1. Given a pair of strategies, if A's choice is optimal given B's choice and B's choice is optimal, given A's choice, then there is
   A) Cournot equilibrium
   B) Nash equilibrium
   C) Bertrand equilibrium
   D) Chamberlin equilibrium

2. If the demand for good increases by a greater proportion than an increase in income, then it is a:
   A) Necessary good   B) Giffen good
   C) Inferior good   D) Luxury good

3. Stackelberg Model is a ------ model under oligopoly market
   A) Quantity leadership   B) Price leadership
   C) Advertisement leadership   D) None of the above

4. Dead weight loss under monopoly is:
   A) Equal to that in a competitive market
   B) Higher than that in a competitive market
   C) Lower than that in a competitive market
   D) None of the above

5. ----- measures the rate at which the consumer is just willing to substitute one good for another
   A) Marginal Rate of Product Transformation
   B) Marginal Utility
   C) Marginal Rate of Technical Substitution
   D) Marginal Rate of Substitution

6. If the price is less than -------- the firm minimizes its total losses by shutting down
   A) average variable cost   B) sunk cost
   C) total cost   D) advertisement cost

7. Non-satiation is the property which suggests that
   A) Less of a commodity is better than more of it
   B) More of a commodity is better than less of it
   C) More of a commodity is neither better nor worse than less of it
   D) None of the above

8. Maximum social welfare is attained at the point where the grand utility possibility curve is tangent to the
   A) Iso-profit curve   B) Iso- revenue curve
   C) Iso-cost curve   D) Social welfare function curve

9. Non rival consumption occurs when
   A) The consumption of some individuals does not reduce the amount available to others
   B) The consumption of some individuals reduces the amount available to others
   C) The consumption of some individuals increases the amount available to others
   D) None of the above

10. The outcome of a game in which maximin equals minimax is called
    A) Point of bliss
    B) Saddle point
    C) Dead weight loss point
    D) Point of inflexion

11. When A is preferred to B and B is preferred to C and therefore A is preferred to C, then there is---
    A) Sensitivity
    B) Proportionality
    C) Transitivity
    D) None of the above

12. In a monopoly firm, exploitation of labour occurs as the wages are ------
    A) greater than the value of marginal product of labour
    B) lower than the value of marginal product of labour
    C) equal to the value of marginal product of labour
    D) None of the above

13. A constant cost industry is an industry whose long run supply curve is
    A) Horizontal
    B) Upward sloping
    C) Downward sloping
    D) None of the above

14. Fall in quantity demanded of a good as a result of a rise in price is also known as
    A) Change in demand
    B) Contraction of demand
    C) Expansion of demand
    D) None of the above

15. In which of the following market structures is the demand curve of the market represented by the demand curve of the firm
    A) Monopolistic competition
    B) Perfect competition
    C) Monopoly
    D) Oligopoly

16. Practice of pricing to drive current competitors out of business and to discourage new entrants in a market so that a firm can enjoy higher future profits is termed
    A) Regressive pricing
    B) Predatory pricing
    C) Transfer pricing
    D) Reservation pricing

17. Negative net work externality in which a consumer wishes to own an exclusive or unique good
    A) Demonstration Effect
    B) Ratchet Effect
    C) Pigou Effect
    D) Snob Effect

18. Reaction curve shows
    A) The relationship between a firm's profit maximizing output and the amount it thinks its competitor will produce
    B) The amount by which the quantity of one input can be reduced when one extra unit of another input is used, so that output remains constant.
    C) Simultaneous determination of the prices and quantities in all relevant markets, taking feedback effects into account
    D) None of the above

19. Market in which some or all firms explicitly collude, coordinating prices and output levels to maximize joint profits
    A) Perfect Competition   B) Cartels
    C) Duopsony   D) Bilateral Monopoly

20. Fixed proportion production function where only one combination of labour and capital can be used to produce each level of output is represented by
    A) L shaped isoquants   B) Convex isoquants
    C) Concave isoquants   D) U shaped isoquants

21. Tobin's Q is positive when the revenue from a unit of output produced by hiring additional capital is -------
    A) greater than the rental on capital.
    B) lower than the rental on capital.
    C) equal to the rental on capital.
    D) None of the above

