

**DO NOT OPEN THIS TEST BOOKLET UNTIL YOU ARE ASKED TO DO SO**  
**TEST BOOKLET**

Sl. No: **0533**

Subject Code: **05**

Subject: **ECONOMICS**

**WRITTEN TEST FOR RECRUITMENT OF POST GRADUATE TEACHERS FOR  
NON-GOVT. AIDED HIGHER SECONDARY SCHOOLS OF ODISHA**

Time Allowed : 2 Hours

Maximum Marks: 150

**: INSTRUCTIONS TO CANDIDATES:**

- 1. IMMEDIATELY AFTER THE COMMENCEMENT OF THE EXAMINATION, YOU SHOULD CHECK THAT THIS TEST BOOKLET CONTAINS 16 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 100 questions. Each question comprises four options. You have to select the correct answer which you want to mark (darken) on the OMR Answer Sheet. In any case, choose ONLY ONE answer for each question. If more than one answer is darkened, it will be considered wrong.**
- 4. You have to mark (darken) all your answers only on the OMR Answer Sheet using BLACK BALL POINT PEN provided by the State Selection Board. You have to do rough work only in the space provided at the end of the Test Booklet. See instructions in the OMR Answer Sheet.**
- 5. All questions carry equal marks. While 1.5 marks will be awarded for each correct answer, each wrong answer will result in negative marking of 0.50 mark.**
- 6. Before you proceed to mark (darken) the answers in the OMR Answer Sheet to the questions in the Test Booklet, you have to fill in some particulars in the OMR Answer Sheet as per the instructions in your Admit Card.**
- 7. On completion of the Examination, you should hand over the original copy of OMR Answer Sheet issued to you to the Invigilator before leaving the Examination Hall. You are allowed to take with you the candidate's copy (second copy) of the OMR Answer Sheet along with the Test Booklet for your reference.**

Candidate's full signature

Invigilator's signature

P.T.O.



1. The indifference curve for two normal goods that are perfect substitutes is –  
(A) upward sloping (B) downward sloping straight line  
(C) a horizontal straight-line (D) a vertical straight line
2. If a straight-line demand curve is tangent to a curvilinear demand curve, the price elasticity of demand at the point of tangency is –  
(A) different for different demand curves  
(B) dependent upon the location of the point of tangency  
(C) either same or different for the demand curves  
(D) same for both the demand curves
3. The Engel curve for a normal commodity is –  
(A) Upward sloping (B) Downward sloping  
(C) Horizontal (D) Vertical
4. If by increasing one unit of capital a firm gives up two units of labour and produces the same level of output, then  $MRTS_{KL}$  is equal to –  
(A) 0.5 (B) 2  
(C) 1 (D) 4
5. An optimum firm produces a level of output at which –  
(A) the MC is minimum (B) the AC is minimum  
(C) both MC and AC are minimum (D) there is neither profit nor loss
6. Under Constant Returns to Scale the marginal product of an individual factor –  
(A) increases (B) remains constant  
(C) diminishes (D) may increase or may decline
7. The point of constrained bliss is the point of tangency between –  
(A) the social indifference curve and the utility possibility curve  
(B) the indifference curve and the budget line  
(C) the production possibility curve and the price line  
(D) The utility possibility curve and the production frontier



8. A monopoly firm would be in equilibrium at a point on its demand curve where the elasticity of demand is –
- (A) Less than unity (B) equal to unity  
(C) greater than unity (D) equal to zero
9. The concept of quasi-rent means –
- (A) the rent of land  
(B) the return to a factor of production  
(C) the return to a factor which is not fixed in supply in the short run  
(D) the return to a factor which is fixed in supply in the short run
10. A situation in which it is possible to make someone better-off without making anyone worse-off is said to be –
- (A) Pareto optimal (B) Pareto efficient  
(C) Pareto inefficient (D) Pareto indifference
11. National Income is equal to –
- (A) Net National Product at factor cost  
(B) Net Domestic Product at factor cost  
(C) Net National Product at market price  
(D) Net Domestic Product at market price
12. The difference between National Product and Domestic Product is known as –
- (A) net indirect taxes (B) depreciation  
(C) subsidies (D) net factor income from abroad
13. For a linear consumption function passing through the origin –
- (A)  $APC > MPC$  (B)  $APC < MPC$   
(C)  $APC = MPC$  (D)  $APC = MPC$
14. The coefficient of investment multiplier is –
- (A) directly related to MPS (B) directly related to MPI  
(C) inversely related to MPC (D) inversely related to MPS
15. The book “An Outline of Money” was written by –
- (A) G. F. Crowther (B) J. M. Keynes  
(C) Joan Robinson (D) John F. Nash



