

1. The overbidding or the paying of a price higher than the true value of an asset by the highest bidder at an auction is termed -----
 - A) Effluent fee
 - B) Minimum Efficient Scale
 - C) Winner's Curse
 - D) Limit Pricing

2. The purchase of a commodity or currency where it is cheaper and its sale where it is more expensive is -----
 - A) Arbitrage
 - B) Hedging
 - C) Swap contract
 - D) Forward contract

3. An upward shift in all firms' per-unit cost curves resulting from an increase in input prices as the industry expands.
 - A) External diseconomy
 - B) External economies of consumption
 - C) External economies of production
 - D) None of the above

4. In an increasing cost industry, the long run supply curve is
 - A) Downward sloping
 - B) Upward sloping
 - C) Horizontal straight line
 - D) Vertical straight line

5. The relationship between a firm's profit maximizing output and the amount it thinks its competitor will produce is shown by
 - A) Expansion path
 - B) Isocost line
 - C) Isoelastic curve
 - D) Reaction curve

6. The current value of an expected future cash flow
 - A) Present Discounted Value
 - B) Current cash flow
 - C) Value of Complete Information
 - D) None of the above

7. Curve showing all technically efficient combinations of inputs.
 - A) Production contract curve
 - B) Product transformation curve
 - C) Price consumption curve
 - D) Production possibility curve

8. For perfect complementarity between goods X and Y
- A) Marginal Rate of Substitution between X and Y must be zero
 - B) Marginal Rate of Substitution between Y and X must be zero
 - C) Both Marginal Rate of Substitution between X and Y and Marginal Rate of Substitution between Y and X must be zero
 - D) None of the above
9. The shape of Average Fixed Cost curve is
- A) Rectangular hyperbola
 - B) An ellipse
 - C) A parabola
 - D) A monotonically increasing function
10. Perfectly competitive firms are
- A) Price searchers
 - B) Price makers
 - C) Price discriminators
 - D) Price takers
11. When two commodities are jointly consumed, the cross elasticity between them is
- A) Negative
 - B) Positive
 - C) Zero
 - D) Unity
12. A Budget line is the resultant of
- A) The market price of commodity X
 - B) The market price of commodity Y
 - C) The income of the consumer
 - D) All of the above
13. The book *Essays on the Nature and Significance of Economic Science* was published in the year
- A) 1932
 - B) 1934
 - C) 1890
 - D) 1936
14. The concept of utility was introduced by
- A) J R Hicks
 - B) Daniel Bernoulli
 - C) Marshall
 - D) Dupuit
15. The possibility that one will take less care to prevent an accident if one is insured against is called
- A) Moral hazard
 - B) Adverse selection
 - C) Market signalling
 - D) None of the above
16. Under a simple Cournot duopoly model, each duopolist will produce
- A) Half the output
 - B) One fourth the output
 - C) One third the output
 - D) One fifth the output

17. Kinked demand curve involves a marginal revenue curve that
 A) Has a break
 B) Is smooth and continuous
 C) Cuts across the demand curve
 D) None of the above
18. In pure competition, the demand curve of the individual firm is
 A) Perfectly elastic
 B) Perfectly inelastic
 C) More elastic
 D) Less elastic
19. When $\alpha = 0.98$ and $\beta = 0.87$ in a Cobb Douglas production, the returns to scale is
 A) Decreasing
 B) Increasing
 C) Constant
 D) First increasing and then decreasing
20. Duopsony is a market situation in which there are
 A) Only two buyers
 B) Only two sellers
 C) Only two buyers and sellers
 D) Many buyers and two sellers
21. Unemployment resulting from workers' search for suitable jobs and firms' search for suitable workers is -----
 A) Structural unemployment
 B) Frictional unemployment
 C) Seasonal unemployment
 D) Voluntary unemployment
22. ----- is the rate of unemployment consistent with zero inflation
 A) NAIRU
 B) Disguised unemployment
 C) Cyclical Unemployment
 D) None of these
23. People's attempt to save more may lead to fall in output is -----
 A) Real Balance Effect
 B) Keynes Effect
 C) Paradox of Thrift
 D) Liquidity Trap
24. Theory of business investment that relates planned investment to the rate of change of output
 A) Tobin's Q Theory
 B) Accelerator Theory
 C) Koyek's Theory of Investment
 D) Jorgenson's Theory of Investment
25. According to Monetarists, in the long run, money supply affects
 A) Price level
 B) Real Output
 C) Employment
 D) None of these

