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120 MINUTES

1. Indifference Curves are negatively sloped straight lines in the case of:
A) Perfect complementary goods
B) Normal goods
C) Giffen goods
D) Perfect substitute goods
2. If the income elasticity of demand is greater than one, the commodity is:
A) a necessity
B) a luxury
C) an inferior good
D) a non – related good
3. Who first proposed the concept of Marginal Utility to explain consumer surplus?
A) Keynes
B) Dupuit
C) Adam Smith
D) Ricardo
4. “Choice Reveals Preference” according to:
A) Hicks
B) Samuelson
C) Morgenstern
D) Marx
5. When elasticity of demand is greater than one, Marginal Revenue is:
A) negative
B) zero
C) positive
D) infinity
6. The flat portion of the Saucer Shaped Modern Average Cost Curve represents:
A) Reserve Capacity
B) Excess Capacity
C) Minimum Capacity
D) None of the above
7. Cost of the next best alternative forgone is termed:
A) sunk effect
B) variable cost
C) average cost
D) opportunity cost
8. For CES production function, elasticity of substitution remains constant and varies between:
A) zero and infinity
B) -1 and +1
C) 0 and 1
D) None of the above
9. Harrod’s Technical Progress is based on:
A) Marginal Rate of Technical Substitution
B) Capital output ratio
C) Industry competitiveness
D) None of the above

10. At the point of tangency between iso-cost lines and highest possible isoquants,
 A) $MRTS_{LK} = w/r$ B) $MRS_{xy} = P_x/P_y$
 C) $MR=MC$ D) None of the above
11. In which market form, reaction of rivals becomes very important
 A) Perfect Competition B) Monopoly
 C) Monopolistic Competition D) Oligopoly
12. In the long run, under Perfect Competition, firms earn/incur
 A) Normal profit B) Loss
 C) Abnormal profit D) None of the above
13. *Economies of Imperfect Competition* is written by
 A) Chamberlin B) Joan Robinson
 C) Sraffa D) Paul M. Sweezy
14. Each duopolist assumes that his rival will keep his price constant irrespective of his own decision on price. This is the case of ----- duopoly model
 A) Cournot B) Stackleberg C) Sweezy D) Bertrand
15. Discriminating monopoly is possible if two markets have
 A) Rising cost curves
 B) Declining cost curves
 C) Different elasticities of demand
 D) Equal elasticities of demand
16. The loanable fund theory lays emphasis on the interplay of
 A) Monetary factors
 B) Real factors
 C) Both monetary as well as real factors
 D) Liquidity preferences
17. An individual for whom marginal utility of money diminishes, and he or she would not accept a fair bet is a
 A) Risk averter B) Risk neutral person
 C) Risk lower D) None of the above
18. ----- postulates that a change is an improvement if those who gain from the change can fully compensate the losers and still retain some of the gain
 A) Scitovsky criterion B) Harrod – Domar criterion
 C) Nelson – Plosser criterion D) Kaldor – Hicks criterion
19. The theory of contestable markets postulates that even though one industry has only one or a few firms, it would still operate as if it were perfectly competitive, if
 A) Entry into the industry is absolutely free and if exit is entirely costless
 B) Entry into the industry is costly and exit is entirely costless
 C) Entry into the industry is absolutely free and if exit is costly
 D) None of the above

25. How does expansionary monetary policy affect the rate of interest and level of income?
- A) Raises the rate of interest and raises the level of income
 - B) Raises the level of income but lowers the rate of interest
 - C) Raises the rate of interest but lowers the level of income
 - D) Lowers both the rate of interest and level of income
26. If the level of income is zero, consumption at that level is called
- A) Minimum Consumption
 - B) Dependent Consumption
 - C) Autonomous Consumption
 - D) None of the above
27. Which of the following is the correct equation?
- A) $APC + APS = 1$
 - B) $MPC + APC = 1$
 - C) $MPC + MPS = 0$
 - D) None of the above
28. If at all rates of interest, the cost of capital assets increases, then the Marginal Efficiency of Capital Curve would
- A) remain unchanged
 - B) go beyond the X axis
 - C) shift rightward
 - D) shift leftward
29. If MPC is 0.6, the investment multiplier will be
- A) 1.67
 - B) 2.5
 - C) 6.0
 - D) 4.0
30. When a linear consumption function undergoes a parallel shift downward, the investment multiplier will
- A) Fall
 - B) Rise marginally
 - C) Remain as before
 - D) Become double
31. According to the modern form of Philips Curve, inflation is NOT dependent on
- A) Expected inflation
 - B) Cyclical unemployment
 - C) Supply shocks
 - D) Trade deficit
32. When a variable is shocked away from its initial value, it shows no tendency to return even when the shock is over; this phenomenon is termed as:
- A) Okun's Law
 - B) Sacrifice Ratio
 - C) Hysteresis
 - D) Keynes effect
33. According to Business Cycle facts, Production is a
- A) Leading and counter cyclical variable
 - B) Coincident and procyclical variable
 - C) Lagging and acyclical variable
 - D) None of the above
34. Hansen has produced a Business Cycle theory based on the interaction of multiplier with a weak accelerator which produces Business Cycles which exhibits
- A) Consistent divergence
 - B) Explosive divergence
 - C) Damped oscillation
 - D) Constant oscillation