16. The intersection point of IS and LM curves denotes –
- (A) equilibrium in the goods market      (B) equilibrium in the money market  
(C) equilibrium in the labour market      (D) both (a) and (b)
17. A growing country is one with –
- (A) rising GNP at constant prices      (B) rising GNP at current prices  
(C) constant GNP at constant prices      (D) constant GNP at current prices
18. An inflationary gap arises when –
- (A) there is excess aggregate demand over aggregate potential demand during full employment.  
(B) there is an excess of anticipated expenditure over available output at base prices  
(C) there is excess potential demand over aggregate demand during full employment.  
(D) The real GDP is less than the potential GDP
19. The practice of charging each consumer the reservation price is known as –
- (A) Peak load pricing      (B) First degree price discrimination  
(C) Second degree price discrimination      (D) Third degree price discrimination
20. “Inflation is unjust, deflation is inexpedient. Of the two, deflation is worse”. Who said it?
- (A) G. Crowther      (B) J. M. Keynes  
(C) K. K. Kurihara      (D) A. H. Hansen
21. The power of Commercial Bank’s credit creation is based on –
- (A) the securities held by the banks      (B) the total assets of the bank  
(C) nothing specifically      (D) the cash deposits in the bank
22. The Phillips curve shows the trade-off between –
- (A) wage rate and employment      (B) inflation and employment  
(C) wage rate and unemployment      (D) inflation and unemployment



23. The balance of trade is also known as –
- (A) capital transfers (B) the visible balance  
(C) gains from trade (D) the invisible balance
24. Which of the following is not a non-monetary measure of correcting adverse BOPs?
- (A) Exchange rate control (B) Import duties and quotas  
(C) Tariffs (D) Export promotion policies
25. If marginal propensity to save is 0.2 and capital output ratio is 5, then steady state growth rate is equal to –
- (A) 1% (B) 4%  
(C) 2% (D) 3%
26. Which of the following is not an obstacle to economic development?
- (A) High rate of investment (B) Low rate of capital formation  
(C) Poverty (D) Corruption
27. Human poverty is related to –
- (A) low level of investment (B) low level of saving  
(C) low level of demand (D) denial of choices and opportunities
28. Planning Commission was scrapped in the year –
- (A) 2015 (B) 2016  
(C) 2014 (D) 2017
29. Grand Innovation Challenge was launched by –
- (A) NITI Ayog (B) Planning Commission  
(C) Finance Commission (D) Agricultural Price Commission
30. Poverty line in India is estimated from the data relating to –
- (A) income (B) consumption  
(C) investment (D) saving



31. When the actual growth rate is greater than warranted growth rate the economy faces?
- (A) persistent inflation (B) chronic deflation  
(C) stagflation (D) depression
32. Which of the statements gives a true picture of the effect of the central bank selling securities in the market?
- (A) The credit creation capacity of commercial banks will fall  
(B) The credit creation capacity of commercial banks will rise  
(C) The credit creation capacity of commercial banks may rise or fall  
(D) There is no effect on the credit creation capacity of commercial banks
33. Which of the following is not one of the objectives of IMF?
- (A) To promote international monetary cooperation  
(B) To ensure balanced international trade.  
(C) To provide loan to private sectors.  
(D) To ensure exchange rate stability.
34. The optimum size of public budget is determined at that level where –
- (A)  $MSB > MSS$  (B)  $MSB = MSS$   
(C)  $MSB < MSS$  (D)  $(MSB - MSS)$  is maximum
35. The ultimate principle of taxation is –
- (A) equal absolute sacrifice principle  
(B) equal proportional sacrifice principle  
(C) equal marginal sacrifice principle  
(D) benefit principle
36. When the demand for a commodity is inelastic, the burden of commodity tax is –
- (A) more on the seller  
(B) more on the buyer  
(C) equally shared by both the buyer and the seller  
(D) neither on the seller nor on the buyer
37. In the currency market, to ensure that the same amount of foreign currency is transacted at a future specific date, the buyer and seller of foreign currency can enter into the following alternative contracts –
- (A) Spot exchange and future contract (B) Forward and futures contract  
(C) Forward and spot contract (D) Foreign exchange option contract



