



## PART – A

Questions **1-10**: Choose the most grammatically correct and meaningful option from those provided at the end of **each** sentence:

1. That which cannot be avoided is  
A) integral  
B) inevitable  
C) unrestrained  
D) unvarying
2. The opposite of 'transitory' is  
A) infinite  
B) universal  
C) lingering  
D) everlasting
3. Her life is very \_\_\_\_\_ for her parents.  
A) pricey  
B) prized  
C) precious  
D) presious
4. No one is supposed to ask \_\_\_\_\_ questions in a prayer meeting.  
A) no  
B) some  
C) a few  
D) any
5. This Summer may perhaps be the \_\_\_\_\_ after a long time.  
A) milder  
B) mildlier  
C) mildest  
D) mild
6. Unless he \_\_\_\_\_ early, he may not reach there in time.  
A) leaves  
B) left  
C) has left  
D) is leaving
7. Everyone loves to dance, \_\_\_\_\_ ?  
A) do they  
B) don't they  
C) isn't it  
D) doesn't he
8. Ram \_\_\_\_\_ never to help anyone ever again.  
A) swearing  
B) swore  
C) sworn  
D) swore
9. My family usually travels \_\_\_\_\_ car.  
A) by  
B) with  
C) on  
D) into



10. I was wondering \_\_\_\_\_ no one wanted to go with him.  
A) how  
B) why  
C) when  
D) this
11. “Kamayani” has been written by  
A) Jai Shanker Prasad  
B) Mahadevi Verma  
C) Suryakant Tripathi  
D) Gaura Pant Shivani
12. “High Performance Delivered” is the tagline of  
A) Apple  
B) Accenture  
C) Infosys  
D) Amazon India
13. “India’s International Bank” is the tagline for  
A) Bank of Baroda  
B) State Bank of India  
C) BRICS Bank  
D) Yes Bank

14. Match the entries in List – 1 with those in List – 2 :

**List – 1**

- (1) Arvind Subramaniam  
(2) Amitabh Kant  
(3) Raghuram Rajan  
(4) Jayant Sinha

**List – 2**

- (i) Minister of State-Finance  
(ii) Governor RBI  
(iii) Chief Economic Advisor  
(iv) CEO Niti Aayog

The correct answer is

- A) 1-iii, 2-iv, 3-ii, 4-i  
B) 1-i, 2-ii, 3-iii, 4-iv  
C) 1-iii, 2-iv, 3-i, 4-ii  
D) 1-iii, 2-i, 3-ii, 4-iv
15. The present Chief Justice of Supreme Court of India is  
A) Justice H. L. Dattu  
B) Justice Anil Dave  
C) Justice R. M. Lodha  
D) Justice T. S. Thakur
16. Ben Kingsley is remembered for his portrayal of which historic figure in a movie ?  
A) Nelson Mandela  
B) Mohandas Karamchand Gandhi  
C) Sardar Vallabhbhai Patel  
D) Alexander
17. Bobby Fisher is associated with which of the following games ?  
A) Lawn Tennis  
B) Squash  
C) Billiards  
D) Chess







30. In which of the following markets the consumer surplus will be high ?
- A) Monopolistic competition
  - B) Oligopoly
  - C) Perfect competition
  - D) Monopoly
31. Demand and supply functions for a product are
- $$Q_d = 10,000 - 4P$$
- $$Q_s = 2,000 + 6P$$
- If the government imposes a sales tax of Rs. 100 per unit, the price will
- A) Increase by Rs. 60
  - B) Increase by Rs. 40
  - C) Increase by Rs. 80
  - D) Increase by Rs. 100
32. A reservation wage is the
- A) maximum wage the firm is willing to pay
  - B) tip necessary to get a waiter to reserve a table
  - C) minimum wage the worker is willing to accept
  - D) competitive equilibrium wage
33. The change in consumption that results when a price change moves the consumer along a given indifference curve is known as the
- A) inferior effect
  - B) substitution effect
  - C) normal effect
  - D) income effect
34. If a nation has an absolute advantage in the production of a good
- A) it can benefit by restricting imports of that good
  - B) it will specialize in the production of that good and export it
  - C) it can produce that good using fewer resources than its trading partner
  - D) none of the above



35. **Assertion (A):** In the short run under perfect competition, given the market demand and market supply the industry is in equilibrium at that price which clears the market.  
**Reason (R):** In the long run all the firms in the industry earn profit.