22. The demand for real money balances ----- with income and ----- with a rise in interest rates
    A) declines, rises   B) rises, rises
    C) declines, declines   D) rises, declines

23. The assumption that money wages are fixed and that employment is determined by the short side of the labour market, which is usually the demand for labour side results in
    A) A downward sloping aggregate supply of output curve
    B) An upward sloping aggregate supply of output curve
    C) A vertical aggregate supply of output curve
    D) None of the above

24. Under the Keynesian policy analysis, fiscal policy multiplier is larger when:
    A) The less interest elastic is the demand for money and less interest elastic is the demand for investment goods
    B) The more interest elastic is the demand for money and less interest elastic is the demand for investment goods
    C) The more interest elastic is the demand for money and more interest elastic is the demand for investment goods
    D) The less interest elastic is the demand for money and more interest elastic is the demand for investment goods

25. An increase in taxes will shift the
    A) IS curve to the right and increase both the interest rate and the level of income
    B) IS curve to the left and decrease both the interest rate and the level of income
    C) IS curve to the right and increase the level of income but decrease the interest rate
    D) LM curve downward to the right and increase the level of income but decrease the interest rate

26. According to the Permanent Income Hypothesis, what is the likely behavior of transitory income over the Business Cycle?

    A) Transitory income should be negative during an economic expansion and negative during an economic contraction
    B) Transitory income should be positive during an economic expansion and positive during an economic contraction.
    C) Transitory income should be positive during an economic expansion and negative during an economic contraction
    D) Transitory income should be negative during an economic expansion and positive during an economic contraction.

27. When the rate of inflation is declining, there is
    A) Reflation   B) Deflation
    C) Disinflation   D) None of the above

28. The Keynesian approach to macroeconomics assumes that
    A) Wages and prices adjust quickly to balance quantities supplied and demanded in markets
    B) Neither wages nor prices adjust quickly to balance quantities supplied and demanded in markets
    C) Prices, but not wages, adjust quickly to balance quantities supplied and demanded in markets
    D) None of the above

29. According to -----, "the theory of the multiplier and the theory of the accelerator are two sides of the theory of fluctuations, just as the theory of demand and the theory of supply are two sides of the theory of value".
    A) P.A. Samuelson   B) J.M. Keynes
    C) J.R. Hicks   D) Don Patinkin

30. The labour supply schedule ----- when there is a decrease in the disutility of work
    A) shifts to the left   B) remains same
    C) shifts to the right   D) None of the above

31. The 'Classical Dichotomy' establishes:
    i.   Neutrality of money
    ii.   The independence of real sector and monetary sector
    iii.   Real variables are not affected by monetary factors

    A) i and iii only   B) i and ii only
    C) ii and iii only   D) i, ii, and iii

32. When the value of marginal propensity to consume is 0.50, the value of multiplier will be ---
    A) 2   B) 1   C) 0.5   D) 0.075

33. Ratchet effect is explained by
    A) Keynes   B) Friedman
    C) Duesenbery   D) None of the above

34. '*An Uncertain Glory : India and its Contradictions*' is written by
    A) Amartya Sen and Jean Dreze
    B) Vakil and Brahmananda
    C) C.Rangarajan
    D) Jagadish Bhagavati

35. Dual decision hypothesis is contributed by
    A) Clower   B) Leijonhufvud
    C) Minsky   D) Kalecki

36. The role of incentives in augmenting production is emphasised by
    A) Quantity Constrained Models B) Monetarists
    C) Rational Expectations   D) Supply Side Economists

37. Simon Kuznets found that the long run Average Propensity to Consume is
    A) Changing   B) Constant
    C) Cyclical   D) None of the above

38. Life Cycle Hypothesis was developed by
    A) John Maynard Keynes   B) Franco Modigliani
    C) R.A. Fisher   D) Milton Friedman

39. The annual cost of owning and using a capital asset, equal to economic depreciation plus forgone interest is
    A) User cost of capital   B) Average cost of capital
    C) Marginal cost of capital   D) None of the above

