

MOCK TEST PAPER - II
COMMON PROFICIENCY TEST
(2 PM - 4 PM)

Time Allowed – 2 Hours

Maximum Marks – 100

SECTION C: GENERAL ECONOMICS

101. Which of the following statement is correct?
- (a) The public sector was given a dominant position in the newly Independent India.
 - (b) The foreign trade policy post Independence allowed free trade of all goods and services
 - (c) Monetary policy post Independence sought to keep the CRR at a very low level
 - (d) None of the above.
102. The unsustainable levels of government deficits in the late 80's can be attributed to:
- (a) High levels of government expenditures
 - (b) Insufficient revenues
 - (c) Poor returns on government investments
 - (d) All of the above
103. In order to control credit:
- (a) CRR should be increased and Bank rate should be decreased
 - (b) CRR should be reduced and Bank rate should be reduced
 - (c) CRR should be increased and bank rate should be increased
 - (d) CRR should be reduced and Bank rate should be increased
104. In a free market economy, when consumers increase their purchase of a good and the level of _____ exceeds _____ then price tend to rise.
- (a) Demand, supply
 - (b) Supply, demand
 - (c) Prices, demand
 - (d) Profits, supply
105. A situation of employment in which a person is apparently employed but his contribution to the production is almost nil is called _____ unemployment.
- (a) Structural
 - (b) Chronic
 - (c) Disguised
 - (d) Cyclical
106. _____ unemployment may result when some workers are temporarily out of work while changing job.
- (a) Cyclical
 - (b) Voluntary
 - (c) Frictional
 - (d) Seasonal

Read the following paragraph and answer questions 107-108

In 1940, Hitler's air force bombed Rotterdam, a beautiful city in Holland. Twenty Five Thousand homes, 1200 factories, 69 schools and 13 hospitals were destroyed. Nearly 75,000 people became homeless and 1000 people dies. 35% of the port was gutted by the German army.

107. The above destruction would mean:
- (a) A complete wipe off of the production Possibilities Curve (PPC) of Rotterdam
 - (b) An outward shift of the PPC of Rotterdam
 - (c) An inward shift of the PPC of Rotterdam
 - (d) A downward movement of the same PPC of Rotterdam
108. If immediately after the war, Rotterdam rebuilt its port with the help of most up to date cranes, docks and cargo handling technology. By the end of the reconstruction, ships were loading and unloading faster and at lower cost than any where in the world. It became more efficient than it was before the destruction. This means:
- (a) Rotterdam has come back to its original PPC
 - (b) Rotterdam has shifted to a higher PPC
 - (c) Rotterdam has shifted to a lower PPC
 - (d) Nothing can be said
109. Consider the following and decide which, if any, economy is without scarcity:
- (a) The pre-independence Indian economy, where most people were villagers
 - (b) U.S.A
 - (c) Any economy where income is distributed equally among its people
 - (d) None of the above
110. The economic analysis expects the consumer to behave in a manner which is:
- (a) Rational
 - (b) Irrational
 - (c) Emotional
 - (d) Indifferent.
111. After reaching the saturation point, consumption of additional units of the commodity cause:
- (a) Total utility to fall and marginal utility to increase
 - (b) Total utility and marginal utility both to increase
 - (c) Total utility to fall and marginal utility to become negative
 - (d) Total utility to become negative and marginal utility to fail
112. Which of the following is not, by definition, equal to National Income?
- (a) National Product
 - (b) National expenditure
 - (c) National output
 - (d) National wealth
113. Which of the following is not an objective of Fiscal policy?
- (a) Economic growth

- (b) Economic stability
 - (c) Maximization of employment level
 - (d) Regulating of financial institutions
114. The main objective of the World Trade Organisation is to secure among others:
- (a) A general agreement among common market countries on technical training and mutual prices of traded goods.
 - (b) The maintenance of intellectual property rights and patent rights of member countries.
 - (c) An improvement in the USA's terms of trade in the next decade.
 - (d) A reduction in tariffs through negotiation, elimination of import quotas and globalization of international trade.
115. Birth rate and Death rate are measured as per:
- (a) 100 population
 - (b) 1000 population
 - (c) 10000 population
 - (d) 100000 population
116. Money includes:
- (a) Currencies and demand deposits.
 - (b) Bonds, government securities.
 - (c) Equity shares
 - (d) All of the above
117. The law of variable proportions come into being when _____
- (a) There are only two variable factors
 - (b) There is a fixed factor and a variable factor
 - (c) All factors are variable
 - (d) Variable factors yield less.
118. _____ has been founded to act as permanent watchdog on the international trade.
- (a) IBRD
 - (b) ADB
 - (c) WTO
 - (d) IMF
119. _____ measure usually gives the lowest estimate of unemployment especially for poor economy.
- (a) Usual Status
 - (b) Current Weekly Status
 - (c) Current Daily Status
 - (d) Current Yearly Status
120. At the point of inflexion, the marginal product is _____
- (a) Increasing
 - (b) Decreasing