Choose amongst the following the correct answer

- 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, but (R) is false
  - D) (A) is false, but (R) is true
36. **Assertion (A):** For inferior goods, the income elasticity of demand is negative.  
**Reason (R):** As income rises, goods on which spending grows relatively faster than income will occupy a rising share of income.
- A) Both (A) and (R) are true and (R) is the correct explanation of (A)
  - B) Both (A) and (R) are true but (R) is not the correct explanation of (A)
  - C) (A) is true, but (R) is false
  - D) (A) is false, but (R) is true
37. Given that Cobb- Douglas production function is

$$y = AL^\alpha K^\beta, \alpha, \beta > 0$$

Match List – I with List – II and select the answer from the codes given below :

**List-I**

**List-II**

- |                                    |                           |
|------------------------------------|---------------------------|
| I. Increasing returns to scale     | i) $\alpha + \beta = 1$   |
| II. Decreasing returns to scale    | ii) $\alpha + \beta > 1$  |
| III. Constant returns to scale     | iii) $\alpha + \beta < 1$ |
| IV. Diminishing returns to factors | iv) $\alpha, \beta < 1$   |

**Codes:**

- |    | <b>I</b> | <b>II</b> | <b>III</b> | <b>IV</b> |
|----|----------|-----------|------------|-----------|
| A) | i        | ii        | iii        | iv        |
| B) | i        | iii       | iv         | ii        |
| C) | iv       | ii        | iii        | i         |
| D) | ii       | iii       | i          | iv        |



38. Multiplier-Accelerator interaction model was developed by
- A) Paul A Samuelson
  - B) J M Keynes
  - C) J R Hicks
  - D) Paul Romer
39. The money supply is equal to the money multiplier times
- A) Cash Reserve Ratio
  - B) Currency in circulation
  - C) High powered money
  - D) All of the above
40. If a monetary policy action leads to a depreciation of a nation's currency, then the policy action is
- A) Expansionary
  - B) Contractionary
  - C) Both A) and B)
  - D) Constant
41. The Keynesian assumption that the increase in consumption will be less than the increase in disposable income, then the marginal propensity to consume is
- A) Zero
  - B) Less than one
  - C) Greater than one
  - D) Equal to one
42. The IS schedule will be vertical if
- A) The interest elasticity of investment demand is zero
  - B) The interest elasticity of investment demand is high
  - C) The interest elasticity of money demand is zero
  - D) The interest elasticity of money demand is high
43. An increase in output causes the demand for money and interest rate to
- A) Increase; increase
  - B) Decrease; increase
  - C) Decrease; decrease
  - D) Increase; decrease
44. Which one of the following factors does not influence velocity of circulation of money ?
- A) Quantity of Money
  - B) Selling costs of business firms
  - C) Credit facilities
  - D) Business conditions



45. Consider the following statements

1. The competitive equilibrium real-wage rate is determined at the intersection of the market demand and supply curves of labor.
2. The wage differentials observed in the real world are generally due to market imperfections.
3. The supply curve of land and natural resources is upward-sloping.
4. In order for firms to invest in higher risk ventures the expected profit must be higher.

Which of the above statement are correct ?

- A) 1 and 2                      B) 1 and 4                      C) 1 and 3                      D) 2 and 4

46. Which group constitutes maximum weightage in WPI ?

- A) Primary articles                      B) Fuel  
C) Manufactured items                      D) Equal weightage

47. The catch-up effect refers to the idea that

- A) Saving will always “catch-up” with investment spending.  
B) It is easier for a country to grow fast if it starts out relatively poor.  
C) Rich countries aid relatively poor countries so as to help them “catch up.”  
D) If investment spending is low, increased saving will help investment to “catch-up.”

48. What is the weightage given to the gross enrolment index for the construction of education index of the Human Development Index ?

- A) 2/3                      B) 1/2                      C) 1/4                      D) 1/3

49. Which one of the following is the best known theoretical model that focused on structural transformation ?

- A) Harrod Domar model                      B) Solow model  
C) Lewis model                      D) Romer model

50. The Critical Minimum Effort theory was developed by

- A) H. Leibenstein                      B) A. Lewis                      C) A.K. Sen                      D) K.N. Raj