40. The curve showing the degree by which average costs of production declines as cumulative industry output increases over time is
    A) Iso production curve   B) Learning curve
    C) Iso cost curve   D) None of the above

41. The degree to which numerical data tend to spread about an average value is called the ----- of the data.
    A) dispersion
    B) statistical probability
    C) specification error
    D) None of the above

42. Quartile Deviation is obtained from interquartile range on dividing by
    A) Four
    B) Two
    C) Six
    D) Eight

43. Measure of dispersion which is affected most by extreme observation is
    A) Quartile Deviation
    B) Mean Deviation
    C) Standard Deviation
    D) Range

44. The Gini Coefficient is equal to -----, when there is perfect equality in income distribution.
    A) zero
    B) one
    C) infinity
    D) two

45. When covariance between X and Y is zero, then correlation coefficient between X and Y will be
    A) Zero
    B) Infinity
    C) One
    D) None of the above

46. The total number of all possible outcomes in any trial is known as
    A) Disjoint events
    B) Exhaustive events
    C) Simple events
    D) None of the above

47. Poisson distribution is a limiting case of Binomial distribution under which of the following conditions?
    i. The number of trials (n) is indefinitely large
    ii. The constant probability (p) of success for each trial is indefinitely small
    iii. np = a finite constant
    A) i and iii only
    B) i and ii only
    C) ii and iii only
    D) i, ii, and iii

48. Type I error means
    A) Probability of accepting a false hypothesis
    B) Probability of accepting a true hypothesis
    C) Probability of rejecting a false hypothesis
    D) Probability of rejecting a true hypothesis

49. The square of standard normal variable is known as ----
    A) Chi-square variable
    B) Limited dependent variable
    C) T variable
    D) None of the above

50. Index number that satisfy the Time Reversal Test is
    A) Laspeyre's index number   B) Paasche's index number
    C) Fisher's index number   D) None of the above

51. Two vectors V and W are called orthogonal if and only if
    A) Transpose of V multiplied by W is zero
    B) Transpose of V multiplied by W is one
    C) Transpose of V multiplied by W is infinity
    D) None of the above

52. 't distribution' is used when sample size is
    A) Less than or equal to thirty   B) Greater than thirty
    C) Less than or equal to ten   D) Greater than ten

53. The ------ of a square matrix is the sum of its diagonal entries
    A) inverse   B) adjoint
    C) determinant   D) trace

54. Which of the following statements is correct?
    A) Median = 3Mode minus 2Mean
    B) Mode = 3Median minus 2Mean
    C) Median = 3Mean minus 2Mode
    D) Median = 2Mean minus 3Mode

55. The geometric mean of the two regression coefficients is the
    A) Coefficient of skewness   B) Covariance
    C) Coefficient of correlation   D) None of the above

56. An estimator is said to be unbiased if its expected value is
    A) Greater than the population parameter
    B) Less than the population parameter
    C) Equal to the population parameter
    D) None of the above

57. The Planning Commission of India was established in the year
    A) 1951   B) 1952
    C) 1950   D) 1947

58. The most populated metropolitan city, as per 2011 Census is
    A) Delhi   B) Mumbai
    C) Kolkata   D) Chennai

59. ------ extends life and disability cover to persons between the ages of 18 and 59 years living below and marginally above the poverty line
    A) Nirmal Bharath Abhiyan   B) Indira AwasYojana
    C) Aam Admi BimaYojana   D) None of the above

60. ------- aims at enhancing access to secondary education and improving its quality
    A) Rashtriya Swasthya BimaYojana
    B) Saakshar Bharath
    C) Rashtriya Madhyamik Shiksha Abhiyan
    D) Nirmal Bharath Abhiyan

61. RBI set up a Committee on Comprehensive Financial Services for Small Business and Low Income Households in September 2013 under the chairmanship of -----
    A) Dr. Nachiket Mor   B) Dr. Y.V.Reddy
    C) Dr. C. Rangarajan   D) Dr. Abhijith Sen

62. As per 2011 Census, the literacy rate of Kerala is
    A) 96.9 percent   B) 98.9 percent
    C) 91.91 percent   D) 93.91 percent

