

Code No.

V – 2313

**Entrance Examination for Admission to the P.G. Courses in the
Teaching Departments, 2025**

CSS

ECONOMICS/FINANCIAL ECONOMICS

For office use only

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. The given function $f(x) = ax + b$, is an example of function:
 - A. Quadratic
 - B. Polynomial
 - C. Linear
 - D. Rational

DO NOT WRITE HERE

-
2. The process of finding relative maximum or minimum of a function is known as:
- | | |
|-----------------|-----------------|
| A. Optimization | B. Minimisation |
| C. Maximisation | D. Any of these |
3. MR is:
- | |
|--------------------------------------|
| A. The second order derivative of TR |
| B. The first order derivative of TC |
| C. The first order derivative of TR |
| D. The second order derivative of TC |

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12. In monopoly, when the demand curve is elastic, MR is:
- A. 1
 - B. 0
 - C. positive
 - D. negative
13. Utility is maximized when the second order conditions of utility function is:
- A. Negative
 - B. Positive
 - C. Zero
 - D. None of these
14. What would be the consequences for the OLS estimator if heteroscedasticity is present in a regression model but ignored?
- A. It will be ignored
 - B. It will be inconsistent
 - C. It will be inefficient
 - D. All of A, B, C will be true
15. BLUE is
- A. Best Linear Unbiased Estimator
 - B. Best Linear Unconditional Estimator
 - C. Basic Linear Unconditional Estimator
 - D. Both B and C
16. The upper portion of the kinked demand curve is relatively:
- A. More Elastic
 - B. More inelastic
 - C. Less Elastic
 - D. Inelastic
17. Consumer surplus under price discrimination is:
- A. Maximum
 - B. Minimum
 - C. Zero
 - D. Non Predictable
18. $MC=MR=AR=AC$ shows the long run equilibrium of:
- A. Oligopolistic
 - B. Monopolistic Firm
 - C. Competitive Firm
 - D. Any of the above

19. For a perfectly competitive firm:
- A. Price equals total revenue
 - B. Price equals total cost
 - C. Price equals marginal revenue
 - D. Price is greater than marginal revenue
20. Which of the following is known as perfect price discrimination?
- A. Price discrimination of first degree
 - B. Price discrimination of the second degree
 - C. Price discrimination of the third degree
 - D. None of these
21. If the residuals from a regression estimated using a small sample of data are not normally distributed, which one of the following consequences may arise?
- A. The coefficient estimate will be biased consistent
 - B. The coefficient will be indeterminate
 - C. The coefficient estimate will be biased inconsistent
 - D. Test statistics concerning the parameter will not follow their assumed distributions.
22. One of the assumption of CLRM is that the number of observations in the sample must be greater the number of _____.
- A. Regressor
 - B. Regressands
 - C. Dependent variable
 - D. Dependent and independent variable
23. A sure way of removing multicollinearity from the model is to
- A. Work with panel data
 - B. Drop variables that cause multicollinearity in the first place
 - C. Transform the variables by first differencing them
 - D. Obtaining additional sample data.

24. Information about numerical values of variables from period to period is
- A. Time series data
 - B. Cross- section data
 - C. Pooled data
 - D. Panel data
25. In the regression function $y = \alpha + \beta x + c$
- A. x is the regressor
 - B. y is the regressor
 - C. x is the regressand
 - D. None of these
26. Sen' s welfare theory relies on:
- A. Individuals' Capabilities
 - B. Individuals' Wealth
 - C. Individuals' Education
 - D. Individuals' Accomplishments
27. The synchronized application of capital and labour to a wide range of different industries is called _____ by its advocates.
- A. Indivisibilities
 - B. Balanced growth
 - C. Big Push
 - D. Take Off
28. The theory economic growth developed by Schumpeter gives importance to the
- A. Role of Innovations
 - B. Role of investors
 - C. Need for balanced growth
 - D. Need for development of infrastructure
29. "A country is poor because it is poor" are the words of:
- A. Myrdal
 - B. Hicks
 - C. Nurkse
 - D. Singer

