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TEST BOOKLET

Sl. No.

03041

Subject Code : 07

Subject : Economics

LECTURERS FOR NON-GOVT. AIDED COLLEGES OF ODISHA

Time Allowed : 3 Hours

Maximum Marks : 165

: INSTRUCTIONS TO CANDIDATES :

1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET CONTAINS 31 PAGES AND DOES NOT HAVE ANY UNPRINTED OR TORN OR MISSING PAGES OR ITEMS ETC. IF SO, GET IT REPLACED BY A COMPLETE TEST BOOKLET.
2. You have to enter your **Roll No.** on the Test Booklet in the Box provided alongside. **DO NOT** write anything else on the Test Booklet.

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3. The Test Booklet contains **165** questions. Each question comprises four answers. You have to select the correct answer which you want to mark (darken) on the Answer Sheet. In case, you feel that there is more than one correct answer, you should mark (darken) the answer which you consider the best. In any case choose **ONLY ONE** answer for each question. If more than one answer is darkened it will be considered as wrong.
4. You have to mark (darken) all your answers **ONLY** on the **separate OMR Answer Sheet** provided, by using **BLACK BALL POINT PEN**. You have to do rough work on the space provided in the Test Booklet only. See instruction in the Answer Sheet.
5. All questions carry equal marks, i.e. of one mark for each correct answer and each wrong answer will result in negative marking of **0.25** mark.
6. Before you proceed to mark (darken) in the Answer Sheet the answers to various questions in the Test Booklet, you have to fill in some particulars in the Answer Sheet as per the instructions in your Admit Card.
7. After you have completed filling in all your answers on the Answer Sheet and after completion of the examination, you should hand over to the Invigilator the **Original Answer Sheet (OMR Answer Sheet)** issued to you. You are allowed to take with you the candidate's copy/second page of the Answer Sheet along with the Test Booklet after completion of the examination for your reference.

SEAL

Candidate's full signature

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RS - 22/25

(Turn over)

2018

1. When we find some people buying more of a goods when it becomes more expensive we call it as :
- (A) Stigler effect
(B) Veblen effect
(C) Giffen effect
(D) Dixit effect
2. Mr. Pitambar is fond of Muffins. Recently, the price of Muffins increased by 20% and the total spending by Mr Pitambar on Muffins increased by 15%. What is the price elasticity of demand for Muffins by Mr. Pitambar ?
- (A) 1/5
(B) 1/4
(C) 1/2
(D) 1/6
3. Let's say in equilibrium, Sarat (a consumer) was buying 5 units of goods A and some of goods B. His income was Rs. 100 and the prices were $P_A = Rs. 8$ and $P_B = Rs. 5$. Now the price of goods A falls to Rs. 5. By how much does Sarat's income need to be compensated, so that he is able to buy the (old) bundle at the original equilibrium.
- (A) Sarat's income should be increased by Rs. 15
(B) Sarat's income should be decreased by Rs. 15
(C) Sarat's income should not be changed
(D) Sarat's income should be increased by Rs. 10
4. Mr. John invested Rs. 2000 in gold, which he bought at Rs. 520 per ounce. After two years, he sold them at Rs. 566 per ounce. His annual rate of return from this investment is approximately _____
- (A) 4%
(B) 3.3%
(C) 4.4%
(D) 5.4%

5. A competitive firm's total cost is given by $y^2 - 10y + 28$, where y is output. Considering its profit-maximisation in the short run, if the market price is 20, how much will this firm produce?
- (A) 15
 (B) 20
 (C) 16
 (D) 10
6. Given the following demand and supply equations in a market, find the Equilibrium price (P) and quantity (Q). $Q_d = 10 - P$, $Q_s = -2 + 3P$.
- (A) 3, 7
 (B) 2, 6
 (C) 4, 8
 (D) 5, 9
7. Which of the following is the most appropriate meaning of market failure in Economics?
- (A) The inability of some unregulated markets to allocate resources efficiently
 (B) The inability of a market to establish an equilibrium price
 (C) The inability of buyers to place a value on the goods or service
 (D) The inability of buyers to interact harmoniously with sellers in the market
8. Economic analysis uses _____ to judge the effect of taxes on economic welfare?
- (A) government spending
 (B) consumer and producer surplus
 (C) equilibrium price and quantity
 (D) opportunity cost
9. OPEC is an example of:
- (A) Marketing board
 (B) Cooperative of producers
 (C) Mutual
 (D) Cartel