63. As per the 2011 Census, Kerala has a female-to-male ratio of
    A) 1.012   B) 1.212
    C) 1.111   D) 1.084

64. Which of the following is not a method of estimating National Income?
    A) Product method   B) Export –import method
    C) Income method   D) Expenditure method

65. Know Your Customer (KYC) regulations have been introduced in financial transactions under the regulation of
    A) Banking Companies Act
    B) Prevention of Money Laundering Act
    C) Reserve Bank of India Act
    D) Companies Act

66. India's First Five Year Plan was based on ----
    A) Lewis Model
    B) Keynesian Model
    C) Harrod Domar Model
    D) Mahalanobis Model

67. Which of the following committees recommended capital account convertibility?
    A) Narasimhan Committee   B) Abid Hussain Committee
    C) Rangarajan Committee   D) Tarapore Committee

68. Reserve Bank's Liquidity Adjustment Facility (LAP) refers to
    A) Action of Treasury Bills
    B) Open market operations
    C) Use of repo and reverse repo ratio
    D) Variation in Statutory Liquidity Ratio

69. NITI Aayog stands for
    A) National Institution for Transforming India Aayog
    B) National Institution for Technology Initiatives Aayog
    C) National Institute for Tourism in India Aayog
    D) None of the above

70. As per Census 2011, the decadal population growth in India during 2001- 2011 is
    A) 25.45 percent   B) 12.12 percent
    C) 17.64 percent   D) 23 .23 percent

71. Recently, a new term 'Fragile Five' is being used to describe countries that have witnessed economic turmoil in recent years. Which of the following correctly represent 'Fragile Five' countries?
    A) Turkey, Brazil, India, South Africa and Indonesia
    B) Turkey, Britain, India, China and Japan
    C) India, China, Japan, South Africa and Indonesia
    D) India, China, Turkey, Japan and Britain

72. Who among the following is the Chairman of the recently constituted 7th Pay Commission?
    A) Justice Ashok Kumar Mathur
    B) Dr. Rathin Roy
    C) Justice B.N.Srikrishna
    D) C. Rangarajan

73. The Offer Curve of a country determines
    i.   Terms of trade
    ii.   The relative commodity price at which trade takes place
    iii. The gains from trade

    A) i and ii only   B) i and iii only
    C) ii and iii only   D) i, ii, and iii

74. The Factor Endowment Theory of international trade has been given by
    A) Stopler Samuelson   B) Hecksher Ohlin
    C) Haberler   D) Ricardo

75. Expenditure switching policies used to correct deficits in Balance of Payments work mainly through changes in
    A) Bank rate   B) Exchange rate
    C) Taxes   D) Subsidies

76. Given f = rate of effective protection, t = the nominal tariff rate on the final commodity a = the ratio of the value of the imported input to the value of the final commodity, i = nominal tariff rate on the imported input, then rate of effective protection is measured by
    A) f= (t - ai) / (i-a)   B) f= (t + ai) / (i-a)
    C) f= (t – ai) / (i+a)   D) f= (t +ai) / (i+a)

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77. The automatic adjustment mechanism under the gold standard which is operated by the deficit nation losing gold and its money supply falling, consequently leading to a fall in domestic prices, thus encouraging the nation's exports and discouraging its imports until the deficit is corrected is called
A) Export-specie-flow mechanism
B) Import-specie-flow mechanism
C) Price-specie-flow mechanism
D) Income–specie-flow mechanism

78. Fiscal and monetary policies adopted to change the level of aggregate demand are termed
A) Expenditure changing policies
B) Expenditure swapping policies
C) Expenditure floating policies
D) None of the above

79. Increasing opportunity costs to produce more and more units of a commodity is given by a production possibility curve that is
A) Convex to the origin
B) Concave to the origin
C) Straight line
D) None of the above

80. *The Nature and Necessity of Interest* is written by
A) Milton Friedman
B) Karl Gustav Cassel
C) J.M. Keynes
D) Irving Fisher

81. According to Fisher equation
A) Real interest rate = nominal interest rate minus inflation rate
B) Real interest rate = nominal interest rate plus inflation rate
C) Real interest rate = nominal interest rate minus depreciation rate
D) Real interest rate = nominal interest rate plus depreciation rate