38. The highest contribution to national income of India comes from –  
 (A) agricultural sector (B) industrial sector  
 (C) all the sectors contribute equally (D) services sector
39. When the LM curve is vertical, an increase in money supply will lead to a –  
 (A) Fall in interest rate (B) Fall in the level of income  
 (C) Rise in interest rate (D) Rise in the level of income
40. Which of the following is a special scheme for promotion of food security for senior citizens?  
 (A) National Social Assistance Programme (B) Annapurna  
 (C) Jawahar Gramya Samridhi Yojana (D) Sampurna Grameen Rozgar Yojana
41. The MRTP Act was abolished in industrial policy resolution of –  
 (A) 1990 (B) 1991  
 (C) 2001 (D) 1956
42. Of the following items, which is the largest foreign exchange earner for India in 2022?  
 (A) Gems and Jewellery (B) Tea  
 (C) Machinery (D) Textiles
43. The spirit of Engel's law is that with an increase in a family's income –  
 (A) The proportion of income spent on luxuries declines.  
 (B) The savings rate increases.  
 (C) The proportion of income spent on food declines.  
 (D) Expenditure on food declines.
44. The Employment Guarantee Act ensures work for a minimum period of –  
 (A) 80 days in a year (B) 100 days in a year  
 (C) 120 days in a year (D) 180 days in a year
45. In the uneconomic zone of production, the marginal productivity of –  
 (A) One of the factors is negative. (B) Both the factors is negative.  
 (C) Both the factors is zero. (D) One of the factors is zero.
46. Which of the following programmes is designed for the development of women and children?  
 (A) JRY (B) IRDP  
 (C) DWCRA (D) FWP
47. A linear regression model –  
 (A) Is linear in variables  
 (B) Is linear in parameters  
 (C) Is linear in the constant term  
 (D) Is linear in both variables and parameters



48. The next round of WTO meeting is scheduled to be held at –
- (A) Cancun, Mexico (B) Doha, Qatar  
(C) Abu Dhabi, UAE (D) Bangkok, Thailand
49. Under perfect competition, if the total cost of any firm is  $TC = 0.3x^3 - 3x^2 + 20x + 15$ , then find the supply of the firm when  $P < 12.5$ ?
- (A) 0 (B)  $0.9x^2 - 6x + 20$   
(C) 12.5 (D) 1.5
50. 'Crowding out effect' implies –
- (A) too much private spending and investment is not desirable.  
(B) too much public spending leads to recession.  
(C) increased public sector spending encourages private sector spending.  
(D) increased public sector spending replaces or drives down, private sector spending.
51. "Trade Cycle is purely a monetary phenomenon" is stated by –
- (A) P. A. Samuelson (B) J. R. Hicks  
(C) R. G. Hawtrey (D) F. A. Von Hayek
52. Speculative demand for money is –
- (A) income elastic (B) interest elastic  
(C) income inelastic (D) interest inelastic
53. Need for a stronger banking system for which mergers of the PSBs and the financial institutions were suggested, were recommended by –
- (A) Narasimham Committee II (B) Chelliah Committee  
(C) Sarkaria Commission (D) Narasimham Committee I
54. Assertion (A) : Money is a link between the present and the future.  
Reason (R) : Money is a store of value.
- (A) Both (A) and (R) are true and (R) is the correct explanation of (A).  
(B) Both (A) and (R) are true and (R) is not the correct explanation of (A).  
(C) (A) is true and (R) is false.  
(D) (A) is false and (R) is true.
55. Terms of trade is defined as the ratio of the –
- (A) index of export price and index of import price  
(B) index of import price and index of export price  
(C) index of export quantity and index of import quantity  
(D) index of import quantity and index of export quantity



