Sample Paper

Economics

Max. Marks 100

Attempt all 50 questions, each question carries 02 marks. There is no negative marking. Please mark   the correct answer as A/B/C/D at appropriate place, on the right hand side of the question, in blue or black ink.

1. In order to practice price discrimination, which of the following is needed?
    A. some degree of monopoly power
    B. an ability to separate the market
    C. an ability to prevent reselling
    D. all of the above   [   ]

2. Which of the following concepts represents the extra revenue a firm receives from the services of an additional unit of a factor of production?
    A. total revenue   B marginal physical product
    C. marginal revenues product   D. marginal revenue   [   ]

3. A company with a labour force of 10 men, each paid at the rate of $200 per day, raises the wage by $10 per day to attract one more worker. If other costs remain constant, the marginal cost of employing the additional worker is

    A. 210   B. 220

    C. 250   D. 200   [   ]

4. Revealed preference theory was given by

    A. Paul Samuelson   B. Walker

    C. Keynes   D. Hicks   [   ]

5.   If A > B and B > C and A > C this assumption is

    A. Transitive   B.   Consistency

    C. Cardinal   D. Ordinal   [   ]

6.   In case of perfect competition elasticity will be

    A. Zero   B. One

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C. Infinity   D. None of these   [   ]

7.   In the market period, the supply curve is
      A.   Horizontal   B. Vertical
      C.   Hyperbola   D. Rising straight line   [   ]

8.   A factor will not earn rent if
       A. The supply is inelastic   B. The supply is elastic
       C. supply is falling   D. None of these   [   ]

9.   Concept of Marginal Efficiency of Capital is
      A. Marshall   B. IMD Little
      C. J. M. Keynes   D. Clark   [   ]

10. M_1 + Time deposit of commercial Banks is called
      A. M_2 B. M_3
      C. M_4 D. None of these   [   ]

11.   If the absolute consumption level is 500 and marginal propensity to consume is 0.8 what
      will be consumption at the income level of 1000.
      A. 1200   B. 1000
      C. 1300   D. 800   [   ]

12   In the above question , what is Marginal Propensity to Save
      A. 0.8   B   0.2
      C. 1.00   D. 0.5   [   ]

13.   Change in capital can be negative if
      A. Investment < Depreciation   B.   Depreciation < Investment
      C. Investment = Depreciation   D.   None of the above   [   ]

14.   If income and consumption are proportionately related
      A. APC > MPC   B. APC < MPC
      C. APC = MPC   D   APC = MPS   [   ]

15.   Increase in velocity of money will lead to
      A. Increase in Money supply   B. Increase in Price Level
      C. Increase in real national income   D. None of the above   [   ]

16. Excess of demand over supply is called

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A. Consumption Gap   B. Income Gap