45. In a regression model, which of the following is NOT an assumption related to the error term
- Varying mean
 - Constant variance
 - Explanatory variables assumes fixed values in repeated sampling
 - Normally distributed
46. If one of the two rows of A matrix is a multiple of the other row, or one of the columns of A is a multiple of other column, the
- Determinant of A is one
 - Determinant of A is zero
 - Determinant of A is ∞
 - Determinant of A is two
47. For a Total Cost function $TC = 20 + 3Q + 2Q^2$, Marginal Cost (MC) is
- $4 + 2Q$
 - $3 + 2Q$
 - $6 + 4Q$
 - $3 + 4Q$
48. Match list I with list II and select the correct answer using the codes given below
- | <u>List I</u> | <u>List II</u> |
|---------------------------------|----------------|
| a. The derivative of a constant | 1) 1 |
| b. The derivative of x | 2) 0 |
| c. The derivative of x^n | 3) $1/x$ |
| d. The derivative of $\log x$ | 4) nx^{n-1} |
- | | a | b | c | d |
|----|---|---|---|---|
| A) | 2 | 1 | 4 | 3 |
| B) | 1 | 2 | 3 | 4 |
| C) | 3 | 2 | 1 | 4 |
| D) | 2 | 3 | 1 | 4 |
49. The only difference between solving a maximization or a minimization problem graphically is that in solving a minimization problem
- We plot iso-cost lines and try to find the one which is closest to the origin and still touching the feasible region
 - There are no non-negativity constraints
 - The constraints may be equalities as well as inequalities
 - None of the above
50. A matrix in which diagonal elements are one, and off diagonal elements are zero is termed as
- Identity matrix
 - Trace matrix
 - Transpose matrix
 - Cofactor matrix

51. A situation in which any kind of examination is impossible because of sample size becoming zero is termed -----
 A) Exact micronumerosity B) Exact Autocorrelation
 C) Exact Heteroscedasticity D) Exact simultaneous equation bias
52. An additional explanatory variable will
 A) Increase R^2 B) Decrease R^2
 C) Keep R^2 constant D) None of the above
53. Durbin Watson d statistic ranges from
 A) -1 to +1 B) 0 to 1 C) 0 to 4 D) $-\infty$ to $+\infty$
54. Match list I with list II and select the correct answer using the codes given below
- | List I | List II |
|--------------------------------|-----------------------|
| a. Glesjer test | 1) Autocorrelation |
| b. Spearman's Rank Correlation | 2) Multicollinearity |
| c. Breush Godfrey test | 3) Heteroscedasticity |
-
- | | | | |
|----|---|---|---|
| | a | b | c |
| A) | 1 | 2 | 3 |
| B) | 2 | 3 | 1 |
| C) | 3 | 2 | 1 |
| D) | 1 | 3 | 2 |
55. A special type of data in which the same cross sectional unit is surveyed over time is termed
 A) Panel data B) Cross section
 C) Time series D) High frequency data
56. Which of the following is an example of random sampling method?
 A) Convenience sampling B) Purposive sampling
 C) Quota sampling D) Systematic sampling
57. Which among the following is NOT a characteristic of a good estimate?
 A) Efficiency B) Consistency
 C) Biasedness D) Sufficiency
58. Level of significance refers to the
 A) Probability of Type I error
 B) Probability of Type II error
 C) Probability of Type III error
 D) None of the above