56. The investment limit on plant and machinery for small-scale manufacturing industry in India is –
- (A) 25 crore (B) 10 crores  
(C) 5 crores (D) 75 lakhs
57. If a card is chosen at random from a standard pack of cards, what is the probability of getting a three or a seven?
- (A)  $4/52$  (B)  $1/26$   
(C)  $8/52$  (D)  $1/169$
58. A common property resource is –
- (A) rival and nonexcludable (B) nonrival and non excludable  
(C) nonrival and excludable (D) rival and excludable
59. Which of the following is a means of combating negative externality?
- (A) Vouchers (B) Patents  
(C) Copyrights (D) Pigovian tax
60. On any normal distribution, the 50<sup>th</sup> percentile is equal to the Z score of –
- (A) +1 (B) 0  
(C) -1 (D) +2
61. Which of the following criteria carries maximum weight under 15<sup>th</sup> Finance Commission?
- (A) Population (B) Income distance  
(C) Area (D) Forest and Ecology
62. When a linear consumption function shifts downwards in a parallel manner, the investment multiplier will
- (A) fall (B) rise marginally  
(C) remain as before (D) become double



63. What is the rank of India in milk production in 2022?  
 (A) First (B) second  
 (C) Fourth (D) Sixth
64. FRBM Committee recommended Centres Debt to GDP ratio to be at –  
 (A) 37% (B) 40%  
 (C) 25% (D) 35%
65. Who coined the word 'Hindu rate of Growth'?  
 (A) Amartya Sen (B) V. K. R. V. Rao  
 (C) Raj Krishna (D) P. R. Bramhanada
66. Who recommends MSP and issue prices?  
 (A) Ministry of Agriculture  
 (B) Planning Commission  
 (C) Commission for Agricultural Costs and Prices  
 (D) NABARD
67. Primary deficit refers to the difference between –  
 (A) Revenue receipts and Revenue expenditure  
 (B) Capital receipts and Capital expenditure  
 (C) Budget deficits and Interest payments  
 (D) Fiscal deficit and Interest payments
68. Which of the following is an example of transfer payment?  
 (A) Payment of salary (B) Payment of old age pension  
 (C) Interest payments (D) Payment of wages
69. Government of India earns maximum revenue from which of the following sources?  
 (A) Public Enterprises (B) Corporate Tax  
 (C) Income Tax (D) Customs Duty
70. India's growth rate during 2022-23 was –  
 (A) 7.2% (B) 8.9%  
 (C) 6.8% (D) 5.6%
71. Which of the following is not a goods and services tax in India?  
 (A) CGST (B) SGST  
 (C) IGST (D) DGST
72. Which of the following constitute FDI?  
 (A) Buying a company in a foreign country  
 (B) Investing in the capital market of a foreign country  
 (C) Expanding the existing business in a foreign country  
 (D) Both a and c



73. Special Economic Zone Act became effective in –  
 (A) 2004 (B) 2005  
 (C) 2006 (D) 2008
74. The concept Sustainable development relates to –  
 (A) Consumption levels (B) Exhaustible resources  
 (C) Intergenerational equity (D) Social equity
75. The headquarter of World Bank is located at –  
 (A) Geneva (B) Rome  
 (C) Newyork (D) Washington, D. C.
76. Basel II relates to –  
 (A) Safety in Civil Aviation (B) Adequacy of Bank's Capital  
 (C) Cyber Crime (D) Tax evasion
77. The term 'Paper Gold' means –  
 (A) Special Drawing Rights (B) Printing of New Notes  
 (C) American Depository Receipts (D) Currencies on Gold Standard
78. The unbalanced growth model was propounded by –  
 (A) A. O. Hirshman (B) Ragnar Nurkse  
 (C) Paul Streeten (D) W. W. Rostow
79. Which of the following Products is not usually exported from India?  
 (A) Wheat (B) Rice  
 (C) Pulses (D) Sugar
80. Out of 150 employees of a company, 30 are supervisors, 80 are married and 20% of the married employees are supervisors. If an employee is choosen at random, what is the probability that he is married and a supervisor?  
 (A) 0.2134 (B) 0.1067  
 (C) 0.3245 (D) 0.1122
81. The idea of Creative Destruction is associated with –  
 (A) Marx (B) Adam Smith  
 (C) Schumpeter (D) Marshall
82. According to Robinson, the term 'Golden Age' in the context of Harrod-Domar model is used to emphasize its –  
 (A) Mythical nature (B) Superiority  
 (C) Natural growth rate (D) Warranted growth rate