51. Which is a measure of absolute poverty ?
- A) Head count ratio  
B) Poverty gap index  
C) Sen index  
D) All of the above
52. Balanced growth theories of Ragnar Nurkse advocate ?
- A) A steady rate of growth of GNP  
B) Parity between capital stock and labour  
C) Simultaneous development of all sectors of the economy  
D) All of the above
53. Suppose the economy experiences a “supply shock” due to a rise in oil prices. In the short run the price level will \_\_\_\_\_ and the level of output will \_\_\_\_\_.
- A) Increase; increase  
B) Increase; decrease  
C) decrease; increase  
D) decrease; decrease
54. Who among the following developed the Wage-Goods model ?
- A) Ragner Nurkse  
B) A.K. Sen  
C) P.C Mahalanobis  
D) Vakil and Brahmananda
55. Which one of the following is the correct statements ?
- According to Harrod, technical change is said to be capital saving if it-
- A) Raises the capital output ratio  
B) Leaves the capital output ratio unchanged  
C) Lowers the capital output ratio  
D) Raises the capital labour ratio
56. According to Rostow, which is the transition stage ?
- A) Traditional Society  
B) Pre-take off  
C) Take-off  
D) High Mass consumption stage



57. The Chairman of 14<sup>th</sup> Finance Commission is
- A) Dr. Vijay Kelkar
  - B) Dr. Y. V. Reddy
  - C) Dr. Arvind Panagariya
  - D) Dr. C. Rangarajan
58. An increase in fiscal spending leads to
- A) A shift of the Phillips curve to the right
  - B) A shift of the Phillips curve to the left
  - C) Movement along the Phillips curve such that unemployment rises and inflation falls
  - D) Movement along the Philips curve such that unemployment falls and inflation rises
59. In two sector economy, the saving and investment functions are as follows
- $$S = 10 + 0.2Y$$
- $$I = 17 + 0.1Y$$
- What will be the equilibrium level of income ?
- A) 70
  - B) 80
  - C) 90
  - D) 100
60. Which of the following committee has been formed to look into Capital Account Convertibility ?
- A) S.S. Tarapore committee
  - B) Thakur committee
  - C) Patel committee
  - D) P.R. Nayak committee
61. A rise in the India exchange rate will
- A) Decrease the demand for Rupee.
  - B) Increase the demand for Rupee.
  - C) Decrease the quantity of Rupee demanded.
  - D) Increase the quantity of Rupee demanded.
62. M1+ savings deposits of post office Savings =
- A) M2
  - B) M3
  - C) M4
  - D) M<sub>0</sub>





69. Convertibility of rupee implies
- A) Being able to convert rupee notes into gold
  - B) Allowing the value of rupee to be fixed by World Bank
  - C) Freely permitting the conversion of rupee to other currencies and vice versa
  - D) Developing an international market for currencies in India
70. If the co-efficient of correlation is unity, the relation between the two variables X and Y is
- A) Y is directly proportional to X
  - B) Y is inversely proportional to X
  - C) Y is equal to  $X^2$
  - D) All of the above
71. If the distribution is positively skewed, then
- A) Mean > Median > Mode
  - B) Mean < Median < Mode
  - C) Mean < Mode < Median
  - D) Median < Mode < Mean
72. In case of high income inequality, the income distribution is
- A) A Symmetric distribution
  - B) An U-shaped distribution
  - C) An inverted J-shaped distribution
  - D) L-shaped Distribution
73. If all values of a variable are multiplied by a given number, which one of the following will not be affected ?
- A) Mean
  - B) Median
  - C) Range
  - D) Coefficient of Variation
74. Laspeyre's index is based on
- A) Base year quantities
  - B) Current year quantities
  - C) Average of current and base year
  - D) Both (B) and (C)



75. Type I error is defined as
- A) Reject null-hypothesis when it is false
  - B) Reject null-hypothesis when it is true
  - C) Accept null-hypothesis when it is true
  - D) Accept null-hypothesis when it is false
76. Scatter Diagram is
- A) Mathematical method of finding out correlation
  - B) Graphic Method of finding out correlation
  - C) Positional method of finding out correlation
  - D) Graphic Method of finding outheteroscedasticity
77. Which one of these statistics is unaffected by outliers ?
- A) Mean
  - B) Interquartile range
  - C) Standard deviation
  - D) Range
78. One use 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
79. Hedging refers
- A) The acceptance of foreign exchange risk
  - B) Covering of a foreign exchange risk
  - C) Foreign exchange speculation
  - D) Foreign exchange Arbitrage
80. The ratio of export prices to import prices is called
- A) The terms of trade
  - B) The price ratio.
  - C) The tariff level
  - D) The size of the quota.
81. A nation is running a current account deficit if
- A) Imports are less than exports and real income is less than absorption.
  - B) Imports are less than exports and absorption is less than real income.
  - C) Exports are less than imports and real income is less than absorption.
  - D) Exports are less than imports and absorption is less than real income.