10. The kinked demand curve model of oligopoly has the following assumption :
- (A) Competitors will follow a price increase but not a price cut
 - (B) Competitors will follow a price increase as well as a price cut
 - (C) Competitors will ignore both a price increase and a price cut
 - (D) Competitors will ignore a price increase but will follow a price cut
11. When price is below average variable cost, a firm in a competitive market will :
- (A) Continue to operate as long as average revenue exceeds average fixed cost
 - (B) Shut down and incur both variable and fixed costs
 - (C) Continue to operate as long as average revenue exceeds marginal cost
 - (D) Shut down and incur fixed costs
12. Most often new potential firms do not try to compete with a natural monopoly because they think :
- (A) The natural monopoly doesn't make a huge profit
 - (B) They know they cannot achieve the same low costs that the monopolist enjoys
 - (C) They are unsure of the size of the market in general
 - (D) They fear retaliation in the form of pricing wars
13. In the long run the exit criterion for a profit maximizing firm is :
- (A) Average Revenue > Marginal Cost
 - (B) Price < Average Total Cost
 - (C) Price > Average Total Cost
 - (D) Average Revenue > Average Fixed Cost
14. If an oligopoly market is in Nash equilibrium, which of the following shall be true :
- (A) Market price will be different for each firm
 - (B) Firms will not behave as profit maximizers
 - (C) A firm will choose its best pricing strategy, given the strategies that it observes other firms taking
 - (D) A firm will not take into account the strategies of competing firms

15. Which of the following can best proxy cost of living ?
- (A) WPI
 - (B) CPI
 - (C) GDP deflator
 - (D) Superlative WPI
16. Average labor productivity may be defined as the :
- (A) Amount of workers per machine
 - (B) Amount of machines per worker
 - (C) Ratio of employed to unemployed workers
 - (D) Amount of output per worker
17. If the price level was 100 in 2005 and 102 in 2006, the inflation rate was :
- (A) 102 %
 - (B) 20%
 - (C) 2%
 - (D) 0.2%
18. The Reserve Bank of India's money supply measure M3 includes the following components :
- (A) Currency with the public and Demand deposits with banks
 - (B) Demand deposits and Time deposits with banks
 - (C) Currency with the public and Time deposits with banks
 - (D) Currency with the public, Demand deposits and Time deposits with banks
19. A Brazillian citizen owns a horse ranch in the United States. The profits from the horse ranch :
- (A) Are part of both Brazillian GNP and U. S. GNP
 - (B) Are part of Brazillian GNP, but not part of Brazillian GDP
 - (C) Are part of Brazillian GDP, but not part of Brazillian can GNP
 - (D) Are part of U. S. GNP, but not part of Brazillian GNP

20. Full-employment output is the level of output supplied by firms in the economy when :
- (A) The taxes are zero
 - (B) Wages and prices have fully adjusted
 - (C) The unemployment rate is zero
 - (D) All the capital is fully utilized
21. The yield curve usually slopes upward for the following reason :
- (A) Longer maturity bonds typically pay higher interest rates than bonds with shorter maturity
 - (B) Longer maturity bonds typically pay lower interest rates than bonds with shorter maturity
 - (C) Default risk is higher for shorter maturity bonds
 - (D) Longer maturity bonds are not taxable
22. The Ease and Speed with which you can exchange an asset for goods, services, or other assets is its :
- (A) Risk
 - (B) Time to maturity
 - (C) Velocity
 - (D) Liquidity
23. If there is a financial panic and increased uncertainty about the returns in the stock market and bond market, what is the likely effect on money demand ?
- (A) Money demand declines first, then rises when inflation increases
 - (B) Money demand rises
 - (C) The overall effect is ambiguous
 - (D) Money demand declines
24. If the interest elasticity of money demand is -0.1 , by what percent does money demand change if the nominal interest rate rises from 2% to 3% ?
- (A) -0.1%
 - (B) 5%
 - (C) 0%
 - (D) -5%

25. Large differences in inflation rates among countries are almost always the result of large differences in :
- (A) Productivity
 - (B) Real income growth
 - (C) The growth rates of real money demand
 - (D) The growth rates of nominal money supplies
26. An economic variable that moves in the same direction as aggregate economic activity (up in expansions, down in contractions) is called :
- (A) Proccyclical
 - (B) Countercyclical
 - (C) Acyclical
 - (D) A leading variable
27. Which of the following changes shifts the AD curve down and to the left ?
- (A) A temporary increase in government purchases
 - (B) A rise in the nominal money supply
 - (C) A decrease in corporate taxes
 - (D) A decrease in consumer confidence
28. A situation in which expansionary monetary policy has no effect on the economy is known as :
- (A) Macroeconomic stabilization
 - (B) A liquidity trap
 - (C) A depression
 - (D) Capital flight
29. The long-run Phillips curve is :
- (A) Vertical
 - (B) Horizontal
 - (C) Upward sloping
 - (D) Downward sloping
30. Shoe leather costs are :
- (A) The costs in time and effort incurred by people and firms who are trying to minimize their holdings of cash because of inflation
 - (B) The costs of changing prices, such as printing and mailing catalogues
 - (C) The costs of the redistribution of wealth between lenders and borrowers
 - (D) The costs associated with the confusion of prices as signals