83. Inequalities in income in a free economy is due to –
- (A) free competition
  - (B) private property and inheritance
  - (C) difference in marginal productivity of labour
  - (D) differential government policies
84. National Education Policy 2020 states that learning should be –
- (A) Content oriented
  - (B) Textbook centric
  - (C) Experiencial
  - (D) Behaviouristic
85. Which of the following is not a component of Janani Shishu Suraksha Yojana?
- (A) Reduce maternal mortality
  - (B) Institutional delivery
  - (C) Reduce neonatal mortality
  - (D) Provide food grains freely to expecting mothers
86. Monetary base of an economy is the –
- (A) Amount of currency held by the public and the banks as reserves
  - (B) Amount of currency held by the public and the demand deposits
  - (C) Amount of currency held by the public and the time deposits
  - (D) Amount of currency held by the Central Bank
87. Which of the following is not a dimension of Human Development Index (HDI)?
- (A) Ability to lead a long and healthy life
  - (B) Ability to acquire knowledge
  - (C) Ability to achieve a decent standard of living
  - (D) Ability to access clean environment



88. The period of Plan Holidays in India was
- (A) 1962-65 (B) 1966-69  
(C) 1970-73 (D) 1973-76
89. Which of the following Cooperative Societies is responsible for the production of fertilizer ?
- (A) NAFED (B) IFFCO  
(C) NCDC (D) TRIFED
90. The BLUE Revolution is related to –
- (A) Fish Production (B) Foodgrain Production  
(C) Oilseed Production (D) Milk Production
91. The number of Women Entrepreneur in small industrial sector is highest in the state of –
- (A) Karnataka (B) Kerala  
(C) Maharashtra (D) Tamil Nadu
92. Rourkela Steel Plant was set up with the assistance of –
- (A) USA (B) United Kingdom  
(C) West Germany (D) France
93. A budget line is drawn taking good X in the horizontal and good Y in the vertical axis. Price of good X declines, price of good Y remaining the same. What will happen to the budget line?
- (A) It becomes flatter  
(B) It becomes steeper  
(C) It shifts to the right in a parallel fashion  
(D) It shifts to the left in a parallel fashion
94. Sunrise industries are those which :
- (A) are well developed and have scope for further development  
(B) improve export sector of the economy  
(C) are small scale industries linked to large scale industries  
(D) have high growth potential and can meet future requirement of the economy



95. The 'unholy trinity' states that it is impossible to have which of the following three at the same time?
- (A) Free capital flow, fixed exchange rate and sovereign monetary policy
  - (B) Free capital flow, floating exchange rate and sovereign monetary policy
  - (C) Free capital flow, fixed exchange rate and independent fiscal policy
  - (D) Floating exchange rate, independent fiscal policy and free capital flow
96. Which of the following is not a problem of the SSIs?
- (A) Finances
  - (B) Strikes and lockouts
  - (C) Marketing
  - (D) Raw materials
97. The Coase theorem tells us that if external cost is produced –
- (A) under certain conditions, private parties can arrive at the efficient solution without government intervention
  - (B) the government must intervene in the market to assure that the efficient level of output is produced
  - (C) private parties can negotiate to produce the good at a level where marginal willingness by the consumer is zero
  - (D) private parties will be able to produce the efficient amount of the good good if transaction cost is very high
98. Non-performing assets in commercial banks means –
- (A) bank deposits which are not invested
  - (B) capital assets not in use
  - (C) loans in which interest and principal are not recovered
  - (D) low interest loans directed by the government
99. The motto of the G-20 18<sup>th</sup> meeting is
- (A) One earth, one family, one nature
  - (B) One earth, one family, one future
  - (C) One world, one life, one family
  - (D) One earth, one nature, one future
100. The banks are required to maintain a certain ratio between their cash in hand and total assets. This is called –
- (A) statutory bank ratio
  - (B) statutory liquidity ratio
  - (C) cash reserve ratio
  - (D) asset deposit ratio