34. A measure of the political effects of unemployment and inflation is called
A) Misery index B) Sacrifice ratio
C) Headcount ratio D) Gini coefficient
35. Which among the following is not a policy implication of the New Classical Approach?
A) The policy ineffectiveness proposition
B) The output employment costs of reducing inflation
C) The dynamic time inconsistency models
D) A discretion based monetary policy
36. The supporters of Ricardo equivalence claim that
A) National saving would be unaffected by tax cut
B) National saving would increase by a tax cut
C) National saving would decrease by a tax cut
D) National saving would either decrease or increase by a tax cut
37. Hicks theory of business cycles is based on the assumption of
A) A constant multiplier B) An increasing multiplier
C) A decreasing multiplier D) None of the above
38. Insider Outsider model is a feature of
A) New Classical Model B) Post Keynesian Model
C) Keynesian Model D) New Keynesian Model
39. The economic model which assumes that output is always at its natural level
A) New Keynesian Model
B) Real Business Cycle Model
C) New Political Macroeconomic Model
D) None of the above
40. When the consumption function makes a parallel shift upward, the value of the multiplier will
A) Moderately increase with respect to change in autonomous consumption component
B) Moderately decrease with respect to change in marginal propensity to save
C) Become uncertain
D) Remain constant
41. Any arrangement of a set of 'n' objects in a given order is called
A) Permutation B) Determinant
C) Notation D) None of the above

52. The formula for Mode is
 A) $3\text{Mean}-2\text{Median}$ B) Mean-Median
 C) $2\text{Median}-3\text{Mean}$ D) $3\text{Median}-2\text{ Mean}$
53. Arithmetic mean of deviations of all items in a series from their average, counting all such deviations as positive is
 A) Standard Deviation B) Mean Deviation
 C) Quartile Deviation D) Variance
54. A comprehensible measure which gives the percentage variation in the dependent variable that is associated with the independent variable.
 A) Coefficient of Determination
 B) Coefficient of Variance
 C) Covariance
 D) Rank Correlation
55. Bayes' Theorem is based upon
 A) Inverse Probability B) Direct Probability
 C) Expectation D) None of the above
56. A frequency table in which a sample from the population is classified according to two or more attributes.
 A) Relativity table B) Dissociative table
 C) Contingency table D) None of these
57. Sum of age specific fertility rates of women in all age specific groups.
 A) Total Fertility Rate B) General Fertility Rate
 C) Completed Fertility Rate D) Age Specific Fertility Rate
58. The National Food Security Bill was introduced in Lok Sabha on
 A) 23 December 2012 B) 22 December 2012
 C) 23 December 2011 D) 22 December 2011
59. Which among the following schemes was put forward by Dr A P J Abdul Kalam?
 A) JNNURM B) SarvaShikshaAbiyan
 C) PURA D) JananiSuraksha Programme
60. Which is the most populous state as per 2011 Census?
 A) Maharashtra B) Uttar Pradesh
 C) Madhya Pradesh D) Andhra Pradesh
61. As per the 2013 budget estimates, the gross fiscal deficit as % of GDP in India is
 A) 5.1 B) 5.6
 C) 5.3 D) 4.6

72. A branch of growth theory that explains productivity growth through investment in human capital.
- A) Theory of Unlimited Supply of Labour
 - B) Theory of Balanced Growth
 - C) Theory of Big Push
 - D) New Growth Theory
73. An umbrella term referring to practices and guidelines that make banks sustainable in economic, environment, and social dimensions.
- A) Echo banking
 - B) Environment Banking
 - C) Ethical Banking
 - D) Green Banking
74. The Water (Prevention and Control of Pollution) Act was passed in the year
- A) 1981
 - B) 1974
 - C) 1984
 - D) 1971
75. *Development as Freedom* is a book written by
- A) Jean Dreze
 - B) Paul Streeten
 - C) Hollis Chenery
 - D) Amartya Sen
76. While calculating HDI, the minimum and maximum values for life expectancy at birth is given as
- A) 25 years and 75 years
 - B) 25 years and 85 years
 - C) 25 years and 72 years
 - D) 25 years and 83 years
77. According to Harrod-Domar Model of growth, the propensity to save
- A) Decreases with income
 - B) Remains constant
 - C) Increases with income
 - D) None of these
78. In Kaldor's model of growth, the general level of output in a growing economy at any one time is limited by
- A) Available resources
 - B) Effective Demand
 - C) Technology
 - D) None of these
79. In the theory of Balanced growth, Rosenstein Rodan states that
- A) Social marginal product of an investment is equal to the private marginal product
 - B) Private marginal product of an investment is greater than social marginal product
 - C) Social marginal product of an investment is greater than private marginal product
 - D) None of these