31. The amount of output lost when the inflation rate is reduced by one percentage point is called :
- (A) Okun's law
 (B) The Sacrifice ratio
 (C) The Solow residual
 (D) Planck's constant
32. A decrease in Foreign output would cause the domestic Country's net exports to _____ and cause the domestic Country's IS curve to _____.
- (A) rise; shift up
 (B) rise; shift down
 (C) fall; shift up
 (D) fall; shift down
33. High-powered money consists of :
- (A) Bank reserves plus currency held by the nonbank public
 (B) Bank reserves minus vault cash
 (C) All deposits at the Fed
 (D) Deposits at the Fed plus vault cash
34. A public goods is :
- (A) A goods that the public must pay to consume
 (B) Non-rival in consumption
 (C) Costlier than a private good
 (D) Paid by the corporate sector
35. A Pigouvian subsidy :
- (A) Moves production to socially optimal level of output
 (B) Is a kind of Pigouvian tax
 (C) Does not exist with externalities
 (D) Is given to consumers of Solar panel only
36. Fiscal deficit minus interest payments is called :
- (A) Revenue deficit
 (B) Capital deficit
 (C) Fiscal deficit
 (D) Primary deficit
37. The Govt. of India had pegged its 2019 fiscal deficit target at :
- (A) 4%
 (B) 4.3%
 (C) 3.3%
 (D) 3.8%

38. Wagner's law can be tested using the following relationship :
- (A) Investment = f(Income)
 - (B) Govt. expenditure = f(Gross domestic product)
 - (C) Inflation = f(money supply)
 - (D) Govt. expenditure = f(money supply)
39. Which of the following choices does suggest that private market can deal with externalities better ?
- (A) The "Invisible hand"
 - (B) The law of diminishing social returns
 - (C) The Coase theorem
 - (D) Technology policy
40. Market failure associated with the problem of free riding can be said to be a result of :
- (A) Problem due to pollution
 - (B) Benefits that accrue to those who don't pay
 - (C) Losses that accrue to producers
 - (D) A project in which costs exceed benefits
41. For the last three years India's tax to GDP ratio has been in the range of :
- (A) 6-8%
 - (B) 5-7%
 - (C) 10-21%
 - (D) 15-20%
42. Kanupriya's income is Rs. 50,000 and her income tax liability is Rs. 6,000. Thus, her :
- (A) Marginal tax rate is 8 percent
 - (B) Average tax rate is 8 percent
 - (C) Marginal tax rate is 12 percent
 - (D) Average tax rate is 12 percent
43. The best measure to judge how much a country's income tax system distorts incentives is :
- (A) The marginal tax rate
 - (B) Administrative burden of tax
 - (C) Average tax rate
 - (D) Total tax collected

44. The chronological order of tax regimes in India is the following :
- (A) MANVAT, MODVAT, CENVAT, GST
 - (B) MODVAT, MANVAT, GST, CENVAT
 - (C) CENVAT, MODVAT, MANVAT, GST
 - (D) CENVAT, MANVAT, MODVAT, GST
45. Laffer curve depicts relationship between :
- (A) Tax rates and tax revenue collected by the Government
 - (B) Tax rates and GDP
 - (C) Tax rates and fiscal deficit
 - (D) Saving and income
46. A straight line production possibilities curve refers to the following :
- (A) Constant costs
 - (B) Increasing costs
 - (C) Decreasing costs
 - (D) Variable costs
47. With trade, specialization in production is likely to be :
- (A) Complete with increasing costs and incomplete with constant costs
 - (B) Complete with constant costs and incomplete with increasing costs
 - (C) Complete with constant and increasing costs
 - (D) Incomplete with constant and increasing costs
48. Immiserizing growth is most likely in a country if its :
- (A) Growth is concentrated in its export sector
 - (B) Growth is concentrated in its import sector
 - (C) Growth is balanced across exports and imports
 - (D) Growth is concentrated in goods with high world demand elasticity
49. The offer curve of a nation bulges or bends towards the axis that measures its :
- (A) Export goods
 - (B) Import goods
 - (C) Export or import goods
 - (D) Nontraded goods

50. In a specific factors model/ framework, the idea of "Dutch Disease" means :
- (A) A boom in one sector decreases wages, creating unemployment
 - (B) A boom in one sector increases wages, lowering profits in some other sectors
 - (C) A boom in one sector decreases wages, raising profits in some other sectors
 - (D) A boom in one sector destroys other sectors
51. The Leontief paradox is based on the following observation :
- (A) The US is relatively capital-abundant, but US exports tend to be relatively capital-intensive
 - (B) The US is relatively capital-abundant, but US imports tend to be relatively capital-intensive
 - (C) The US is relatively labour abundant, but US imports tend to be relatively capital intensive
 - (D) The US is relatively labor-abundant, but US imports tend to be relatively labor-intensive
52. The trade theory based on scale economies and monopolistic competition was developed by :
- (A) Jagdish Bhagwati
 - (B) Joseph Stiglitz
 - (C) Paul Krugman
 - (D) Avinash Dixit
53. Which of the following statements is true ?
- (A) The 1957 Treaty of Rome founded the EU and created a custom union
 - (B) The 1957 Treaty of Rome founded the EU
 - (C) The 1957 Treaty of Rome founded the euro
 - (D) The 1957 Treaty of Rome founded the European Central Bank