- (c) Maximum
- (d) Negative

The following data give the production possibilities frontier of an economy that produces two types of goods, guns and bread. Read the following table and answer questions 121 – 123

Production possibilities	A	B	C	D	E	F	G	H
Gun	0	10	20	30	40	50	60	30
Bread	105	100	90	75	55	30	0	45

121. According to Table 1, the opportunity cost of increasing gun's production from 20 to 30 units is equal to
- (a) 10 units of bread
 - (b) 15 units of bread
 - (c) 25 units of bread
 - (d) 24 units of bread
122. Given the data in Table 1, one moves successively from point A to points B, C, D, E and F, the opportunity cost of guns:
- (a) Increase as more of guns are produced.
 - (b) Decreases as more of guns are produced
 - (c) Remains constant as more of guns are produced.
 - (d) Nothing can be said.
123. Point D is efficient while point H (30 guns and 45 loaves of bread) is inefficient. Why?
- (a) Point D is outside the PPF while point H is on the PPF.
 - (b) Point D is inside the PPF while point H is on the PPF
 - (c) Point D is on the PPF while point H is inside the PPF
 - (d) Nothing can be said.

In Econoville, there is one grocery shop, Econovenience. It used to sell fresh milk at Rs. 60 per litre, at which price 400 litres of milk were sold per month. After some time, the price was raised to Rs. 90 per litre. Following the price rise:

- Only 200 litres of milk was sold every month
- The number of boxes of cereal customers bought went down from 280 to 240.
- The number of packets of powdered milk customers bought went up from 90 to 220 per month

Now answer Questions number 124 - 129

124. The price elasticity of demand when fresh milk's price increase from Rs. 60 per litre to Rs. 90 per litre is equal to:
- (a) 2.5
 - (b) 1.0
 - (c) 1.66
 - (d) 2.66

125. The cross elasticity of monthly demand for cereal when the price of fresh milk increases from Rs. 60 to Rs. 90 is equal to :
- 0.38
 - + 0.25
 - 0.19
 - + 0.38
126. The cross elasticity of monthly demand for powdered milk when the price of fresh milk increases from Rs. 60 to Rs. 90 per litre is equal to:
- + 1.05
 - 1.05
 - 2.09
 - + 2.09
127. What can be said about the price elasticity of demand for fresh milk?
- It is perfectly elastic.
 - It is elastic
 - It is perfectly inelastic
 - It is inelastic.
128. Suppose income of the residents of Ecoville increases by 50% and the quantity of fresh milk demanded increases by 30%. What is income elasticity of demand for fresh milk?
- 0.5
 - 0.6
 - 1.25
 - 1.50
129. We can say that fresh milk in economic sense is a/an:
- Luxury good
 - Inferior good
 - Normal good
 - Nothing can be said.

A competitive firm sells as much of its product as it chooses at a market price of Rs. 100 per unit. Its fixed cost is Rs. 300 and its variable costs (in rupees) for different levels of production are shown in the following table. Use Table to answer question 130 - 133

Quantity	Variable Cost	Fixed cost	Total cost	Average variable cost	Average total cost	Marginal Cost
0	0					
5	250					
10	470					
15	700					
20	980					
25	1350					
30	1850					

35	2520					
40	3400					
45	4530					
50	5950					

130. When production is 40 units, the average total cost is
- Rs. 4.40
 - Rs. 7.50
 - Rs. 85
 - Rs. 92.50
131. In the table marginal cost per unit that corresponds to 40 units of production is
- Rs. 22
 - Rs. 85
 - Rs. 176
 - Rs. 880
132. To maximize profit, the firm should produce
- 15 units
 - 30 units
 - 35 units
 - 50 units
133. If the market price drops from Rs. 100 to Rs. 56, the firm's short run response should be
- Shut down
 - Produce 5 units
 - Produce 20 units
 - Continue to produce the same number of units as before the drop in price.
134. Find the correct match:
- An enquiry into the nature and causes of the wealth of the nation : A.C. Pigou.
 - Science which deals with wealth: Alfred Marshall.
 - Economics is the science which studies human behavior as a relationship between ends and scarce means which have alternative uses: Robbins.
 - The range of our enquiry becomes restricted to that part of social welfare that can be brought directly or indirectly into relation with measuring mode of money: Adam Smith
135. Which of the following statements is correct?
- Under zamindari system, farmers directly paid land revenue to the state.
 - At present, income tax revenues from the agriculture sector are negligible.
 - Commercial banks are providing loans to the agriculture sector at zero interest rate
 - None of the above.
136. We can say Indian agriculture has become modern since:
- There has been an increased in the use of high yielding varieties of seeds, fertilizers, pesticides etc.