30. Which author developed the Wage Good Model?
 - A. A. Sen
 - B. Vakil and Brahmananda
 - C. M. Dobb
 - D. Mahalanobis
31. Reliability of a point estimation is measured by its
 - A. Standard deviation
 - B. Standard normal curve
 - C. Standard error
 - D. Coefficient of determination
32. The term regression was coined by
 - A. Francis Galton
 - B. Karl Pearson
 - C. Carl Friedrich Gauss
 - D. William Sealy
33. Who is the Author of Treatise of Money?
 - A. J.M. Keynes
 - B. Irving Fisher
 - C. Milton Friedman
 - D. Patinkin
34. The statistical properties of OLS estimators are
 - A. Linearity, Unbiasedness and minimum variance
 - B. Linearity and Unbiasedness
 - C. Unbiasedness, and minimum variance
 - D. Linearity and minimum variance
35. The violation of the assumption of constant variance of the residual is known as
 - A. Heteroscedasticity
 - B. Homoscedasticity
 - C. Both A and B are correct
 - D. Both A and B are wrong
36. The concept of overhead capital is given by:
 - A. Nurkse
 - B. Singer
 - C. Hirschman
 - D. Rosentien-Rodan

37. In the high mass consumption stage, leading sectors of the economy shift towards the production of:
- | | |
|-----------------------|--------------------------|
| A. Consumer durables | B. Heavy industries |
| C. Defence equipments | D. Agricultural products |
38. What is the assumption that economic growth will percolate down to all sectors, known as:
- | | |
|---------------------------|------------------------|
| A. Income distribution | B. Trickle down effect |
| C. Disguised unemployment | D. Under employment |
39. Which among the following has the highest forward linkages?
- | | |
|----------------|-----------------------|
| A. Iron-ore | B. Defence industries |
| C. Food grains | D. Bread and Butter |
40. X – efficiency concept was formulated by:
- | | |
|---------------------|-------------------|
| A. Ragnar Nurkse | B. H. Leibenstien |
| C. Rosenstein Rodan | D. Arthur Lewis |
41. Formula of coefficient determination is
- | | |
|----------------|----------------|
| A. RSS/TSS | B. $1+RSS/TSS$ |
| C. $1-RSS/ESS$ | D. $1+RSS/ESS$ |
42. Rejecting a true hypothesis results in this type of error
- | | |
|---------------------|---------------------|
| A. Type I error | B. Type II error |
| C. Structural error | D. Hypothesis error |
43. In a confidence interval estimator, $\alpha = 5\%$, this means that this interval include the true β with probability of
- | | |
|--------|--------|
| A. 5% | B. 50% |
| C. 95% | D. 45% |
44. The larger the standard error of the estimator, the greater is the uncertainty of estimating the true value of the unknown parameters. This statement is
- | | |
|----------------|-----------------------|
| A. True | B. False |
| C. May be true | D. Nonsense statement |

45. $Y_i = \beta_1 + \beta_2 X + u_i$ represents
- Sample regression function
 - Population regression function
 - Nonlinear regression function
 - Estimate of regression function
46. Borrowing from Capital Market is a part of
- Capital Budget
 - Revenue Budget
 - Both A and B
 - None of these
47. Principle of Maximum Social advantage is concerned with
- Taxation
 - Public Debt
 - Public expenditure
 - Both taxation and Public Expenditure
48. Which one of the following is a source of state tax revenue?
- Property Tax
 - Income Tax
 - Corporate Tax
 - Custom duties
49. If the percentage of income collected as taxes is constant as income rises, the tax is
- Progressive
 - Regressive
 - Proportional
 - Neutral
50. Cess is a tax for
- Specific purpose
 - Gift
 - Imports
 - Fine
51. A summary measure that describes any given characteristic of the population is known as a _____.
- Parameter
 - Information
 - Inference
 - Statistics