54. According to purchasing power parity :

- (A) Exchange rates move immediately to exactly offset differences in national inflation
- (B) Exchange rates eventually move to exactly offset differences in national inflation
- (C) Exchange rates eventually move to offset to some extent differences in national inflation
- (D) Exchange rates eventually move to offset exactly differences in national unemployment

55. The main policy goal for a country, say mercantilists, is :

- (A) To create a one-time deficit in the balance of payments
- (B) To create a continuing deficit in the balance of payments
- (C) To create a one-time surplus in the balance of payments
- (D) To create a continuing surplus in the balance of payments

56. Which one of the following statements apply to fixed exchange rates ?

- (A) Devaluation causes a reduction of the money supply
- (B) Devaluation has no effect on the money supply
- (C) Devaluation causes an expansion of the money supply
- (D) Devaluation causes a reduction in output

57. A foreign exchange swap :

- (A) Is a spot sale of a currency
- (B) Is a forward repurchase of the currency
- (C) Is a spot sale of a currency combined with a forward repurchase of the currency
- (D) Is a spot sale of a currency combined with a forward sale of the currency

58. The CA is equal to :

- (A) $Y - (C - I + G)$
- (B) $Y + (C + I + G)$
- (C) $Y - (C + I + G)$
- (D) $Y - (C + I - G)$

59. In an open economy, private saving, S^P , is equal to :
- $I - CA + (G - T)$
 - $I + CA - (G - T)$
 - $I + CA + (G - T)$
 - $I - CA - (G - T)$
60. A perpetuity is distinguished from other bonds in that it :
- Never matures
 - Pays continuously compounded interest
 - Is issued only by the U. S. government
 - Will be used to purchase another bond when it matures unless the owner specifies otherwise
61. The "East Asian Miracle" is :
- The ability of so many people to live in such small areas
 - The fact that so many Influenza varieties originate from this region
 - The fact that poor dualistic economies managed to escape the vicious circle of poverty
 - The ability to maintain large positive trade balances with the U. S.
62. Which of the following is true for a dual economy ?
- Class warfare takes on the form of tournament duels
 - Minority groups dominate political power
 - Sophisticated high-wage industrial sectors coexist with low-wage traditional sectors
 - A Country exports both traditional and sophisticated non-traditional products
63. The **prohibitive tariff** is a tariff that :
- Is so high that it eliminates imports
 - Is so high that it causes undue harm to economies as trade partners
 - Is so high that it causes undue harm to import competing sectors
 - Is so low that the government prohibits its use since it would lose an important revenue source

64. The main redistribution effect of a tariff is the transfer of income from :
- (A) Domestic producers to domestic buyers
 - (B) Domestic buyers to domestic producers
 - (C) Domestic producers to domestic government
 - (D) Domestic government to domestic consumers
65. The **Metzler Paradox** :
- (A) Could theoretically happen when a small country levies a tariff
 - (B) Related to a situation when an Optimal Tariff hurts a Country's economic welfare
 - (C) Related to a situation when the imposition of a tariff lowers domestic prices
 - (D) Related to a situation when the imposition of a tariff helps foreign exporters
66. The IMF was established in the year :
- (A) 1945
 - (B) 1946
 - (C) 1944
 - (D) 1943
67. The idea of using disguised unemployment as a source of savings potential in underdeveloped economies was advocated by :
- (A) R Harrod
 - (B) Ragnar Nurkse
 - (C) W W Rostow
 - (D) Paul A Baran
68. Schumpeter's growth theory emphasizes the following :
- (A) Innovation
 - (B) Infrastructure
 - (C) Balanced growth
 - (D) Non-financial corporations
69. Capital deepening refers :
- (A) To an increase in the proportion of the capital stock to the number of labor hours worked
 - (B) To an increase in labour to capital ratio
 - (C) To an increase in human capital only
 - (D) To use of more financial capital

70. In WW Rostow's theory of stages of economic growth, the "drive to maturity stage" :

- (A) Follows take off stage
- (B) Starts development
- (C) Completes development
- (D) Follows high mass consumption stage

71. The dual economy viewed by Lewis, the capitalist sector absorbs the surplus labour provided the :

- (A) The capitalist surplus is generated
- (B) The capitalist surplus is generated and reinvested
- (C) Subsistence sector has an elastic labour supply, the capitalist surplus is generated and reinvested
- (D) The subsistence sector has an inelastic labour supply

72. Harrod and Domar emphasise the following in their growth theory :

- (A) Dual effect of net investment

(B) Capacity effect of net investment

(C) Saving effect of net investment

(D) Crowding out effect of net investment

73. Given the rate of growth, $g = 5\%$, marginal savings propensity, $s = 0.5$, the value of capital output ratio consistent with Harrod's model would be :