C. Inflationary Gap.   D. Investment Gap   [   ]

17. Which of the following is included in economic growth?

A. Health   B. Literacy

C. War   D. Rate of growth of national income   [   ]

18. Modern economic growth has been analyzed by

A. Simon Kuznets   B. Richard Stone

C. Keynes   D. W. Leontief   [   ]

19. Vicious circle of poverty is

A. High income and low saving   B. Low growth of population

C. Low rate of saving and investment   D. Demonstration effect   [   ]

20. Disguised unemployment is characteristic of

A. Developed economy   B. Undeveloped economy

C. Primitive economy   D. None of these   [   ]

21. Mixed economy is related to

A. Capitalism   B. Socialism

C. Feudalism   D. A and B both   [   ]

22. Big Push theory relates to

A. Increase in Population   B. Increase in Exports

C. Increase in investment   D. Unemployment   [   ]

23. Demonstration effect leads to increase in

A. Investment   B. Consumption

C. Saving   D. Taxes   [   ]

24. The Critical Minimum effort theory was developed by

A. A Lewis   B. Fei-Ranis

C. H Leibenstein   D. A.K. Sen   [   ]

25. Public Finance deals with

A. Household Budget   B. Company Budget

C. Government Budget   D. Individual budget   [   ]

26. In India Fiscal Year begins on

A.1st April   B. 1st January

C. 1st October   D. 1st July   [   ]

27. Purchase of fixed assets comes under

   A.   Revenue Budget   B. Capital   Budget

   C.   Deficit Budget   D.   State Budget   [   ]

28 Tax on imports are

   A. Direct taxes   B. Indirect taxes

   C. Both Direct and Indirect   D. None of these   [   ]

29 Incidence of Tax can be passed on to others in case of

   A. Direct taxes   B. Indirect taxes

   C. Both Direct and Indirect   D. None of these   [   ]

30 Who was the chairman of 13th Finance Commission?

   A.Vijay kelkar   B. Pranab Mukerjee

   C. Hanumant Rao   D. C. Rangrajan   [   ]

31. The advantage of VAT is

   A. It is easy to calculate   B.   It is not imposed on poor persons

   C. It has no cascading effects   D. It is more revenue earning   [   ]

32. What is Fiscal Deficit?

   A.   Total receipts minus total Disburse ment

   B. Receipts minus disbursement in capital account

   C. Revenue receipts and recovery of loans minus total expenditure

   D. None of these   [   ]

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33 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   [   ]

34. The effect of trade with different production possibilities curves and identical indifference curves is to make a country.

A. More specialized in consumption and less specialized in production

B. More specialized in production and less specialized in consumption

C. Less specialized both in consumption and in production

D. More specialized both in consumption and in production   [   ]

35. Under which one of the following conditions is the gain from international trade maximised?

A. Marginal rate of transformation (MRT) in production is equal to the marginal rate of substitution (MRS) in consumption

B. MRT in production is greater than MRS in consumption

C. MRT in production is less than MRS in consumption

D. MRT in production and MRS in consumption are equal to international price ratio.

[   ]

36. When did trade liberalization took place in India

A. 1991   B. 1996

C. 2010   D. None of these   [   ]

37. Difference in export of import is called

A. Balance of invisibles   B. Balance of trade

C. Balance of current account   D. None of these is   [   ]

38. Balance of payment can be corrected by changes in capital account through

A. Devaluation   B. Borrowing

C. Capitalization   D. All the above   [   ]

39. The purchasing power parity theory was formulated by

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A. Marshall   B.   Lerner

C. Gustov Cassel   D. None of the above   [   ]

40.   What is the appropriate way to correct balance of payments

A. Monetary policy   B. Fiscal policy

C. Sending Gold   D. Revaluation   [   ]

41. What is the expected growth rate of India this year?

A. 3.5 %   B. 5.5 %

C.   6.1 %   D. 7.8 %.   [   ]

42.   Which Five year Plan Draft India is preparing now

A. Eleventh Plan   B.   Twelfth Plan

C. Thirteenth Plan   D. Tenth Plan   [   ]

43. Which sector has recorded highest growth rate in the country

A. Agriculture   B. Construction

C. Manufacturing   D. Service sector   [   ]

44. What is the population of India according to recent census in crores

A. 120   B. 111

C. 135   D. 140   [   ]

45. What is the base year of wholesale price Index in India

A. 1994-95   B. 2000-01

C. 2005-06   D. None of these   [   ]

46. The projected Growth rate of agriculture in 11th plan is

A. 4 %   B. 5 %

C. 9 %   D. 7 %   [   ]

47. The wage rate in MGNREGA has been linked to

A. CPIAL   B. WPI

C. CPIIL   D. None of these   [   ]

48. Allocation in the budget for education is higher than last year by

    A. 10 %   B. 24 %

    C. 30 %   D. Nil   [   ]

49. Fiscal deficit as percentage of GDP for 2011 -12 is proposed to be

    A. 3 %   B. 6.5 %

    C. 8 .5 %   D. 4.6 %   [   ]

50. Which strategy comes for providing basic facilities

    A. Inclusive growth   B. Exclusive growth

    C. Rapid growth   D. balanced growth   [   ]