59. ----- relies on arranging the target population according to some ordering scheme and then selecting elements at regular intervals through that ordered list
 A) Systematic sampling B) Quota sampling
 C) Cluster sampling D) None of the above
60. Power of a test is obtained by
 A) 1 - probability of type II error
 B) 1 - probability of type I error
 C) 1 - probability of type III error
 D) None of the above
61. As per 2011 Census, sex ratio (female per 1000 males) in India is
 A) 933 B) 927 C) 934 D) 943
62. From which model was the basic plan framework for India's 1st plan adopted
 A) Harrod – Domar B) Rostow
 C) Solow D) Ricardo
63. Highest populated state in India as per 2011 Census is
 A) Maharashtra B) Bihar
 C) Uttar Pradesh D) Andhra Pradesh
64. Yellow revolution in India is associated with
 A) Corn seeds B) Flower seeds
 C) Food grain seeds D) Oil seeds
65. ----- has been declared as 'Balika Divas' (Girl's Day) by the Ministry of Women and Child Development
 A) April 2 B) June 5
 C) November 7 D) December 9
66. SJSRY was replaced in September 2013 by
 A) JNNURM B) National Urban Livelihood Mission
 C) IAY D) None of the above
67. The period of three years 1966-67 to 1968-69 in Indian planning is known as
 A) Terminal plan period B) Plan holidays
 C) Three year plan D) None of the above
68. Which five year plan of India focused on "Growth with Social Justice and Equity"?
 A) 8th Plan B) 9th Plan
 C) 7th Plan D) None of the above

69. RBI was established on the suggestion of
 1. Hilton Young Commission 2. Central Banking enquiry Committee
 3. Craficard Committee 4. Mehta Committee
 Of these
 A) 1 and 2 are correct B) 3 and 4 are correct
 C) 1, 2 and 3 are correct D) All are correct
70. Which of the following is NOT a component of Bharat Nirman?
 A) Rural housing B) Rural electrification
 C) Agro-based industries D) Rural telephoning
71. Top five countries of export destination from India in 2013-14 include
 A) USA, UAE, China, Hong Kong, Singapore
 B) UK, China, Sweden, Denmark, Korea
 C) Taiwan, Singapore, Hong Kong, Italy, UK
 D) Germany, France, USA, UK, Italy
72. As per the 13th Finance Commission's tax devolution, the weightage given to population is
 A) 25% B) 10% C) 47.5% D) 17.5%
73. The Planning Commission in June 2012 constituted an Expert Group under the Chairmanship of Dr. C. Rangarajan to review the methodology for the measurement of -----
 A) Inflation B) Unemployment
 C) Fiscal deficit D) Poverty
74. The Competition Act 2002 replaces
 A) The MRTP Act
 B) SEBI Act
 C) Sick Industrial Companies (Special Provision) Act
 D) Consumer Protection Act
75. Match list I (Finance Commission) with list II (their Chairman) and select the correct answer using the codes given below
- | | List I | | List II | |
|----|----------------------------------|---|-----------------|---|
| | a. First Finance Commission | | 1. K.C.Neogy | |
| | b. Twelfth Finance Commission | | 2. Y.V.Reddy | |
| | c. Thirteenth Finance Commission | | 3. C.Rangarajan | |
| | d. Fourteenth Finance Commission | | 4. Vijay Kelkar | |
| | a | b | c | d |
| A) | 1 | 2 | 3 | 4 |
| B) | 1 | 3 | 4 | 2 |
| C) | 3 | 2 | 1 | 4 |
| D) | 2 | 3 | 4 | 1 |

76. Which district in Kerala has the highest sex ratio as per 2011 Census?
 A) Kannur B) Wayanad
 C) Kottayam D) Pathanamthitta
77. Kerala's density of population per sq.km as per 2011 census is
 A) 895 persons B) 860 persons
 C) 940 persons D) 995 persons
78. During 2014-15, the contribution from primary sector to the Gross State Value Added at constant prices (2011-12), was
 A) 25.11 per cent B) 14.50 per cent
 C) 12.15 per cent D) 17.81 per cent
79. Least populated district in Kerala in 2011
 A) Wayanad B) Pathanamthitta
 C) Kasaragode D) Palakkad
80. According to Economic Review 2015, the growth rate of Kerala's GSDP at Constant (2011-12) prices during 2012-13 is
 A) 4.54 per cent B) 5.34 per cent
 C) 8.92 per cent D) 6.50 per cent
81. The components of PQLI are
 A) Life Expectancy, IMR, Literacy Rate
 B) Life Expectancy, Per capita Income, IMR
 C) Gross enrolment ratio, poverty head count, literacy rate
 D) Death rate, birth rate, IMR
82. "Inducement to investment is limited by the size of the market" is advocated by
 A) Keynes B) Allen Young C) Romer D) Todaro
83. Population is a positive factor to economic development – this argument is attributed to:
 A) Malthus B) Enke
 C) Hoover D) Julies Simon
84. Who among the following divided technology gap between rich and poor into two components: a physical object gap and an idle gap?
 A) Paul Romer B) Thomas Homer
 C) Marshall D) G. Myrdal
85. An economist who summed up six factors that led to the growth of advanced industrial economies and termed them as "the stylized factors"
 A) Singer B) Kaldor
 C) Keynes D) Joan Robinson