80. The type of Dualism which implies the use of different production functions in the advanced sector and the traditional sector
 A) Social Dualism B) Geographical Dualism
 C) Financial Dualism D) None of these
81. Among the approaches to the measurement of poverty, which method focuses on the consumption expenditure at which a person's typical food energy intake is just sufficient to meet a predetermined food energy requirement?
 A) Cost of basic needs approach
 B) Food energy method
 C) Food share method
 D) None of these
82. Non material human capital in the form of improved knowledge, skill and health which enhances productive efficiency.
 A) Tangible capital B) Intangible capital
 C) Sunk capital D) None of these
83. According to Leibenstein, every economy is under the influence of
 A) Shocks B) Stimulants
 C) Shocks and stimulants D) None of these
84. According to Schumpeter, profits are due to
 A) Innovation B) Low cost
 C) More demand D) Marketing expenses
85. Which one of the following is not one of the indivisibilities as prescribed by Rosenstein Rodan for launching economic development?
 A) Indivisibilities in production function
 B) Indivisibilities in consumption function
 C) Indivisibilities of demand
 D) Indivisibilities in the supply of savings
86. An organism which is only found in the area being considered
 A) Endemic B) Biotic
 C) Biome D) None of the above
87. Valuation based on the creation of hypothetical market, in which preferences are stated by the consumer is known as
 A) Travel cost method
 B) Hedonic pricing method
 C) Contingent valuation method
 D) None of the above

88. A foreign exchange transaction followed by an offsetting open market operation that leaves the monetary base unchanged.
- A) Forward Transaction B) Capital Controls
C) Sterilization D) Swap Transaction
89. ----- occurs when lower cost imports from outside the union are replaced by higher cost imports from another union member.
- A) Trade Deflection B) Trade Creation
C) Trade Diversion D) Trade Control
90. The occasional sale of a commodity at a lower price abroad than domestically in order to sell an unforeseen and temporary surplus of the commodity abroad without having to reduce domestic prices.
- A) Persistent Dumping B) Sporadic Dumping
C) Predatory Dumping D) None of the above
91. Which approach examines and integrates the effect of induced income changes in the process of correcting BoP disequilibrium by a change in the exchange rate?
- A) Elasticity approach B) Absorption approach
C) Monetary approach D) None of the above
92. A tariff expressed as a fixed sum per unit of a traded commodity.
- A) Optimum tariff B) Prohibitive tariff
C) Scientific tariff D) Specific tariff
93. Who introduced Price-specie-flow mechanism?
- A) Marquez B) Goldstein
C) David Hume D) Harberger
94. Which among the financing facilities provided by IMF was established in 1997 to meet the need for very short term financing on a large scale?
- A) Supplemental Reserve Facility
B) Compensatory Financing Facility
C) Stand-By Arrangements
D) Extended Fund Facility
95. The Purchasing Power Parity theory predicts that a fall in a currency's domestic purchasing power (as indicated by an increase in domestic price level) will be associated with a proportional currency ----- in foreign exchange market
- A) Depreciation B) Appreciation
C) Revaluation D) None of the above
96. The gravity model relates the trade between any two countries to -----
- A) The size of their economies B) Difference in exchange rates
C) Difference in money supply D) None of the above

106. Which one of the following is not true regarding income tax?
 A) Shifting of the tax burden is possible
 B) Incidence and impacts are on same persons
 C) It can be progressive, proportional or regressive
 D) None of the above
107. When a tax is levied on the aggregate sale of all commodities except those for which the law provides exemption is called
 A) Gross Product Value Added Tax
 B) Turnover tax
 C) General Sales tax
 D) None of these
108. Money burden of a tax on the person who ultimately bears it is called
 A) Impact
 B) Incidence
 C) Shifting
 D) None of these
109. Other things being equal, the -----the demand for the object of taxation, the more will be the incidence of tax upon the seller.
 A) More elastic
 B) Less elastic
 C) Perfectly elastic
 D) Perfectly inelastic
110. Which committee is associated with the structure of indirect taxation?
 A) Wanchoo Committee
 B) Raghuram C. Rajan Committee
 C) P. C. Hotha Committee
 D) Rekhi Committee
111. The theory of tax shifting was developed by
 A) Marshall and Ricardo
 B) Walker and Canard
 C) Hobson and Stein
 D) Dalton
112. If the supply of a commodity is perfectly inelastic and the demand is elastic, the entire burden will be upon the
 A) Buyers than upon the sellers
 B) Sellers than upon the buyers
 C) Seller
 D) Buyer
113. Capital Gains Tax was introduced in the year
 A) 1956
 B) 1947
 C) 1952
 D) 1949
114. In a two sector model, when consumption is $40+0.90Y$ and investment is 50, equilibrium output is
 A) 90
 B) 400
 C) 500
 D) 900