- (b) There has been noticeable positive change in the attitude of farmers towards new techniques of production
 - (c) Farmers are increasingly resorting to intensive cultivation, multiple cropping, scientific water management
 - (d) All of the above
137. Which of the following statement is correct?
- (a) The demand and the supply of fuel are almost equal
 - (b) Our import bill on account of oil has been decreasing since 1990
 - (c) Oil prices have been decreasing since 1973
 - (d) Transmission and distribution losses of power companies are very high
138. Jet Airways and Spice Jet are examples of:
- (a) Private schools
 - (b) Private airlines
 - (c) Private ships
 - (d) Private railways
139. Broad money refers to
- (a) M_1
 - (b) M_2
 - (c) M_3
 - (d) M_4
140. Nationalization of banks aimed at all of the following except:
- (a) Removal of control by a few
 - (b) Provision of credit to big industries only
 - (c) Provision of adequate credit for agriculture, small industry and export units
 - (d) Encouragement of a new class of entrepreneur
141. _____ is the official minimum rate at which the central bank of a country is prepared to rediscount approved bills held by banks.
- (a) CRR
 - (b) SLR
 - (c) Bank rate
 - (d) Repo rate
142. The area under irrigation has _____ over the years in India.
- (a) Remained constant
 - (b) Decreased
 - (c) Increased
 - (d) First increased and then decreased
143. _____ is the Banker's Bank in India
- (a) SBI
 - (b) PNB

- (c) RBI
(d) OBC
144. If the quantity demanded of coffee increases by 5% when the price of tea increases by 20%, the cross-price elasticity of demand between tea and coffee
- (a) -0.25
(b) 0.25
(c) -4
(d) 4
145. A strategy of heavy industry is sometimes preferred for a developing economy because it can :
- (a) Generate employment opportunity on a large scale
(b) Provide a strong base for rapid industrialization
(c) Contain inflationary pressures
(d) Meet the deficits in Balance of Payments in the short run
146. If GNP is 15% higher than last year's and the rate of inflation is 7%, production in the economy has grown by _____
- (a) 8%
(b) 7%
(c) 15%
(d) 2.1%
147. _____ concept of Budget deficit has become practically redundant in India.
- (a) Fiscal deficit
(b) Budgetary deficit
(c) Primary deficit
(d) Revenue deficit
148. Demand for electricity is elastic because _____
- (a) It is very expensive
(b) It has a number of close substitutes
(c) It has alternative uses
(d) None of the above
149. Population density means
- (a) Number of persons living per sq. km.
(b) Number of persons living per kilometer
(c) Ratio of population living below poverty line to total population
(d) Number of persons in a village
150. NABARD is a _____
- (a) Bank
(b) Board
(c) Exchange programme for consumer goods
(d) Department

SECTION -D: QUANTITATIVE APTITUDE

PART: A MATHEMATICS

151. If $x : y : z = 7:4:11$ then $\frac{x+y+z}{z}$ is
- (a) 2
 - (b) 4
 - (c) 3
 - (d) 5
152. $\log_2 \log_2 \log_2 16 =$
- (a) 2
 - (b) 3
 - (c) 1
 - (d) 0
153. Division of Rs.1200 among 4 persons A, B, C, D is in the ratio of 2:2:3:5. What is D's Share?
- (a) 600
 - (b) 400
 - (c) 800
 - (d) 500
154. if $\frac{a+b}{a-b} = \frac{5}{3}$ then a : b is
- (a) 5:3
 - (b) 4:1
 - (c) 1:4
 - (d) 2:3
155. The sum of the series $-8, -6, -4, \dots$ terms is 52. The number of terms of series n is
- (a) 10
 - (b) 11
 - (c) 13
 - (d) 12
156. If α and β are roots of the equation $x^2+x+1=0$ then the value of $\alpha^2+\beta^2$
- (a) -2
 - (b) 2
 - (c) 4
 - (d) -8
157. If $A = \{1,2,3,4,5,6,7\}$ and $B = \{2, 4,6,8\}$. Cardinal number of $A - B$ is:
- (a) 4
 - (b) 3