(A) 100

(B) 0.1

(C) 0.11

(D) 10

74. UNCTAD stands for :

(A) United Nations Centre for Trade, Aid and Development

(B) United Nations Committee of Technical Assistance for Development

(C) United Nations Conference on Trade and Development

(D) United Nations Commission on Transfer of Aid for Development

75. Leibenstein's Critical Minimum efforts thesis treats population as a factor to be :
- (A) Income generating
 - (B) Income depressing
 - (C) Investment inducing
 - (D) Market expanding
76. In the Fischer-Clark thesis the following sequence of shift of resources from one sector to the other is correct :
- (A) Agriculture-Services-Manufacturing
 - (B) Agriculture-Manufacturing-Services
 - (C) Manufacturing-Services-Agriculture
 - (D) Manufacturing-Agriculture-Services
77. Which one of the following is the primary cause of underdevelopment according to the balanced growth theory ?
- (A) Small size of the market
 - (B) Lack of savings
 - (C) Low level of technology
 - (D) Foreign domination
78. Which of the following Countries came first in UNDP's HDI ranking of 2018 ?
- (A) Switzerland
 - (B) Ireland
 - (C) USA
 - (D) Norway
79. Which two of the following are most likely to reflect a move towards a more equal distribution of income ?
- (a) The share of total income going to the top 20% of income earners rises from 40% to 50%
 - (b) The Gini coefficient falls towards zero
 - (c) The Gini coefficient rises towards one
 - (d) The share of income going to the bottom 20% of income earners falls from 8% to 7%
 - (e) The share of total income going to the bottom 50% of income earners rises from 40% to 50%
- (A) a and b
 - (B) c and d
 - (C) c and e
 - (D) b and e

80. Food stamps are example of a type of program that provides :
- (A) Cash assistance
 - (B) In-kind assistance
 - (C) The possibility of improved skills and a better job
 - (D) Enough aid to go above the poverty threshold
81. Which of the following countries rank highest in Corruption Perception Index, 2017 published by Transparency International ?
- (A) USA and China
 - (B) India and Singapore
 - (C) Switzerland and Norway
 - (D) New Zealand and Denmark
82. Brundtland Commission was :
- (A) The World commission on economic growth
 - (B) The World Commission on environment and development : Our Common Future
 - (C) The World Commission on Worldwide neo-liberal reform
 - (D) The World Commission on trade and development
83. The shape of the Environmental Kuznets curve is :
- (A) S shaped curve
 - (B) An inverted U
 - (C) U shaped
 - (D) A hyperbola
84. For sustainable development, the Environmentally adjusted Net Domestic Product (ENDP) should be :
- (A) Constant
 - (B) Non-decreasing over time
 - (C) Decreasing over time
 - (D) Exponentially decaying over time
85. The tragedy of commons thesis is attributed to :
- (A) Amartya Sen
 - (B) John Nash
 - (C) Garret Hardin
 - (D) David W Pearce

86. Olson's theory of collective action answer the following :

- (A) Why groups of individuals do not always act in their own interest and how they could be motivated to act collectively
- (B) Why groups of individuals always act in their own interest
- (C) Why groups of individuals act in their own interest some time
- (D) How could individuals be motivated to act collectively ?

87. "Environmental Values" mean :

- (A) Economic value of environmental assets, goods, services and functions
- (B) Economic value of environmental assets
- (C) Economic value of environmental goods
- (D) Economic value of environmental services only

88. The travel cost method to assess ecotourism values assumes the following :

- (A) The number of visits to the location is inversely related to the travel cost

(B) The number of visits to the location is directly proportional to the travel cost

(C) The number visits to the location is not related to travel cost

(D) The number of visitors to the location is directly related to the area of the ecotourism spot

89. Which of the following is often referred to as the 'hedonic price' method for valuing environmental assets ?

(A) Using 'Willingness to pay' to value an environmental asset

(B) Using 'existence value' to estimate the value of an environmental asset

(C) Using linkages between variations in house prices and geographical proximity to an environmental asset

(D) Using 'Option value' to estimate the value of an environmental asset

90. The optimum level of economic activity and associated pollution from society's point of view occurs where :
- (A) Marginal Social Benefit = Marginal Social Cost
- (B) Marginal Social Benefit < Marginal Social Cost
- (C) Marginal Social Benefit = 0
- (D) Marginal Private Benefit = Marginal Private Cost
91. The value we place on an asset now as regards functions which might be exploited sometime in the future :
- (A) Tradeable permits
- (B) Existence value
- (C) Option value
- (D) Coase value
92. The first National Water Policy of India was adopted in :
- (A) 1999
- (B) 1987
- (C) 1988
- (D) 2002
93. Acid deposition in the atmosphere occurs due to release of :
- (A) Sulphur oxides and nitrogen oxides
- (B) Sulphur oxides only
- (C) Nitrogen oxides only
- (D) Carbon dioxides
94. Which of the following dealt with protection of Ozone Layer in 1985 :
- (A) Montreal Protocol
- (B) Vienna Convention
- (C) Washington Protocol
- (D) New Delhi Summit
95. The Earth Summit of 1992 released the following document :
- (A) Global Environment
- (B) Limits to Growth
- (C) Our common future
- (D) Agenda 21
96. The market value of a log less transportation, milling, and harvesting is known as :
- (A) Net log value
- (B) Economic stump value
- (C) Stumpage value
- (D) Environmental stump value