82. Money which flees quickly from country to country either in response to better earnings or in apprehension of adverse circumstances
A) Hot money
B) Near money
C) Fiat money
D) None of the above

83. The practice of taking advantage of price differences in two markets is termed ---`
A) Externality
B) Arbitrage
C) Open market operation
D) None of the above

84. The ratio of a country's debt service (repayment of principal and interest) as a ratio of its ----- is called debt service ratio
A) total import earnings
B) total import plus export earnings
C) total export earnings
D) Gross National Product

85. Economic Discomfort Index is a composite index of----
    A) Annual inflation rate and unemployment rate
    B) Annual interest rate and inflation rate
    C) Annual interest rate and unemployment rate
    D) Annual depreciation rate and inflation rate

86. The argument that in times of depression, increasing government expenditure will lead to stimulation of economic activity and recovery from depression is termed
    A) Crowding Out   B) Pump Priming
    C) Seigniorage   D) Sterilization

87. In the 2-factor, 2 good Heckscher- Ohlin model, a change from autarky (no trade) to trade will benefit the owners of
    A) Capital
    B) The relatively abundant factor of production
    C) The relatively scarce factor of production
    D) The relatively inelastic factor of production

88. If a nation's terms of trade is larger than that of the partner country, a situation of optimum tariff implies that
    A) The offer curve of the partner country is inelastic
    B) The offer curve of the partner country is elastic
    C) The offer curve of the partner country is unit elastic
    D) None of the above

89. According to Solow model, without ----- a country cannot sustain per capita income growth indefinitely
    A) technical progress   B) human development
    C) natural resources   D) None of the above

90. In Prebisch Model, back periphery produces exports with income elasticity -----
    A) greater than unity   B) less than unity
    C) equal to unity   D) None of the above

91. Kaldor's technical progress function relate rate of growth of output per man to the growth of
    A) Land per man   B) Organization
    C) Capital per man   D) None of the above

92. In Malthusian theory, the effects of war, disease and famine are ----- in controlling excess population growth
    A) negative checks   B) neutral checks
    C) positive checks   D) None of the above

93. In Kaldor-Mirrlees Model, ---- can be made flexible to obtain a steady state economic growth
    A) savings ratio
    B) employment
    C) money supply
    D) exchange rate

94. In Marxian Theory of Development, ------ plays an important role in the breakdown of capitalist system
    A) increasing tendency of rate of profit
    B) falling tendency of rate of profit
    C) increasing tendency of money supply
    D) falling consumers surplus

95. --------- was the first person who pointed to the need to achieve growth by a big push in the East and South East Europe
    A) J.M.Keynes
    B) Milton Friedman
    C) Arthur Lewis
    D) Rosenstein Rodan

96. Todaro Model links unemployment with -----
    A) inflation
    B) money market
    C) environment
    D) migration

97. Environment Kuznet curve shows the relationship between:
    A) Environmental degradation and income per capita
    B) Natural resources and human made resources
    C) Green GNP and GNP
    D) Natural resources and environmental quality

98. The total fertility rate (TFR) is
    A) The total number of children born in a country in a given year
    B) The number of children born to the average woman during her reproductive years
    C) The number of births in a country divided by total population in a given year
    D) The number of women aged between 15-45 in a country divided by total population

99. According to Coase's Theorem, when property rights are well defined and legally enforceable, and transactions costs are not prohibitive,
    A) Population growth leads to rigid land rights
    B) Participants will organize their transactions voluntarily to achieve efficient outcomes.
    C) Violence, displacement, erosion, and poverty are minimized
    D) Individuals' overuse of the biosphere is curtailed

100. Biodiversity
    A)   Refers to diversifying earth's resources
    B)   Refers to reconstruction of tropical rainforests
    C)   Refers to biological effects on cropping pattern
    D)   Includes genetic, species, ecosystem, and functional diversities

101. The Club of Rome study, *Limits to Growth*, suggests that as natural resources diminish
    A)   Labour increasingly replaces capital
    B)   Technological change increases production
    C)   Costs rise, leaving less capital for future investment
    D)   Contingent valuation becomes critical

