India against government securities is called:
- A. Bank rate
 - B. Prime Lending Rate
 - C. Repo Rate
 - D. Marginal Standing Facility Rate
17. Lorenz ratio is a measure of;
- A. Poverty
 - B. Inequality
 - C. Standard of Living
 - D. Health Status
18. Which of the following bodies estimates the national of India?
- A. Ministry of Finance
 - B. Niti Ayog
 - C. Ministry of Statistics
 - D. Central Statistical Office
19. When the country's imports of goods and services is greater than its exports, it is called
- A. Fiscal Deficit
 - B. Current Account Deficit
 - C. Budget Deficit
 - D. None of these

20. _____ is an indication of total borrowings needed by the government:
- A. Fiscal Deficit
 - B. Capital Account Deficit
 - C. Foreign Direct Investment
 - D. None of These
21. Mean of the binomial distribution is equal to
- A. npq
 - B. np
 - C. square root of npq
 - D. pq
22. If for a sample data: Mean is less than Median which is less than Mode, then the distribution is;
- A. Skewed to the right
 - B. Skewed to the left
 - C. Symmetric
 - D. None of these
23. A good Index number is one that satisfies:
- A. Unit test
 - B. Time Reversal Test
 - C. Factor reversal test
 - D. Time Reversal and Factor Reversal test
24. If an event cannot take place, probability will be:
- A. Zero
 - B. Less than one
 - C. More than one
 - D. Infinity
25. Addition theorem states that if two events A and B are mutually exclusive the probability of occurrence of either A or B is given by:
- A. $P(A) + P(B)$
 - B. $P(A) \times P(B)$
 - C. $P(A) - P(B)$
 - D. None of these

26. _____ error is committed when the hypothesis is true but test rejects it.
- A. Type I
 - B. Type II
 - C. Sampling error
 - D. None of these
27. Student's 't' Distribution was discovered by:
- A. Karl Pearson
 - B. Laplace
 - C. Fisher
 - D. Gosset
28. r will be positive when -
- A. X increases Y decreases
 - B. X decreases and Y increase
 - C. Both X and Y decreasing
 - D. None of these
29. The slope of the simple linear equation (X is the independent variable and Y is the dependent variable) represents the _____.
- A. Mean value of Y when $X = \text{zero}$
 - B. Change in Mean value of Y per unit change in X .
 - C. True value of Y for a fixed value of X
 - D. Variance of the values of X
30. Blue revolution is related to:
- A. Milk Production
 - B. Poultry
 - C. Agriculture production
 - D. Fisheries
31. The objectives of the FRBM act include
- A. Establish financial discipline in the economy
 - B. Reduce fiscal deficit
 - C. Improve the management of public funds
 - D. All the above

32. When with a change in price the total outlay on a commodity remains constant, it is case of:
- A. Unit elasticity
 - B. Perfect elasticity
 - C. Perfect inelasticity
 - D. Zero elasticity
33. Cross elasticity for complimentary goods is:
- A. Zero
 - B. Infinite
 - C. High
 - D. Negative
34. Rectangular hyperbola is the shape of
- A. Average Fixed cost curve
 - B. Total fixed cost curve
 - C. Marginal cost curve
 - D. Fixed cost curve
35. In Cobb Douglas Production function, $Q = AK^\alpha L^\beta$ α and β measure _____
- A. Elasticity of Substitution
 - B. Input share
 - C. Output elasticities of inputs
 - D. Technological conditions
36. The quantity theory of money implies that an increase in the price level will be associated with _____
- A. An Increase in Money Supply
 - B. An increase in output
 - C. Decrease in Money supply
 - D. None of these

37. To which one of the following, does the liquidity trap correspond?
- A. Consumption function
 - B. Money demand function
 - C. Production function
 - D. Labour demand function
38. The speculative demand for money, according to Keynes, is a function of
- A. Rate of Interest
 - B. Level of Income
 - C. Level of output
 - D. Level of savings
39. Stagflation refers to a situation which is characterized by _____
- A. Inflation and rising unemployment
 - B. Deflation and rising unemployment
 - C. Inflation and constant output
 - D. Inflation and rising employment
40. Which one of the factors affects velocity of circulation money?
- A. Time units of income receipts
 - B. Frequency of transaction
 - C. Liquidity Preference
 - D. All the above
41. The ISLM Model has been formulated by:
- A. J.M.Keynes
 - B. F. Modigliani
 - C. P.A Samuelson
 - D. J.R Hicks
42. Which of the following is not, by definition, equal to National Income?
- A. National Wealth
 - B. National output
 - C. National expenditure
 - D. National Product