82. If a production possibilities curve is bowed out (i.e., concave) in appearance, production occurs under conditions of
- A) Constant opportunity costs
  - B) Increasing opportunity costs
  - C) Decreasing opportunity costs
  - D) Zero opportunity costs
83. Which one of the following assumptions is the most important assumption in the Heckscher – Ohlin theorem of international trade ?
- A) Two – factor model
  - B) Two commodities
  - C) Identical demand
  - D) Constant tastes
84. The country can improve its Balance of payments by devaluation when the sum of the absolute elasticities of demand for exports and imports is
- A) Greater than unity
  - B) Equal of unity
  - C) Less than unity
  - D) Zero
85. With which one of the following does the Prebisch-Singer hypothesis deal ?
- A) Terms of Trade of less developed countries
  - B) Terms of Trade of developed countries
  - C) Balance of payments of less developed countries
  - D) Balance of payments of developed countries
86. The value of foreign trade multiplier is equal to
- A)  $\frac{1}{mpm + mps}$
  - B)  $\frac{1}{mpm - mps}$
  - C)  $mpm + mps$
  - D)  $\frac{1}{mpm}$
87. Dumping aims at flooding a foreign country with
- A) high-priced commodities
  - B) low-priced commodities
  - C) Commodities with similar prices
  - D) Commodities with fluctuating prices



88. Mercantilism Advocated
- A) Increase in export of agricultural goods
  - B) Accumulation of Industrial goods
  - C) Accumulation of gold and other precious metals
  - D) Both (A) and (B)
89. The purchasing power parity theory was formulated by
- A) Gustav Cassel
  - B) Learner
  - C) Alfred Marshall
  - D) Malthus
90. According to Rybczynski theorem, the growth of only one factor at constant relative commodity prices, leads to an absolute expansion in the output of
- A) Both commodities
  - B) The commodity using the growing factor intensively
  - C) The commodity using the non-growing factor intensively
  - D) None of the above
91. Tobin's q-theory of investment indicates that firms add to their stock of capital when
- A) The replacement value of their real assets exceeds the market value of their financial assets.
  - B) The market value of their financial assets exceeds the replacement value of their real assets.
  - C) The market value of their real assets exceeds the book value of their financial assets.
  - D) The market value of their financial assets exceeds the book value of their real assets.
92. The 'Benefit theory' of allocation of tax burden was given by
- A) Dalton
  - B) Pigou
  - C) Seligman
  - D) Lindhal
93. How much tax can be raised by government without approval of parliament ?
- A) Nil
  - B) 50,000 crores
  - C) one billion
  - D) one crore
94. Fiscal Consolidation at the Centre can be achieved by
- A) Rationalization of major subsidies alone.
  - B) Reducing the defence expenditure only
  - C) Raising the tax- GDP ratio and Rationalisation of subsidies
  - D) Minimising the Central Assistance to the states



95. The efficiency loss of a tax is
- A) Greater, the less the elasticity of supply and demand
  - B) Greater, the greater the elasticity of supply and demand
  - C) Lesser with inelastic supply
  - D) Not affected by the elasticity of supply and demand
96. Canon of Equity in taxation is generally considered
- A) Proportional taxation
  - B) Progressive taxation
  - C) Regressive taxation
  - D) Lum sum tax
97. Zero Based budgeting lays emphasis on
- 1) Unlimited Deficit financing
  - 2) Preparing new budget right from the scratch
  - 3) Preparing the budget neglecting history of expenditure
- A) 1, 2 and 3      B) 1 and 3      C) 2 and 3      D) 1 and 2
98. Consider the following statements:
- In competitive markets, incidence of tax
- 1) Is shared by buyers and sellers.
  - 2) On buyers increases if elasticity of supply increases.
  - 3) Is fully borne by buyers if elasticity of demand is zero.
  - 4) Is independent of elasticities.
- Which of the statements given above are correct ?
- A) 1 and 2      B) 1, 2 and 3      C) 3 and 4      D) 2 and 4
99. A quasi-public good is
- A) Rival but not excludable
  - B) Excludable and partially rival
  - C) Non-rival and non-excludable
  - D) Rival and excludable
100. Which of the following statements is not correct ?
- A) A free rider is a person who benefits from something for which he or she does not have to pay
  - B) The creation of knowledge is a public good
  - C) The Tragedy of the Commons illustrates the underuse of a common resource
  - D) A gasoline tax is an imperfect solution to the problem of traffic congestion on public roads
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