97. What is a common property regime?
- A) Individuals hold entitlement
 - B) Government owns and controls property
 - C) No one owns or exercise control over the resource
 - D) Property is jointly owned and managed by a specific group
98. Which of the following is NOT a cause of market failure?
- A) Asymmetric information
 - B) Externalities
 - C) Monopoly power
 - D) Competitiveness
99. What are command and control regulation (CAC)?
- A) Government's use of price and quantity mechanism to internalize the externalities
 - B) Government's placement of a tax directly on pollution
 - C) Government's implementation of a subsidy
 - D) Government's use of laws and regulations that dictate the standards and/or technology used to reduce pollution
100. Which theory or rule claims that environmental regulations spur innovations and new technologies, thus increasing a firm's competitiveness?
- A) Coase Theorem
 - B) The Precautionary Principle
 - C) Hotellings rule
 - D) Porter Hypothesis
101. Some assets which are very much liquid though not as much as money itself is called
- A) Near Money
 - B) Dear Money
 - C) Substitute Money
 - D) Fiat Money
102. Average number of money transfer among spenders during a given period of time is called
- A) Marginal acceleration of money
 - B) Average acceleration of money
 - C) Marginal velocity
 - D) Transaction velocity of money
103. The law of ----- says "cheap money drives out dear money"
- A) J.S. Mill
 - B) Gresham
 - C) Say
 - D) Keynes
104. Secondary deposit refers to
- A) Term deposits
 - B) Recurring deposits
 - C) Deposits created through lending
 - D) Fixed deposits

113. Which among the following is NOT an assumption of H O theorem?
 A) It is a 2 country, 2 commodity, 2 factor model
 B) Constant returns to scale prevails
 C) There is incomplete specialization
 D) Different technology in the production of same commodities in both the countries
114. Stolper Samuelson theorem states that when a country imposes tariff on its import good
 A) Abundant factor's reward will increase and domestic income distribution becomes in favour of abundant factor
 B) Scarce factor's reward will increase and domestic income distribution becomes in favour of scarce factor
 C) Scarce and abundant factor's reward will increase and domestic income distribution becomes equal for both scarce and abundant factor
 D) None of the above
115. QM/QX or (Quantity of imports into a country divided by Quantity of exports) is termed as
 A) Income Terms of Trade B) Net barter Terms of Trade
 C) Real cost Terms of Trade D) Gross barter Terms of Trade
116. Which among the following are examples of economic integration
 I. Free trade area II. Customs Union
 III Common Market IV. Cartel
 A) I and II are correct B) II and III are correct
 C) I, II and IV are correct D) I, II and III are correct
117. If the forward rate is below the present spot rate, the foreign currency is said to be at a ----- with respect to Domestic Currency
 A) Spot discount B) Forward premium
 C) Spot premium D) Forward discount
118. Each member of IMF is assigned a quota expressed in
 A) Special Drawing Right
 B) Dollar
 C) Member country's currency
 D) None of the above

119. Match list I (associates of World Bank) with list II (their establishment year) and select the correct answer using the codes given below

List I

List II

- | | | |
|----|---------------------------------------|---------|
| a. | Asian Development Bank | 1. 1960 |
| b. | International Development Association | 2. 1966 |
| c. | International Finance Corporation | 3. 1956 |

- | | a | b | c |
|----|---|---|---|
| A) | 2 | 1 | 3 |
| B) | 1 | 2 | 3 |
| C) | 3 | 2 | 1 |
| D) | 2 | 3 | 1 |

120. The WTO overtook the function of

- A) IMF B) IFC C) IBRD D) GATT
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