43. Super Multiplier refers to:
- A. Reciprocal of marginal propensity to consume
 - B. Reciprocal of Budget multiplier
 - C. Interaction of the multiplier and accelerator
 - D. Capital output ratio
44. An example of double counting in national income would be:
- A. Electricity and water output
 - B. Wages of bus and train drivers
 - C. Cotton output and cotton cloth output
 - D. None of these
45. Which of the following is a transfer income?
- A. Salaries of government employees
 - B. Company dividends to share holders
 - C. Unemployment allowance
 - D. Income from real estate
46. The GNP gap is the difference between
- A. Potential and actual GNP
 - B. GNP and NNP
 - C. GNP and depreciation
 - D. GNP and GDP
47. Harrod Domar Model does not discuss about :
- A. Critical Minimum growth rate
 - B. Actual growth rate
 - C. Warranted growth rate
 - D. Natural Growth rate

48. A country is poor because it is poor are the words of:
- A. Myrdal
 - B. Nurkse
 - C. Hicks
 - D. Singer
49. Name the author of Asian Drama
- A. Rosenstein Rodan
 - B. J.H. Boeke
 - C. Gunnar Myrdal
 - D. Ragnar Nurkse
50. Arthur Lewis theory explains the process of development considering a _____ sector Economy:
- A. Two
 - B. One Sector
 - C. Three
 - D. None of these
51. If the indifference curve were horizontal (assume X measured along the horizontal axis and Y along the vertical axis), this would mean that the consumer is saturated with
- A. Commodity X only
 - B. Commodity Y only
 - C. Both commodity X and Y
 - D. Neither commodity X nor commodity Y.
52. The Engle curve for a Giffen good is
- A. Vertical
 - B. Horizontal
 - C. Positively slopped
 - D. Negatively slopped
53. When real income rather than money income is kept constant in drawing a consumer's Demand curve for a commodity, the demand curve is negatively slopped
- A. Never
 - B. Always
 - C. Often
 - D. Sometimes

54. The expansion path of the production theory is analogous in consumption theory to the
- A. Price consumption line
 - B. Engel Curve
 - C. Income consumption line
 - D. Budget constraint line
55. If factor prices and factor quantities move in the same direction, we have
- A. A constant cost industry
 - B. Increasing cost industry
 - C. Decreasing cost industry
 - D. Any of the above
56. When the industry is in long run equilibrium, the monopolistic competitor will produce at the lowest point on its LAC curve
- A. Always
 - B. Never
 - C. Sometimes
 - D. Cannot say
57. The utilization of disguised unemployed as a source of savings potential in underdeveloped economies was suggested by:
- A. Ragnar Nurkse
 - B. Paul Barren
 - C. W.W Rostow
 - D. Harrod
58. Harrod Domar Model presupposes _____ in the economy:
- A. Unemployment
 - B. Full employment
 - C. High level of consumption
 - D. Low level of consumption
59. The phrase, demonstration effect was coined by:
- A. Joan Robinson
 - B. J.M Keynes
 - C. James Dussenberry
 - D. Milton Friedman

60. For economic development Schumpeter gives importance to:
- A. Division of labour
 - B. Innovation
 - C. Invention
 - D. Size of market
61. The economist who was most interested in population was:
- A. Adam Smith
 - B. Karl Marx
 - C. David Ricardo
 - D. Malthus
62. Loans of Public enterprises is a part of
- A. Capital expenditure
 - B. Revenue expenditure
 - C. Both revenue and capital expenditure
 - D. None of these
63. Which of the following is not an objective of fiscal policy?
- A. Economic growth
 - B. Economic Stability
 - C. Regulating financial institutions
 - D. Maximization of employment
64. The country can improve its balance of payments by devaluation when the sum of elasticities of demand for exports and imports is;
- A. Greater than unity
 - B. Less than unity
 - C. Equal to unity
 - D. Zero

65. In a floating exchange rate system
- A. The current and capital account add to zero
 - B. Exchange rate is fixed by market forces
 - C. Each account can individually equal to zero
 - D. All the above statements are correct
66. Special drawing rights is the currency of IMF. This is in the form of:
- A. Paper currency
 - B. Gold
 - C. Gold and Silver
 - D. Book Keeping entry alone
67. The Heckscher Ohlin theory of trade pattern assumes:
- A. Perfect competition in the product market but not in the factor market
 - B. Perfect competition in the factor market but in the product market
 - C. Perfect competition in both the markets
 - D. None of these
68. Friedman's quantity theory of money explains:
- A. Value of Money
 - B. Demand for Money
 - C. Nominal Money
 - D. Price determination
69. Separation of the economy into real and monetary sector is called:
- A. ISLM framework
 - B. Money Illusion
 - C. Classical dichotomy
 - D. Price effect