97. A mathematical construction of a set of choices where the outcomes are symmetrically opposed such that benefits received by one party are equivalent to losses borne by another refer to :
- (A) Sequential move sum game
 (B) Constant sum game
 (C) Zero sum game
 (D) Non zero sum game
98. A merit good :
- (A) Is a public good
 (B) Is underprovided in free market
 (C) Is overprovided in free market
 (D) Involves negative externality
99. In contingent valuation method the best approach would be :
- (A) Mail survey
 (B) Telephone interviews
 (C) In-person interview
 (D) Interception
100. Which of the following books was written by Dadabhai Naroji ?
- (A) Indian economy under British Raj
 (B) British Rule and Economic Drain of India
 (C) Poverty and Un-British Rule in India
 (D) Economic Drain and Poverty of India
101. The first three major public sector steel plants in Bhilai, Durgapur and Rourkela were set up during :
- (A) 1951-56
 (B) 1954-59
 (C) 1956-62
 (D) 1963-65
102. The first cotton mill was established in 1818 at :
- (A) Bombay
 (B) Madras
 (C) Gandhinagar
 (D) Fort Gloster near Calcutta
103. Smt Indira Gandhi announced the first 20-point programme in :
- (A) 1973
 (B) 1974
 (C) 1975
 (D) 1977

104. The most populous state according to Census 2011 is :

- (A) Maharashtra
- (B) Punjab
- (C) Madhya Pradesh
- (D) Uttar Pradesh

105. Which one of the following worked on taxation of agricultural wealth and income in India ?

- (A) Kaldor's Report 1956
- (B) Wanchoo Committee 1971
- (C) Raj Committee 1972
- (D) Mathai Committee 1953

106. The "Hindu Rate of Growth" :

- (A) Refers to growth of population of Hindus
- (B) Is the term used by Raj Krishna to describe nature of Indian economy's growth around 3.5% per year
- (C) Is the term used by Amartya Sen to describe India's growth
- (D) Is the term coined by V K R V Rao to describe nature of Indian economy's growth around 4% per year

107. Which of the following was a qualitative credit control measure in India ?

- (A) Bank Rate
- (B) Open market operation
- (C) Credit rationing
- (D) Reserve ratio changes

108. The working group on "Money Supply : Analytics, Methodology and Compilation" of RBI was chaired by :

- (A) Y. V. Reddy
- (B) Bimal Jalan
- (C) Raghuram Rajan
- (D) Viral Acharya

109. The committee on Deepening of Digital Payments recently constituted by RBI is chaired by :

- (A) Uday Kotak
- (B) Chanda Kochhar
- (C) H. R. Khan
- (D) Nandan Nilekani

110. The Monetary Policy Committee in its meeting during Dec. 3-5, 2018 fixed its policy repo rate under LAF at :

- (A) 7%
- (B) 6.5%
- (C) 6%
- (D) 5.5%

111. The recent Indian demonetisation of high denomination currency notes constitute _____ % of the value of total notes in circulation.

- (A) 85-87%
- (B) 90-95%
- (C) 55-60%
- (D) 65-75%

112. Then Sex ratio of total population for India as per Census 2011 is :

- (A) 943
- (B) 945

(C) 1001

(D) 857

113. The all India Gross enrolment ratio in Higher education at present is between :

- (A) 20-25%
- (B) 10-15%
- (C) 18-20%
- (D) 30-35%

114. The state with the highest Drop-out rate in primary education during 2014-15 was :

- (A) Assam
- (B) Meghalaya
- (C) Arunachal Pradesh
- (D) Uttar Pradesh

115. Which of the following states recorded the highest labour force participation rate in 2011-12 ?

- (A) Himachal Pradesh
- (B) Tamil Nadu
- (C) Chattisgarh
- (D) Andhra Pradesh

116. Which of the following states recorded the highest growth over the previous year in 2016-17 in terms of net domestic product at constant prices ?

- (A) Andhra Pradesh
- (B) Madhya Pradesh
- (C) Telangana
- (D) Odisha

117. The Economic Survey 2017-18 calculates the total GST registrants (in millions) to be :

- (A) 9.8
- (B) 10.8
- (C) 7.5
- (D) 12

118. The ratio of Gross fixed capital formation to GDP in 2017 lies in the range of :

- (A) 22.24%
- (B) 26-28%
- (C) 30-35%
- (D) 15-20%

119. Which of following amendments bestowed the status of institutions of self-government to urban local government/bodies ?