52. The median of a frequency distribution is found graphically with the help of:
- A. Histogram
 - B. Frequency curve
 - C. Frequency polygon
 - D. Ogive
53. The algebraic sum of the deviations of a set of n values from their mean is
- A. 0
 - B. $n - 1$
 - C. n
 - D. $N + 1$
54. The set of all possible outcomes of a random experiment is known as
- A. Permutation
 - B. Combination
 - C. Probability
 - D. Sample space
55. The expected value of X is usually written as:
- A. $E(X)$ or \sum
 - B. $E(X)$ or μ
 - C. $E(X)$ or ϕ
 - D. $E(X)$ or λ
56. The theory of incidence was developed by:
- A. Dalton
 - B. A.C. Pigou
 - C. Ricardo
 - D. None of these
57. A forward shifted tax will affect:
- A. Consumers more than suppliers
 - B. Suppliers more than consumers
 - C. Consumers and suppliers equally
 - D. None of these
58. Impact of a tax is the
- A. Final resting place
 - B. First point of contact
 - C. Both A and B
 - D. None of these

59. Public debt consists of
- A. External debt
 - B. Internal debt
 - C. Both external and internal debt
 - D. None of these
60. Transfers from centre to states are known as:
- A. Vertical devolution
 - B. Horizontal devolution
 - C. Parallel devolution
 - D. None of these
61. National Income is a
- A. Flow Concept
 - B. Stock
 - C. Injection into the economy
 - D. Savings
62. Real GDP equals
- A. Nominal GDP divided by the GDP deflator
 - B. GDP Minus depreciation
 - C. Nominal GDP minus net exports
 - D. Nominal GDP multiplied by GDP deflator
63. Super Multiplier refers to
- A. Reciprocal of the Marginal propensity consume
 - B. Budget Multiplier
 - C. Interaction of the multiplier and the accelerator
 - D. Capital output ratio
64. Speculative demand for money is inversely related to:
- A. Income
 - B. Interest rate
 - C. Money supply
 - D. Investment
65. With which one of the following is backward bending supply curve usually associated?
- A. Labour
 - B. Capital
 - C. Land
 - D. Organisation

66. Contractionary fiscal policies would increase in
- A. Government outlays
 - B. Government transfer payments
 - C. Budget deficits
 - D. Income tax rates or autonomous taxes
67. In international trade Adam Smith believed in:
- A. Laissesz faire
 - B. Government Control
 - C. Moderate control
 - D. None of these
68. In Heckscher-Ohlin theory, factor abundance is defined in terms of
- A. Physical quantities of factors
 - B. Factor prices
 - C. Both A and B
 - D. None of these
69. In the balance of payment account, the transfer payments are included in which of the following:
- A. Service account
 - B. Current account
 - C. Capital account
 - D. None of these
70. In the kinked demand Curve theory,
- A. Demand is price elastic
 - B. Demand is price inelastic
 - C. Non Price completion is likely
 - D. There is kink in the marginal cost curve
71. One of the assumption of Classical Economics is :
- A. Under employment
 - B. Wage Price Flexibility
 - C. Monopoly
 - D. Inequality between Savings and Investment
72. According to Adam Smith economic growth is possible due to
- A. Division of labour and Specialisation
 - B. Diminishing returns
 - C. Foreign Capital
 - D. Surplus labour