70. What is the nature of equilibrium in the ISLM model?
- A. Stock equilibrium
 - B. Flow equilibrium
 - C. Stock and flow equilibrium
 - D. Oscillating equilibrium
71. NABARD is the bank for:
- A. Credit creation
 - B. Agriculture Refinance
 - C. Banker's Bank
 - D. None of these
72. Market failure can occur because of:
- A. Imperfect competition
 - B. Externalities
 - C. Both A and B
 - D. Neither A nor B
73. Capital gains means:
- A. An increase in the value of an asset
 - B. An increase in the stock of capital
 - C. An increase in the yield of an asset
 - D. An increase in the amount of foreign capital
74. Average fixed cost curve _____
- A. Slopes downwards from left to right
 - B. Slopes downwards
 - C. Parallel to X axis
 - D. Rectangular hyperbola curve which never touches X axis

75. Principle of maximum social advantage is concerned with:
- A. Taxation only
 - B. Public expenditure
 - C. Public debt only
 - D. Both taxation and public expenditure
76. Greater the elasticity of supply, the greater is
- A. Incidence of tax on buyers
 - B. Incidence on tax on sellers
 - C. Impact of tax on sellers
 - D. Impact of tax on buyers
77. Which of the following taxes is levied by the state government?
- A. Wealth tax
 - B. Entertainment tax
 - C. Corporation tax
 - D. Income tax
78. The maximum effect of direct tax is on:
- A. Income
 - B. Price of food
 - C. Capital goods
 - D. Consumer goods
79. Factor endowment theory is associated with:
- A. Karl Marx
 - B. J.S Mill
 - C. Heckscher Ohlin
 - D. P. A Samuelson

80. Export promotion is an
- A. Outward looking strategy
 - B. Political strategy
 - C. Fiscal Strategy
 - D. Inward looking strategy
81. Import quota is of an
- A. Tariff
 - B. Non-tariff barrier
 - C. Concession
 - D. International Obligation
82. The optimum tariff is the tariff which
- A. Maximises country's foreign trade
 - B. Minimizes imports of the country
 - C. Maximises country's welfare
 - D. Maximises earnings from the tariff
83. A country's offer curve will be a straight line when its price elasticity of supply of exports is:
- A. Unity
 - B. Infinitely large
 - C. Zero
 - D. Negative
84. Appropriate expenditure switching policy to correct a deficit in the balance of payments is
- A. Revaluation
 - B. Fiscal policy
 - C. Devaluation
 - D. Monetary Policy

85. Which of the following would be a appropriate average for determining the average size of readymade garments?
- A. Arithmetic Mean
 - B. Median
 - C. Geometric Mean
 - D. Mode
86. The sum of the deviations of observation is zero when measured from
- A. Mode
 - B. Median
 - C. Arithmetic Mean
 - D. Harmonic Mean
87. The average most affected by extreme observation is:
- A. Median
 - B. Arithmetic Mean
 - C. Mode
 - D. Geometric Mean
88. The most stable average is
- A. Mode
 - B. Median
 - C. Geometric mean
 - D. Arithmetic Mean
89. Which of the following is not a mathematical average?
- A. Median
 - B. Geometric Mean
 - C. Weighted average
 - D. Arithmetic Mean
90. The 50th percentile is
- A. Arithmetic Mean
 - B. Mode
 - C. Median
 - D. None of the above

91. The man of the squared deviation about the mean is called:
- A. Standard deviation
 - B. Mean deviation
 - C. Quartile deviation
 - D. Variance
92. Which of the following a relative measure of dispersion?
- A. Variance
 - B. Range
 - C. Mean deviation
 - D. Coefficient of variation
93. Stratified sampling is preferred where _____
- A. Population is perfectly homogenous
 - B. Random sampling is not possible
 - C. Population is heterogenous
 - D. Small samples are required
94. Environmental Kuznets hypothesis proposes an;
- A. U shaped relation
 - B. Straight line relation
 - C. Inverted U shaped relation
 - D. Vertical relation
95. The term used to relate process that control or reduce pollution:
- A. Adaptability
 - B. Ability to pay
 - C. Abatement
 - D. None of these

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

ROUGH WORK

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