- (A) 73rd
- (B) 74th
- (C) 71st
- (D) 70th

120. The Indian agricultural productivity growth in the last thirty years average to approximately :

- (A) 3%
- (B) 5%
- (C) 0.5%
- (D) 6%

121. The annual Broad Money (M3) growth for India for the last four years has been _____.

- (A) more than 10%
- (B) less than 9%
- (C) more than 15%
- (D) 8%

122. Which of the following elements is not part of BSEL-III ?
- (A) Capital requirements
(B) Supervisory review
(C) Market discipline
(D) Consolidation of assets
123. Which of the following products faces import ban from China as a preventive measure at present ?
- (A) Rice
(B) Wheat
(C) Milk products
(D) Computer
124. Which of the following yields India the largest in terms of its export value ?
- (A) Basmati rice
(B) Tea
(C) Cotton
(D) Spices
125. Which of the following accounts for the highest source of variation in foreign exchange reserves for the last two years ?
- (A) Current Account balance
(B) Foreign Direct investment
(C) Foreign Portfolio investment
(D) Banking capital
126. UDYAMI helpline was launched for :
- (A) Micro, small and medium size enterprises
(B) Big industries
(C) Farmers willing to use technology
(D) Women agriculturists
127. The "Village Grain Bank Scheme" used to run under :
- (A) Ministry of Labour
(B) Department of food and public distribution
(C) Ministry of Agriculture
(D) Ministry of Rural Development
128. The World Bank's poverty estimates are based on _____ in 2011 PPP terms.
- (A) \$ 1.90 a day
(B) \$ 1.50 a day
(C) \$ 1.25 a day
(D) \$ 1.00 a day

129. In which of the following states assets created under MNREGA is the highest ?
- (A) Madhya Pradesh
(B) Andhra Pradesh
(C) Haryana
(D) Tripura
130. The book entitled "Who Moved My Interest Rate ? Leading the Reserve Bank of India through Five Turbulent Years" is authored by :
- (A) Raghuram Rajan
(B) Y. V. Reddy
(C) Urijit Patel
(D) Duvvuri Subbarao
131. National Payments Corporation of India is an initiative of :
- (A) State Bank of India
(B) Reserve Bank of India and Indian Bank's Association
(C) ICICI Bank
(D) Reserve Bank of India
132. The National Health Policy 2017 aims at :
- (A) Increasing life expectancy at birth to 70 by 2025
(B) Increasing life expectancy at birth to 68 by 2025
(C) Increasing life expectancy at birth to 75 by 2025
(D) Increasing life expectancy at birth to 76 by 2025
133. The geometric mean of Laspeyres's and Pasche's index is known as :
- (A) Fisher's Ideal index number
(B) Divisia index number
(C) Hulten's index number
(D) Russel's index number
134. Constant variance is also expressed as :
- (A) Heteroscedasticity
(B) Leptocracy
(C) Covariance
(D) Homoscedasticity
135. Suppose a firm pays wage of Rs. 4 per hour to its 20 unskilled workers, Rs. 6 to its 10 semiskilled workers, and Rs. 10 to its 5 skilled workers. What is the weighted average wage paid by the firm ?
- (A) Rs. 4.75
(B) Rs. 5
(C) Rs. 6
(D) Rs. 6.5

136. If X and Y are independent to each other, then the coefficient of correlation is :

- (A) + 1
- (B) - 1
- (C) 0
- (D) + 2

137. If a regression line passes through the origin, then we find _____ to be zero.

- (A) correlation
- (B) association
- (C) regression coefficient
- (D) intercept

138. The mean of a distribution is 20 and the standard deviation is 5. What is the coefficient of variation ?

- (A) 25%
- (B) 20%
- (C) 40%
- (D) 25.5%

139. Suppose for 30 observations, the variance is 40. If all the observations are increased by 10, then the variance will be :

- (A) 40
- (B) 30

- (C) 50
- (D) 10

140. Which one of the following variables is not categorical ?

- (A) Height of a student
- (B) Gender of a student
- (C) Choice on a test item i.e. true or false
- (D) Marital status of a person

141. If $3x^2 + 2xy + y^2 = 1$, then $dy/dx =$ _____.

- (A) $-(3x + y) / y^2$
- (B) $-(3x + y) / (x + y)$
- (C) $1 - 3x - y / (x + y)$
- (D) $-3x / (x + y)$

142. One of the uses of a regression line is :

- (A) To determine if any x-values are outliers.
- (B) To determine if any y-values are outliers.
- (C) To determine if a change in x causes a change in y.
- (D) To estimate the change in y for a one-unit change in x.

143. For the series, 38, 36, 34, the 23rd and 27th terms are :

- (A) -6 and -14
- (B) -4 and -16
- (C) -5 and -10
- (D) -4 and -14

144. If a, b and c are in harmonic progression with b as their harmonic mean, then :

- (A) $b = 2ac / (a + c)$
- (B) $b = 2ac$
- (C) $b = 2ac / (a + c)^2$
- (D) $b = 2ac (a + c)$

145. A seller fixed the demand curve, $P(x) = 200 - 3x$ where x is quantity and P is price. The fixed cost is Rs. 25 and the variable cost is Rs. 2 per unit. What is the profit maximizing level of output ?