- (c) 9
(d) 7
158. The number of sub sets of the sets {6,8,11}
- (a) 9
(b) 6
(c) 8
(d) none of these
159. There 10 points in a plane of which 4 are collinear. How many different straight lines can be formed by joining these points?
- (a) 40
(b) 45
(c) 6
(d) 46
160. $\lim_{x \rightarrow 0} \frac{e^{5x} - e^{3x}}{2x}$
- (a) 1
(b) 1/6
(c) 2
(d) 0
161. if $f(x) = \frac{x}{|x|}$, when $x \neq 0$, then $f(x)$ is
- (a) Discontinuous at $x=0$
(b) Continuous at $x=0$
(c) Maxima at $x=0$
(d) Minima at $x=0$
162. The equation of the curve which passes through the point (1, 3) and has the slope $4x-3$ at any point (x,y) is
- (a) $y = 2x^3 - 3x + 4$
(b) $Y = 2x^2 - 3x + 4$
(c) $X = 2y^2 - 3y + 4$
(d) none of these
163. If the roots of the equation $p(q-r)x^2 + q(r-p)x + r(q-p) = 0$ are equal then $\frac{1}{p} + \frac{1}{r} =$
- (a) $2/q$
(b) $2/r$
(c) $2/p$
(d) 1

164. The total cost curve of the number of copies of a particular photograph is linear. The total cost of 5 and 8 copies of a photograph are Rs.801 and Rs.116 respectively. The total cost of the 10 copies of the photograph will be.
- Rs.100
 - Rs.120
 - Rs.145
 - Rs. 140
165. On Solving the Inequalities $5x + y \leq 100$, $x + y \leq 60$, $x \geq 0$, $y \geq 0$, we get the following situation:
- (0, 0), (20, 0), (10, 50) & (0, 60)
 - (0, 0), (60, 0), (10, 50) & (0, 60)
 - (0, 0), (20, 0), (0, 100) & (10, 50)
 - None of these
166. Evaluate $\int \left(\frac{e^x - e^{-x}}{e^x + e^{-x}} \right) dx$ and the value is
- $\log_e |e^{-x} + e^{2x}|$
 - $\log_e |e^x + e^{-x}| + K$
 - $\log_e |e^x - e^{-x}|$
 - none of these
167. $nC_1 + nC_2 + nC_3 + \dots =$
- $2^n - 1$
 - 2^n
 - 2^{n+1}
 - none of these
168. A certain money doubles itself in 10 years when deposited on simple interest. It would triple itself in
- 30 years
 - 20 years
 - 25 years
 - 15 years
169. The future value of annuity of Rs. 500 a year for 7 years at 14% per annum CI given $(1.14)^7 = 2.5023$ is
- Rs.5300
 - Rs.5365.36
 - Rs.5480
 - Rs.5465.23
170. The effective rate of Interest at 8% compounded half-yearly is
- 8.6%
 - 8.16%

(c) 8.4 %

(d) 8.04%

171. $\int x^2 e^x dx$

(a) $e^x(x^2-2x+2) + c$

(b) $e^x(x^2-2) + c$

(c) $e^x(x^2+2x+2) + c$

(d) $e^x(x^2-2x) + c$

172. If $x = at^3$, $y = \frac{a}{t^3}$, $\frac{dy}{dx}$ at $t = 1$ is

(a) 1

(b) -1

(c) 3

(d) $\frac{2}{3}$

173. The 3rd term of GP is $\frac{2}{3}$ and 6th term is $\frac{2}{81}$ then the first term is

(a) 2

(b) 6

(c) 9

(d) $\frac{1}{3}$

174. The value of n in $\frac{1}{7!} + \frac{1}{8!} = \frac{n}{9!}$

(a) 81

(b) 64

(c) 78

(d) 89

175. If $f(x) = x+3$ and $g(x) = x^2$ then $\text{gof}(x)$ is

(a) x^2+3

(b) $(x+3)^2$

(c) x^2+x+3

(d) x^2+3x

PART B : STATISTICS

176. Pie-diagram is used for

(a) Comparing different components and their relation to the total

(b) Representing qualitative data in a circle

(c) Representing quantitative data in circle

(d) (b) or (c).