102. In the words of ----- "dualism is the situation in which productive employment opportunities are limited not because of lack of effective demand but because of resource and technological constraints in the two sector i.e. traditional rural sector and modern sector"
    A)   Benjamin Higgins   B)   Herman Boeke
    C)   H. Myint   D)   Arthur Lewis

103. Purchasing Power Parity Theory postulates that the change in exchange rate between two currencies is proportional to the change in the ratio in the two country's ----
    A)   Import duty   B)   General price level
    C)   Unemployment rate   D)   Savings rate

104. The Genuine Progress Indicator is
    A)   Also known as Index of Sustainable Economic Welfare per capita
    B)   GNP plus depreciation cost
    C)   GDP per capita adjusted for purchasing power parity
    D)   None of the above

105. Which of the following taxes does not come under the category of State Taxes?
    A)   Land Revenue
    B)   Taxes on agricultural income
    C)   Taxes on Profession
    D)   Customs Duties

106. Which among the following is not included under the Wiseman – Peacock Hypothesis of public expenditure?
    A)   Displacement Effect   B)   Inspection Effect
    C)   Concentration Effect   D)   Equity Effect

107. If a tax on all incomes is levied at the same rate, it is called
    A)   Proportional tax   B)   Progressive tax
    C)   Digressive tax   D)   Regressive tax

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108. A public good is
    A)   A good that the public must pay for
    B)   More costly than a private good
    C)   Non-rival in consumption
    D)   Paid for by the government

109. The relationship between which of the following is explained by the Laffer Curve?
    A)   Rate of unemployment and inflation
    B)   Two goods, X and Y, with regard to their exchange
    C)   The tax rate and total tax revenue
    D)   The rate of growth of employment and supply of labour

110. The Fourteenth Finance Commission has recommended the vertical share of tax devolution to the tune of ----
    A)   32 percent   B)   24 percent
    C)   42 percent   D)   35 percent

111. ----- of public debt means refusal to repay a public debt by the government
    A)   Realisation   B)   Refunding
    C)   Repudiation   D)   None of the above

112. Which of the following does not come under Non Plan expenditure?
    A)   Subsidies   B)   Interest Payments
    C)   Salaries   D)   None of the above

113. Taxes come under
    A)   Capital receipts   B)   Revenue receipts
    C)   Public debt   D)   Public expenditure

114. Which among the following canons of taxation is not prescribed by Adam Smith?
    A)   Canon of Equality
    B)   Canon of Certainty
    C)   Canon of Convenience
    D)   Canon of Co-ordination

115. 'For goods that are unrelated in consumption, efficiency requires that tax rates be inversely proportional to elasticities.' This is the definition of
    A)   The Benefits-Received Principle
    B)   The Ramsey Rule
    C)   The Second Best Principle
    D)   The Inverse Elasticity Rule

116. Which of the following is a measure of fiscal policy?
    A)   Public expenditure   B)   C.R.R.
    C)   S.L.R.   D)   Bank rate

117. Fiscal Federalism refers to
   A)   Sharing of political power between centre and states
   B)   Organising and implementing economic plans
   C)   Division of economic functions and resources among different layers of Government
   D)   None of the above

118. Match the following:

a. Fiscal Deficit	1. Revenue receipts minus revenue expenditure
b. Revenue Deficit	2. revenue receipts plus recovery of loans and other receipts minus total expenditure
c. Budgetary Deficit	3. capital receipts minus disbursement in capital account
d. Capital Deficit	4. total receipts minus total disbursements

	a	b	c	d
A)	1	2	4	3
B)	2	1	4	3
C)	2	1	3	4
D)	1	2	3	4

119. The arrangements under which national central banks negotiate to exchange each other's currency to be used to intervene in foreign exchange markets to combat international hot money flows
   A)   Swap arrangements   B)   Special drawing rights arrangements
   C)   Prohibitive arrangements   D)   None of the above

120. Stagflation refers to a situation where
   A)   High rate of inflation coexists with high rate of unemployment
   B)   High rate of inflation coexists with low rate of unemployment
   C)   Low rate of inflation coexists with low rate of unemployment
   D)   Low rate of inflation coexists with high rate of unemployment

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