73. The economists who emphasized wage flexibility as a solution for unemployment were:
- A. Classical economists
 - B. Keynesians
 - C. Monetarists
 - D. New Keynesians
74. Friedman's theory of consumption focuses on:
- A. Past income
 - B. Permanent income
 - C. Transitory income
 - D. Current income
75. Transactions demand for money is proportional to:
- A. Income
 - B. Money supply
 - C. Investment
 - D. Rate of interest
76. In the liquidity trap, interest elasticity of the demand for money is:
- A. Unity
 - B. Zero
 - C. Between zero and unity
 - D. Infinity
77. The relationship between interest rates and the level of income that arises in the market for goods and services is called the:
- A. L M curve
 - B. IS curve
 - C. Aggregate supply curve
 - D. Aggregate demand curve
78. According to IS-LM model, if the central bank increases the money supply, the interest rate
- A. Falls and income rises
 - B. Rises and income rises
 - C. Falls and Income falls
 - D. Rises and income falls
79. According to Classical dichotomy, which of these magnitudes is affected by monetary policy
- A. The Real Interest rate
 - B. The Real Wage
 - C. The rate of growth of GDP
 - D. The Price level

80. During recession period:
- | | |
|----------------------------------|-------------------------------------|
| A. Growth in negative | B. Growth is slow |
| C. Prices are likely to increase | D. Unemployment is likely to be low |
81. A consumer attains equilibrium under indifference curve analysis when
- | |
|---------------------------|
| A. $MRS_{xy} = P_x$ |
| B. $MRS_{xy} = P_y$ |
| C. $MRS_{xy} = P_x/P_y$ |
| D. $MRX_{xy} = MRTS_{xy}$ |
82. The value of owned inputs used in its own production process is accounted for
- | | |
|------------------|---------------------|
| A. Implicit Cost | B. Explicit Cost |
| C. Sunk Cost | D. Opportunity Cost |
83. A firm attains equilibrium when
- | |
|--|
| A. Average cost is equal to Marginal cost |
| B. Average cost is equal to Average Revenue |
| C. Marginal cost is equal to Marginal Revenue and Marginal cost curve cuts Marginal revenue curve from below |
| D. None of these |
84. Law of diminishing returns to factors operates in:
- | | |
|--------------------------------|------------------|
| A. Short Run | B. Long Run |
| C. Both Short Run and Long Run | D. None of these |
85. The slope of Indifference curves are usually _____.
- | | |
|-------------------------|------------|
| A. Positive | B. Linear |
| C. Convex to the origin | D. Concave |
86. Competition among the few represents which form of Market
- | | |
|-----------------------|--------------|
| A. Perfect Completion | B. Oligopoly |
| C. Monopsony | D. Monopoly |

87. A good for which income and quantity demanded are inversely related is known as:
- A. Inferior good
 - B. Complimentary good
 - C. Normal good
 - D. None of these
88. The Price of bread increases by 22 percent and the quantity of bread demanded falls by 25 percent. This indicates that the demand for bread is:
- A. Unitary elastic
 - B. Elastic
 - C. Perfectly elastic
 - D. Inelastic
89. If the income and substitution effects of a price increase work in the same direction the good whose price has changed is a:
- A. Normal good
 - B. Superior good
 - C. Inferior good
 - D. Giffen good
90. A tax or duty to be paid on particular class of imports or exports is called:
- A. Excise duty
 - B. Tariff
 - C. Exchange rate
 - D. Quota
91. If the demand curve is horizontal, price elasticity is equal to:
- A. One
 - B. Zero
 - C. Exchange rate
 - D. Quota
92. _____ is discrete theoretical distribution.
- A. Normal distribution
 - B. Binomial distribution
 - C. Poison distribution
 - D. Pareto distribution
93. Which is the most liquid measure of money supply?
- A. M_1
 - B. M_2
 - C. M_3
 - D. M_4

RESPONSE SHEET

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
33	A	B	C	D	E
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
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85	A	B	C	D	E
86	A	B	C	D	E
87	A	B	C	D	E
88	A	B	C	D	E
89	A	B	C	D	E
90	A	B	C	D	E
91	A	B	C	D	E
92	A	B	C	D	E
93	A	B	C	D	E
94	A	B	C	D	E
95	A	B	C	D	E
96	A	B	C	D	E
97	A	B	C	D	E
98	A	B	C	D	E
99	A	B	C	D	E
100	A	B	C	D	E

ROUGH WORK

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