177. A frequency distribution
- (a) Arranges observations in an increasing order
 - (b) Arranges observation in terms of a number of groups
 - (c) Relates to a measurable characteristic
 - (d) all these.
178. For open-end classification, which of the following is the best measure of central tendency?
- (a) AM
 - (b) GM
 - (c) Median
 - (d) Mode
179. The presence of extreme observations does not affect
- (a) AM
 - (b) Median
 - (c) Mode
 - (d) Any of these.
180. If the relationship between two variables u and v are given by $2u + v + 7 = 0$ and if the AM of u is 10, then the AM of v is
- (a) 17
 - (b) -17
 - (c) -27
 - (d) 27
181. If x and y are related by $x - y - 10 = 0$ and mode of x is known to be 23, then the mode of y is
- (a) 20
 - (b) 13
 - (c) 3
 - (d) 23
182. If GM of x is 10 and GM of y is 15, then the GM of xy is
- (a) 150
 - (b) $\log 10 \times \log 15$
 - (c) $\log 150$
 - (d) None of these.
183. If the AM and HM for 20 observations are each equal to 35, then their GM is
- (a) Less than 35
 - (b) More than 35
 - (c) 15
 - (d) $\sqrt{35}$

184. The quartiles of a variable are 45, 52 and 65 respectively. Its quartile deviation is
- 10
 - 20
 - 25
 - 8.30
185. A shift of origin has no impact on
- Range
 - Mean deviation
 - Standard deviation
 - All these and quartile deviation.
186. What is spurious correlation?
- It is a bad relation between two variables.
 - It is very low correlation between two variables.
 - It is the correlation between two variables having no causal relation.
 - It is a negative correlation.
187. If the sum of squares of difference of ranks, given by two judges A and B, of 8 students in 21, what is the value of rank correlation coefficient?
- 0.7
 - 0.65
 - 0.75
 - 0.8
188. While computing rank correlation coefficient between profit and investment for the last 6 years of a company the difference in rank for a year was taken 3 instead of 4. What is the rectified rank correlation coefficient if it is known that the original value of rank correlation coefficient was 0.4?
- 0.3
 - 0.2
 - 0.25
 - 0.28
189. If $u = 2x + 5$ and $v = -3y - 6$ and regression coefficient of y on x is 2.4, what is the regression coefficient of v on u ?
- 3.6
 - 3.6
 - 2.4
 - 2.4
190. If $P(A) = \frac{2}{3}$ and $P(B) = \frac{3}{4}$, $P(A/B) = \frac{2}{3}$, then what is $P(B/A)$
- $\frac{1}{3}$
 - $\frac{2}{3}$
 - $\frac{3}{4}$
 - $\frac{1}{2}$

191. Two balls are drawn from a bag containing 5 white and 7 black balls at random. What is the probability that they would be of different colours?
- 35/66
 - 30/66
 - 12/66
 - None of these
192. A card is drawn at random from a pack of 52 cards, what's is the chance of getting a Spade or an ace.
- 4/13
 - 5/13
 - 0.25
 - 0.20
193. If x is a binomial distribution $P = 1/3$, and modes are 7 and 8. Then n is
- 24
 - 22
 - 23
 - 25
194. The quartile deviation of the normal distribution $f(x) = \frac{1}{\sqrt{18\pi}} e^{-\frac{(x-10)^2}{18}}$, $-\infty < x < \infty$ is
- 3
 - 4/3
 - 2
 - $\frac{3}{4}$
195. The criteria for an ideal estimator are
- Unbiasedness, consistency, efficiency and sufficiency
 - Unbiasedness, expectation, sampling and estimation
 - Estimation, consistency, sufficiency and efficiency
 - Estimation, expectation, unbiasedness and sufficiency.
196. Standard error can be described as
- The error committed in sampling
 - The error committed in sample survey
 - The error committed in estimating a parameter
 - Standard deviation of a statistic.
197. As the sample size increases, standard error
- Increases
 - Decreases
 - Remains constant
 - Decreases proportionately

198. Purchasing Power of Money is

- (a) Reciprocal of price index number.
- (b) Equal to price index number.
- (c) Unequal to price index number.
- (d) None of these.

199. Which of the following statement is true?

- (a) Paache's Index Number is based on the base year quantity
- (b) Fisher's Index Number is the Arithmetic Mean of Laspeyre's Index Number and Paache's Index Numbers
- (c) Arithmetic Mean is the most appropriate average for constructing the index number
- (d) Fisher's Index Number is an Ideal Index Number

200. If $\sum P_0Q_0 = 240$, $\sum P_1Q_1 = 480$, $\sum P_1Q_0 = 600$ and $\sum P_0Q_1 = 192$, then Laspeyre's index number is:

- (a) 250
- (b) 300
- (c) 350
- (d) 200