- (A) 33
- (B) 34
- (C) 35
- (D) 40

146. A sum of Rs. 1,000 deposited today in a bank gets doubled in a period of 6 years. What is the annual rate of interest ?

- (A) 11.25%
- (B) 12.25%
- (C) 10%
- (D) 11%

147. A firm with total costs $TC = 50 + 3Q$ for Q units of output, which sells its output at price $p = 5$, breaks even at the output level Q of :

- (A) 50/2
- (B) 50/3
- (C) 50/8
- (D) 50

148. Given $2a^2 + 9a + 4 = 0$ and $c^2 - 3c + 2 = 0$, the maximum value of $c - a$, is :

- (A) 3
- (B) 2
- (C) 6
- (D) 4

149. Which of the following functions is non-negative on the interval $-2 < x < 2$:

- (A) $y = x^3(x^3 - 1)$
- (B) $y = x^2 - 2x - 1$
- (C) $y = x^2(x^2 - 4)$
- (D) $y = x^4(x^4 - 1)$

150. If you differentiate the function $y = (x^2 + x + 1) / (x^2 - x + 1)$, you get:

- (A) $-(2x^2 + 2) / (x^2 - x + 1)^2$
- (B) $-(2x^2 + 2) / x$
- (C) $-(2x^2 + 2) / x^2$
- (D) $-(2x^2 + 2)$

151. If the total cost function is $TC = ax^2 + bx + c$, then marginal cost is given by:

- (A) $2ax + b$
- (B) $ax + b + c/x$
- (C) $ax + b$
- (D) ax

152. If $y = \sqrt{2x^2 - 3}$, then dy/dx is:

- (A) $2x / \sqrt{2x^2 - 3}$
- (B) $2x / \sqrt{4x^2 - 3}$
- (C) $2x / \sqrt{x^2 - 3}$
- (D) $2x / 2x^2 - 3$

153. The function $y = x^3 - 3x^2 + 5$ has a maximum value _____, at $x =$ _____.

- (A) 5, 0
- (B) 4, 1
- (C) 1, 2
- (D) 4, 4

154. $\int xe^{-x^2} dx$ is given by:

- (A) $-\frac{1}{2}e^{-x^2}$
- (B) $-\frac{1}{2}e^{x^2}$
- (C) $-\frac{1}{2}e^{-x^3}$
- (D) $-\frac{1}{2}e^{x^{3/2}}$

155. $\lim_{x \rightarrow -2} (x^2 + 5x)$ equals:

- (A) 5
- (B) -6
- (C) -4
- (D) 0

156. Assuming that the quantity demanded for a particular commodity is given by the formula $D(p) = 8,000p^{-1.5}$, the percentage change in quantity demanded when the price increases by 1% from $p = 4$ is approximately:

- (A) -1.48
- (B) -2
- (C) -3.1
- (D) -5.0

157. $\frac{d}{dt} \int_0^t x^2 dx$ equals to :

- (A) t^2
- (B) t^3
- (C) t
- (D) $1/t$

158. If supply is $q = 7 + 2p$ and demand is $q = 20 - 6p$, then what is the market equilibrium price ?

- (A) 1.625
- (B) 1.75
- (C) 3
- (D) 4

159. For a consumer having the total utility function $U(x, y) = x^{0.5} y^{0.5}$, with $p_x = 2$ and $p_y = 5$ being prices of commodities x and y and a given income of 100, the quantities of demand for commodity x and y are given by :

- (A) $y = 25$ and $x = 10$
- (B) $y = 50$ and $x = 5$
- (C) $y = 10$ and $x = 25$
- (D) $y = 2$ and $x = 5$

160. Which of the following agencies generate data on GDP of India ?

- (A) Central Statistics Office
- (B) Central Statistical Organisation
- (C) Ministry of Finance
- (D) National Sample Survey Organisation

161. A type of stratified proportion sampling in which information is gathered on convenience basis from different groups of population is classified as :

- (A) Purposive sampling
- (B) Judgment sampling
- (C) Quota sampling
- (D) Convenience sampling

162. The Non-random sampling technique in which the researcher asks the research participants to identify other potential research participants is :

- (A) Snowball
- (B) Convenience
- (C) Purposive
- (D) Quota

163. Which ONE of the following is the

main problem with using non-probability sampling techniques ?

- (A) The expense
- (B) Results not being representatives
- (C) Human judgement error
- (D) Informants refusing to participate

164. The mean of a macroeconomic time series is 15 and the standard deviation is 5. What is the coefficient of variation ?

- (A) 0.33

(B) 0.35

(C) 0.40

(D) 0.20

165. Regression analysis :

(A) Establishes cause and effect

(B) Establishes a relationship between two variables

(C) Measures growth

(D) Measures demand for a goods



SPACE FOR ROUGH WORK

SPACE FOR ROUGH WORK

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(18)

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